

Pirelli & C. S.p.A. — Milano

Peers & Markets

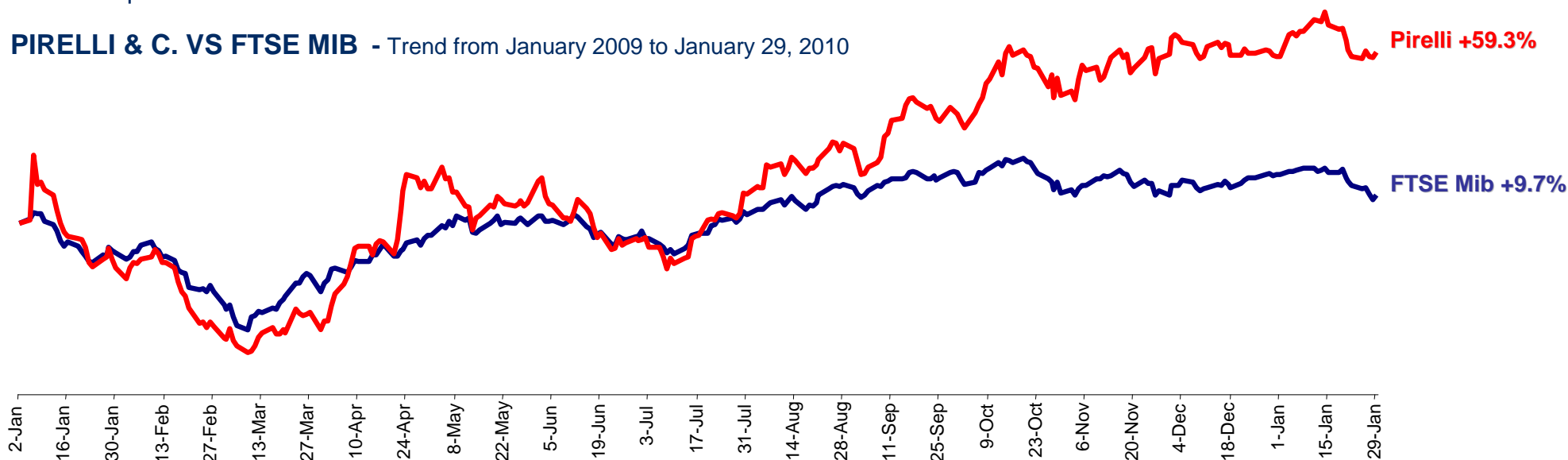
25 January – 29 January 2010



Investor Relations

Pirelli on the Stock Market

PIRELLI & C. VS FTSE MIB - Trend from January 2009 to January 29, 2010



	Official Close January 29	Percentage change				Daily average volumes		
		Week 25 Jan - 29 Jan	1 Month	3 Months	Year to date	Week 25 Jan - 29 Jan	1 Month	3 Months
Pirelli & C. Ord.	0.423	0.8	(0.2)	5.9	0.7	35,817,252	33,661,754	46,712,241
Pirelli & C. Risp.	0.460	0.1	1.4	11.0	2.1	221,528	263,435	382,163
Pirelli Real Estate	0.457	(7.7)	(10.3)	(20.9)	(10.7)	4,556,464	4,496,656	8,285,172
FTSE All Share	22432	(2.6)	(5.6)	(3.5)	(5.2)	932,681,602	738,548,010	738,811,505
FTSE MIB	21896	(3.0)	(6.3)	(3.8)	(5.8)	780,792,885	566,348,805	649,804,231

Sell side analysts evaluation on Pirelli & C (01/02/2010)

Consensus Target Price: € 0.48

% Buy: 71%

% Sell: 0%

% Hold: 29%

Market Cap: €2,291.2 mln (of which ord. €2,229.4 mln)

Markets

	Official Close January 29	Percentage change (%)			
		Week 25 Jan - 29 Jan	1 Month	3 Months	Year to date
EUROPE					
DJ Stoxx 600	246.960	(1.2)	(2.8)	2.2	(2.4)
FTSE MIB	21896.290	(3.0)	(6.3)	(3.8)	(5.8)
FTSE 100	5188.520	(2.2)	(4.6)	1.0	(4.1)
DAX	5608.790	(1.5)	(6.7)	0.4	(5.9)
CAC 40	3739.460	(2.1)	(5.6)	0.7	(5.0)
IBEX 35	10947.700	(3.7)	(9.0)	(6.3)	(8.3)
OMX Stockholm	6704.050	2.6	4.3	11.0	3.8
OMX Helsinki	10947.700	(3.7)	(9.0)	(6.3)	(8.3)
UNITED STATES					
DJ Industr. Average	10120.460	(1.0)	(4.5)	1.1	(3.5)
S&P 500	1084.530	(1.6)	(4.6)	0.7	(3.7)
NASDAQ Composite	2147.350	(2.6)	(6.2)	2.4	(5.4)
ASIA					
Nikkei 225 (Giappone)	10198.040	(3.7)	(4.1)	3.1	(3.3)
Hang Seng (HK)	20121.990	(2.9)	(6.4)	(5.4)	(8.0)
All ordinaries (Australia)	4596.877	(5.2)	(5.3)	0.5	(5.9)
Strait Times (Singapore)	2745.350	(2.6)	(4.3)	4.3	(5.3)
BSE 30 (India)	16357.960	(4.1)	(6.0)	1.9	(6.3)
EMIRATES					
Abu Dhabi	2633.370	1.3	(4.0)	(12.9)	(4.0)
Dubai	1589.970	1.3	(11.8)	(27.6)	(11.8)
BRAZIL					
Itel (indice TLC)	1452.330	0.8	(7.3)	2.3	(7.9)
Bovespa	65587.800	(1.3)	(4.2)	2.6	(4.6)

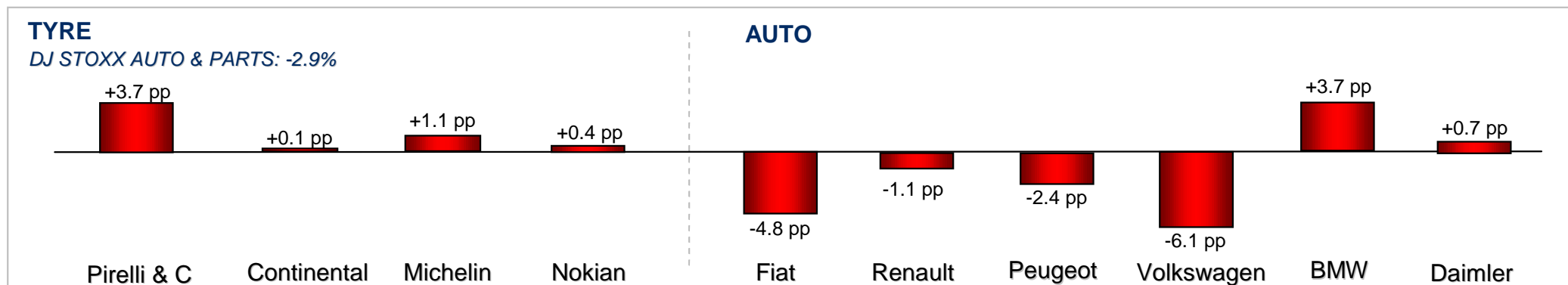
Source: Reuters

	Official Close January 29	Percentage change (%)			
		Week 25 Jan - 29 Jan	1 Month	3 Months	Year to date
EUROPE					
DJ Stoxx 600	246.960	(1.2)	(2.8)	2.2	(2.4)
Auto	221.890	(2.9)	(6.5)	(4.9)	(5.9)
Banks	207.850	(2.1)	(6.7)	(8.7)	(6.1)
Basic Resources	468.280	(4.6)	(6.1)	10.7	(6.0)
Chemical	434.600	(0.5)	(6.7)	7.6	(6.1)
Construction & Material	264.430	(2.2)	(5.2)	3.2	(4.7)
Industrial	377.170	(0.8)	(2.4)	4.7	(1.9)
Insurance	146.620	(1.2)	(4.0)	(2.6)	(3.2)
Finance	221.100	(2.7)	(4.9)	(3.8)	(5.1)
Food & Beverage	306.140	0.3	0.2	7.4	0.6
FTSE EPRA Eu Residential	1582.040	0.5	1.9	(1.4)	(0.3)
Media	156.540	(1.1)	(1.9)	5.7	(1.6)
Oil&Gas	321.750	(2.1)	(2.7)	0.8	(2.7)
Retail	248.640	1.5	2.7	8.9	2.5
Tech.	194.730	2.6	5.9	8.1	5.6
TLC	247.460	(1.4)	(5.5)	(2.9)	(5.2)
Travel & Leisure	109.700	0.2	2.5	10.9	2.9
Utilities	325.960	(2.3)	(5.2)	1.9	(4.8)
UNITED STATES					
S&P 500	1084.530	(1.6)	(4.6)	0.7	(3.7)
Auto	125.010	2.1	4.4	35.3	5.5
Banks	214.900	1.1	2.3	(2.8)	2.5
Basic Resources	218.990	(7.5)	(13.6)	(1.0)	(12.8)
Chemical	252.68	(3.31)	(5.52)	0.88	(3.97)
Construction & Materials	268.230	2.1	5.1	6.9	5.2
Industrial	251.050	(2.1)	(4.2)	4.2	(2.7)
Food & Beverage	270.620	(0.7)	(3.3)	1.6	(2.3)
Media	250.610	(0.6)	(5.7)	5.7	(4.7)
Oil&Gas	478.990	(2.9)	(5.3)	(6.0)	(4.4)
Insurance	234.730	0.3	(1.3)	(1.3)	(0.3)
Finance	256.340	(0.2)	(2.1)	(2.0)	(1.6)
RE	169.740	(0.7)	(7.3)	4.9	(5.5)
Retail	169.740	(0.7)	(7.3)	4.9	(5.5)
Tech.	556.860	(3.9)	(9.1)	(0.5)	(8.6)
Tyres	48.380	(2.3)	(8.1)	4.3	(7.9)
TLC	108.540	(1.5)	(10.7)	(1.4)	(9.7)
Utilities	142.620	(1.5)	(5.9)	2.5	(4.5)

Pirelli & C. vs Auto & Parts Sector

	Official Close January 29	Percentage change				Daily average volumes		
		Week 25 Jan - 29 Jan	1 Month	3 Months	Year to date	Week 25 Jan - 29 Jan	1 Month	3 Months
EUROPA								
DJ Stoxx Auto	221.890	(2.9)	(6.5)	(4.9)	(5.9)			
TYRE								
Pirelli & C	0.423	0.8	(0.2)	5.9	0.7	35,817,252	33,661,754	46,712,241
Continental	40.000	(2.8)	12.6	6.7	9.8	582,411	640,904	381,988
Michelin	56.310	(1.8)	5.5	8.9	5.1	1,026,230	710,195	775,917
Nokian	17.540	(2.5)	3.2	16.5	3.2	788,640	682,839	670,703
AUTO								
Fiat	9.135	(7.7)	(11.5)	(13.3)	(10.9)	53,533,430	23,954,366	33,210,492
Renault	34.260	(4.0)	(4.7)	10.1	(5.4)	3,247,045	2,252,876	2,528,905
Peugeot	23.635	(5.3)	(0.6)	5.9	(0.1)	2,374,569	1,729,178	2,105,239
Volkswagen	63.280	(9.0)	(18.2)	(43.7)	(17.8)	511,299	531,548	464,855
BMW	30.960	0.8	(3.4)	(8.8)	(2.6)	3,504,411	2,307,184	2,445,166
Daimler	33.425	(2.2)	(11.2)	(3.4)	(10.2)	7,151,441	5,176,161	5,965,342
USA								
TYRE								
Goodyear	13.340	7.8	7.7	(14.9)	146.6	4,052,122	5,705,239	5,339,556
Cooper	17.030	(10.7)	(14.9)	10.2	(15.1)	1,357,033	857,950	1,021,576
AUTO								
Ford	11.410	3.0	7.2	48.5	8.4	18,186,660	15,090,990	13,785,658
ASIA								
TYRE								
Bridgestone	1447.0	(4.4)	(10.0)	(1.9)	(11.0)	3,322,740	4,451,717	3,626,009
Sumitomo	1019.0	(6.2)	(11.1)	(12.7)	(11.5)	1,679,320	1,401,500	1,243,179
Toyo	154.0	(9.4)	(11.5)	(11.0)	(10.5)	1,172,400	972,133	1,583,422
Yokohama	343.0	(6.3)	(16.1)	(13.8)	(15.7)	2,221,600	1,814,733	1,603,944
Hankook	22300.0	8.5	(5.9)	(5.9)	(12.5)	1,053,834	949,140	931,635
Khumo	3195.0	(11.6)	(24.6)	(35.3)	(11.4)	645,844	1,816,408	770,356
AUTO								
Toyota	3490.0	(13.9)	(10.3)	(2.2)	(10.1)	20,444,200	10,108,877	9,264,521
Nissan	736.0	(1.9)	(9.5)	14.8	(9.1)	23,923,640	20,148,373	20,338,242

EUROPE: WEEKLY TREND 25/01/2010 – 29/01/2010 TYRES & AUTO STOCKS vs DJ STOXX AUTO & PARTS



Source: Reuters

Tyre Sector evaluation Multiples

CONSENSUS PEERS TYRE MARKET MULTIPLES AT 01/02/2010

Source: Pirelli IR analysis on Bloomberg data

TYRES MULTIPLES @ 1-Feb-10																	
		PIE				EVSALES				EVIEBITDA				EVIEBIT			
		2009	2010	2011	2012	2009	2010	2011	2012	2009	2010	2011	2012	2009	2010	2011	2012
EUROPA	Michelin	39.5x	14.1x	10.0x	7.3x	0.8x	0.8x	0.7x	0.6x	7.3x	5.8x	4.6x	3.5x	19.4x	11.2x	7.8x	5.9x
	Continental		19.0x	9.8x	12.2x	0.9x	0.8x	0.7x	0.7x	9.1x	6.6x	5.2x	5.3x		15.6x	10.7x	11.2x
	Nokian	39.7x	19.1x	14.0x		3.1x	2.6x	2.2x		14.5x	10.1x	8.1x		22.5x	13.8x	10.9x	
	Simple average	39.6x	17.4x	11.3x	9.7x	1.6x	1.4x	1.2x	0.7x	10.3x	7.5x	6.0x	4.4x	21.0x	13.6x	9.8x	8.6x
	Weighted average *	22.5x	16.8x	10.4x	8.5x	1.1x	1.0x	0.9x	0.6x	8.9x	6.6x	5.3x	3.9x	11.4x	13.4x	9.4x	7.5x
US	Goodyear		16.2x	7.7x		0.4x	0.4x	0.3x		7.5x	4.4x	3.6x		35.4x	8.2x	5.3x	
	Cooper Tire	9.2x	7.6x	5.7x		0.4x	0.4x			3.8x	3.1x		6.6x	4.9x			
	Simple average	9.2x	11.9x	6.7x		0.4x	0.4x	0.3x		5.6x	3.7x	3.6x		21.0x	6.6x	5.3x	
	Weighted average *	2.2x	14.2x	7.2x		0.4x	0.4x	0.3x		6.6x	4.1x	2.7x		28.5x	7.4x	4.0x	
ASIA	Bridgestone	224.7x	21.0x	14.7x	13.8x	0.6x	0.6x	0.6x	0.5x	6.7x	5.6x	4.9x	4.1x	25.3x	13.9x	10.3x	10.2x
	Yokohama		17.7x	13.4x	9.1x	0.6x	0.6x	0.5x	0.5x	8.0x	5.7x	5.5x	4.7x	55.2x	15.8x	12.2x	9.7x
	Sumitomo	31.2x	13.9x	10.4x	10.0x	0.8x	0.8x	0.7x	0.6x	7.1x	6.6x	5.9x	6.0x	18.8x	12.3x	10.3x	12.8x
	Simple average	128.0x	17.5x	12.8x	11.0x	0.7x	0.6x	0.6x	0.5x	7.2x	6.0x	5.5x	4.9x	33.1x	14.0x	10.9x	10.9x
	Weighted average *	182.4x	19.8x	14.0x	12.9x	0.7x	0.6x	0.6x	0.5x	6.8x	5.8x	5.1x	4.4x	26.9x	13.8x	10.4x	10.5x
TOT. WORLD	max	224.7x	21.0x	14.7x	13.8x	3.1x	2.6x	2.2x	0.7x	14.5x	10.1x	8.1x	6.0x	55.2x	15.8x	12.2x	12.8x
	min	9.2x	7.6x	5.7x	7.3x	0.4x	0.4x	0.3x	0.5x	3.8x	3.1x	3.6x	3.5x	6.6x	4.9x	5.3x	5.9x
	median	39.5x	17.0x	10.2x	10.0x	0.7x	0.7x	0.7x	0.6x	7.4x	5.7x	5.2x	4.7x	22.5x	13.1x	10.3x	10.2x
	Simple average	68.9x	16.1x	10.7x	10.5x	1.0x	0.9x	0.8x	0.6x	8.0x	6.0x	5.4x	4.7x	26.2x	12.0x	9.6x	10.0x
	Weighted average *	77.3x	17.1x	11.0x	9.0x	0.9x	0.8x	0.7x	0.5x	7.8x	5.9x	4.8x	3.6x	16.9x	12.6x	8.9x	7.6x

* on peers market capitalization by geographical area

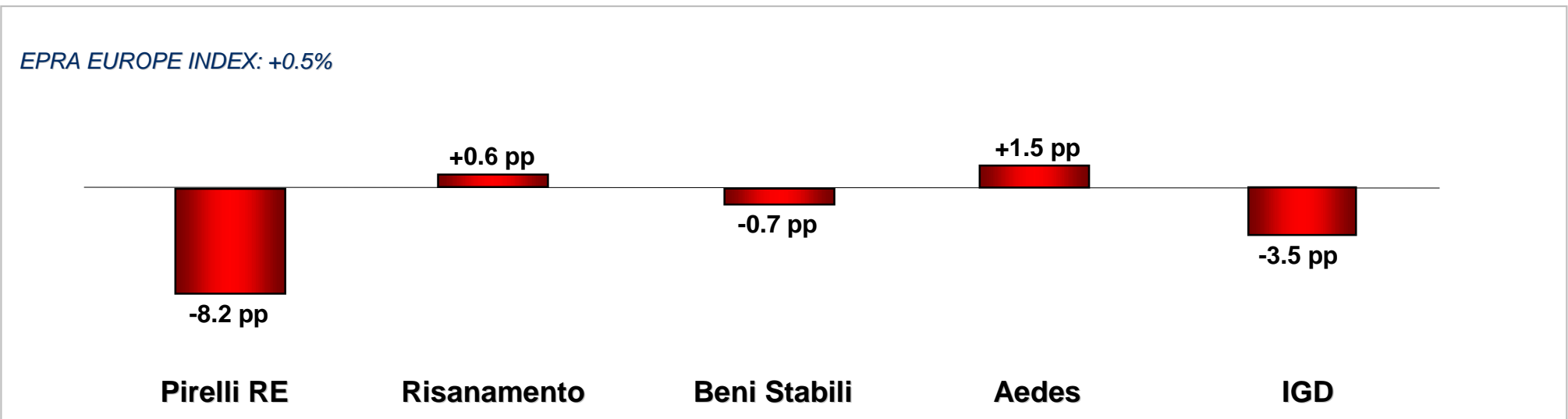
** on tyre sector market capitalization

WORLD TYRE MARKET CAP				
Min	Local currency	€ adjustment	% on cluster	% on geographical Area
Michelin	€8,492	€8,492	25.0%	45.7%
Continental	€8,106	€8,106	23.9%	43.0%
Nokian	€2,235	€2,235	6.6%	11.9%
Goodyear	\$ 3,230	€2,323	6.9%	75.8%
Cooper Tire	\$ 1,030	€741	2.2%	24.2%
Bridgestone	¥1,198,513	€9,538	28.1%	79.5%
Yokohama	¥122,993	€979	2.9%	8.2%
Sumitomo	¥186,761	€1,486	4.4%	12.4%
TOT.		€33,900		

Pirelli & C. RE vs Real Estate Sector

	Official Close January 29	Percentage change				Daily average volumes		
		Week 25 Jan - 29 Jan	1 Month	3 Months	Year to date	Week 25 Jan - 29 Jan	1 Month	3 Months
Pirelli RE	0.457	(7.7)	(10.3)	(20.9)	(10.7)	4,556,464	4,496,656	8,285,172
Tecla	430.980	1.9	2.1	3.9	2.1	32.00	26.87	27.92
Olinda	349.000	2.3	7.4	11.9	7.4	185.40	200.63	153.68
ITALIA								
Epra Europe	1582.040	0.5	1.9	(1.4)	(0.3)			
Beni Stabili	0.604	(0.2)	5.4	(3.7)	5.0	1,737,212	1,662,640	1,667,972
Aedes	0.209	2.0	2.1	(6.0)	2.1	2,803,159	2,031,228	4,999,950
Bastogi	2.140	0.9	0.2	(3.6)	1.7	10,840	26,504	15,940
Brioschi	0.203	0.3	(1.5)	(6.3)	(6.9)	550,502	1,021,136	978,671
Gabetti	0.544	(5.9)	(18.2)	(24.3)	(13.3)	124,751	221,753	394,550
IGD	1.469	(3.0)	(6.2)	(4.1)	(5.8)	262,076	292,195	393,554
Risanamento	0.413	1.1	(2.8)	1.6	(2.0)	1,027,885	1,082,011	2,655,748

WEEKLY TREND 25/01/2010 – 29/01/2010 REAL ESTATE STOCK vs EPRA EUROPE INDEX



Source: Reuters