

Pirelli & C. S.p.A. — Milano

Peers & Markets

Week from 24th November– 28th November 2008

**US approves \$800 billion plan, no
measures yet for the Automobile sector**



Investor Relations

Markets

The Fed continues to use unconventional instruments that are made available by the central bank and has announced two new programs aimed at improving the credit conditions of families and small-sized businesses by providing funds up to \$800billion. The treasury is contributing to the program by providing \$20billion from the TARP (Troubled Assets Relief Program) the remaining sum will probably be provided by increasing the circulation of cash.

- A Program worth \$ 200 billion to assist families and small enterprise: The Fed has created the Term Asset-Backed Securities Loan Facility, to “ease the issuing of asset-backed securities and improve in general terms the market conditions for the Abs (Asset-Backed Securities)”.

- A \$600 billion program based on direct purchase of Securities issued by the agencies (government sponsored enterprises- GSE)

(Fannie Mae, Freddie Mac & Federal Home Loan Banks), and of Mortgage-Backed-Securities (MBS) also guaranteed by the same agencies.

After the announcement of the new programs the spread on the securities dropped by about 40 base points. The rates on house loans also recorded a considerable drop (30 year loans at fixed rates dropped from 6,38% to 5,5%) and many banks observed a strong growth in demand for refinancing of existing house loans.

The cuts expected on Thursday, 4th of December by the European Central Bank and the Bank of England could help to reduce the downside of the dollar as a result of forecasted negative US financial data and an eventual change in the risk aversion trend. As for the Financial figures, the November PMI – Purchasing Managers Index should be confirmed at its lowest ever while the second forecast of the GDP should confirm a 0.2% contraction between this quarter and the previous one, following the negative trend of contributions from exports.

USD Last week’s decrease in risk aversion has led to a slight fall of the dollar. There are chances of further drops during the week (1-5 November) due to the publication of US financial figures (ISM & the employment report) which are expected to be negative. However, the downside should be limited thanks to the rate cuts the BoE and ECB are expected to carry out.

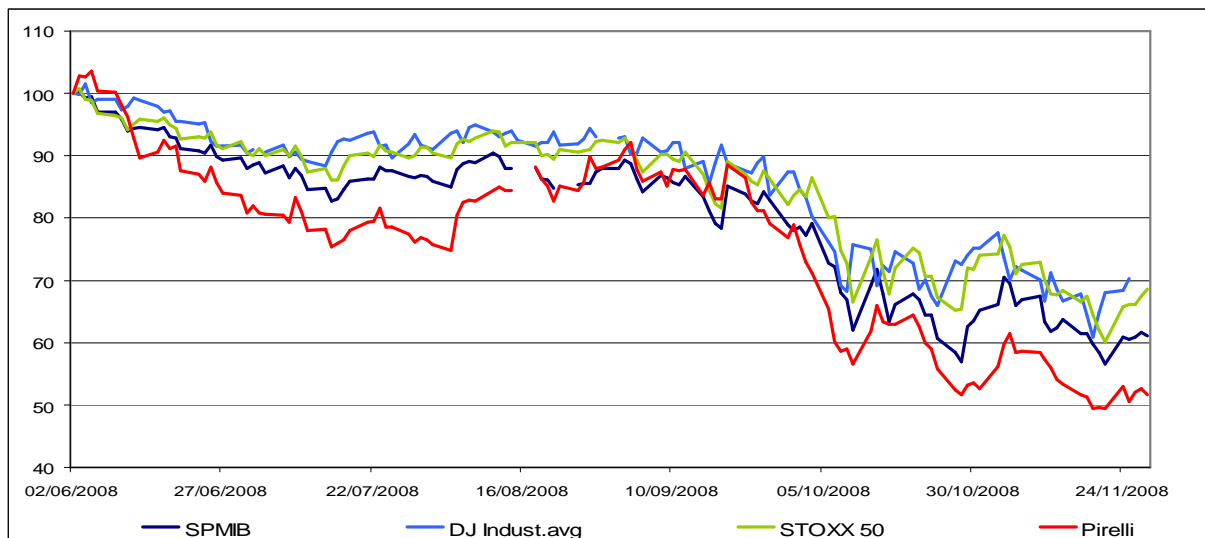
EUR During the week, the Euro rose from 1.25 to a maximum figure of 1.30 EUR/USD. The ECB is expected to cut rates by 50 bp (maybe 75bp) so it does not seem that the Euro will remain at 1.30, hence the bearish trend remains.

GBP Last week the Sterling rose versus the Dollar (1.55 GBP/USD) and the Euro (0.83 EUR/GBP) as a reaction to the dollar which lost ground. The next announcement of macroeconomic data (consumer credit and PMI manufacturing production/services) are expected to be negative and this might halt the progress and strengthen expectations of a contraction in GDP for the 4th quarter. The BoE is expected to cut rates by 50pb (to 2,50%).

JPY During the last week the Yen was not penalized by the drop in risk aversion. The trend is also linked to the general shrinking of spreads given the fact that many Central banks are cutting rates (besides the ECB and the BoE the Fed is expected to cut rates on the 16th of December). Other movements should be temporary.

PIRELLI & C vs S&P/MIB, DJ EURO STOXX 50 E DOW JONES INDUST. AVG.

Performance of the last 24 weeks



Fonte: Reuters

Markets

MARKETS PERFORMANCE (28/11/2008)

	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	222.340	11.8	3.3	(38.5)	(45.8)	(46.4)	196.05	425.84		
S&P/MB	19987.000	7.8	7.3	(39.0)	(48.1)	(48.2)	18,290.00	39,858.00	542,151,996	616,988,793
FTSE 100	4288.010	13.4	9.2	(29.4)	(32.0)	(33.6)	3,665.21	6,610.90	1,285,441,725	1,398,127,420
DAX	4669.440	13.1	(3.2)	(33.6)	(39.5)	(42.1)	4,014.60	8,117.79	161,243,517	198,846,508
CAC 40	3262.680	13.2	4.7	(34.4)	(41.3)	(41.9)	2,838.50	5,795.22	170,868,108	197,451,191
IBEX 35	8910.600	11.7	12.7	(34.0)	(42.8)	(41.3)	7,737.20	15,983.40	279,091	311,712
UNITED STATES										
DJ Industr. Average	8726.610	16.9	(2.6)	(29.9)	(33.6)	(33.4)	7,449.38	13,780.11	374,869,618	322,300,762
S&P 500	887.680	19.1	(4.7)	(35.6)	(39.0)	(39.0)	740.61	1,523.27	52,254,808	49,313,491
NASDAQ Composite	1535.570	16.7	(6.9)	(38.2)	(42.3)	(42.1)	1,295.48	2,734.82	852,655,477	893,911,477
ASIA										
Nikkei 225 (Giappone)	8512.270	10.5	11.7	(37.9)	(43.8)	(44.4)	6,994.90	16,107.65	144,217	174,269
Hang Seng (HK)	13888.240	9.7	10.3	(42.7)	(49.3)	(50.1)	10,676.29	29,962.93	2,311,275,981	2,993,211,490
All ordinaries (Australia)	3672.700	8.4	(2.2)	(36.2)	(42.9)	(42.8)	3,201.50	6,741.40	1,065,833,283	1,043,913,605
Strait Times (Singapore)	1732.570	4.2	4.0	(44.7)	(48.1)	(50.0)	1,473.77	3,621.84	393,995,640	412,982,910
BSE 30 (India)	9092.720	7.6	0.9	(45.0)	(52.0)	(55.2)	7,697.39	21,206.77	44,666	45,288
EMIRATES										
Abu Dhabi	2775.850	(0.8)	(16.5)	(44.9)	(33.3)	(39.0)	2,683.74	5,158.66	91,155,709	104,793,675
Dubai	1964.660	2.5	(33.2)	(65.4)	(63.3)	(66.9)	1,809.44	6,320.44	320,055,499	286,161,239
BRAZIL										
IteI (indice TLC)	1070.930	16.8	19.5	(20.5)	(13.2)	(12.4)	782.52	1,405.88		
Bovespa	36595.870	17.1	9.6	(50.0)	(40.7)	(42.7)	29,435.11	73,920.38	1,641,845	1,831,973

* Variation calculated as per price on Friday

** Variation calculated based on current price

*** Number of pieces exchanged

Source: Reuters

EXCHANGE RATES (01/12/2008)

	EUR	USD	GBP	YEN	REAL
EUR		1.27	0.84	118.97	2.98
USD	0.79		0.66	93.88	2.31
GBP	1.19	1.51		141.33	3.55
YEN	0.01	0.01	0.01		0.03
REAL	0.34	2.35	3.59	39.88	

Source: Reuters

Markets

SECTORS PERFORMANCE (28/11/2008)

	Official	Pch change (%) ^{act}				
	Close	1 W*	1 M	6 M	1 Y	YTD
EUROPE						
Auto	203.430	(2.0)	(47.9)	(32.3)	(45.1)	(43.6)
Banks	169.070	19.7	1.7	(50.1)	(60.6)	(60.1)
Industrial	273.240	16.9	19.3	(42.9)	(49.4)	(51.2)
Insurance	132.350	20.8	22.0	(39.4)	(47.0)	(47.5)
Finance	197.360	15.8	5.4	(44.6)	(52.0)	(52.2)
Media	138.610	11.2	8.6	(24.9)	(37.5)	(38.8)
Oil&Gas	293.160	16.7	12.0	(32.8)	(30.7)	(33.7)
Tech.	157.360	12.3	1.8	(37.8)	(48.8)	(48.3)
TLC	241.200	10.2	11.8	(19.3)	(36.2)	(34.7)
Utilities	340.260	7.8	5.6	(30.5)	(37.1)	(38.0)
FTSE EPRA Eu Residential	1134.690	6.5	(3.5)	(47.3)	(48.2)	(47.5)
UNITED STATES						
Auto	43.230	70.9	(3.5)	(61.9)	(70.0)	(67.3)
Banks	218.970	32.8	(18.9)	(35.4)	(48.5)	(44.9)
Industrial	199.480	21.9	(1.9)	(40.8)	(42.1)	(41.9)
Insurance	192.300	32.9	(2.2)	(46.3)	(54.5)	(54.4)
Oil&Gas	455.640	24.6	7.2	(39.2)	(28.0)	(33.9)
Tech.	358.540	14.9	(10.6)	(41.4)	(44.3)	(44.6)
Tyres	20.520	47.7	(23.3)	(72.4)	(76.1)	(76.4)
TLC	113.650	21.6	2.9	(29.6)	(33.0)	(36.2)
Utilities	138.660	14.8	2.2	(29.0)	(30.6)	(31.0)

Source: Reuters

FOREX & FIXED INCOME (01/12/2008)

	Latest	Yld (bid)	Coupon(%)
Bund (10 anni) €	104.74	3.19	3.75
	Latest	Yld (bid)	Coupon(%)
BTP 2 anni	102.21	2.62	4.50
BTP 5 anni	101.38	3.94	4.25
BTP 10 anni	100.89	4.43	4.50
	Latest (%)		
Euribor 365 3M	3.87		
	3.85		

Source: Reuters

Pirelli & C.

Pirelli Ord. ended the week up 4.4%(-0.2% in November). The records show that both weekly and monthly performance have been weaker than the European peers because they have been affected by Pirelli Real estate's negative trend. For the sixth consecutive week, volumes have been much lower than average (12 million shares), on the other hand this is the third week in a row that has seen a drop in the S&PMIB's volumes.

Pirelli risp. ended the week up, +2.96% compared to ord.

In technical terms the share has a first support at €0.25 with slight acquisitions halts which leap up to 0.2775. Resistance after 0.295 is at 0.31. The latter represents the real hurdle between the current trend and a return to positive figures.

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PIRELLI SHARES PERFORMANCE (28/11/2008)

	Official	Pch change (%)**				
	Close	1 W*	1 M	6 M	1 Y	YTD
Camfin	0.321	(9.6)	(26.1)	(63.9)	(77.4)	(75.1)
Pirelli & C. Ord.	0.270	4.4	(0.2)	(49.6)	(57.8)	(54.2)
Pirelli & C. Risp.	0.278	4.9	(4.1)	(47.5)	(58.8)	(56.0)
Pirelli Real Estate	3.605	(12.9)	(29.8)	(79.2)	(86.6)	(85.7)
Mediobanca	8.100	(4.7)	(4.8)	(32.3)	(47.6)	(42.6)
RCS	1.160	(3.3)	(5.8)	(41.5)	(61.8)	(61.1)
Telecom italia ord.	1.068	10.4	29.9	(23.4)	(51.2)	(49.7)
Telecom italia risp.	0.670	7.4	15.7	(40.3)	(61.1)	(58.8)
Telecom italia media ord.	0.088	(1.9)	(1.3)	(32.1)	(63.9)	(62.8)
Telecom italia media risp.	0.095	(1.1)	18.6	(21.6)	(58.9)	(57.2)

* variazione calcolata sul prezzo di chiusura del venerdì

** variazione calcolata sul prezzo corrente

Source: Reuters

Stock valuation (28/11/2008)

Sconto Vs NAV: -20.78%

NAV per Share: € 0.35

Consensus TP: € 0.33

% Buy: 6.7%

% Sell: 13.3%

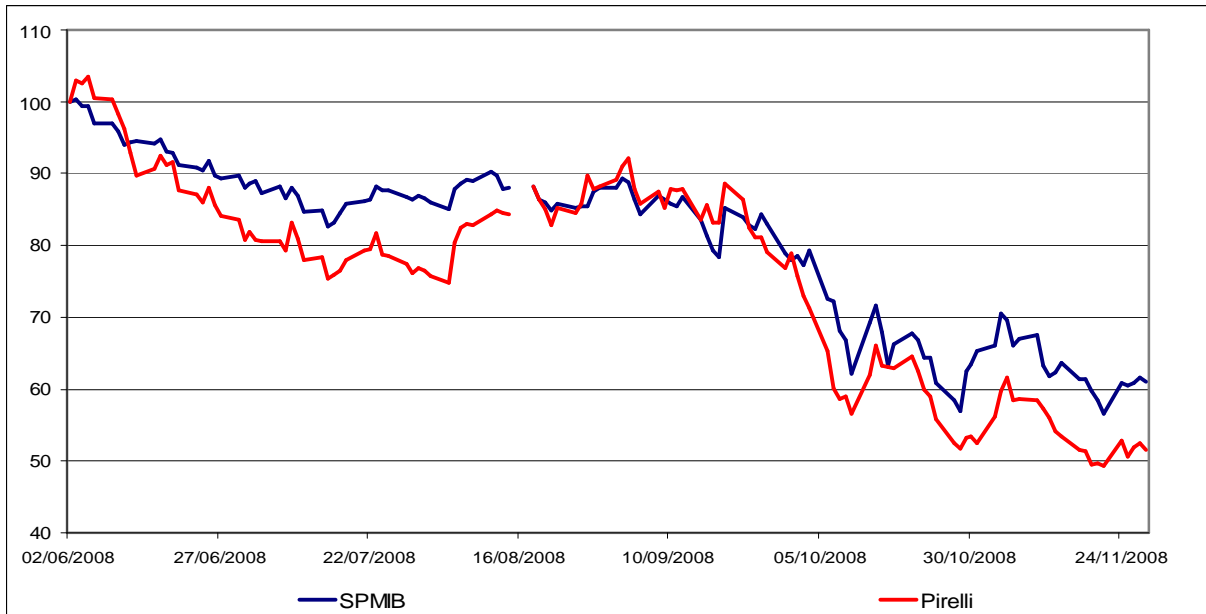
% Hold: 80%

Market Cap (@01/12/2008): €1430 mln (of which ord. €1394million)

Pirelli & C.

PIRELLI SHARES & C. VS S&P/MIB

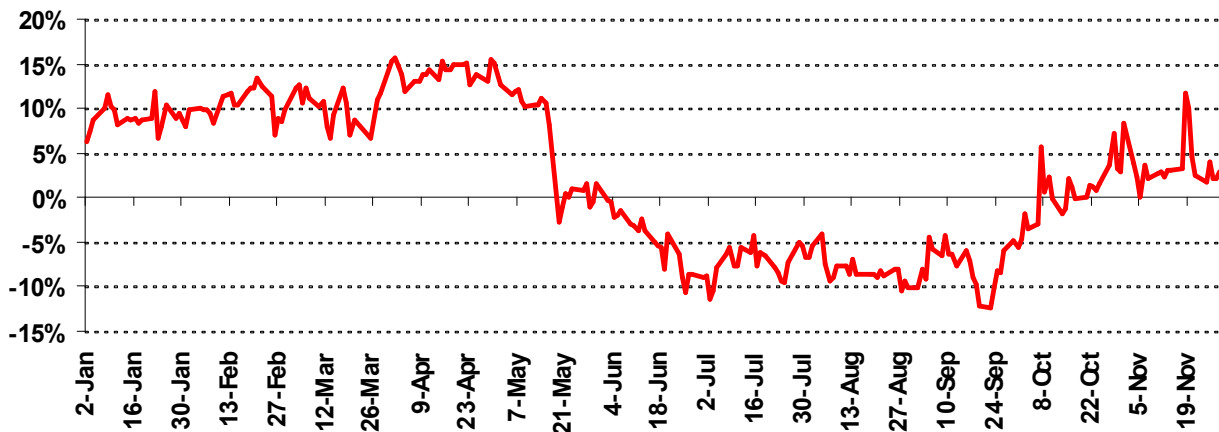
Performance of the last 6 months



Source: Reuters

PIRELLI RISPARMIO vs PIRELLI ORDINARIA

(from 02/01/2008)



Source: Reuters

Sectors

Tyre

The **American auto companies** have to present their industrial reorganization plans to the US Congress on the 2nd of December 2008 to then discuss the issues on Friday the 5th. The Government's assistance will depend on the persuasiveness of these plans and how far these display the automaker's ability to set real targets in terms of efficiency and sales support. The main challenge is to be able to demonstrate the company's ability in reaching the breakeven cash flow level at such low levels of demand (seasonally adjusted and annualized rate -SAAR: 13-14mln) with stable market shares.

The market believes that both **GM & Ford** can satisfy such requirements by employing significant restructuring measures. GM would need a \$20billion cut in fixed costs in Northern America to reach the breakeven point at 13.5 million US SAAR. Its program will address the following issues: focus on 4 brands (17-18% market share), limit employment costs in line with changes adopted by foreign peers, restructuring of its debts and pension funds. Ford's situation is slightly less serious as it will require \$15billion (breakeven at SAAR 14million) in cost cuts. Some analysts predict that the company has enough liquidity to reorganize its operations without any public injection.

On the other side of the ocean the **European Commission** has come up with an intervention plan for the auto sector worth €5 billion (vs the 40 billion figure requested by the 'European Automobile Manufacturers Association, ACEA).

An additional cut on VAT is foreseen for all labour intensive sectors with a direct result for the end consumer. A 2/3% VAT cut could help to sustain demand volumes by 5/10%.

The agreement on a postponement of the entry into force of new Co2 emission limits on vehicles is about to occur, the date will be pushed back from 2012 to 2015.

Russia will increase taxes on imports for the auto sector from 25% to 30%, with an impact on net car prices (including second-hand) by +10%. The news comforted Renault which produces about 70% of its total Russian turnover locally (besides controlling 25% of Avtovaz -Lada), while all the other European carmakers will be affected.

The trend of the **Chinese car market**, solid up till the 1H 2008, is expected to slow down by the 1H of 2009. However, eventual government intervention (reduction of petrol prices, tax reliefs and increase in public spending for cars) could help consumption starting from the 2H of 2009 /2010 (with double digit growth). A 5.6% growth in car sales is expected for the 2009 financial year (leading to sale of about 7.3 million cars) along with a 6.9% drop in sales of commercial vehicles. Global growth for 2009 is of 2.1%.

A 0.3% drop in volumes is expected in 2008 for **Michelin**, 2% for 2009 with a 2% recovery rate in 2010.

Global demand for replacement tyres is expected to recover in 2009 after the 5/6% drop recorded in 2008

Across mature markets, but for the latter one cannot talk about growth. However, margins for Michelin are expected to grow in 2009, the only company in the sector, which will enjoy an improvement thanks to the mix and the linking of prices to the performance of raw materials (Merrill Lynch forecasts). Moreover, the French company has announced the suspension of production at its Romanian units for an unmentioned period due to a reduction of demand related to the international crisis.

Schaeffler has confirmed that it is negotiating with various parties regarding the transfer of a part of its stake in **Continental**. There are no negotiations for the sale of its Rubber business.

Hankook & Kumho are cutting production respectively by 300.000 and 100.000 units in November and December. Production will stop during Christmas also in many European automobile companies (Fiat, Peugeot, BMW, Mercedes, Volkswagen, Audi).

Performance of the week

Best: Goodyear +53.8%, monthly performance -25.2%

Worst: Bridgestone -1.3%

Sectors

Tyre

PIRELLI & C. VS PEERS TYRE (28/11/2008)

	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	0.270	4.4	(0.2)	(49.6)	(57.8)	(54.2)	0.25	0.65	11,625,665	14,022,962
Pirelli & C risparmio	0.278	4.9	(4.1)	(47.5)	(58.8)	(56.0)	0.27	0.72	91,543	149,597
Continental	37.290	6.4	38.1	(53.0)	(58.1)	(58.1)	27.00	94.74	348,423	603,482
Michelin	37.640	19.4	14.0	(34.9)	(52.2)	(52.1)	30.65	81.86	1,535,027	1,494,122
Nokian	9.180	10.6	0.5	(71.3)	(64.9)	(61.8)	8.00	33.73	1,395,448	1,726,117
Goodyear	6.430	53.8	(25.2)	(74.1)	(77.1)	(77.2)	3.93	30.10	6,334,713	6,354,863
Cooper	4.790	21.0	(11.1)	(56.6)	(69.6)	(71.1)	3.67	20.80	987,829	974,880
Bridgestone	1602.000	(1.3)	(2.8)	(5.4)	(20.9)	(19.4)	1,352.00	2,170.00	5,956,920	7,035,240
Sumitomo	838.000	6.2	3.5	8.0	(16.0)	(12.9)	653.00	1,134.00	1,929,700	2,705,383
Toyo	205.000	15.2	(5.5)	(46.8)	(49.6)	(50.8)	167.00	477.00	1,181,800	1,245,933
Yokohama	473.000	3.7	4.9	(0.4)	(27.8)	(29.0)	371.00	702.00	2,051,800	2,573,800
Hankook	13800.000	2.2	12.2	(2.1)	(13.8)	(22.9)	9,800.00	20,200.00	1,087,051	937,539
Kumho	4410.000	4.8	(0.6)	(56.6)	(65.8)	(68.5)	3,770.00	14,150.00	157,970	250,938

* Variation calculated as per price on Friday

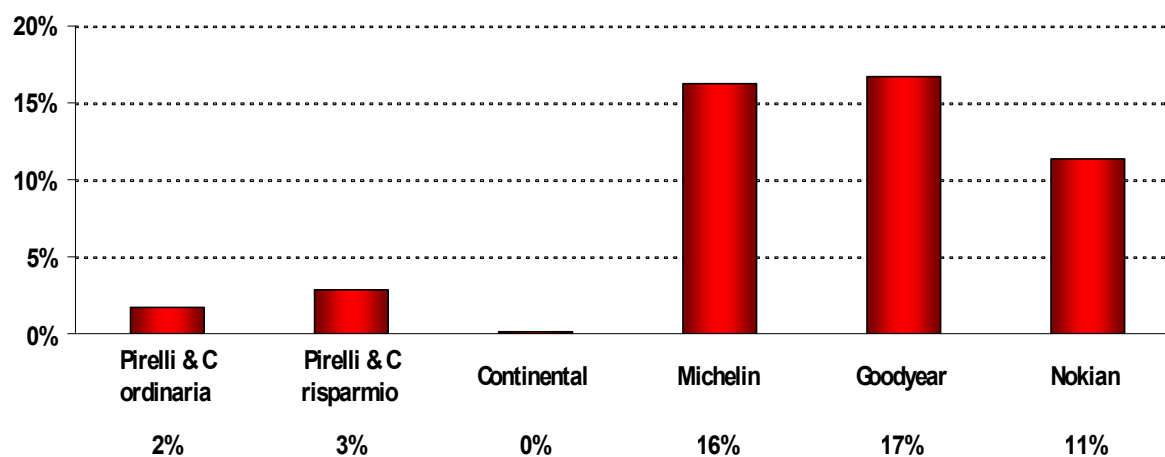
** Variation calculated based on current price

*** Number of pieces exchanged

Source: Reuters

TYRE SEGMENT VS DJ STOXX INDUSTRIAL

Performance for last week



Source: Reuters

Sectors

Tyre

MULTIPLE MARKET CONSENSUS FOR PEERS TYRE @ 01/12/08

	P/E		EV/SALES		EV/EBITDA		EV/EBIT	
	2008E	2009E	2008E	2009E	2008E	2009E	2008E	2009E
Bridgestone	13.7x	10.5x	54%	51%	4.8x	4.2x	9.0x	7.4x
Michelin	6.4x	5.2x	54%	51%	4.0x	3.5x	7.1x	6.3x
Goodyear	2.2x	1.8x	17%	14%	2.0x	1.5x	3.2x	2.5x
Continental	6.9x	5.2x	62%	57%	4.6x	4.1x	9.8x	8.2x
Nokian	4.7x	3.8x	99%	77%	3.3x	2.5x	3.9x	3.0x
Sumitomo	14.2x	10.7x	73%	70%	6.3x	5.6x	12.0x	10.2x
Yokohama	12.1x	10.2x	54%	51%	5.6x	5.3x	12.1x	10.5x
Toyo	15.5x	8.4x	36%	34%	5.1x	4.4x	15.6x	11.6x
Hankook	10.6x	8.1x	87%	78%	4.7x	4.1x	10.9x	8.0x
Kumho	10.0x	4.7x	63%	60%	5.3x	4.8x	11.5x	9.2x
Cooper	6.3x	3.8x	20%	18%	2.6x	2.0x	3.6x	2.2x
max	15.5x	10.7x	99%	78%	6.3x	5.6x	15.6x	11.6x
min	2.2x	1.8x	17%	14%	2.0x	1.5x	3.2x	2.2x
median	10.0x	5.2x	54%	51%	4.7x	4.1x	9.8x	8.0x
average	9.3x	6.6x	56%	51%	4.4x	3.8x	9.0x	7.2x

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 March 2010.

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

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

Source: Thomsonone-Reuters

Sectors

Real Estate

PRE touched upon its new minimum at €3.60 in a week that saw the rise in all sector related indices. The crisis in the real-estate sector is widespread and many companies in the sector are sliding by 80-90% of their historically maximum levels. The PRE is affected by the news related to the revision of rules that regulate the access to special SIIQ tax regimes that instead have assisted the rise of real estate and IGD.

The Italian sector is worried about Aedes . The ViBA Group has asked for a postponement of its bid with a view to execute further due diligence.

In Spain the real-estate sector is seriously affected by the crisis. The **Habitat Group**(5th major operator in Spain) has asked for insolvency procedure cause it is crushed by debts worth €2.3 bn. The group has filed for bankruptcy. Habitat's bankruptcy has been caused by its insolvency towards credit institutions that had financed the acquisition of Ferrovial's real-estate division, a services and construction company.

Colonial could also fail, following in the ranks Habitat and Martinsa-Fadesa.

A fall in prices of real estate and a decrease in the number of purchase and sale transactions: these are the main characteristics identified in the third Nomisma report of the Italian real estate market for the first semester of 2008. Buying and selling fell by 14% and by the end of the year the sector will lose business worth €24 billion, equal to 160 thousand unsold houses (-20%). Instead, prices fell for the first time in 11 years, although the percentage drop was limited (-1%) compared to the rest of the world(-16% in the United states, -15% in England).

The net capital of **Italian real-estate funds** is growing, although yields are slightly lower.

In 2008, net capital will grow by 17% to €28 billion. Instead the performance measured through Roe dropped slightly to 7.05% -16pp yoy. In 2008 the number of funds rose to 218, including retail and closed, compared to 186 that were present in 2007. The real-estate capital held by these instruments has reached

€35.6 billion(€38billion in 2009).

Performance of the week

Best: Colonia RE +29.6%

Worst: Immofinanz -32.1%

Sectors

Real Estate

PIRELLI RE VS PEERS PRE (28/11/2008)

	Official Close	Pch change (%)**				YTD	Last 52 Weeks		Daily average Volumes***	
		1 W*	1 M	6 M	1 Y		MIN PRICE	MAX PRICE	1 W	1 M
Pirelli RE	3.605	(12.9)	(29.8)	(79.2)	(86.6)	(85.7)	3.58	29.28	268,994	218,197
Tecla	414.000	0.7	5.6	(26.1)	(34.3)	(29.8)	na	na	na	na
Olinca	325.000	2.8	(5.2)	(28.4)	(36.3)	(35.3)	na	na	na	na
Spazio Investment	7.050	(6.0)	(19.0)	(28.1)	(31.9)	(40.5)	7.00	11.90	7,930	7,016
ITALIA										
Gabotti	0.952	(0.1)	(30.7)	(48.0)	(61.5)	(57.9)	0.90	2.53	7,769	8,999
Beni Stabili	0.438	19.2	(1.0)	(37.4)	(50.3)	(41.2)	0.35	0.87	1,687,766	1,800,151
Aedes	0.449	1.2	0.7	(76.3)	(87.8)	(87.1)	0.40	3.98	414,355	464,694
Bastogi	1.203	(7.1)	(11.0)	29.7	40.6	16.9	0.73	4.94	19,262	20,300
Brioschi	0.201	(0.9)	4.2	(49.0)	(48.8)	(57.6)	0.18	0.50	594,450	409,329
Gabotti	0.952	(0.1)	(30.7)	(48.0)	(61.5)	(57.9)	0.90	2.53	7,769	8,999
IGD	0.943	14.7	(9.6)	(56.7)	(58.8)	(53.7)	0.80	2.64	376,758	371,584
IPI	1.910	(13.2)	4.7	(45.3)	(58.7)	(48.8)	1.71	5.18	4,653	13,820
Risanamento	0.376	(1.1)	(4.1)	(74.0)	(90.6)	(89.8)	0.32	4.45	477,500	632,568
ESTERO										
GERMANY										
Deutsche Wohnen	21.400	10.3	7.3	(23.0)	(35.9)	(22.2)	15.01	43.10	2,877	1,358
Patrizia Immobilien	0.950	1.1	(34.0)	(75.0)	(82.6)	(81.6)	0.90	7.29	182,680	134,136
IVG	3.700	13.8	(24.2)	(76.1)	(85.8)	(84.3)	3.25	27.73	1,597,738	1,252,734
Gagfah	2.330	(9.3)	(39.6)	(78.8)	(78.6)	(80.4)	2.25	13.10	701,950	451,417
Immoeast ag	0.320	(11.1)	(63.6)	(94.9)	(95.5)	(95.7)	0.21	7.80	8,914,357	4,191,163
Colonia RE	1.750	29.6	(7.9)	(83.0)	(90.3)	(89.7)	1.29	19.45	157,800	265,217
FRANCE										
Fonciere des regions	44.880	15.1	(1.3)	(49.3)	(51.6)	(48.3)	37.75	101.55	97,266	121,495
Gecina	38.630	4.9	(20.8)	(57.4)	(66.3)	(64.0)	35.88	120.50	94,154	82,712
Klepierre	15.950	6.0	(2.2)	(57.4)	(51.6)	(53.1)	14.38	40.27	401,900	574,506
Unibail rodamco	105.380	7.6	(3.4)	(37.6)	(30.7)	(29.7)	96.43	175.50	441,256	487,100
Mercialys	24.600	1.0	(5.4)	(23.0)	(7.5)	(6.0)	22.75	32.50	46,457	70,565
AUSTRIA										
Conwert	4.050	(5.8)	1.0	(66.3)	(64.2)	(66.4)	3.69	12.44	137,407	188,114
Ca immobilien	3.960	(3.4)	(17.5)	(74.2)	(74.4)	(74.1)	3.44	16.50	109,252	114,939
Immofinanz	0.360	(32.1)	(60.0)	(95.0)	(94.8)	(94.8)	0.28	7.68	9,679,923	5,316,520
SPAGNA										
Sotogrande										
Inmobiliaria Colonial	0.170	13.3	6.3	(75.0)	(94.4)	(90.4)	0.14	3.22	25,258,862	9,309,636
Metrovacesa	50.000	(9.1)	(6.5)	(24.0)	(38.7)	(38.8)	41.17	116.50	3,919	3,139
Fadesa	7.300	0.0	0.0	(57.7)		(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

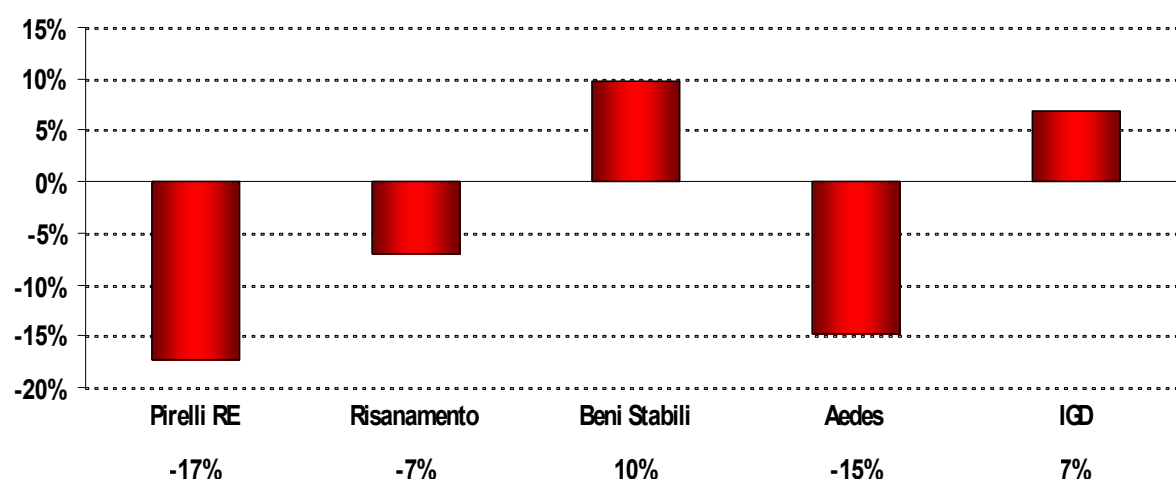
****On the 6th of October a reverse share split of the ordinary shares was carried out (ratio: 1 to 38)Source: Reuters

Sectors

Real Estate

REAL ESTATE SEGMENT VS INDICE EPRA EUROPE

Performance for last week



Source: Reuters

Sectors

TLC Equipment

Since December Paul Tufano is the new CFO of **Alcatel-Lucent**, he replaced Hubert de Pesquidoux who decided to leave the French-American Tlc group. Two weeks ago Alcatel-Lucent announced the company's rationalization plan, which calls for the appointment of new operational management by the first of January.

Tlc operators, united under the Etno, **European Telecommunications Network Operators Association**, have written a letter requesting the competent ministers, at the upcoming Eu Council on telecommunications to accelerate the development of broad band networks. The association specifically requested for norms that would encourage all the operators to make the investments needed to construct the high capacity network. Furthermore, the Etno underlined its opposition towards functional separation as an additional amendment in the telecommunication sector as it would act as a deterrent for investments

The Australian Government has asked the main tlc operators to present a project to construct a National network providing fast access to internet (**NBN**). This would mean 6 billion dollars worth of investment. Six companies are involved, including Telstra, the biggest national tlc group and Optus, a Singapore Telecommunications subsidiary and assisted by the Terria consortium. The Canadian company Aaxia NetMedia is also involved, it declared that it wished to involve other sector operators. Other three bidders have not been publicly declared.

Performance of the week

Best: Zyxel Comms +2.2%

Worst: Avanex -38%

Sectors

TLC Equipment

PIRELLI & C. vs PEERS PGT / PBS (28/11/2008)

	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 & Cordinaria	0.270	4.4	(0.2)	(49.6)	(57.8)	(54.2)	0.25	0.65	11,625,665	14,022,962
Pirelli & Crisparmio	0.278	4.9	(4.1)	(47.5)	(58.8)	(56.0)	0.27	0.72	91,543	149,597
Netgear	12.100	30.5	36.3	(34.8)	(63.6)	(66.1)	8.21	37.00	410,124	482,274
D-link	19.350	4.6	(1.3)	(60.5)	(69.3)	(71.0)	15.45	71.80	8,794	4,492
Avanex	1.140	44.3	(56.2)	(93.2)	(94.9)	(92.4)	0.67	22.50	126,154	151,563
Cisco	16.540	14.3	(9.7)	(35.2)	(41.0)	(38.9)	14.20	29.64	68,879,159	74,346,995
Zyxel Comms	15.150	6.7	(32.5)	(50.7)	(66.1)	(63.5)	12.35	48.67	6,251	6,132
Adv Digital N	27.150	7.3	8.0	(9.5)	(3.7)	(15.2)	20.60	40.00	12,215	11,726
Kudelski	11.990	18.7	18.8	(25.2)	(36.0)	(46.5)	9.50	25.00	151,946	239,981
Amino Tech	47.750	(4.0)	(5.4)	(16.2)	(7.3)	(8.2)	44.05	68.50	10,928	50,022
Bookham	0.455	51.7	(12.5)	(76.8)	(80.8)	(80.9)	0.30	2.74	536,452	684,114
Alcatel-Lucent	1.668	12.6	10.9	(65.1)	(68.5)	(66.3)	1.44	5.71	23,832,837	29,570,953
JDS Uniphase Corp.	2.720	23.1	(55.4)	(76.6)	(79.9)	(79.5)	2.01	15.33	5,429,561	5,121,676

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** Variation calculated based on current price

*** Number of pieces exchanged

Source: Reuters