

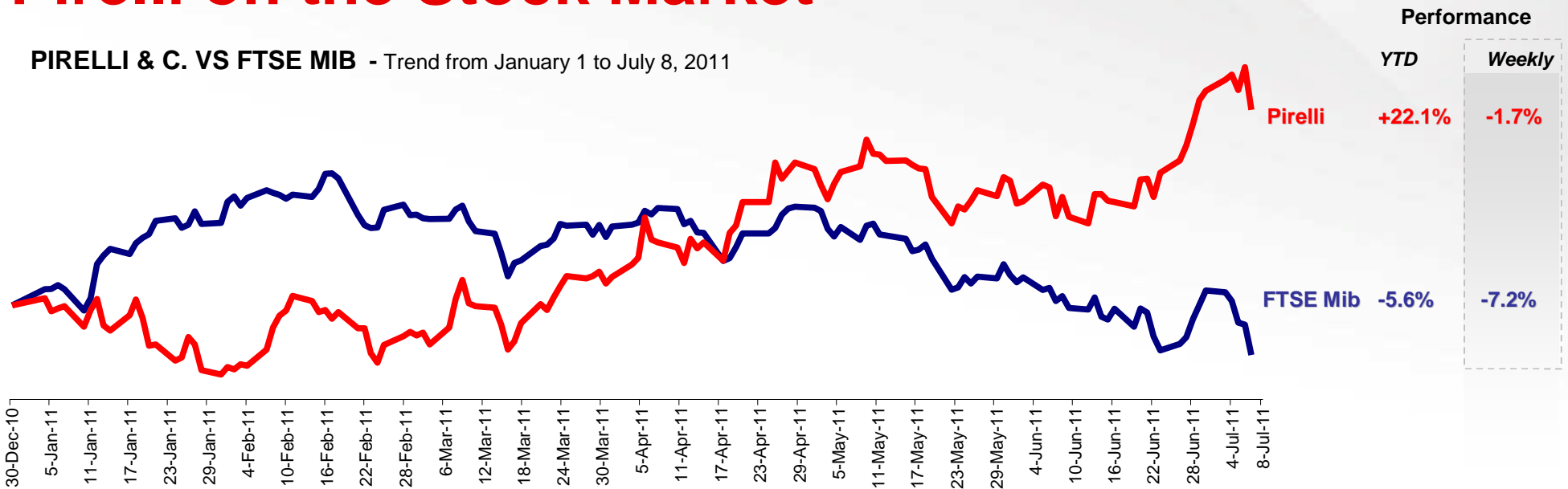


PEERS & MARKETS

4 – 8 July 2011

Pirelli on the Stock Market

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



	Official Close 8 July	Percentage change				Daily average volumes		
		1 Week 4 - 8 Jul	1 Month	3 Months	Year to date	1 Week 4 - 8 Jul	1 Month	3 Months
Pirelli & C. Ord.	7.385	(1.7)	10.9	14.0	22.1	3,234,309	2,881,501	3,661,717
Pirelli & C. Risp.	5.690	(3.5)	(1.1)	(4.8)	1.4	17,315	20,487	29,337
Pirelli Real Estate	0.447	(10.1)	(11.0)	(19.7)	0.3	2,384,544	2,570,508	3,473,934
FTSE All Share	19794	(6.8)	(5.9)	(14.3)	(5.5)	1,183,623,531	1,147,173,176	1,153,407,370
FTSE MIB	19050	(7.2)	(6.1)	(14.9)	(5.6)	1,030,525,768	999,305,328	978,458,497

Sell side analysts evaluation on Pirelli & C (11/07/2011)

Consensus Target Price: € 8.25

Buy: 91%

% Sell: 4.5%

% Hold: 4.5%

Market Cap: €3,544.5 mln (of which ord. €3,475.3 mln)



Source: Reuters

Markets

	Official Close 8 July	Percentage change (%)			
		1 Week 4 - 8 Jul	1 Month	3 Months	Year to date
EUROPE					
DJ Stoxx 600	273.760	(0.4)	1.8	(2.8)	(0.7)
FTSE MIB	19049.880	(7.2)	(6.1)	(14.9)	(5.6)
FTSE 100	5990.580	0.0	3.1	(1.1)	1.5
DAX	7402.730	(0.2)	4.9	2.6	7.1
CAC 40	3913.550	(2.3)	2.0	(3.7)	2.9
IBEX 35	9938.200	(5.3)	(1.4)	(8.9)	0.8
OMX Stockholm	6676.400	(1.3)	(1.3)	(11.8)	(12.9)
FTSE ATHEX	1254.240	(6.1)	(1.2)	(20.8)	(16.2)
UNITED STATES					
DJ Industr. Average	12719.490	2.0	5.0	2.2	9.3
S&P 500	vice permissioned	3.5	5.3	1.5	7.6
NASDAQ Composite	2859.810	3.1	6.9	2.9	7.8
ASIA					
SSE Composite (Cina)	2797.774	1.4	1.7	(7.7)	(0.4)
Nikkei 225 (Giappone)	10137.730	2.7	7.3	3.8	(0.9)
Hang Seng (HK)	22726.430	1.5	0.3	(6.8)	(1.3)
All ordinaries (Australia)	4716.032	1.5	2.3	(6.4)	(2.7)
Strait Times (Singapore)	3151.280	0.4	1.6	(1.1)	(1.2)
BSE 30 (India)	18858.040	0.5	2.5	(3.1)	(8.1)
EMIRATES					
Abu Dhabi	2721.770	0.5	0.7	4.3	0.1
Dubai	1567.120	0.9	0.7	(0.2)	(3.9)
LATAM					
Bovespa (Brasile)	61513.240	(3.0)	(2.4)	(10.5)	(11.2)
IPC (Messico)	36499.850	(0.8)	4.6	(2.6)	(5.3)
Merval (Argentina)	3470.740	2.2	11.1	(0.3)	(1.5)

Source: Reuters

	Official Close 8 July	Percentage change (%)			
		1 Week 4 - 8 Jul	1 Month	3 Months	Year to date
EUROPE					
DJ Stoxx 600	273.760	(0.4)	1.8	(2.8)	(0.7)
Auto	378.580	1.3	11.9	11.6	11.0
Banks	179.750	(5.7)	(3.3)	(13.5)	(8.4)
Basic Resources	581.000	0.7	6.2	(6.8)	(8.5)
Chemical	607.050	1.5	4.5	4.1	6.8
Construction & Material	274.160	(3.2)	(1.1)	(8.0)	(3.0)
Industrial	494.360	(2.0)	1.6	(2.7)	1.3
Insurance	161.900	(0.3)	1.7	(7.2)	4.8
Finance	265.960	1.5	2.0	(2.8)	(0.8)
Food & Beverage	371.110	2.2	2.4	5.9	1.9
FTSE EPRA Eu Residential	1794.650	(0.8)	1.0	0.1	3.9
Media	173.470	(2.0)	0.4	(4.8)	(4.1)
Oil&Gas	330.360	0.4	3.4	(7.4)	(0.7)
Retail	257.090	1.4	(1.3)	(0.9)	(4.4)
Tech.	218.280	0.9	2.7	(4.6)	1.1
TLC	257.250	(1.0)	(0.1)	(8.4)	(4.4)
Travel & Leisure	125.920	0.5	3.6	3.1	(5.9)
Utilities	300.290	(2.3)	(1.1)	(6.9)	(4.0)
UNITED STATES					
S&P 500	1353.220	3.5	5.3	1.5	27.6
Auto	165.950	1.9	5.1	(5.4)	39.9
Banks	212.830	(0.2)	5.5	(10.5)	(1.9)
Basic Resources	298.390	2.2	7.0	(6.9)	37.1
Chemical	385.12	2.27	8.05	2.33	49.83
Construction & Materials	264.080	3.1	7.8	0.4	13.3
Industrial	349.010	1.7	6.6	0.9	35.5
Food & Beverage	339.210	1.2	4.4	6.5	25.2
Media	376.830	1.1	4.9	3.5	36.6
Oil&Gas	658.570	1.9	4.6	(3.7)	45.7
Insurance	277.500	0.4	3.1	(3.4)	12.5
Finance	287.920	1.1	5.0	(4.1)	11.1
RE	244.050	3.8	4.1	7.4	30.6
Retail	244.050	3.8	4.1	7.4	30.6
Tech.	696.490	3.3	6.0	1.8	24.2
Tyres	61.520	1.9	3.6	4.4	40.5
TLC	140.900	0.3	3.3	2.2	29.5
Utilities	166.390	1.0	3.0	4.8	16.1



Pirelli & C. vs Auto & Parts Sector

	Official Close 8 July	Percentage change				Daily average volumes		
		1 Week 4 - 8 Jul	1 Month	3 Months	Year to date	1 Week 4 - 8 Jul	1 Month	3 Months
EUROPA								
DJ Stoxx Auto	378.580	1.3	11.9	11.6	11.0			
TYRE								
Pirelli & C	7.385	(1.7)	10.9	14.0	22.1	3,234,309	2,881,501	3,661,717
Continental	75.810	4.8	10.3	21.9	28.2	548,131	588,502	649,555
Michelin	65.170	(3.0)	2.3	6.7	21.4	829,955	880,492	1,035,200
Nokian	35.970	3.7	11.5	9.8	31.0	555,079	518,220	575,379
AUTO								
Fiat Auto	15.430	(3.7)	2.0	9.8	8.2	21,844,144	20,773,439	23,318,900
Renault	39.200	(3.9)	6.7	(1.7)	(9.9)	1,649,284	1,758,116	2,070,165
Peugeot	31.260	1.7	12.7	8.9	10.0	1,388,260	1,530,195	1,592,955
Volkswagen	133.250	4.2	16.9	25.2	25.8	135,821	147,808	161,437
BMW	68.510	1.1	12.3	17.0	16.4	2,122,040	2,529,674	2,933,237
Daimler	52.390	1.6	10.7	0.7	3.3	4,415,597	4,779,866	5,986,415
USA								
TYRE								
Goodyear	17.230	2.7	7.8	14.9	45.4	7,575,289	6,317,687	6,943,312
Cooper	19.570	(1.1)	(8.6)	(20.6)	(17.0)	1,343,842	809,091	672,254
AUTO								
Ford	14.120	0.7	1.3	(9.5)	(17.3)	8,572,391	10,627,167	9,681,012
					(14.3)			
ASIA								
TYRE								
Bridgestone	1954.0	4.9	6.4	11.2	24.5	4,400,240	3,518,953	4,076,469
Sumitomo	1117.0	4.5	4.5	20.4	21.3	1,422,100	1,292,473	1,342,398
Toyo	209.0	3.5	13.0	10.6	6.6	730,000	766,267	859,722
Yokohama	477.0	1.9	9.7	20.5	13.6	2,091,400	1,706,167	1,830,622
Hankook	46800.0	4.0	14.1	37.0	47.4	1,009,206	870,064	940,426
Khumo	18300.0	8.0	8.6	22.8	32.1	1,098,097	721,592	501,242
AUTO								
Toyota	3445.0	3.3	4.7	3.1	7.0	6,130,740	6,518,930	9,323,209
Nissan	870.0	2.4	11.8	21.8	12.5	14,379,300	17,317,980	22,406,273

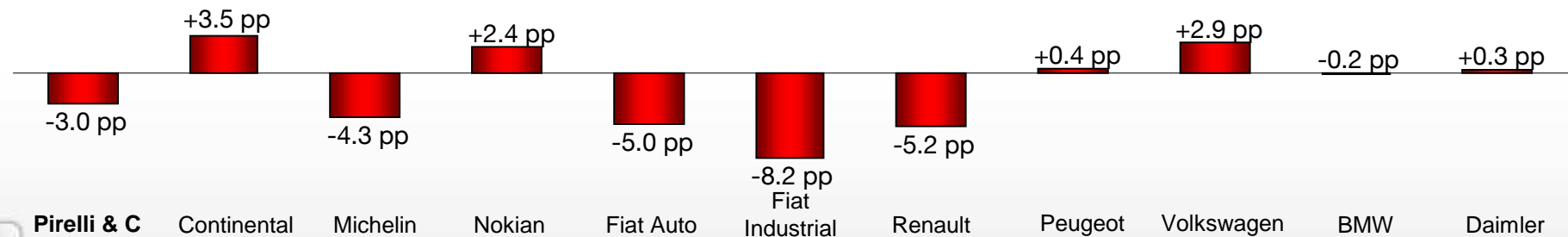
Source: Reuters

EUROPE: WEEKLY TREND 04/07/2011 – 08/07/2011 TYRES & AUTO STOCKS vs DJ STOXX AUTO & PARTS

TYRE

DJ STOXX AUTO & PARTS: +1.3%

AUTO



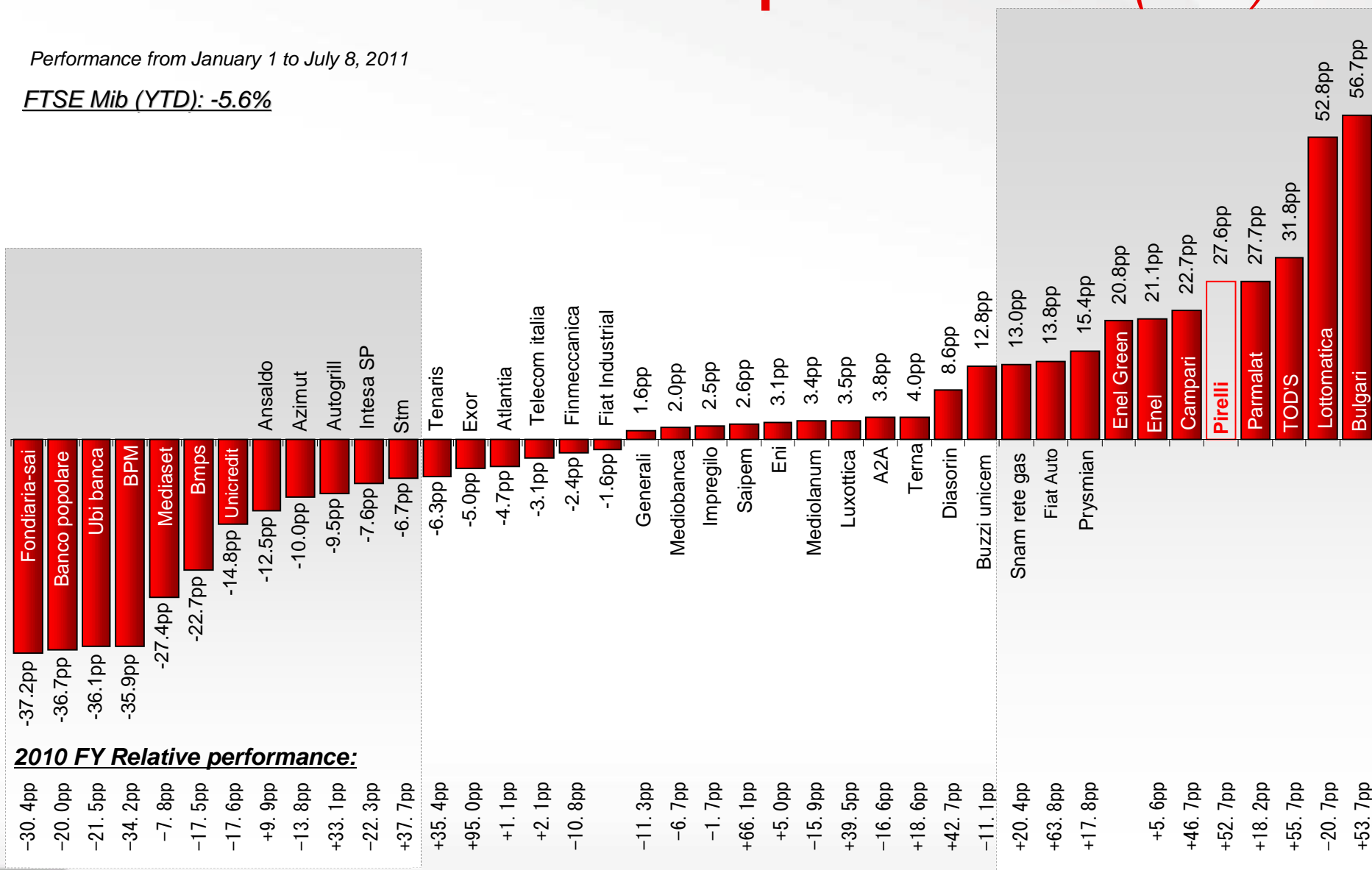
Pirelli Investor Relations - 11.07.2011



Pirelli vs FTSE Mib relative performance (YTD)

Performance from January 1 to July 8, 2011

FTSE Mib (YTD): -5.6%



Tyre Sector evaluation Multiples

CONSENSUS PEERS TYRE MARKET MULTIPLES AT 11/07/2011

Source: Pirelli IR analysis on Bloomberg data

TYRES MULTIPLES @ 11-Jul-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	7.3x	0.7x	0.6x	0.6x	4.8x	4.2x	3.8x	7.3x	6.3x	5.6x
	Continental	10.6x	8.6x	8.6x	0.7x	0.7x	0.7x	5.2x	4.5x	4.5x	7.6x	6.4x	6.4x
	Nokian	16.0x	13.8x	12.2x	3.2x	2.8x	2.4x	10.5x	9.1x	7.9x	12.4x	10.7x	9.2x
	Simple average	12.1x	10.2x	9.4x	1.6x	1.4x	1.2x	6.8x	5.9x	5.4x	9.1x	7.8x	7.1x
	Weighted average *	11.0x	9.2x	8.6x	1.1x	1.0x	0.9x	5.8x	5.1x	4.7x	8.2x	7.0x	6.5x
US	Goodyear	16.5x	7.1x	5.4x	0.3x	0.3x		4.4x	3.5x		7.6x	5.5x	
	Cooper Tire	8.4x	7.2x		0.3x	0.3x		3.6x	3.0x		5.6x	4.6x	
	Simple average	12.4x	7.2x		0.3x	0.3x		4.0x	3.3x		6.6x	5.0x	
	Weighted average *	14.6x	7.1x		0.3x	0.3x		4.2x	3.4x		7.2x	5.3x	
ASIA	Bridgestone	14.6x	11.1x	10.0x	0.6x	0.6x	0.5x	5.5x	4.6x	4.1x	10.9x	8.9x	
	Hankook	14.0x	12.1x	10.8x	1.5x	1.4x	1.2x	9.2x	7.9x	6.7x	13.0x	10.9x	9.1x
	Yokohama	12.6x	14.3x	10.4x	0.6x	0.6x	0.6x	5.6x	7.0x	5.4x	11.2x	14.4x	11.5x
	Sumitomo	15.1x	9.9x	8.7x	0.7x	0.7x	0.6x	6.3x	5.1x	4.4x	11.8x	8.7x	
	Simple average	14.1x	11.8x	10.0x	0.9x	0.8x	0.7x	6.6x	6.2x	5.2x	11.7x	10.7x	10.3x
	Weighted average *	12.9x	10.6x	9.1x	0.6x	0.6x	0.5x	5.3x	4.9x	4.1x	10.1x	9.1x	2.6x
TOT. WORLD	max	16.5x	14.3x	12.2x	3.2x	2.8x	2.4x	10.5x	9.1x	7.9x	13.0x	14.4x	11.5x
	min	8.4x	7.1x	5.4x	0.3x	0.3x	0.5x	3.6x	3.0x	3.8x	5.6x	4.6x	5.6x
	median	14.0x	9.9x	9.3x	0.7x	0.6x	0.6x	5.5x	4.6x	4.5x	10.9x	8.7x	9.1x
	Simple average	13.0x	10.2x	9.2x	1.0x	0.9x	0.9x	6.1x	5.4x	5.2x	9.7x	8.5x	8.3x
	Weighted average **	12.6x	9.9x	8.9x	0.9x	0.8x	0.7x	5.9x	5.1x	4.4x	9.4x	7.9x	4.6x

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

WORLD TYRE MARKET CAP			
Mln	Local currency	€ adjustment	% on cluster
	Michelin	€11.679	20.4%
	Continental	€14.770	25.8%
	Nokian	€4.627	8.1%
	Goodyear	\$4.206.61	5.2%
	Cooper Tire	\$1.215.24	1.5%
	Bridgestone	¥1.589.615	24.3%
	Yokohama	¥163.762	2.5%
	Sumitomo	¥269.093	4.1%
	Hankook	₩6.996.240	8.1%
	TOT.	€57.274	

