

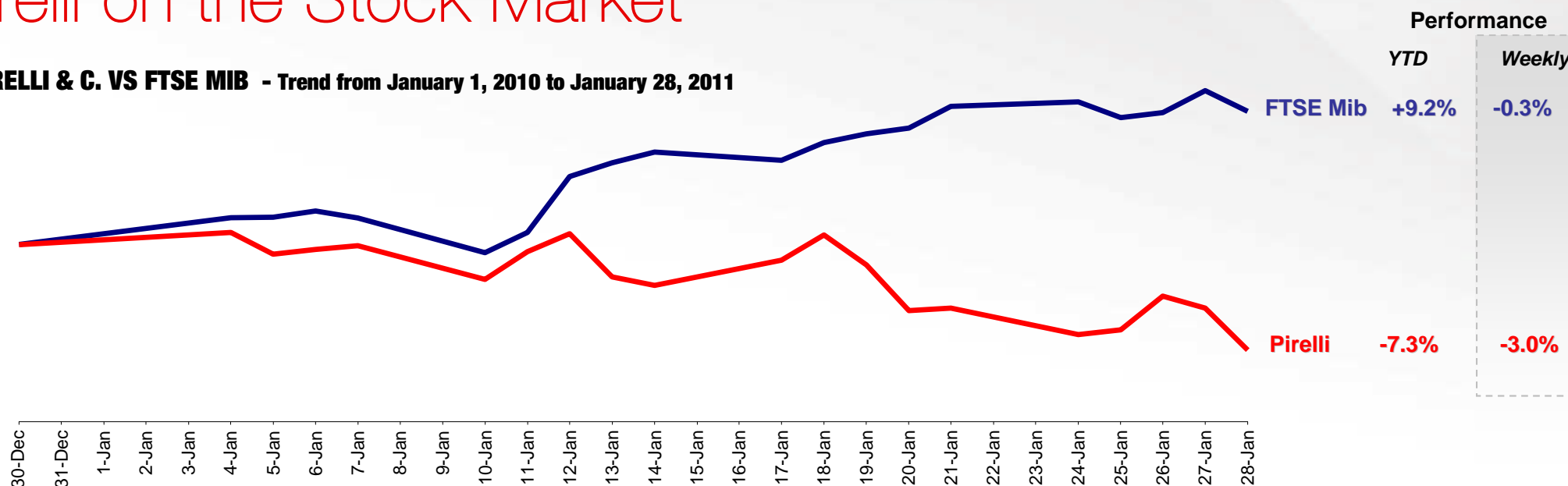


PEERS & MARKETS

24 January – 28 January 2010

Pirelli on the Stock Market

PIRELLI & C. VS FTSE MIB - Trend from January 1, 2010 to January 28, 2011



	Official Close 28 January	Percentage change				Daily average volumes		
		1 Week 24 Jan - 28 Jan	1 Month	3 Months	Year to date	1 Week 24 Jan - 28 Jan	1 Month	3 Months
Pirelli & C. Ord.	5.610	(3.0)	(7.5)	(9.0)	(7.3)	3,685,575	2,711,242	3,362,874
Pirelli & C. Risp.	5.305	(2.4)	(5.4)	(12.6)	(5.4)	43,182	20,039	30,244
Pirelli Real Estate	0.551	12.0	28.0	28.7	23.5	15,235,740	6,868,689	7,540,482
FTSE All Share	22649	(0.3)	6.9	2.5	8.2	1,339,189,436	957,057,020	917,199,858
FTSE MIB	22025	(0.3)	7.7	2.4	9.2	972,676,957	779,232,208	759,781,383

Sell side analysts evaluation on Pirelli & C (31/01/2010)

Consensus Target Price: € 7.0

% Buy: 63%

% Sell: 11%

% Hold: 26%

Market Cap: €2,728.5 mln (of which ord. €2,664.15 mln)

Source: Reuters



Markets

	Official Close 28 January	Percentage change (%)			
		1 Week 24 Jan - 28 Jan	1 Month	3 Months	Year to date
EUROPE					
DJ Stoxx 600	280.450	(0.3)	0.2	5.5	1.7
FTSE MIB	22025.110	(0.3)	7.7	2.4	9.2
FTSE 100	5881.370	(0.3)	(2.1)	3.6	(0.3)
DAX	7102.800	0.6	1.9	7.7	2.7
CAC 40	4002.320	(0.4)	3.7	4.4	5.2
IBEX 35	10747.000	(0.8)	8.5	(0.1)	9.0
OMX Stockholm	7807.800	0.8	1.7	7.0	1.9
FTSE ATHEX	1663.740	2.7	11.4	(3.8)	11.1
UNITED STATES					
DJ Industr. Average	11989.830	(0.4)	2.1	6.4	2.1
S&P 500	1299.540	(0.5)	1.4	7.8	1.5
NASDAQ Composite	2686.890	(0.1)	0.9	7.2	1.3
ASIA					
SSE Composite (Cina)	2752.750	1.4	0.7	(8.0)	(2.0)
Nikkei 225 (Giappone)	10360.340	0.8	0.7	10.6	1.3
Hang Seng (HK)	23617.020	(1.1)	4.4	1.7	2.5
All ordinaries (Australia)	4872.514	(0.4)	0.1	2.5	0.5
Strait Times (Singapore)	3229.690	1.4	1.4	3.2	1.2
BSE 30 (India)	18395.970	(3.4)	(8.1)	(7.7)	(10.3)
EMIRATES					
Abu Dhabi	2561.060	(4.5)	(5.8)	(9.1)	(5.8)
Dubai	1543.020	(3.8)	(5.4)	(13.2)	(5.4)
LATAM					
Bovespa (Brasile)	66697.570	(4.1)	(2.0)	(5.2)	(3.8)
IPC (Messico)	37447.700	(1.3)	(3.4)	4.1	(4.4)
Merval (Argentina)	3616.790	(1.8)	2.5	21.3	1.7

Source: Reuters

	Official Close 28 January	Percentage change (%)			
		1 Week 24 Jan - 28 Jan	1 Month	3 Months	Year to date
EUROPE					
DJ Stoxx 600	280.450	(0.3)	0.2	5.5	1.7
Auto	352.500	0.8	3.1	15.8	3.3
Banks	213.670	(1.3)	6.8	1.8	8.8
Basic Resources	599.310	(1.0)	(6.3)	9.7	(5.6)
Chemical	547.330	0.1	(4.4)	4.3	(3.7)
Construction & Material	286.060	0.2	1.0	13.2	1.2
Industrial	498.200	1.0	1.1	10.0	2.1
Insurance	170.160	2.1	8.9	10.1	10.2
Finance	278.640	1.0	3.4	11.9	4.0
Food & Beverage	345.080	(1.7)	(7.2)	1.9	(5.3)
FTSE EPRA Eu Residential	1714.040	1.0	0.1	(4.2)	(0.8)
Media	186.100	(0.7)	1.8	6.1	2.9
Oil&Gas	344.880	(0.8)	2.2	13.1	3.7
Retail	263.360	(1.7)	(3.9)	(4.6)	(2.1)
Tech.	229.240	2.9	5.6	13.4	6.2
TLC	279.440	(0.4)	1.7	(0.5)	3.9
Travel & Leisure	132.380	(0.6)	(2.2)	4.9	(1.1)
Utilities	324.040	(1.8)	2.4	2.9	3.6
UNITED STATES					
S&P 500	1299.540	(0.5)	1.4	7.8	17.7
Auto	207.740	(5.8)	0.3	18.7	48.8
Banks	237.270	(2.4)	0.8	16.4	8.7
Basic Resources	300.260	1.4	(2.7)	15.8	35.6
Chemical	343.27	1.42	0.21	7.81	34.31
Construction & Materials	282.810	0.2	9.0	20.7	3.5
Industrial	332.580	0.2	3.0	13.4	29.9
Food & Beverage	304.670	(2.0)	(2.0)	1.8	11.0
Media	339.400	(1.5)	2.3	5.3	32.7
Oil&Gas	610.780	1.3	5.7	20.2	27.0
Insurance	282.960	0.2	0.6	5.9	17.8
Finance	296.910	(1.1)	1.1	10.1	13.7
RE	225.840	1.4	2.3	4.3	30.7
Retail	225.840	1.4	2.3	4.3	30.7
Tech.	702.630	0.6	3.1	7.9	23.3
Tyres	49.610	1.3	(2.2)	11.9	(1.7)
TLC	131.530	(0.3)	(3.0)	2.3	18.6
Utilities	157.200	(0.8)	0.7	1.3	8.7

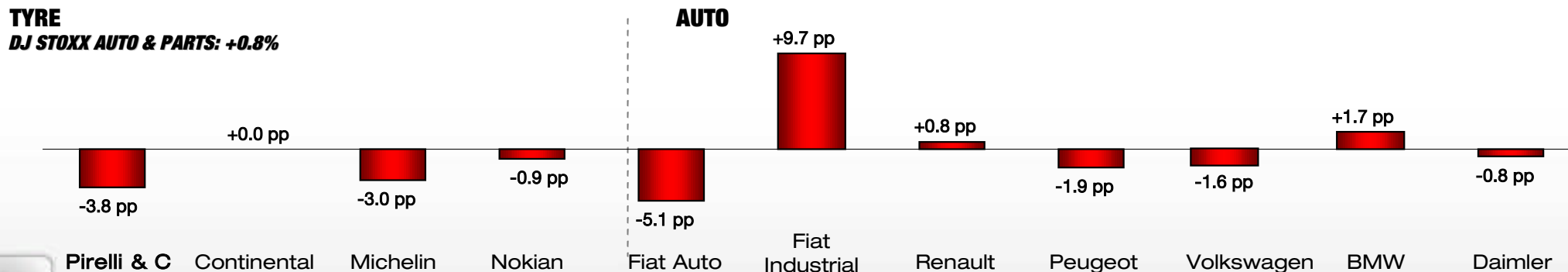


Pirelli & C. vs Auto & Parts Sector

	Official Close 28 January	Percentage change				Daily average volumes		
		1 Week 24 Jan - 28 Jan	1 Month	3 Months	Year to date	1 Week 24 Jan - 28 Jan	1 Month	3 Months
EUROPA								
DJ Stoxx Auto	352.500	0.8	3.1	15.8	3.3			
TYRE								
Pirelli & C	5.610	(3.0)	(7.5)	(9.0)	(7.3)	3,685,575	2,711,242	3,362,874
Continental	58.650	0.8	(1.4)	(3.8)	(0.8)	538,023	455,217	415,432
Michelin	53.460	(2.2)	(2.1)	(7.3)	(0.4)	1,676,494	986,471	1,350,122
Nokian	26.870	(0.1)	(2.0)	8.6	(2.1)	601,999	577,397	628,292
AUTO								
Fiat Auto	15.430	(4.3)	5.8	33.6	4.3	32,903,390	33,665,309	27,784,517
Renault	47.785	1.6	10.7	20.8	9.9	2,524,445	1,551,016	1,758,087
Peugeot	30.970	(1.1)	8.0	7.9	9.0	1,636,782	1,271,279	1,734,150
Volkswagen	112.100	(0.8)	6.3	22.8	5.9	249,289	212,516	279,740
BMW	57.100	2.5	(2.0)	14.6	(3.0)	2,946,876	2,677,293	2,762,377
Daimler	54.800	0.0	6.4	16.6	8.0	4,383,200	4,352,344	4,446,395
USA								
TYRE								
Goodyear	11.660	0.7	(1.5)	10.4	(1.6)	6,066,128	5,173,230	4,817,166
Cooper	23.000	2.4	(3.4)	14.9	(2.5)	746,094	597,816	701,103
AUTO								
Ford	18.790	(9.4)	(2.7)	14.4	(3.1)	17,823,334	10,216,121	11,733,347
ASIA								
TYRE								
Bridgestone	1596.0	4.5	0.4	10.6	1.7	4,382,940	4,243,643	4,270,754
Sumitomo	1190.0	5.5	1.5	1.4	2.0	1,539,820	1,858,717	1,428,107
Toyo	202.0	4.1	1.5	21.7	3.1	463,600	886,900	906,722
Yokohama	418.0	2.5	(1.4)	3.5	(0.5)	2,053,200	1,773,133	1,573,456
Hankook	29500.0	1.0	(8.5)	(2.3)	(7.1)	632,618	581,667	624,123
Khumo	14550.0	(4.9)	7.8	(70.1)	5.1	172,968	305,540	244,525
AUTO								
Toyota	3390.0	0.6	5.1	17.7	5.3	7,515,080	7,317,320	9,175,893
Nissan	849.0	3.0	8.7	16.0	9.8	12,878,040	14,858,667	18,552,198

Source: Reuters

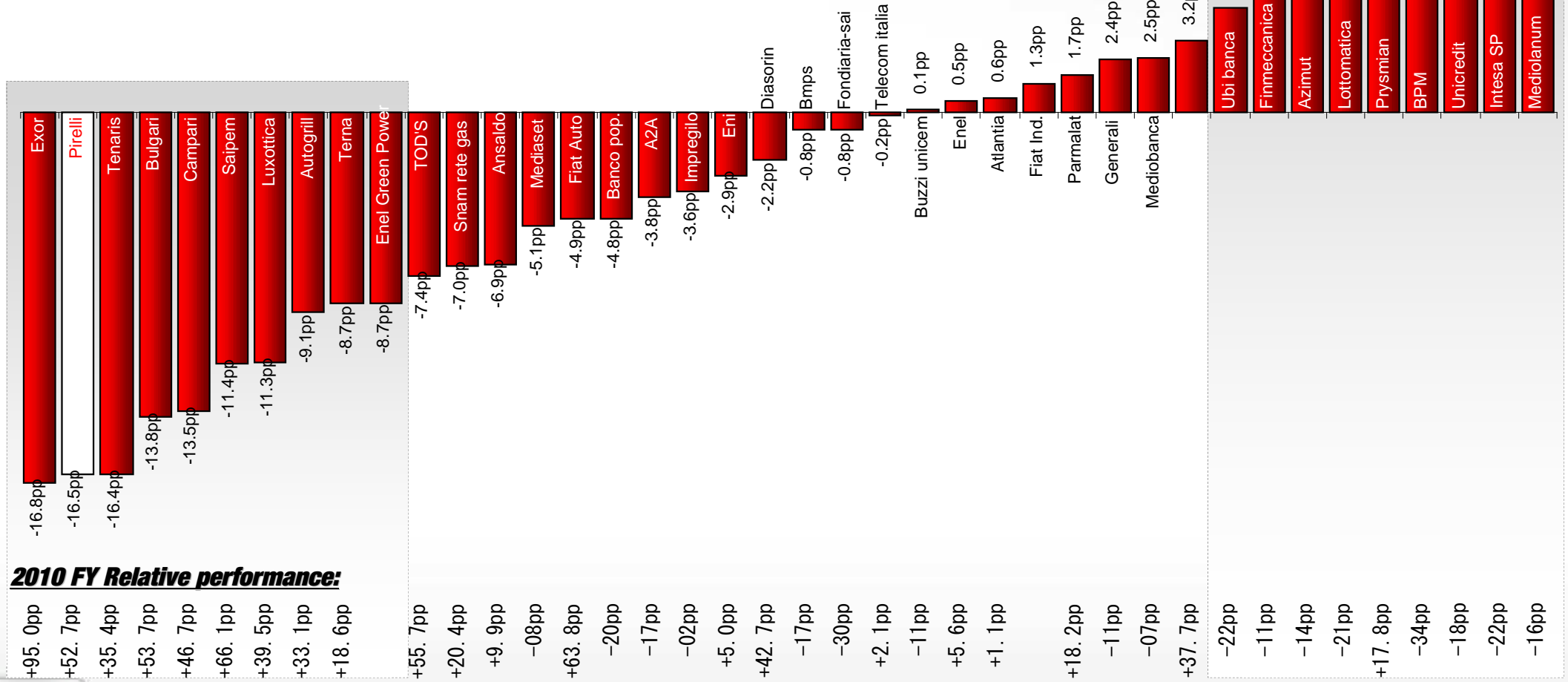
EUROPE: WEEKLY TREND 24/01/2011 – 28/01/2011 TYRES & AUTO STOCKS vs DJ STOXX AUTO & PARTS



Pirelli vs FTSE Mib relative performance (YTD)

FTSE Mib (YTD): +9.5%

Performance from January 1 to January 21, 2011



2010 FY Relative performance:



Tyre Sector evaluation Multiples

CONSENSUS PEERS TYRE MARKET MULTIPLES AT 31/01/2011

Source: Pirelli IR analysis on Bloomberg data

TYRES MULTIPLES @ 31-Jan-11																	
		PIE				EV/SALES				EV/EBITDA				EV/EBIT			
		2010	2011	2012	2013	2010	2011	2012	2013	2010	2011	2012	2013	2010	2011	2012	2013
EUROPA	Michelin	10,1x	9,1x	7,7x	6,4x	0,6x	0,6x	0,6x		4,4x	4,1x	3,7x		7,3x	6,8x	6,0x	
	Continental	14,4x	9,8x	7,6x	7,6x	0,8x	0,7x	0,6x	0,6x	5,3x	4,6x	4,0x	4,0x	8,7x	7,3x	6,1x	6,1x
	Nokian	20,3x	15,5x			3,4x	2,8x			12,6x	9,9x			16,4x	12,4x		
	Simple average	14,9x	11,5x	7,7x	7,0x	1,6x	1,4x	0,6x	0,6x	7,4x	6,2x	3,9x	4,0x	10,8x	8,8x	6,0x	6,1x
	Weighted average *	13,5x	10,3x			1,1x	0,9x			6,0x	5,2x			9,2x	7,8x		
US	Goodyear	26,4x	10,8x	6,3x		0,3x	0,3x	0,3x		4,3x	3,8x	3,3x		7,9x	6,1x		
	Cooper Tire	9,2x	8,8x			0,4x				4,0x				6,1x			
	Simple average	17,8x	9,8x			0,4x				4,2x				7,0x			
	Weighted average *	20,7x	10,1x			0,4x				4,2x				7,3x			
ASIA	Bridgestone	12,9x	13,2x	10,3x	10,8x	0,6x	0,6x	0,6x	0,5x	5,2x	5,3x	4,5x	4,0x	10,7x	11,4x	9,0x	
	Hankook	9,6x	9,0x	8,2x	8,0x	1,2x	1,1x	1,0x	0,8x	7,3x	6,7x	5,9x	5,3x	9,7x	9,0x	7,6x	7,3x
	Yokohama	15,7x	12,2x	11,3x	8,8x	0,6x	0,6x	0,5x	0,5x	6,0x	5,5x	5,4x	4,6x	15,7x	11,1x	12,7x	9,9x
	Sumitomo	11,9x	11,5x	8,8x	8,4x	0,8x	0,7x	0,7x	0,6x	6,0x	6,0x	4,9x	5,0x	10,9x	10,8x	7,9x	
	Simple average	12,5x	11,5x	9,7x	9,0x	0,8x	0,7x	0,7x	0,6x	6,1x	5,9x	5,2x	4,7x	11,7x	10,6x	9,3x	8,6x
	Weighted average *	12,8x	12,2x	9,9x	9,7x	0,6x	0,6x	0,6x	0,5x	5,4x	5,2x	4,6x	4,1x	11,3x	10,7x	9,3x	2,5x
TOT. WORLD	max	26,4x	15,5x	11,3x	10,8x	3,4x	2,8x	1,0x	0,8x	12,6x	9,9x	5,9x	5,3x	16,4x	12,4x	12,7x	9,9x
	min	9,2x	8,8x	6,3x	6,4x	0,3x	0,3x	0,3x	0,5x	4,0x	3,8x	3,3x	4,0x	6,1x	6,1x	6,0x	6,1x
	median	12,9x	10,8x	8,2x	8,2x	0,6x	0,6x	0,6x	0,6x	5,3x	5,4x	4,5x	4,6x	9,7x	9,9x	7,7x	7,3x
	Simple average	14,5x	11,1x	8,6x	8,3x	1,0x	0,9x	0,6x	0,6x	6,1x	5,7x	4,6x	4,6x	10,4x	9,4x	8,2x	7,7x
	Weighted average **	13,6x	11,1x	7,7x	7,1x	0,9x	0,8x	0,5x	0,4x	5,7x	5,2x	3,9x	2,7x	9,7x	8,8x	6,3x	2,3x

* on peers market capitalization by geographical area
** on tyre sector market capitalization

WORLD TYRE MARKET CAP					
Min	Local currency	€ adjustment	% on cluster	% on cluster	% on geographical Area
Michelin	€9.498	€9.498	21,1%	0,0%	38,8%
Continental	€11.598	€11.598	25,7%	0,0%	47,4%
Nokian	€3.396	€3.396	7,5%	0,0%	13,9%
Goodyear	\$2.832,37	€2.076	4,6%	0,0%	66,7%
Cooper Tire	\$1.414,31	€1.037	2,3%	0,0%	33,3%
Bridgestone	¥1.281.449	€11.422	25,3%	0,0%	65,3%
Yokohama	¥143.549	€1.280	2,8%	0,0%	21,1%
Sumitomo	¥227.795	€2.030	4,5%	0,0%	4,1%
Hankook	₩4.208.052	€2.750	6,1%	0,0%	5,7%
TOT.		€45.087			

