

Pirelli & C. S.p.A. — Milano

Peers & Markets

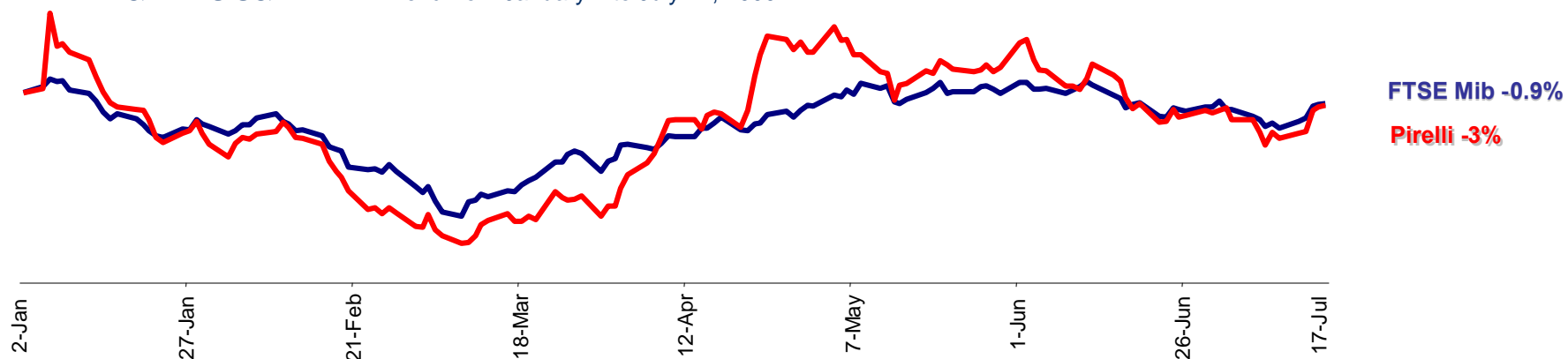
13 July – 17 July 2009



Investor Relations

Pirelli Group on the Stock Market

PIRELLI & C. VS S&P/MIB - Trend from January 2 to July 17, 2009



GROUP TREND FROM JANUARY 2 TO JULY 17, 2009

	Official Close July 17	Percentage change				Daily average volumes			
		Week 13-17 July	1 Month	3 Months	Year to date	Week 13-17 July	1 Month	3 Months	Year to date
Pirelli & C. Ord.	0.255	11.3	(2.5)	2.6	(3.0)	37,343,021	38,671,114	50,923,685	50,923,685
Pirelli & C. Resp.	0.270	4.7	(4.4)	0.0	0.4	119,935	115,108	310,352	310,352
Pirelli Real Estate	0.566	6.4	(61.4)	(20.8)	(7.4)	22,561,730	13,047,429	687,417	687,417
FTSE All Share	19959	(2.5)	(6.3)	15.3	(1.4)				
FTSE MIB	19283	(2.7)	(7.2)	14.2	(3.2)				

Sell side analysts evaluation on Pirelli & C (20/07/2009)

Consensus Target Price: € 0.28

% Buy: 25%

% Sell: 13%

% Hold: 62%

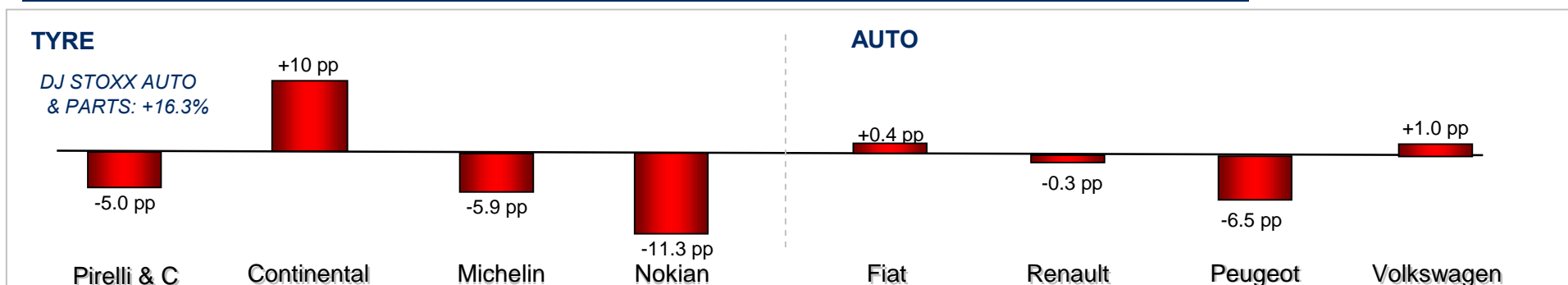
Market Cap: €1,432.2 mln (of which ord. €1,394.6mln)

Pirelli & C. vs Auto & Parts Sector

TREND PIRELLI & C. vs PEERS TYRE & AUTO FROM JANUARY 2 TO JULY 17, 2009

	Official Close July 17	Percentage change				Daily average volumes			
		Week 13-17 July	1 Month	3 Months	Year to date	Week 13-17 July	1 Month	3 Months	Year to date
EUROPE									
DJ Stoxx Auto	228.850	16.3	7.2	4.8	14.7				
TYRE									
Pirelli & C	0.255	11.3	(2.5)	2.6	(3.0)	37,343,021	38,671,114	44,324,383	44,324,383
Continental	24.250	26.5	27.0	39.7	(16.0)	194,802	208,548	228,816	228,816
Michelin	41.195	10.4	0.6	8.3	9.6	735,747	823,162	1,096,209	1,096,209
Nokian	12.650	5.0	(5.9)	14.5	59.9	561,183	688,971	1,023,752	1,023,752
AUTO									
Fiat	7.760	16.7	8.3	0.8	68.4	24,096,437	21,411,272	29,399,302	29,399,302
Renault	25.990	16.1	(5.0)	7.8	40.1	1,976,735	1,992,882	2,264,055	2,264,055
Peugeot	18.215	9.8	(10.4)	(5.8)	49.9	1,877,879	2,086,770	2,241,735	2,241,735
Volkswagen	249.990	17.3	5.8	0.7	(0.0)	439,477	375,727	455,233	455,233
USA									
TYRE									
Goodyear	12.920	17.7	9.0	26.5	116.4	4,862,283	5,382,671	5,364,199	5,364,199
Cooper	12.380	19.0	36.0	68.9	101.0	1,714,863	1,102,344	956,885	956,885
AUTO									
Ford	6.140	7.3	7.5	53.5	168.1	10,978,880	11,948,897	20,019,127	20,019,127
ASIA									
TYRE									
Bridgestone	1562.000	0.5	8.6	7.2	16.0	4,314,640	5,074,327	4,413,560	4,413,560
Sumitomo	886.000	(4.7)	6.5	16.8	(0.6)	1,987,000	1,758,637	1,505,103	1,505,103
Toyo	190.000	1.1	(15.8)	8.7	15.4	2,369,200	2,411,633	2,621,833	2,621,833
Yokohama	463.000	(1.7)	8.9	11.0	5.0	1,498,600	2,059,200	1,840,033	1,840,033
Hankook	16200.000	2.9	3.8	13.7	5.9	536,786	860,466	1,255,448	1,255,448
Khumo	4745.000	(0.3)	(5.1)	(16.0)	5.7	217,017	375,782	468,048	468,048
AUTO									
Toyota	3500.000	2.3	(5.6)	(8.1)	20.8	7,173,780	7,567,867	10,194,763	10,194,763
Nissan	555.000	6.8	(1.7)	13.3	77.8	18,405,920	18,200,783	24,820,593	24,820,593

EUROPE: WEEKLY TREND 13/07/2009 – 17/07/2009 TYRES & AUTO STOCKS vs DJ STOXX AUTO & PARTS



Source: Reuters

INVESTOR RELATIONS 20/07/09

Tyre Sector evaluation Multiples

CONSENSUS PEERS TYRE MARKET MULTIPLES AT 20/07/2009

Source: Pirelli IR analysis on Bloomberg data

TYRES MULTIPLES @ 20-Jul-09																	
	P/E				EV/SALES				EV/EBITDA				EV/EBIT				
	2009	2010	2011	2012	2009	2010	2011	2012	2009	2010	2011	2012	2009	2010	2011	2012	
EUROPA	Michelin	53.8x	14.3x	10.0x	10.9x	0.7x	0.6x	0.6x	0.6x	6.4x	4.9x	4.3x	3.5x	16.6x	9.8x	7.9x	8.8x
	Continental		17.3x	10.0x	7.7x	0.7x	0.7x	0.6x	0.6x	7.2x	5.6x	4.6x	4.6x	34.6x	15.5x	10.2x	9.6x
	Nokian	21.8x	13.5x	11.1x		2.1x	1.9x	1.6x		9.7x	7.5x	6.1x		14.5x	10.4x	8.3x	7.3x
	Simple average	37.8x	15.0x	10.3x	9.3x	1.2x	1.1x	0.9x	0.6x	7.7x	6.0x	5.0x	4.1x	21.9x	11.9x	8.8x	8.5x
	Weighted average *	29.6x	15.3x	10.1x	8.3x	0.9x	0.8x	0.7x	0.5x	7.1x	5.5x	4.6x	3.5x	23.0x	12.0x	8.8x	8.9x
US	Goodyear		10.5x	6.4x		0.4x	0.4x			6.4x	4.2x			10.9x	6.2x		
	Cooper	13.2x	13.3x	13.7x	13.3x	1.1x	1.1x			8.5x	8.3x			10.8x	10.7x		
	Simple average	13.2x	11.9x	10.1x	13.3x	0.8x	0.7x			7.5x	6.3x			10.8x	8.4x		
	Weighted average *	8.3x	12.3x	11.0x	8.3x	0.8x	0.8x			7.7x	6.8x			10.8x	9.0x		
ASIA	Bridgestone	167.5x	20.4x	15.1x	14.3x	0.7x	0.6x	0.6x	0.5x	7.0x	5.4x	4.7x	4.3x	26.8x	12.4x	9.2x	11.2x
	Yokohama		23.9x	15.1x	12.4x	0.6x	0.6x	0.6x	0.5x	9.0x	6.6x	6.0x	5.6x	62.1x	18.7x	14.6x	14.0x
	Sumitomo	-66.2x	19.7x	16.2x	12.5x	0.8x	0.8x	0.7x	0.7x	9.0x	7.9x	7.9x	9.2x	20.6x	16.7x	21.6x	20.4x
	Simple average	50.7x	21.3x	15.5x	13.0x	0.7x	0.7x	0.6x	0.6x	8.3x	6.6x	6.2x	6.4x	36.5x	15.9x	15.1x	15.2x
	Weighted average *	121.5x	20.7x	15.2x	13.8x	0.7x	0.6x	0.6x	0.6x	7.5x	5.9x	5.2x	5.1x	29.5x	13.5x	11.3x	12.7x
TOT. WORLD	max	167.5x	23.9x	16.2x	14.3x	2.1x	1.9x	1.6x	0.7x	9.7x	8.3x	7.9x	9.2x	62.1x	18.7x	21.6x	20.4x
	min	-66.2x	10.5x	6.4x	7.7x	0.4x	0.4x	0.6x	0.5x	6.4x	4.2x	4.3x	3.5x	10.8x	6.2x	7.9x	7.3x
	median	21.8x	15.8x	12.4x	12.4x	0.7x	0.6x	0.6x	0.6x	7.9x	6.1x	5.3x	4.6x	18.6x	11.6x	9.7x	10.4x
	Simple average	38.0x	16.6x	12.2x	11.8x	0.9x	0.8x	0.8x	0.6x	7.9x	6.3x	5.6x	5.5x	24.6x	12.5x	12.0x	11.9x
	Weighted average **	62.0x	15.9x	11.7x	10.0x	0.8x	0.7x	0.5x	0.4x	7.0x	5.6x	3.7x	3.2x	20.8x	11.3x	7.5x	8.1x

* on peers market capitalization by geographical area

** on tyre sector market capitalization

WORLD TYRE MARKET CAP				
	Local currency	€ adjustment	% on cluster	% on geographical Area
Michelin	€6,109	€6,109	20.3%	49.7%
Continental	€4,560	€4,560	15.1%	37.1%
Nokian	€1,611	€1,611	5.3%	13.1%
Goodyear	\$ 3,124	€2,197	7.3%	37.4%
Cooper	\$ 5,227	€3,675	12.2%	62.6%
Bridgestone	¥1,251,365	€9,299	30.8%	77.5%
Yokohama	¥159,651	€1,186	3.9%	9.9%
Sumitomo	¥203,332	€1,511	5.0%	12.6%
TOT.		€30,147		

Pirelli & C. RE vs Real Estate Sector

PIRELLI RE TREND vs PEERS RE FROM JANUARY 2 TO JULY LUGLIO 2009

	Official Close July 17	Percentage change				Daily average volumes			
		13-17 July	1 Month	3 Months	Year to date	13-17 July	1 Month	3 Months	Year to date
Pirelli RE	0.566	6.4	(61.4)	(20.8)	(7.4)	22,561,730	13,047,429	5,898,144	5,898,144
Tecla	412.990	(0.0)	3.5	0.7	4.3	14.80	25.17		
Olinda	275.000	(3.2)	(6.8)	(14.1)	(5.2)	66.00	65.37		
Spazio Investment	5.065	3.7	16.2	68.8	(15.6)	46,725	46,065	116,675	116,675
ITALY									
Epra Europe	1231.880	5.6	2.0	(1.4)	4.3				
Gabetti	0.870	6.1	(1.1)	(1.7)	(12.9)	4,493	8,342	23,627	23,627
Beni Stabili	0.559	5.3	0.4	13.3	12.9	1,047,635	1,492,113	2,134,189	2,134,189
Aedes	0.580	8.1	(17.1)	(7.0)	33.9	642,470	279,332	687,141	687,141
Bastogi	2.180	5.8	3.4	(7.8)	47.4	12,362	13,775	19,962	19,962
Brioschi	0.181	(0.2)	(5.7)	(1.1)	(7.9)	588,655	518,263	1,325,119	1,325,119
Gabetti	0.870	6.1	(1.1)	(1.7)	(12.9)	4,493	8,342	23,627	23,627
IGD	1.193	2.2	5.4	15.8	14.2	197,831	471,507	1,166,666	1,166,666
IPI	1.894	0.6	0.5	45.8	33.2	27,452	123,510	111,595	111,595
Risanamento	0.359	2.6	5.6	71.0	(16.1)	727,561	1,601,325	3,548,298	3,548,298

WEEKLY TREND 13/07/2009 – 17/07/2009 REAL ESTATE STOCK vs EPRA EUROPE INDEX

