

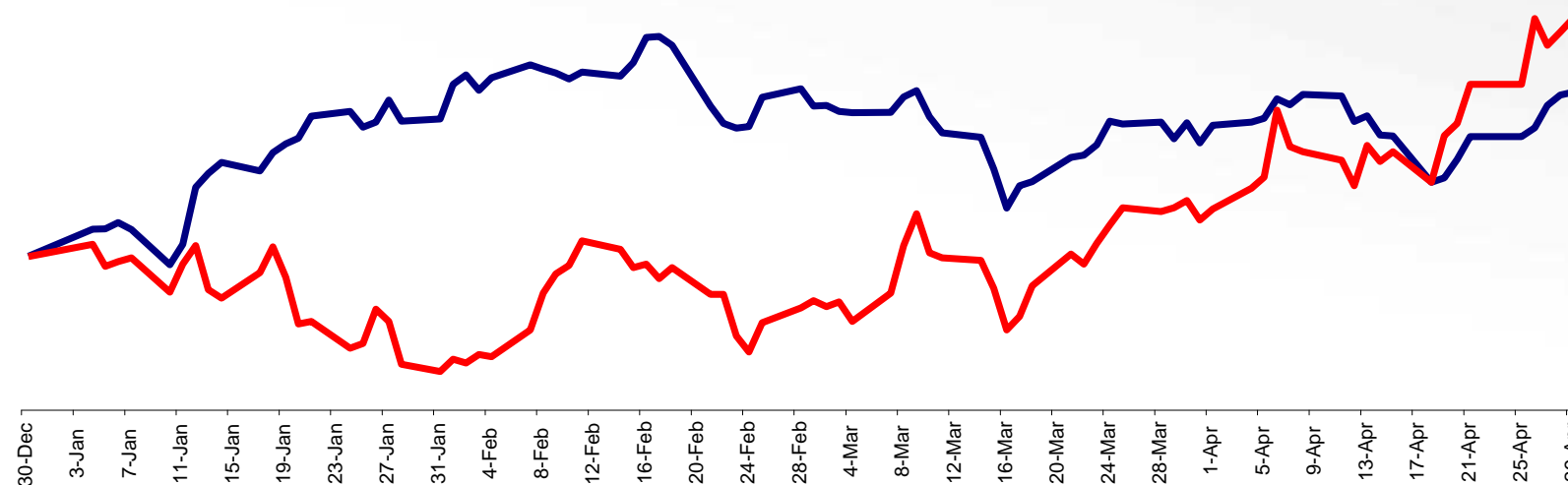


PEERS & MARKETS

21 April – 29 April 2011

Pirelli on the Stock Market

PIRELLI & C. VS FTSE MIB - Trend from January 1 to April 29, 2011



	Performance	
	YTD	Weekly
Pirelli	+16.1%	+6.5%
FTSE Mib	+11.1%	+4.3%

	Official Close 29 April	Percentage change				Daily average volumes		
		1 Week 21 Apr - 29 Apr	1 Month	3 Months	Year to date	1 Week 21 Apr - 29 Apr	1 Month	3 Months
Pirelli & C. Ord.	7.025	6.5	12.4	25.2	16.1	4,088,835	3,669,878	3,584,121
Pirelli & C. Risp.	6.190	3.2	6.9	16.7	10.3	45,718	37,413	28,392
Pirelli Real Estate	0.530	3.1	(4.3)	(3.9)	18.7	4,143,120	3,737,933	6,152,674
FTSE All Share	23130	4.0	3.0	2.1	10.5	943,240,704	1,150,063,829	1,129,607,373
FTSE MIB	22418	4.3	2.9	1.8	11.1	802,358,852	945,611,730	912,755,715

Sell side analysts evaluation on Pirelli & C (02/05/2011)

Consensus Target Price: € 7.60

% Buy: 82%

% Sell: 4%

% Hold: 14%

Market Cap: €3,473.1 mln (of which ord. €3,396.8 mln)

Source: Reuters



Markets

	Official Close 29 April	Percentage change (%)			
		1 Week 21 Apr - 29 Apr	1 Month	3 Months	Year to date
EUROPE					
DJ Stoxx 600	283.780	1.7	2.6	1.2	2.9
FTSE MIB	22417.960	4.3	2.9	1.8	11.1
FTSE 100	6068.160	2.9	2.8	3.2	2.9
DAX	7514.460	3.7	8.4	5.8	8.7
CAC 40	4106.920	2.6	3.0	2.6	7.9
IBEX 35	10878.900	3.3	1.3	1.2	10.3
OMX Stockholm	7518.940	1.4	0.1	(3.7)	(1.9)
FTSE ATHEX	1464.890	2.7	(10.8)	(12.0)	(2.2)
UNITED STATES					
DJ Industr. Average	12763.310	2.4	4.3	8.3	10.7
S&P 500	1360.480	2.0	3.3	6.8	8.4
NASDAQ Composite	2873.540	1.9	4.2	6.9	8.3
ASIA					
SSE Composite (Cina)	2887.044	(3.3)	(1.6)	5.8	3.7
Nikkei 225 (Giappone)	9849.740	1.7	3.9	(4.9)	(3.7)
Hang Seng (HK)	23805.630	(0.7)	2.9	0.4	3.0
All ordinaries (Australia)	4899.049	0.5	1.0	0.5	1.1
Strait Times (Singapore)	3184.990	(0.5)	4.0	(1.5)	(0.3)
BSE 30 (India)	19135.960	(2.4)	0.1	4.0	(6.7)
EMIRATES					
Abu Dhabi	2690.870	(0.8)	3.2	3.5	(1.1)
Dubai	1628.430	(2.2)	4.7	5.5	(0.1)
LATAM					
Bovespa (Brasile)	65673.210	(1.4)	(1.9)	(0.8)	(4.6)
IPC (Messico)	36722.640	0.4	0.5	0.3	(4.1)
Merval (Argentina)	3375.960	(0.2)	2.5	(4.9)	(3.3)

Source: Reuters

	Official Close 29 April	Percentage change (%)			
		1 Week 21 Apr - 29 Apr	1 Month	3 Months	Year to date
EUROPE					
DJ Stoxx 600	283.780	1.7	2.6	1.2	2.9
Auto	362.700	6.0	9.9	2.9	6.3
Banks	202.780	2.5	(0.5)	(5.1)	3.3
Basic Resources	596.930	(1.0)	(0.4)	(0.4)	(6.0)
Chemical	617.200	4.5	10.8	12.8	8.6
Construction & Material	301.480	2.5	2.9	5.4	6.7
Industrial	516.350	2.3	3.5	3.6	5.8
Insurance	172.530	3.1	2.4	1.4	11.7
Finance	277.340	2.3	2.4	(0.5)	3.5
Food & Beverage	358.920	0.3	3.6	4.0	(1.5)
FTSE EPRA Eu Residential	1810.670	2.0	2.0	6.3	5.5
Media	182.090	1.1	1.1	(2.2)	0.7
Oil&Gas	350.560	1.2	0.1	1.6	5.4
Retail	263.160	0.9	3.2	(0.1)	(2.1)
Tech.	232.440	3.0	2.1	1.4	7.7
TLC	275.610	(0.8)	(1.8)	(1.4)	2.5
Travel & Leisure	126.760	1.4	1.8	(4.2)	(5.3)
Utilities	327.130	1.7	3.4	1.0	4.6
UNITED STATES					
S&P 500	1360.480	2.0	3.3	6.8	13.0
Auto	173.720	0.7	2.3	(6.6)	13.0
Banks	227.100	1.7	(2.3)	(3.1)	(10.7)
Basic Resources	312.810	0.7	1.0	6.2	24.5
Chemical	386.39	2.31	6.67	14.46	31.98
Construction & Materials	266.550	2.8	1.6	(3.1)	(16.7)
Industrial	351.450	2.4	3.6	8.1	17.5
Food & Beverage	328.960	1.4	4.9	9.7	17.3
Media	375.700	3.0	4.7	13.7	22.7
Oil&Gas	675.400	1.8	1.7	12.7	31.1
Insurance	290.790	2.7	3.1	5.1	9.5
Finance	297.950	1.7	1.3	2.0	(0.3)
RE	242.270	2.5	6.4	8.6	13.4
Retail	242.270	2.5	6.4	8.6	13.4
Tech.	703.980	1.6	2.8	2.7	11.6
Tyres	62.310	10.2	17.7	42.8	25.4
TLC	140.690	1.9	2.3	8.6	23.2
Utilities	162.950	2.7	4.7	5.4	11.2



Pirelli & C. vs Auto & Parts Sector

	Official Close 29 April	Percentage change				Daily average volumes		
		1 Week 21 Apr - 29 Apr	1 Month	3 Months	Year to date	1 Week 21 Apr - 29 Apr	1 Month	3 Months
EUROPE								
DJ Stoxx Auto	362.700	6.0	9.9	2.9	6.3			
TYRE								
Pirelli & C	7.025	6.5	12.4	25.2	16.1	4,088,835	3,669,878	3,584,121
Continental	67.770	6.1	8.4	15.5	14.6	804,220	743,665	570,139
Michelin	67.670	6.3	10.9	26.6	26.0	1,415,519	1,087,937	1,159,963
Nokian	35.000	1.9	15.5	30.3	27.5	423,424	647,741	664,419
AUTO								
Fiat Auto	15.430	9.6	9.3	3.1	7.6	29,986,154	23,644,516	28,069,782
Renault	41.140	8.6	7.1	(13.9)	(5.4)	2,126,915	2,269,145	2,212,035
Peugeot	30.660	7.8	10.4	(1.0)	7.9	1,786,598	1,544,235	1,709,999
Volkswagen	120.400	9.5	14.7	7.4	13.7	228,262	173,741	191,659
BMW	63.670	5.2	10.9	11.5	8.2	2,053,205	2,704,321	2,810,611
Daimler	52.190	2.1	7.9	(4.8)	2.9	4,459,623	7,673,452	6,212,787
USA								
TYRE								
Goodyear	18.150	13.7	23.1	55.7	53.2	11,173,709	7,382,208	6,713,793
Cooper	26.980	1.9	5.2	17.3	14.4	829,222	546,606	729,190
AUTO								
Ford	15.500	0.3	4.2	(4.9)	(7.9)	8,875,532	9,117,913	10,776,558
				(12.3)	(12.9)			
ASIA								
TYRE								
Bridgestone	1770.0	3.8	(0.6)	10.9	12.8	3,269,580	4,047,270	4,523,562
Sumitomo	1107.0	4.7	5.8	4.6	6.7	1,050,560	1,147,063	1,584,764
Toyo	197.0	1.5	(0.5)	(2.5)	0.5	387,000	797,300	1,048,689
Yokohama	412.0	2.5	2.5	(1.4)	(1.9)	1,207,000	1,805,933	1,836,111
Hankook	42950.0	7.5	21.3	45.6	35.3	1,264,500	1,017,836	852,370
Khumo	19000.0	11.4	24.2	30.6	37.2	958,325	495,430	347,673
AUTO								
Toyota	3230.0	1.1	(2.0)	(4.7)	0.3	10,187,080	10,731,507	10,235,506
Nissan	774.0	3.8	9.8	(8.8)	0.1	26,573,820	26,613,817	20,719,778

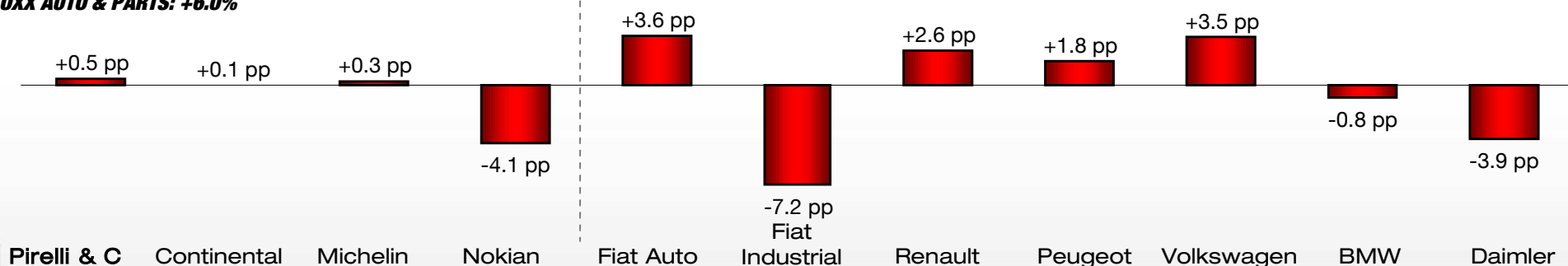
Source: Reuters

EUROPE: WEEKLY TREND 21/04/2011 – 29/04/2011 TYRES & AUTO STOCKS vs DJ STOXX AUTO & PARTS

TYRE

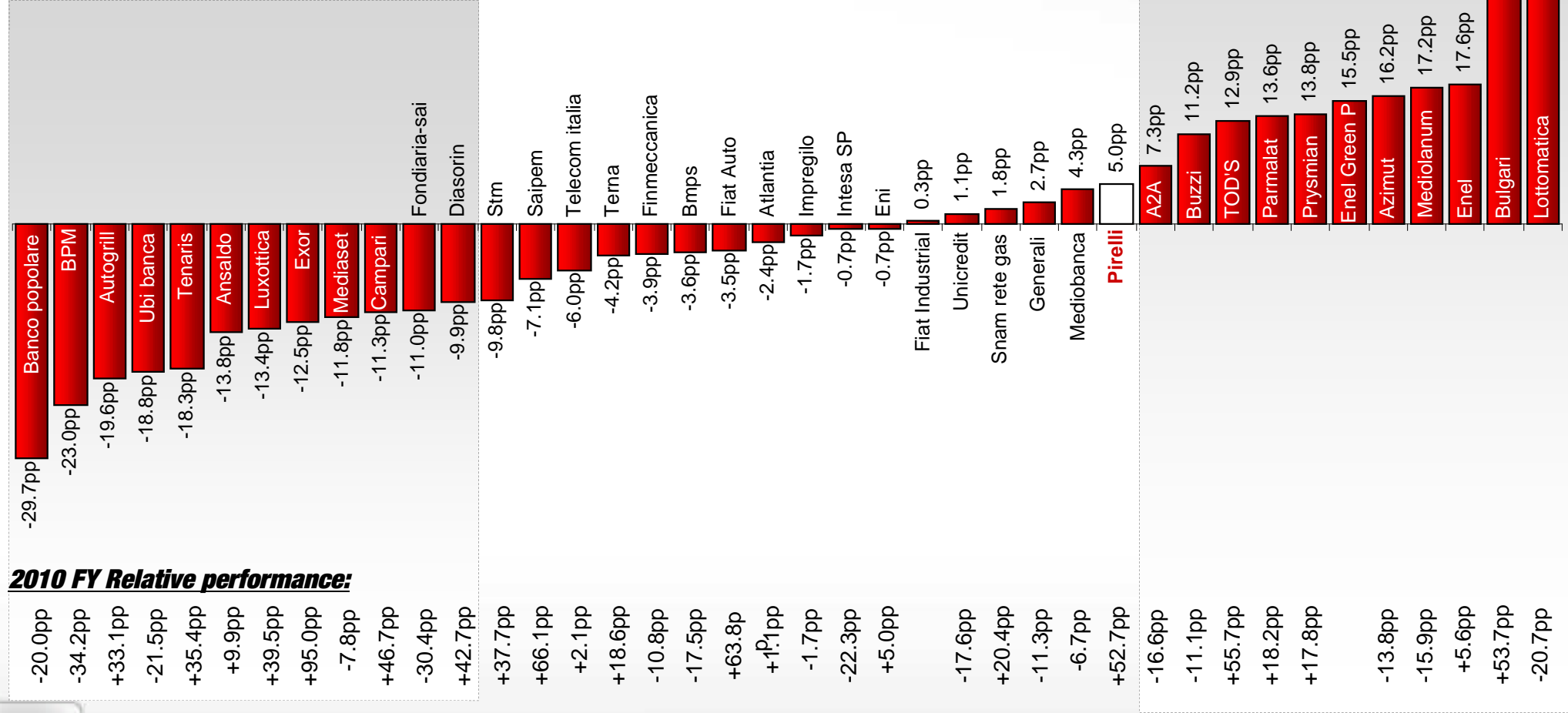
DJ STOXX AUTO & PARTS: +6.0%

AUTO



Pirelli vs FTSE Mib relative performance (YTD)

FTSE Mib (YTD): +11.1%



2010 FY Relative performance:



Tyre Sector evaluation Multiples

CONSENSUS PEERS TYRE MARKET MULTIPLES AT 02/05/2011

Source: Pirelli IR analysis on Bloomberg data

TYRES MULTIPLES @ 2-May-11

	P/E			EV/SALES			EV/EBITDA			EV/EBIT		
	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013
EUROPA												
PIRELLI - Bloomberg	12.1x	10.1x	8.6x	0.7x	0.7x	0.6x	5.6x	4.9x	4.4x	8.5x	7.3x	6.5x
Michelin	10.4x	8.9x	7.9x	0.7x	0.6x	0.6x	5.0x	4.4x	4.0x	7.8x	6.8x	6.1x
Continental	9.9x	8.0x	8.0x	0.7x	0.6x	0.6x	5.0x	4.3x	4.3x	7.2x	6.1x	6.1x
Nokian	17.2x	14.5x	12.7x	3.3x	2.8x	2.4x	11.1x	9.4x	8.1x	13.4x	11.2x	9.3x
Simple average	12.5x	10.4x	9.5x	1.6x	1.4x	1.2x	7.0x	6.1x	5.5x	9.5x	8.0x	7.1x
Weighted average *	11.2x	9.3x	8.6x	1.1x	1.0x	0.9x	5.9x	5.1x	4.8x	8.4x	7.1x	6.6x
US												
Goodyear	26.7x	8.3x	6.1x	0.4x	0.3x		5.1x	3.9x		8.8x	5.9x	
Cooper Tire	11.0x	9.4x		0.4x	0.4x		4.6x	3.9x		7.2x	5.9x	
Simple average	18.8x	8.8x		0.4x	0.4x		4.8x	3.9x		8.0x	5.9x	
Weighted average *	22.4x	8.6x		0.4x	0.4x		4.9x	3.9x		8.3x	5.9x	
ASIA												
Bridgestone	16.2x	11.1x	9.9x	0.6x	0.6x	0.5x	5.7x	4.6x	4.1x	11.5x	9.1x	
Hankook	13.4x	11.7x	10.8x	1.5x	1.4x	1.2x	9.4x	8.2x	7.1x	13.1x	10.9x	9.6x
Yokohama	11.4x	11.9x	9.0x	0.6x	0.5x	0.5x	5.3x	5.7x	4.7x	10.5x	12.8x	11.1x
Sumitomo	14.2x	9.4x	9.0x	0.7x	0.6x	0.6x	6.2x	5.0x	4.6x	10.4x	8.1x	
Simple average	13.8x	11.0x	9.7x	0.8x	0.8x	0.7x	6.7x	5.9x	5.1x	11.4x	10.2x	10.4x
Weighted average *	13.5x	10.0x	8.8x	0.6x	0.6x	0.5x	5.3x	4.6x	4.0x	10.2x	8.8x	2.5x
TOT. WORLD												
max	26.7x	14.5x	12.7x	3.3x	2.8x	2.4x	11.1x	9.4x	8.1x	13.4x	12.8x	11.1x
min	9.9x	8.0x	6.1x	0.4x	0.3x	0.5x	4.6x	3.9x	4.0x	7.2x	5.9x	6.1x
median	13.4x	9.4x	9.0x	0.7x	0.6x	0.6x	5.3x	4.6x	4.6x	10.4x	8.1x	9.3x
Simple average	14.5x	10.3x	9.2x	1.0x	0.9x	0.9x	6.4x	5.5x	5.3x	10.0x	8.5x	8.4x
Weighted average **	13.5x	9.9x	8.8x	0.9x	0.8x	0.7x	6.1x	5.2x	4.4x	9.6x	7.9x	4.6x

* on peers market capitalization by geographical area

** on tyre sector market capitalization

WORLD TYRE MARKET CAP

Min

	Local currency	€ adjustment	% on cluster
Michelin	€12.009	€12.009	22,1%
Continental	€13.756	€13.756	25,4%
Nokian	€4.546	€4.546	8,4%
Goodyear	\$4.431,22	€2.996	5,5%
Cooper Tire	\$1.675,38	€1.133	2,1%
Bridgestone	¥1.500.987	€12.455	23,0%
Yokohama	¥144.576	€1.200	2,2%
Sumitomo	¥243.315	€2.019	3,7%
Hankook	₩6.501.403	€4.127	7,6%
TOT.		€54.242	

