

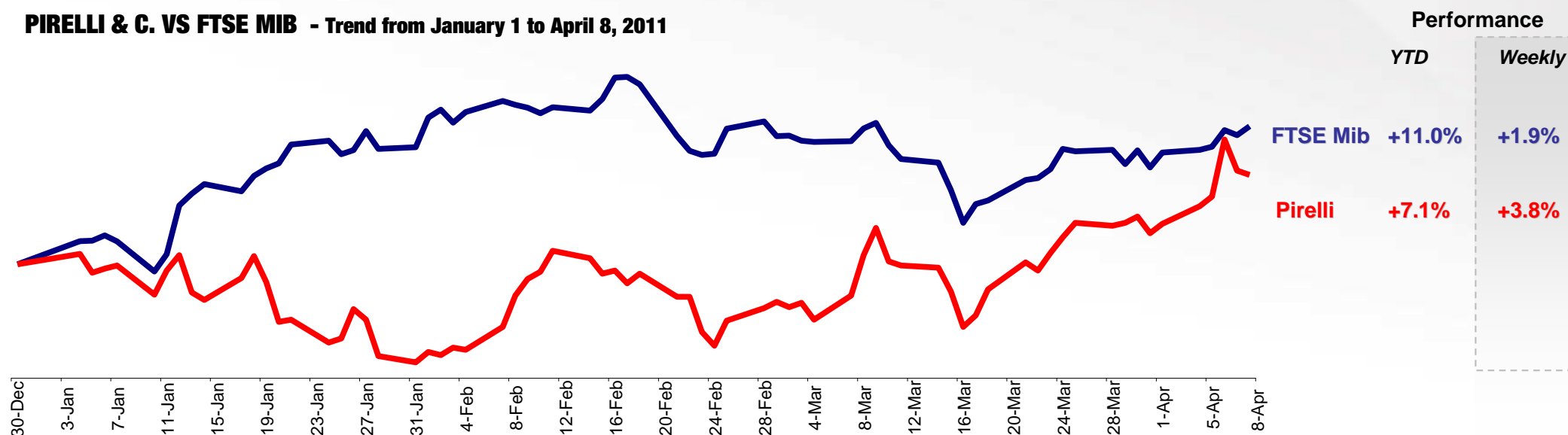


PEERS & MARKETS

4 April – 8 April 2011

Pirelli on the Stock Market

PIRELLI & C. VS FTSE MIB - Trend from January 1 to April 8, 2011



	Official Close 8 April	Percentage change				Daily average volumes		
		1 Week 4 Apr - 8 Apr	1 Month	3 Months	Year to date	1 Week 4 Apr - 8 Apr	1 Month	3 Months
Pirelli & C. Ord.	6.480	3.8	6.3	7.2	7.1	4,254,501	3,999,841	3,354,501
Pirelli & C. Risp.	5.975	2.1	6.8	4.9	6.5	46,568	30,861	24,129
Pirelli Real Estate	0.558	(1.5)	4.1	25.8	25.0	2,860,138	3,963,833	6,128,364
FTSE All Share	23094	1.8	0.5	8.4	10.3	1,174,749,127	1,260,349,202	1,111,290,478
FTSE MIB	22389	1.9	0.2	9.0	11.0	1,026,067,966	1,045,019,375	904,928,556

Sell side analysts evaluation on Pirelli & C (11/04/2011)

Consensus Target Price: € 7.48

% Buy: 82%

% Sell: 4%

% Hold: 14%

Market Cap: €3,158.9 mln (of which ord. €3,085.2 mln)

Source: Reuters



Markets

	Official Close 8 April	Percentage change (%)			
		1 Week 4 Apr - 8 Apr	1 Month	3 Months	Year to date
EUROPE					
DJ Stoxx 600	281.680	0.6	(0.0)	0.2	2.1
FTSE MIB	22389.150	1.9	0.2	9.0	11.0
FTSE 100	6055.750	0.8	1.4	1.2	2.6
DAX	7217.020	0.5	0.7	3.9	4.4
CAC 40	4061.910	0.2	1.1	5.1	6.8
IBEX 35	10913.200	1.7	3.3	14.1	10.7
OMX Stockholm	7571.210	0.3	2.0	(3.0)	(1.2)
FTSE ATHEX	1582.890	0.2	0.1	8.4	5.7
UNITED STATES					
DJ Industr. Average	12409.490	0.0	1.4	6.0	6.9
S&P 500	1333.510	(0.3)	0.5	4.5	5.6
NASDAQ Composite	2780.420	(0.3)	0.5	2.9	4.8
ASIA					
SSE Composite (Cina)	3030.021	2.5	1.0	6.7	7.9
Nikkei 225 (Giappone)	9768.080	0.6	(7.2)	(7.3)	(4.5)
Hang Seng (HK)	24396.070	3.7	2.9	3.0	5.9
All ordinaries (Australia)	5036.465	1.7	2.7	4.7	3.9
Strait Times (Singapore)	3187.310	2.1	2.7	(2.3)	(0.1)
BSE 30 (India)	19451.450	0.2	5.5	(1.2)	(5.2)
EMIRATES					
Abu Dhabi	2608.500	(0.0)	(0.3)	(5.3)	(4.1)
Dubai	1569.800	1.0	8.3	(5.4)	(3.7)
LATAM					
Bovespa (Brasile)	69176.120	(0.8)	1.0	(1.9)	(0.8)
IPC (Messico)	37471.540	(0.8)	2.1	(2.9)	(2.8)
Merval (Argentina)	3456.520	0.2	0.4	(1.9)	(1.2)

Source: Reuters

	Official Close 8 April	Percentage change (%)			
		1 Week 4 Apr - 8 Apr	1 Month	3 Months	Year to date
EUROPE					
DJ Stoxx 600	281.680	0.6	(0.0)	0.2	2.1
Auto	339.270	(0.7)	0.7	(5.7)	(0.6)
Banks	207.820	2.2	(1.2)	3.4	5.9
Basic Resources	623.240	2.2	3.7	(2.5)	(1.9)
Chemical	583.380	1.8	3.3	4.1	2.7
Construction & Material	297.880	0.5	2.2	7.4	5.4
Industrial	507.860	(1.4)	2.5	3.8	4.0
Insurance	174.430	1.8	(0.6)	9.0	12.9
Finance	273.570	0.2	(1.5)	(1.6)	2.1
Food & Beverage	350.560	0.2	1.0	(3.9)	(3.8)
FTSE EPRA Eu Residential	1785.890	(1.1)	0.6	5.5	3.8
Media	182.290	(1.1)	(2.3)	(1.7)	0.8
Oil&Gas	356.910	0.2	(0.3)	2.7	7.3
Retail	259.300	1.8	0.6	(5.9)	(3.6)
Tech.	228.780	0.0	(1.5)	4.3	6.0
TLC	280.730	(0.5)	(1.5)	0.6	4.4
Travel & Leisure	122.190	(1.4)	(3.8)	(12.8)	(8.7)
Utilities	322.690	0.5	0.7	2.2	3.2
UNITED STATES					
S&P 500	1333.510	(0.3)	0.5	4.5	11.9
Auto	175.860	(0.6)	2.4	(14.4)	21.5
Banks	236.960	0.2	(2.5)	(0.6)	(7.2)
Basic Resources	319.590	0.8	6.3	3.9	20.0
Chemical	374.22	0.81	4.44	10.08	30.85
Construction & Materials	260.590	1.2	(2.5)	(5.9)	(7.2)
Industrial	345.020	(1.3)	1.2	7.0	20.1
Food & Beverage	319.030	(0.6)	1.7	4.1	12.2
Media	362.410	(1.3)	(1.5)	8.1	23.4
Oil&Gas	677.060	(0.2)	3.5	16.5	33.3
Insurance	286.400	(0.7)	(1.0)	3.4	7.6
Finance	299.400	(0.3)	(1.3)	1.9	0.8
RE	228.360	(2.0)	(1.0)	4.7	14.4
Retail	228.360	(2.0)	(1.0)	4.7	14.4
Tech.	684.750	(0.6)	(2.2)	(0.2)	11.1
Tyres	58.200	(2.6)	5.1	11.0	20.0
TLC	137.120	(0.8)	4.6	3.7	20.7
Utilities	158.480	(0.4)	(0.3)	2.3	9.0



Pirelli & C. vs Auto & Parts Sector

	Official Close 8 April	Percentage change				Daily average volumes			
		1 Week 4 Apr - 8 Apr	1 Month	3 Months	Year to date	1 Week 4 Apr - 8 Apr	1 Month	3 Months	
EUROPA	DJ Stoxx Auto	339.270	(0.7)	0.7	(5.7)	(0.6)			
	TYRE								
	Pirelli & C	6.480	3.8	6.3	7.2	7.1	4,254,501	3,999,841	3,354,501
	Continental	62.200	(3.4)	1.5	7.6	5.2	704,074	678,327	541,273
	Michelin	61.050	1.0	2.7	14.0	13.7	928,357	1,131,384	1,126,362
	Nokian	32.760	6.4	14.3	19.6	19.3	1,096,570	663,416	702,095
	AUTO								
	Fiat Auto	15.430	0.6	2.1	(11.3)	(1.4)	19,961,098	26,234,332	27,718,524
	Renault	39.865	(0.2)	(5.6)	(15.6)	(8.4)	1,481,157	2,601,372	2,065,897
	Peugeot	28.700	0.1	(0.2)	(8.9)	1.0	1,182,095	1,771,647	1,677,257
	Volkswagen	106.450	(1.7)	(3.1)	(7.5)	0.5	166,459	177,849	202,975
BMW	58.540	(4.4)	1.0	(1.3)	(0.5)	2,825,351	3,064,652	2,868,736	
Daimler	52.040	0.9	5.7	(4.6)	2.6	5,394,255	6,600,629	5,493,872	
USA	TYRE								
	Goodyear	15.000	(1.4)	6.2	16.3	26.6	4,890,049	6,857,943	6,343,866
	Cooper	24.660	(5.4)	2.6	0.1	4.6	439,247	725,532	777,166
AUTO									
Ford	15.530	1.1	5.9	(16.1)	(8.7)	8,776,854	10,405,859	11,018,345	
ASIA	TYRE								
	Bridgestone	1757.0	2.2	2.2	6.9	12.0	3,869,700	5,562,410	5,031,610
	Sumitomo	1159.0	0.4	(3.1)	(1.4)	0.8	1,135,680	1,659,653	1,659,718
	Toyo	189.0	(6.9)	(16.0)	(7.4)	(3.6)	714,000	1,192,733	1,135,822
	Yokohama	396.0	0.0	(9.0)	(9.8)	(5.7)	1,878,000	2,179,900	1,839,878
	Hankook	34150.0	(3.0)	12.7	4.6	7.6	640,269	868,814	740,215
	Khumo	14900.0	(7.5)	(5.4)	(3.9)	7.6	239,936	283,176	274,661
	AUTO								
	Toyota	3340.0	(0.4)	(9.7)	(3.3)	3.7	9,749,540	12,373,383	10,405,666
Nissan	714.0	(2.1)	(12.8)	(17.1)	(7.6)	19,919,700	26,417,710	19,840,574	

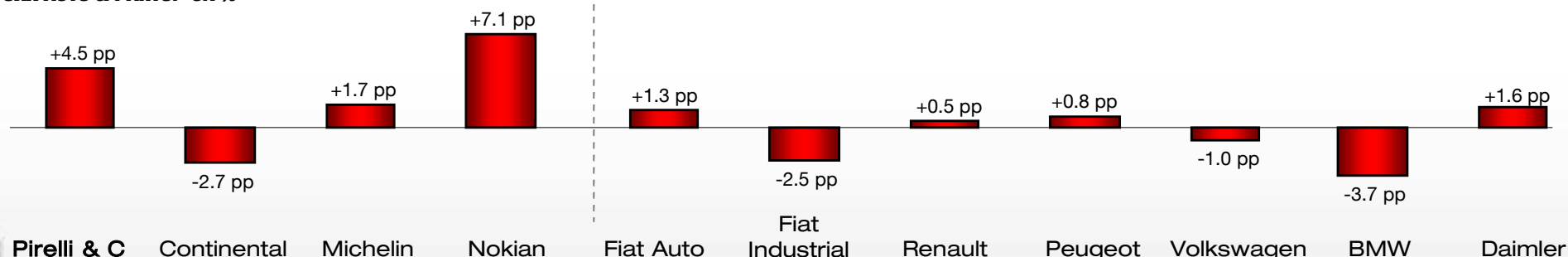
Source: Reuters

EUROPE: WEEKLY TREND 04/04/2011 – 08/04/2011 TYRES & AUTO STOCKS vs DJ STOXX AUTO & PARTS

TYRE

DJ STOXX AUTO & PARTS: -0.7%

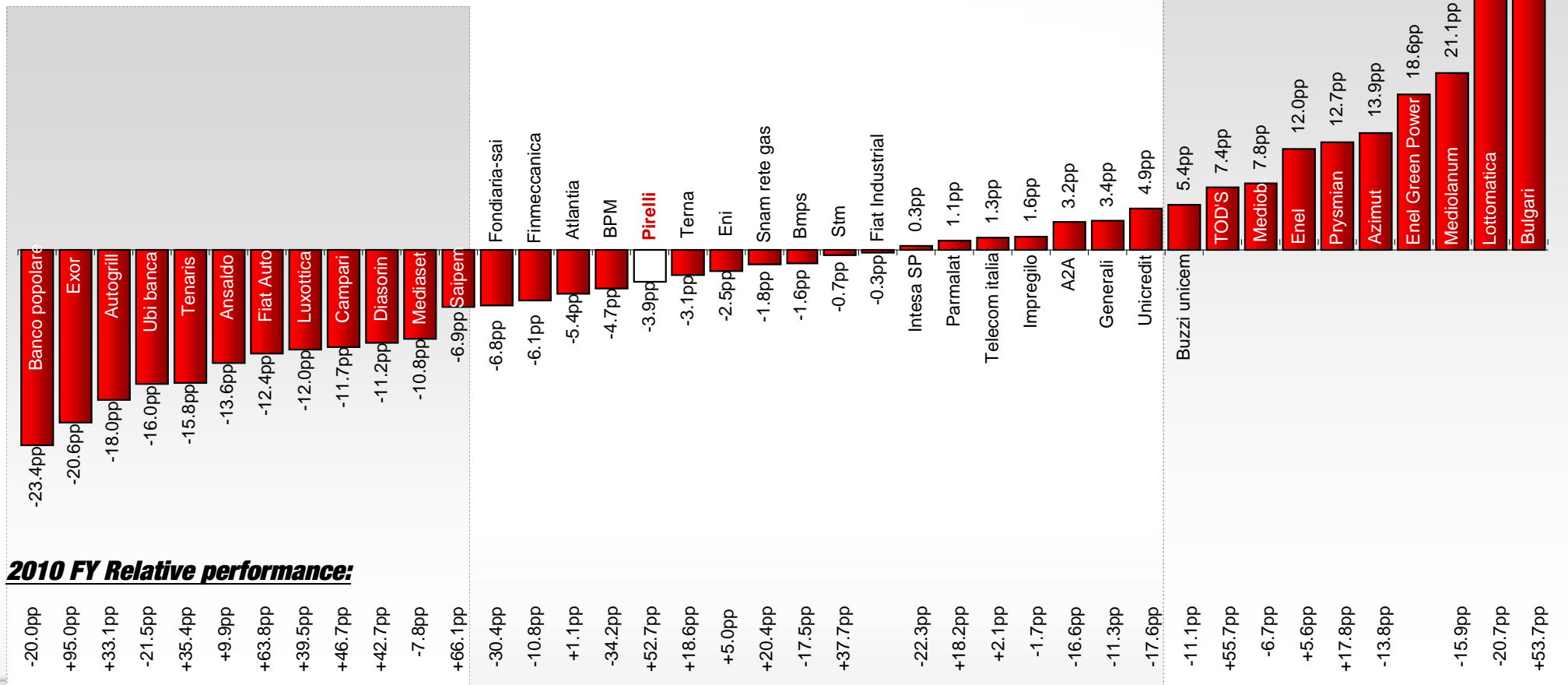
AUTO



Pirelli vs FTSE Mib relative performance (YTD)

FTSE Mib (YTD): +11.0%

Performance from January 1 to April 8, 2011



2010 FY Relative performance:



Tyre Sector evaluation Multiples

CONSENSUS PEERS TYRE MARKET MULTIPLES AT 11/04/2011

Source: Pirelli IR analysis on Bloomberg data

TYRES MULTIPLES @ 11-Apr-11													
		P/E			EV/SALES			EV/EBITDA			EV/EBIT		
		2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013
EUROPA	Michelin	9.6x	8.2x	7.2x	0.6x	0.6x	0.5x	4.6x	4.1x	3.7x	7.2x	6.3x	5.6x
	Continental	9.7x	7.7x	7.7x	0.7x	0.6x	0.6x	4.7x	4.0x	4.0x	7.5x	6.2x	6.2x
	Nokian	16.3x	13.7x	12.4x	3.1x	2.6x	2.3x	10.5x	8.9x	7.7x	12.5x	10.4x	8.6x
	Simple average	11.9x	9.9x	9.1x	1.5x	1.3x	1.1x	6.6x	5.7x	5.1x	9.1x	7.6x	6.8x
	Weighted average *	10.7x	8.8x	8.2x	1.0x	0.9x	0.8x	5.5x	4.8x	4.5x	8.2x	6.9x	6.4x
US	Goodyear	28.9x	7.2x	5.3x	0.3x	0.3x		4.7x	3.6x		8.0x	5.4x	
	Cooper Tire	10.0x	8.2x		0.4x	0.3x		3.9x	3.2x		6.1x	4.7x	
	Simple average	19.4x	7.7x		0.4x	0.3x		4.3x	3.4x		7.1x	5.1x	
	Weighted average *	23.3x	7.5x		0.3x	0.3x		4.5x	3.5x		7.4x	5.2x	
ASIA	Bridgestone	14.9x	10.6x	9.3x	0.6x	0.5x	0.5x	5.4x	4.4x	3.8x	11.0x	8.6x	
	Hankook	11.3x	9.9x	9.8x	1.3x	1.2x	0.9x	8.1x	7.0x	6.0x	11.2x	9.3x	7.9x
	Yokohama	10.6x	11.2x	8.4x	0.5x	0.5x	0.5x	5.2x	5.5x	4.6x	10.2x	12.4x	10.7x
	Sumitomo	13.0x	9.0x	8.2x	0.7x	0.6x	0.6x	5.9x	4.7x	4.5x	10.0x	7.7x	
	Simple average	12.4x	10.2x	8.9x	0.8x	0.7x	0.6x	6.1x	5.4x	4.7x	10.6x	9.5x	9.3x
	Weighted average *	12.7x	9.7x	8.4x	0.6x	0.5x	0.5x	5.1x	4.4x	3.8x	10.0x	8.6x	2.4x
TOT. WORLD	max	28.9x	13.7x	12.4x	3.1x	2.6x	2.3x	10.5x	8.9x	7.7x	12.5x	12.4x	10.7x
	min	9.6x	7.2x	5.3x	0.3x	0.3x	0.5x	3.9x	3.2x	3.7x	6.1x	4.7x	5.6x
	median	11.3x	9.0x	8.3x	0.6x	0.6x	0.6x	5.2x	4.4x	4.5x	10.0x	7.7x	7.9x
	Simple average	13.8x	9.5x	8.5x	0.9x	0.8x	0.8x	5.9x	5.0x	4.9x	9.3x	7.9x	7.8x
	Weighted average **	12.8x	9.3x	8.3x	0.9x	0.8x	0.7x	5.6x	4.8x	4.1x	9.1x	7.5x	4.3x

* on peers market capitalization by geographical area

** on tyre sector market capitalization

WORLD TYRE MARKET CAP			
Min	Local currency	€ adjustment	% on cluster
	Michelin	€10.639	22.0%
	Continental	€12.182	25.2%
	Nokian	€4.159	8.6%
	Goodyear	\$3.644.65	5.2%
	Cooper Tire	\$1.521.96	2.2%
	Bridgestone	¥1.405.854	23.7%
	Yokohama	¥135.326	2.3%
	Sumitomo	¥223.324	3.8%
	Hankook	₩5.222.438	6.9%
	TGT.	€48.268	

