Pirelli & C. S.p.A. — Milano

Peers & Markets

Week ending 20th October – 24th October 2008

High expectations of a cut in the official interest rates in Europe and in the USA

PIRELLI

Investor Relations

Markets

- Panic is once again conditioning the share markets, with enhanced effects on the currency markets (USD/JPY dropped to 90.95 on Friday then rose to 92.96 on Monday morning, the EUR/CHF at 1.4411, the EUR at 1.24) and on the price of Government bonds, the latter, clearly on the rise. After the strong fall in markets across Europe and the Us on Friday, on Sunday night the Asian markets increased the losses: Nikkei -6.3%, Hong Kong -14.4%. The bank of Korea cut its interest rates by 75 bp, whilst most were expecting a 50 bp cut. Kaupthing, the Bank from Iceland defaulted on its samurai bond (50 billion Yen), by not paying the interests due.

-In the USA, the Treasury announced that it is ready to purchase stakes in 20 financial institutions, as well as in an insurance company. It seems that GM (currently restructuring) has asked the Treasury to purchase its shares: the Treasury currently wishes GM to make use of the credit lines it already provided a couple of weeks ago for the automobile companies that are facing difficulties, worth $25 billion.

-The date for the G-20 meeting regarding the financial crisis has been set: It will be held in Washington on the 15th of November.

- Various members of the ECB have made announcements that display the growing concerns about the effects of the crisis on the economy, as well as the possibility of a cut (25 bp) to be carried out by the ECB at its next meeting on the 6th of November

-OPEC announced on Friday that it has decided to cut production by 1.5 million barrels per day, of which 466 thousand from Saudi Arabia and 199 thousand from Iran. The reduction shall take place starting from November. The move did not stop the descent of petrol prices ($63.59 per barrel down from $ 75 recorded at the beginning of the week).

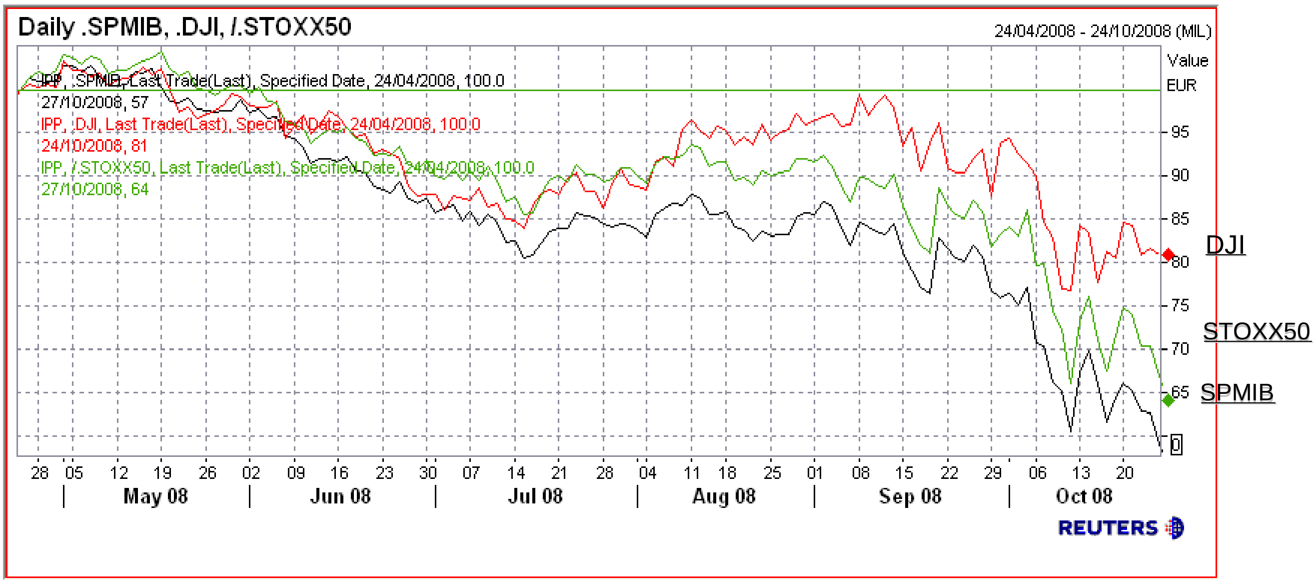
USD Positive week for the Dollar although in the short term this re-strengthening might be re-absorbed (due to greater than expected cuts carried out by the Fed and very poor GDP figures expected for the USA)

EUR The Euro is down 7% at 1.33 to 1.24 EUR/USD allowing some space for partial recovery. However in the short term, given the high volatility a further drop cannot be excluded.

GBP Negative week for the Pound Sterling. Affected also by the early estimates regarding Britain's GDP which displayed greater than expected contraction.

JPY The yen continued its rise, accelerating, pushed on by the mass influx of money brought back into the country by Japanese investors. The excessive appreciation of the Yen might lead to direct intervention on the foreign exchange market, by selling Yen versus the Dollar and/or Euro, as in 1999.

S&P/MIB VS DJ EURO STOXX 50 AND DOW JONES INDUST. AVG.
Performance chart of the last 6 months



Source: Reuters

Markets

MARKETS PERFORMANCE (10/24/2008)

	Official	Pch change (%)**					Last 52 Weeks		Daily average Volumes***	
	Close	1 W*	1 M	6 M	1 Y	YTD	MIN PRICE	MAX PRICE	1 W	1 M
EUROPE										
DJ Euro Stoxx	214.620	(7.7)	(26.9)	(40.4)	(48.9)	(48.3)	202.64	432.91		
S&P/MIB	19879.000	(8.2)	(26.2)	(40.8)	(49.4)	(48.4)	19,260.00	40,611.00	642,464,176	1,004,620,949
FTSE 100	3883.360	(4.4)	(23.8)	(35.8)	(40.1)	(39.9)	3,715.24	6,726.90	1,494,191,209	1,742,621,424
DAX	4295.670	(10.2)	(29.0)	(37.0)	(45.1)	(46.8)	4,014.60	8,117.79	209,705,898	267,034,433
CAC 40	3193.790	(4.1)	(22.4)	(35.2)	(43.7)	(43.1)	2,959.29	5,855.35	228,288,757	266,405,575
IBEX 35	8353.200	(13.5)	(24.8)	(38.9)	(45.2)	(45.0)	7,991.90	16,040.40	388,962	374,188
UNITED STATES										
DJ Industr. Average	8378.950	(5.3)	(22.6)	(34.8)	(38.7)	(36.8)	7,882.51	13,962.53	299,564,064	368,535,429
S&P 500	876.770	(6.8)	(26.1)	(36.9)	(42.2)	(40.3)	853.61	1,551.91	49,002,946	57,635,025
NASDAQ Composite	1552.030	(9.3)	(28.0)	(36.1)	(44.1)	(41.5)	1,493.79	2,861.51	959,905,524	1,084,031,489
ASIA										
Nikkei 225 (Giappone)	7649.080	(12.0)	(36.9)	(43.5)	(53.2)	(50.0)	7,647.07	16,887.04	178,491	171,544
Hang Seng (HK)	12618.380	(13.3)	(33.5)	(50.9)	(57.0)	(54.6)	12,618.38	31,958.41	3,110,926,479	3,431,405,708
All ordinaries (Australia)	3831.600	(2.9)	(23.5)	(32.3)	(42.4)	(40.3)	3,799.50	6,873.20	966,373,862	1,067,692,036
Strait Times (Singapore)	1745.670	(14.8)	(35.4)	(49.6)	(56.2)	(53.8)	1,590.36	3,842.95	395,187,460	384,922,177
BSE 30 (India)	8701.070	(12.8)	(36.5)	(48.0)	(53.0)	(57.1)	8,566.82	21,206.77	43,836	39,470
EMIRATES										
Abu Dhabi	3389.760	(1.7)	(11.6)	(32.3)	(20.6)	(25.5)	3,062.66	5,158.66	122,726,639	140,982,560
Dubai	3102.650	(3.5)	(21.7)	(46.0)	(37.6)	(47.7)	2,991.04	6,320.44	300,227,292	335,688,843
BRAZIL										
Itel (indice TLC)	828.840	(15.9)	(19.8)	(39.1)	(38.7)	(32.2)	782.52	1,405.88		
Bovespa	31481.550	(13.5)	(36.8)	(51.2)	(49.7)	(50.7)	30,787.62	73,920.38	1,789,131	1,908,452

* Variation calculated as per price on Friday
** Variation calculated based on current price
*** Number of pieces exchanged

Source: Reuters

EXCHANGE RATES (10/27/2008)

	EUR	USD	GBP	YEN	REAL
EUR		1.25	0.81	115.70	2.84
USD	0.80		0.65	92.86	2.28
GBP	1.24	1.54		143.38	3.52
YEN	0.01	0.01	0.01		0.02
REAL	0.35	2.28	3.65	40.69	

Source: Reuters

Markets

SECTORS PERFORMANCE (10/24/2008)

	Official Close	Pch change (%)**				
		1 W*	1 M	6 M	1 Y	YTD
EUROPE						
Auto	173.400	(27.3)	(34.0)	(42.2)	(57.5)	(51.9)
Banks	182.640	(12.8)	(34.9)	(49.1)	(60.0)	(57.0)
Industrial	246.850	(9.1)	(35.5)	(47.0)	(55.0)	(55.9)
Insurance	120.510	(9.0)	(35.2)	(46.2)	(56.0)	(52.2)
Finance	199.730	(8.0)	(29.5)	(43.0)	(52.9)	(51.6)
Media	127.960	(4.4)	(17.0)	(30.9)	(45.2)	(43.5)
Oil&Gas	256.190	(3.5)	(25.1)	(37.2)	(42.1)	(42.0)
Tech.	161.170	(3.0)	(23.6)	(31.5)	(51.4)	(47.0)
TLC	216.720	(8.4)	(13.6)	(26.0)	(41.1)	(41.4)
Utilities	332.790	(4.2)	(18.0)	(30.3)	(37.7)	(39.3)
FTSE EPRA Eu Residential	1218.570	(11.8)	(31.7)	(43.0)	(49.1)	(43.6)
UNITED STATES						
Auto	47.030	(17.6)	(52.3)	(68.5)	(75.6)	(68.3)
Banks	254.620	(9.7)	(25.1)	(34.4)	(47.3)	(38.2)
Industrial	195.750	(9.3)	(31.0)	(42.3)	(46.2)	(44.3)
Insurance	199.730	(2.8)	(31.3)	(48.8)	(55.9)	(54.1)
Oil&Gas	397.590	(2.4)	(32.4)	(43.3)	(39.1)	(41.5)
Tech.	370.030	(9.2)	(26.5)	(37.7)	(44.3)	(42.7)
Tyres	28.230	(23.6)	(43.6)	(66.7)	(68.8)	(68.0)
TLC	96.720	(6.3)	(22.8)	(37.9)	(48.7)	(46.2)
Utilities	130.290	(0.7)	(20.0)	(33.2)	(33.2)	(36.3)

Source: Reuters

FOREX & FIXED INCOME (10/27/2008)

	Latest	Yld (bid)	Coupon(%)
Bund (10 anni) €	103.85	3.76	4.25
	Latest	Yld (bid)	Coupon(%)
BTP 2 anni	101.97	3.19	4.50
BTP 5 anni	100.95	4.06	4.25
BTP 10 anni	98.77	4.71	4.50
	Latest (%)		
Euribor 365 3M	4.98		
EURO LIBOR	4.90		

Source: Reuters

Pirelli & C.

Pirelli Ord. Ended the week down by 11.4% (monthly performance negative, -31.3%) and with lower than average volumes (11 million shares).

Pirelli risp. Closed with a +1.47% spread compared to ordinary shares.

The share settled on the lower limit of the relative strength index (RSI at 26.45) after breaking the horizontal support at 0.28 negatively affected by the dynamics of auto related sectors.

PIRELLI SHARES PERFORMANCE (10/24/2008)

	Official	Pch change (%)**				
	Close	1 W*	1 M	6 M	1 Y	YTD
Camfin	0.454	(0.2)	(20.5)	(53.1)	(71.7)	(64.9)
Pirelli & C. Ord.	0.292	(11.4)	(31.3)	(44.7)	(56.6)	(50.4)
Pirelli & C. Risp.	0.296	(10.0)	(24.0)	(50.4)	(56.1)	(53.1)
Pirelli Real Estate	5.500	(19.7)	(45.4)	(71.8)	(83.8)	(78.1)
Mediobanca	8.730	(0.5)	(14.3)	(34.5)	(43.0)	(38.2)
RCS	1.242	(10.6)	(12.4)	(45.8)	(66.5)	(58.3)
Telecom italia ord.	0.863	(1.9)	(20.8)	(34.9)	(58.7)	(59.4)
Telecom italia risp.	0.667	(0.7)	(18.9)	(36.9)	(61.1)	(59.0)
Telecom italia media ord.	0.090	(6.3)	(17.8)	(32.6)	(66.5)	(62.0)
Telecom italia media risp.	0.093	(5.1)	(7.0)	(30.6)	(63.6)	(58.0)

* Variation calculated as per price on Friday
** Variation calculated based on current price

Source: Reuters

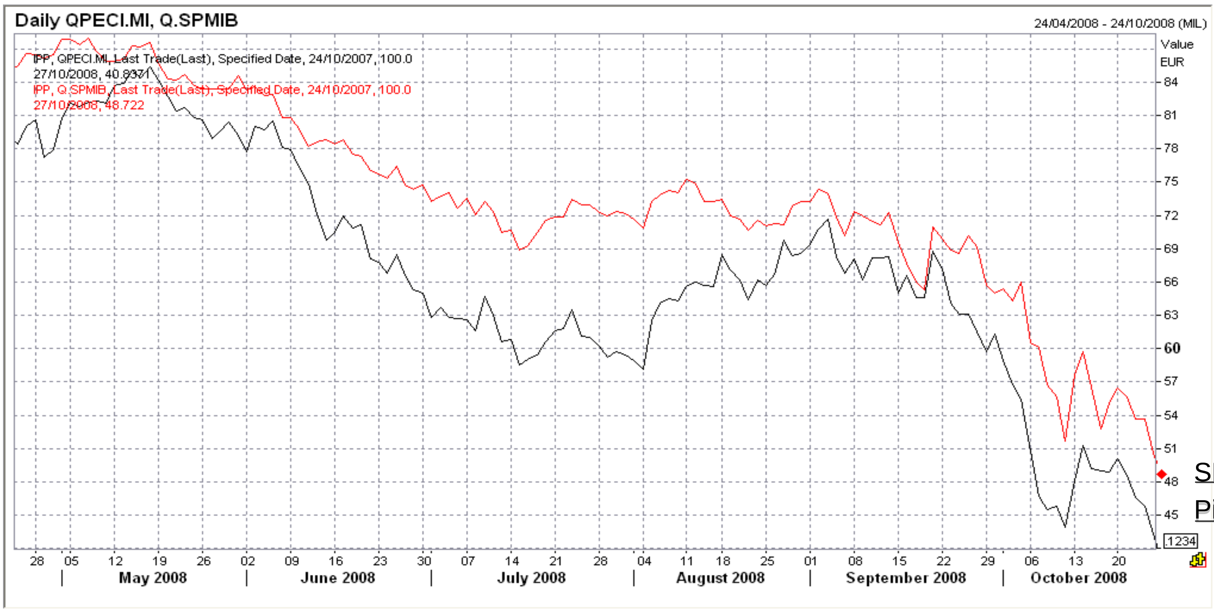
Stock valuation (10/24/2008)

Sconto Vs NAV: -31.26%
NAV per Share: € 0.43
Consensus TP: € 0.43
% Buy: 13%
% Sell: 20%
% Hold: 67%
Market Cap (@10/27/2008): €1485 million (of which ordinary. €1446 million)

Pirelli & C.

PIRELLI SHARES & C. VS S&P/MIB

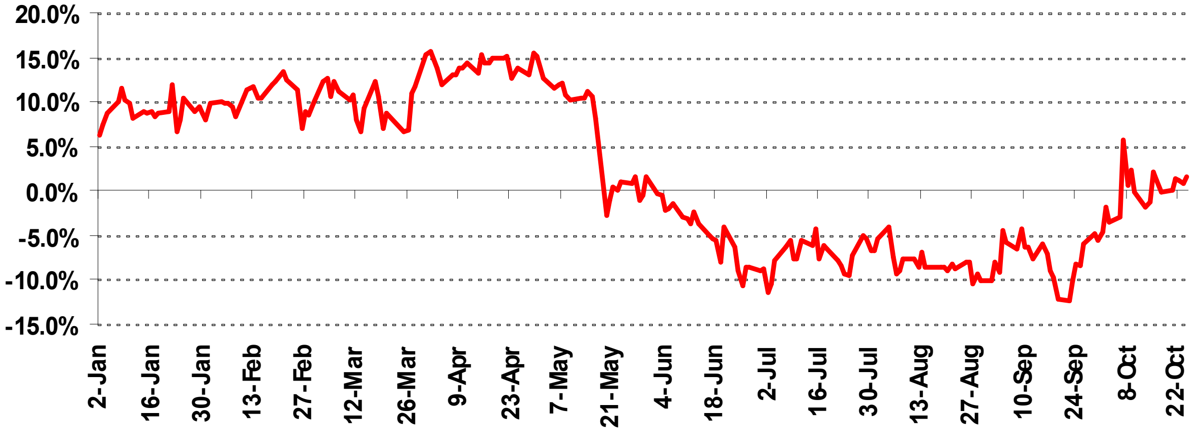
Performance chart of the last 6 months



Source: Reuters

PIRELLI RISPARMIO vs PIRELLI ORDINARIA

(dal 01/02/2008)



Source: Reuters

Sectors

Tyre

Last week ended with a very poor set of quarter results for the automobile sector displaying the slowdown of the western European markets reflected by the downgrades carried out by MStanley and GSachs for the auto sector(analysts expect a clear drop in profits: from 4.9% in 2008 to 1.3% in 2009). The outlook for 2009 is uncertain (especially in the 1H) and so are the forecasts regarding market conditions after the anti-crisis measures taken by the Government. A considerable drop in volumes is expected in 2009 between -3.5% & -7% (in Europe between -9% e -15%, in North America about -6%, the ranges mentioned are as per MStanley and GSachs) along with a weak mix(above all in the German market/premium OE). The auto builders are reacting to the crisis with enhanced flexibility and production cuts (already announced by Peugeot, Renault, Fiat andVolvo) especially in Europe.

Fiat: 27% of the staff will be suspended and provided with redundancy payments in the 4Q'of 08, "worst scenario" for 2009 is a 10-20% fall in global demand, postponed investments (return of Alfa Romeo on the American market in 2011). Targets are confirmed for 2010.

Daimler: production adjustments starting from the 4Q'08 and "collapse of a number of suppliers" are expected.

Chrysler: announced a reduction in the number of personnel by the end of the year, 5000 jobs shall be cut. Decisions regarding the option of a merger with General Motors or an eventual Production/business agreement with Nissan/Renault have been suspended.

Volvo: Truck market is weak due to a considerable contraction in European demand (from41 thousand orders down to 115).Round about 1350 employees will lose their jobs.

Peugeot: FY'08 targets have been reduced: European volumes set at - 3.5% yoy and ebit margin at 1.3%. A 30% production cut is expected in the following months

Renault: quite close to shutting down its production plants for one or two weeks

Continental

- Continental’s tyre division is being targeted by certain private equity funds. Schaeffler’s decision to cede the "Rubber Group" would lead to a battle between industrial operators like Michelin, Bridgestone and other financial subjects. The entry of the funds however will be at the risk of a clash with the entrenched positions and views of Germany’s influential trade unions. (*Handelsblatt*).
- Expected net profit 3Q'08 is of €62 million, -75% yoy, (the figures shall be announced on the 30th of October). (*Reuters*)

Bridgestone

Targets for 2012 were reviwed and thus expectations are higher:

- Operating profit: Y410 billion (+64% vs earlier estimates)
-Sales: Y4300 billion (+27% vs earlier estimates)
- Capex: Y290 billion per annum for five years till 2013 (same level as in 2008), +16% vs earlier estimates

Exchange rates considered: 100Y versus dollar (unchanged), Y140 versus euro (vs Y130 from earlier estimates)

Drivers of these corrections in the 2012 management plan are expectations for a long term growth in demand especially in the BRIC countries (Brazil, Russia, India and China)

The expected working profit for the year 2008 is Y155 billion (-38% yoy due to the rise in costs of raw materials and the strengthening of the Japanese currency). (*Reuters*)

Kumho

- Sales +24% yoy, operating profit +66% yoy
- Net profit: -KRW30.83 (three times the losses of the 3Q 2007) due to negative payoffs related to derivatives and passive interests derived from foreign investments. (Dow Jones NewsWires)

3Q ’08 calendar of results expected this week:

Michelin: 28th October, Conference Call at 17:40

Continental: 30th October, Conference Call at 16:00

Nokian: 31st October 2008, Conference Call at 10:00

Performance of the week

Best: Bridgestone +1.4%
Worst: Nokian-25.8%

Sectors

Tyre

PIRELLI & C. VS PEERS TYRE (10/17/2008)

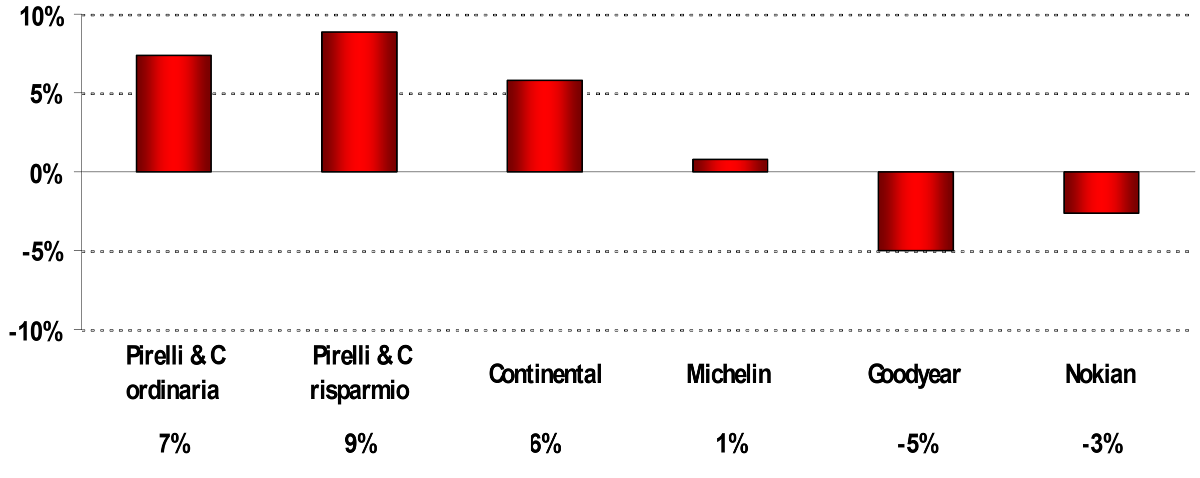
	Official Close	Pch change (%)**					Last 52 Weeks		Daily average Volumes***	
		1 W*	1 M	6 M	1 Y	YTD	MIN PRICE	MAX PRICE	1 W	1 M
Pirelli & C ordinaria	0.292	(11.4)	(31.3)	(44.7)	(56.6)	(50.4)	0.28	0.70	10,847,752	28,559,177
Pirelli & C risparmio	0.296	(10.0)	(24.0)	(50.4)	(56.1)	(53.1)	0.29	0.72	187,723	256,487
Continental	35.320	(11.9)	(47.5)	(53.8)	(63.1)	(60.3)	33.05	106.00	610,166	1,643,328
Michelin	34.925	(15.8)	(23.5)	(45.5)	(62.8)	(55.5)	32.79	99.80	1,915,130	2,149,782
Nokian	9.850	(25.8)	(48.3)	(63.8)	(61.4)	(59.0)	9.58	33.73	1,814,276	2,010,839
Goodyear	8.890	(24.0)	(44.4)	(67.4)	(67.6)	(68.5)	8.46	30.79	4,403,819	5,773,033
Cooper	5.740	(20.7)	(37.9)	(61.8)	(73.8)	(65.4)	5.53	22.70	735,729	1,042,187
Bridgestone	1735.000	1.4	(16.6)	(7.9)	(26.6)	(12.7)	1,352.00	2,555.00	8,545,080	8,404,750
Sumitomo	636.000	(2.8)	(12.4)	(3.4)	(39.6)	(17.3)	653.00	1,417.00	2,580,360	2,646,277
Toyo	215.000	(4.4)	(30.4)	(36.4)	(66.3)	(48.4)	185.00	678.00	1,049,000	1,063,400
Yokohama	406.000	(14.0)	(31.6)	(20.9)	(50.3)	(39.0)	371.00	859.00	2,838,200	2,463,767
Hankook	11300.000	(16.3)	(28.7)	(28.7)	(34.3)	(36.9)	11,250.00	20,200.00	852,756	1,104,818
Khumo	4500.000	(18.2)	(44.3)	(59.5)	(66.9)	(67.9)	4,230.00	15,050.00	235,830	283,490

* Variation calculated as per price on Friday
** Variation calculated based on current price
*** Number of pieces exchanged

Source: Reuters

TYRE SEGMENT VS DJ STOXX INDUSTRIAL

Performance chart for last week



Source: Reuters

Sectors

Tyre

Multiple market consensus for Peers Tyre @10/27/08

Sources: *Thomson One; Reuters*

	P/E		EV/SALES		EV/EBITDA		EV/EBIT	
	2008E	2009E	2008E	2009E	2008E	2009E	2008E	2009E
Bridgestone	14.8x	11.4x	58%	54%	5.1x	4.5x	9.5x	7.8x
Michelin	5.9x	4.9x	52%	49%	3.8x	3.4x	6.8x	6.0x
Goodyear	3.0x	2.4x	20%	17%	2.3x	1.8x	3.8x	2.9x
Continental	6.5x	4.9x	61%	56%	4.5x	4.0x	9.6x	8.0x
Nokian	5.0x	4.0x	106%	83%	3.5x	2.7x	4.2x	3.2x
Sumitomo	13.5x	10.2x	71%	68%	6.1x	5.5x	11.6x	10.0x
Yokohama	10.4x	8.7x	50%	48%	5.2x	4.9x	11.2x	9.7x
Toyo	16.3x	8.8x	36%	35%	5.2x	4.5x	15.9x	11.8x
Hankook	8.7x	6.7x	71%	64%	3.9x	3.3x	9.0x	6.5x
Kumho	10.2x	4.8x	63%	60%	5.4x	4.8x	11.6x	9.3x
Cooper	7.5x	4.5x	22%	19%	2.8x	2.2x	3.9x	2.4x
max	16.3x	11.4x	106%	83%	6.1x	5.5x	15.9x	11.8x
min	3.0x	2.4x	20%	17%	2.3x	1.8x	3.8x	2.4x
median	8.7x	4.9x	58%	54%	4.5x	4.0x	9.5x	7.8x
average	9.3x	6.5x	55%	50%	4.3x	3.8x	8.8x	7.1x

Note regarding Yokohama and Toyo: the columns marked 2008 include the estimates for the 2009 FY, from April 2008 to March 2009; The columns marked 2009 are filled in with estimates for the 2010 FY, from April 2009 to Match 2010.

Note regarding Hankook and Kumho: the figures provided by Thomson One are "parent“

Standard Method: considering DEFICIT from Funded pension funds (defined contribution)

Sources: Thomsonone-Reuters

Sectors

Real Estate

All the real-estate **EPRA** indices were very negative this last week. There is no specific news regarding the sector (while awaiting quarter results) besides the general lack of trust that is affecting the global economy. In a sample of about 50 companies from continental Europe the average discount to NAV (gross taxes) is of around 40%. Many shares in the sector touched their historic low point this week. During the week **PRE** lost nearly 20%. Since the beginning of 2008 its negative performance has been of nearly 78%;

better than Aedes and Risanamento (both around-87%) and in accordance with the figures recorded among the major German companies.

The **European investment market** was stable in the third quarter of 2008. According to CBRE the transactions in the European investment market amounted to €26.4 billion in the third quarter of 2008, a big drop compared to the same period in 2007 but in line with the second quarter of 2008.

After five months of continuous growth, the **interest rate on house loans in Italy** dropped down to 5.85% (5.96% in August) in September. Despite the drop on a monthly basis, the applied rate is still higher than that recorded in September 2007. (5.63%). The contraction will increase in the second semester, interest rates in 2008 are expected to be at around the same levels recorded in 2004-2005 and forecasts for loans suggest a total of€50-55 billion.

More than 80 thousand **American** citizens had their **houses confiscated** in September due to their inability to pay off loan instalments (RealtyTracK). The number of houses confiscated since August 2007 has now risen to 851 thousand.

Performance of the week

Best: Risanamento +9.6%
Worst: Conwert -27.3%

Sectors

Real Estate

PIRELLI RE VS PEERS PRE (10/24/2008)

	Official Close	Pch change (%)**					Last 52 Weeks		Daily average Volumes***	
		1 W*	1 M	6 M	1 Y	YTD	MIN PRICE	MAX PRICE	1 W	1 M
Pirelli RE	5.500	(19.7)	(45.4)	(71.8)	(83.8)	(78.1)	5.40	34.77	174,862	355,945
Tecla	404.000	4.4	(19.0)	(26.7)	(29.2)	(31.5)	na	na	na	na
Olinda	334.000	(8.7)	(22.3)	(28.3)	(36.3)	(33.5)	na	na	na	na
Spazio Investment	9.000	2.3	1.1	(14.3)	(25.0)	(24.1)	7.17	12.00	4,334	4,898
ITALIA										
Gabetti	1.380	(1.5)	(6.8)	(24.4)	(48.7)	(39.0)	0.92	2.88	14,506	40,244
Beni Stabili	0.447	(10.6)	(35.5)	(37.3)	(47.9)	(39.9)	0.43	0.92	1,404,215	3,275,483
Aedes	0.440	(13.4)	(40.5)	(78.2)	(90.1)	(87.4)	0.40	4.63	417,544	1,282,780
Bastogi	1.360	(17.1)	(39.8)	59.2	58.6	32.2	0.73	4.94	14,995	33,730
Brioschi	0.193	(13.6)	(30.7)	(49.2)	(59.2)	(59.4)	0.18	0.50	483,439	617,023
Gabetti	1.380	(1.5)	(6.8)	(24.4)	(48.7)	(39.0)	0.92	2.88	14,506	40,244
IGD	1.134	(12.6)	(38.2)	(49.4)	(57.2)	(44.3)	1.03	2.78	218,283	594,128
IM Lombarda	0.139	(16.0)	(15.9)	(11.7)	(16.9)	10.1	0.10	0.17	302,594	2,120,061
IPI	1.960	(1.0)	3.2	(43.8)	(55.3)	(47.5)	1.71	5.64	8,290	23,179
Risanamento	0.449	9.6	(49.0)	(73.7)	(91.2)	(87.8)	0.32	5.16	689,938	875,766
ESTERO										
GERMANY										
Deutsche Wohnen	19.900	(5.2)	(22.8)	(28.7)	(39.7)	(27.7)	15.01	43.10	968	942
Patrizia Immobilien	1.420	(9.0)	(42.5)	(56.7)	(86.0)	(72.5)	1.31	10.10	91,096	221,744
IVG	5.100	(20.1)	(40.0)	(67.1)	(81.9)	(78.4)	4.22	32.26	1,033,450	1,963,254
Gagfah	4.620	(15.2)	(50.6)	(56.8)	(64.2)	(61.1)	4.50	13.38	339,642	507,793
Immoeast ag	1.060	(4.5)	(43.6)	(82.9)	(87.0)	(85.6)	0.72	8.63	1,428,395	4,524,203
Colonia RE	2.550	(27.1)	(48.5)	(81.4)	(87.8)	(85.0)	2.10	21.55	66,473	105,751
FRANCE										
Fonciere des regions	41.910	(21.7)	(47.5)	(54.9)	(56.2)	(51.7)	41.41	101.55	145,418	99,745
Gecina	54.590	(3.7)	(34.7)	(40.0)	(53.7)	(49.1)	51.10	120.50	89,395	109,196
Klepierre	16.870	(19.7)	(43.2)	(55.0)	(55.4)	(51.8)	16.00	41.40	597,400	697,715
Unibail rodamco	110.200	(9.7)	(25.4)	(30.7)	(35.2)	(26.5)	103.11	175.50	575,044	647,014
Mercialys	27.000	(3.6)	(10.0)	(6.9)	4.8	3.2	22.75	32.50	90,490	82,284
AUSTRIA										
Conwert	4.980	(27.3)	(47.1)	(56.7)	(60.6)	(58.6)	4.60	13.24	146,989	273,614
Ca immobilien	5.280	(23.9)	(36.1)	(63.8)	(70.7)	(65.5)	4.41	18.60	132,600	338,445
Immofinanz	0.950	(15.9)	(68.6)	(86.4)	(87.6)	(86.3)	0.95	8.22	3,137,057	5,007,975
SPAGNA										
Sotogrande										
Inmobiliaria Colonial	0.150	(16.7)	(28.6)	(81.8)	(95.2)	(91.5)	0.15	3.33	7,332,025	12,983,535
Metrovacesa	53.900	1.6	6.7	(20.7)	(32.5)	(34.0)	41.17	116.50	4,963	11,932
Fadesa	7.300	0.0	0.0	(61.6)		(56.8)	6.84	20.90	44,732	15,302

* Variation calculated as per price on Friday
** Variation calculated based on current price
*** Number of pieces exchanged
On the 6th of October a reverse share split of the ordinary shares was carried out (ratio: 1 to 38)

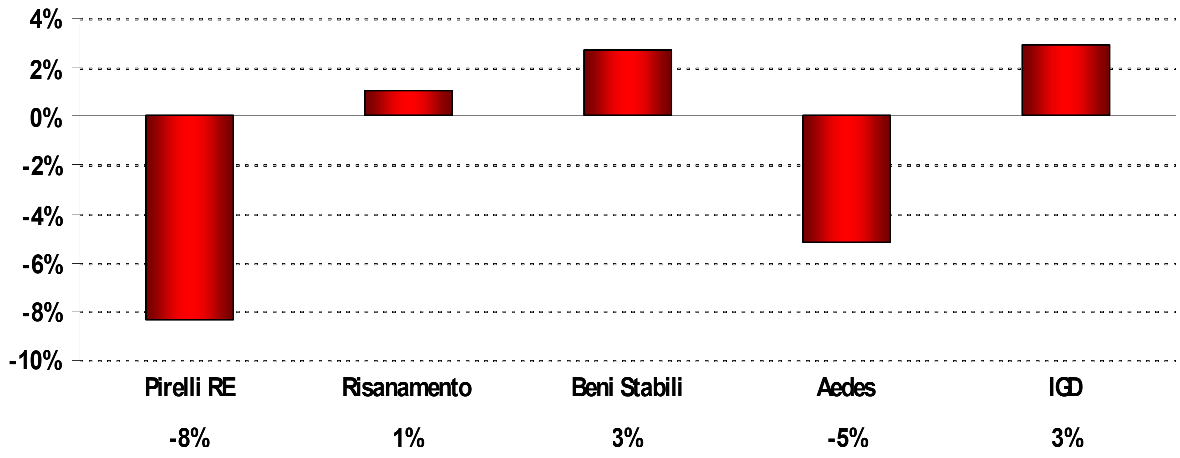
Source: Reuters

Sectors

Real Estate

REAL ESTATE SEGMENT VS ITALIAN RE INDEX

Performance chart for last week



Source: Reuters

Sectors

TLC Equipment

Ericsson, the number one producer of mobile networks closed its third quarter with income falling by 28%, it however did better than what the analysts had forecasted, thanks to an increase in sales and cost cuts. Net income decreased to 2.84 million Swedish crowns (about €290 million), against the 3.97 million figure recorded in the same period last year. Analysts were expecting a net income of 2.21 billion. Sale increased by 13% to 49.2 billion crowns.

According to the Osce ranking, **Denmark** is the country with the largest presence of broad band, connections amount to 36.7% of the population. It is followed by Korea and Japan, with respectively 31.1% and 29.9% of the population covered. In the two Asian countries more than 10% of the broad band connections are based on fibre optics

Performance of the week

Best: Amino Tech +2.5%
Worst: Avanex -26.4%

Sectors

TLC Equipment

PIRELLI & C. vs PEERS PGT / PBS (10/24/2008)

	Official Close	Pch change (%)**					Last 52 Weeks		Daily average Volumes***	
		1 W*	1 M	6 M	1 Y	YTD	MIN PRICE	MAX PRICE	1 W	1 M
Pirelli & C ordinaria	0.292	(11.4)	(31.3)	(44.7)	(56.6)	(50.4)	0.28	0.70	10,847,752	28,559,177
Pirelli & C risparmio	0.296	(10.0)	(24.0)	(50.4)	(56.1)	(53.1)	0.29	0.72	187,723	256,487
Netgear	8.930	(22.3)	(38.8)	(55.6)	(71.5)	(75.0)	8.21	37.00	632,735	654,197
D-link	21.550	(11.7)	(24.7)	(58.3)	(75.1)	(67.7)	21.55	91.35	2,772	3,455
Avanex	2.870	(26.4)	(39.8)	(76.4)	(88.7)	(80.9)	2.79	28.50	113,433	162,220
Cisco	16.310	(8.9)	(28.5)	(37.3)	(47.8)	(39.7)	15.90	34.24	78,331,337	79,520,038
Zyxel Comms	21.450	2.1	(4.7)	(43.2)	(63.7)	(48.3)	19.30	61.67	5,358	5,165
Adv Digital N	26.000	(14.2)	(29.1)	(17.1)	(49.9)	(18.8)	20.60	52.05	8,289	12,357
Kudelski	10.680	(11.6)	(22.8)	(29.7)	(67.1)	(52.4)	9.57	33.48	323,664	358,220
Amino Tech	50.750	2.5	(18.8)	1.5	(16.1)	(2.4)	44.05	68.50	13,793	63,968
Bookham	0.620	(20.5)	(47.0)	(56.9)	(81.0)	(73.9)	0.55	3.20	326,992	1,041,639
Alcatel-Lucent	1.620	(14.1)	(45.6)	(60.1)	(74.9)	(67.3)	1.44	6.91	30,829,226	36,577,883
JDS Uniphase Corp.	5.500	(11.3)	(33.9)	(62.7)	(63.3)	(58.6)	5.12	15.43	3,281,991	5,493,649

* Variation calculated as per price on Friday
** Variation calculated based on current price
*** Number of pieces exchanged

Source: Reuters