

Pirelli & C. S.p.A. — Milano

Peers & Markets

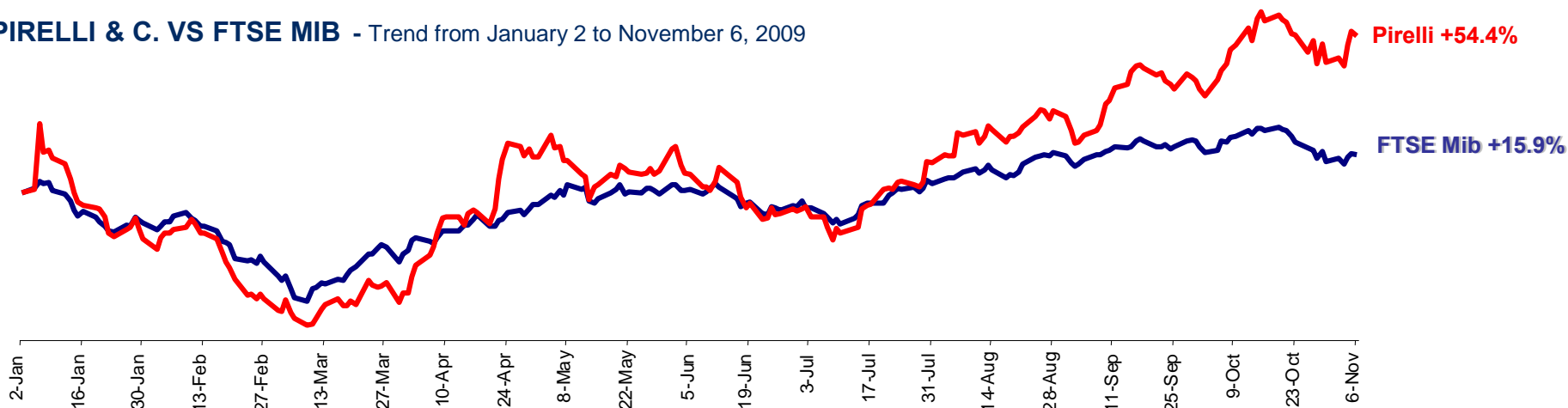
2 November – 6 November 2009



Investor Relations

Pirelli Group on the Stock Market

PIRELLI & C. VS FTSE MIB - Trend from January 2 to November 6, 2009



GROUP TREND FROM JANUARY 2 TO NOVEMBER 6, 2009

	Official Close November 6	Percentage change				Daily average volumes		
		Week 2 Nov - 6 Nov	1 Month	3 Months	Year to date	Week 2 Nov - 6 Nov	1 Month	3 Months
Pirelli & C. Ord.	0.406	6.0	8.1	27.1	54.4	61,285,625	59,850,537	47,465,641
Pirelli & C. Risp.	0.426	7.3	6.4	33.1	58.4	239,560	560,953	362,927
Pirelli Real Estate	0.551	1.8	(15.9)	(2.0)	(9.9)	11,869,051	13,033,238	15,063,214
FTSE All Share	23025	2.2	(3.8)	6.4	16.0	904,570,255	935,696,379	916,299,826
FTSE MIB	22550	2.2	(3.9)	6.7	15.9	668,692,212	721,777,557	729,936,818

Sell side analysts evaluation on Pirelli & C (09/11/2009)

Consensus Target Price: € 0.43

% Buy: 59%

% Sell: 6%

% Hold: 35%

Market Cap: €2,200.9 mln (of which ord. €2,142.9mln)

Markets

MARKETS PERFORMANCE FROM JANUARY 2 TO NOVEMBER 6, '09

	Official Close November 6	Percentage change (%)			
		Week 2 Nov - 6 Nov	1 Month	3 Months	Year to date
EUROPE					
DJ Stoxx 600	241.060	1.7	(0.0)	5.8	22.4
FTSE MIB	22549.640	2.2	(3.9)	6.7	15.9
FTSE 100	5142.720	1.9	0.1	9.6	16.0
DAX	5488.250	1.4	(3.0)	2.2	14.1
CAC 40	3707.290	2.8	(1.7)	6.6	15.2
IBEX 35	11580.600	1.5	(2.0)	7.5	25.9
OMX Stockholm	6077.700	2.1	(3.7)	3.4	12.5
OMX Helsinki	11580.600	1.5	(2.0)	7.5	25.9
UNITED STATES					
DJ Industr. Average	10005.960	3.2	3.0	8.3	14.2
S&P 500	1066.630	3.2	1.4	7.2	18.4
NASDAQ Composite	2112.440	3.3	0.4	7.1	34.0
ASIA					
Nikkei 225 (Giappone)	9789.350	(1.0)	1.0	(5.8)	10.5
Hang Seng (HK)	21829.720	0.4	4.9	4.5	51.7
All ordinaries (Australia)	4604.400	(0.9)	0.2	6.3	25.8
Strait Times (Singapore)	2658.210	0.3	1.8	2.2	50.9
BSE 30 (India)	16158.280	0.7	(4.7)	4.2	67.5
EMIRATES					
Abu Dhabi	2941.720	0.7	(7.9)	3.4	23.1
Dubai	2123.260	2.2	(7.6)	10.6	29.8
BRAZIL					
IteI (indice TLC)	1454.700	3.2	3.7	18.5	41.8
Bovespa	64815.720	1.2	2.9	15.6	71.7

Source: Reuters

SECTORS PERFORMANCE FROM JANUARY 2 TO NOVEMBER 6, '09

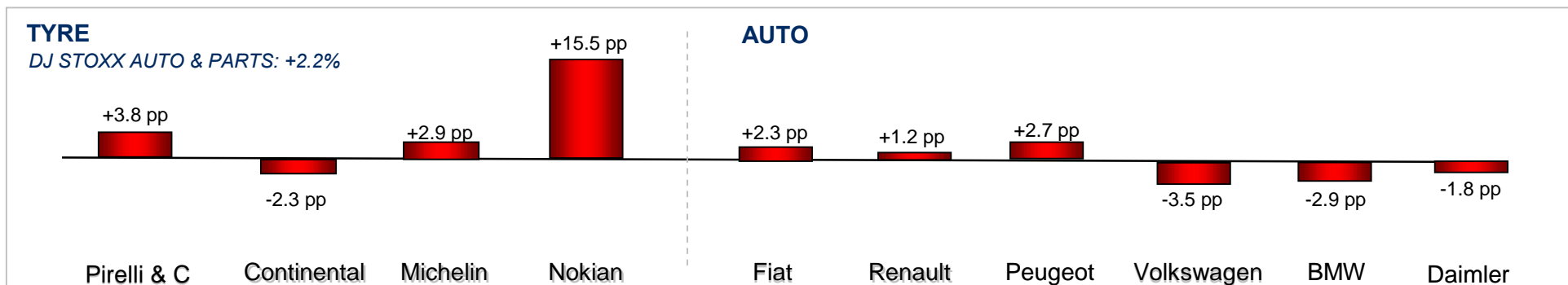
	Official Close November 6	Percentage change (%)			
		Week 2 Nov - 6 Nov	1 Month	3 Months	Year to date
EUROPE					
DJ Stoxx 600	241.060	1.7	(0.0)	5.8	22.4
Auto	231.340	2.2	1.2	(7.7)	16.0
Banks	226.280	1.6	(3.3)	3.8	51.3
Basic Resources	430.070	6.1	5.8	7.9	74.7
Chemical	409.040	3.9	3.2	8.4	27.2
Construction & Material	258.720	4.7	(2.6)	9.2	27.1
Industrial	359.640	2.8	(1.4)	8.5	26.1
Insurance	147.590	1.1	(7.2)	5.0	9.7
Finance	228.270	1.2	(0.7)	2.7	26.2
Food & Beverage	282.250	(0.2)	5.4	9.5	22.7
FTSE EPRA Eu Residential	1597.370	0.1	0.8	13.2	35.2
Media	149.770	2.5	(0.6)	7.0	11.3
Oil&Gas	316.940	2.2	4.1	9.3	19.8
Retail	237.000	4.3	6.1	4.1	30.6
Tech.	178.410	1.1	(5.9)	1.9	16.7
TLC	252.080	1.2	(0.1)	7.8	8.2
Travel & Leisure	101.420	3.8	(2.9)	3.6	9.6
Utilities	315.450	0.3	(4.6)	3.2	(6.5)
UNITED STATES					
S&P 500	1066.630	3.2	1.4	7.2	18.4
Auto	89.120	9.2	10.0	(1.2)	125.4
Banks	213.310	1.8	(6.0)	(1.1)	(1.2)
Basic Resources	219.370	7.3	2.8	12.7	54.9
Chemical	247.12	4.63	1.50	6.63	47.83
Construction & Materials	257.790	5.8	0.3	(5.1)	17.6
Industrial	243.180	5.8	2.3	9.6	18.0
Food & Beverage	264.470	1.6	0.0	4.1	13.6
Media	240.920	4.6	1.2	13.0	31.5
Oil&Gas	499.010	2.8	4.2	10.7	15.8
Insurance	229.800	1.3	(4.8)	5.6	6.3
Finance	254.310	1.8	(3.6)	2.4	11.9
RE	160.320	0.2	(2.5)	2.4	8.3
Retail	160.320	0.2	(2.5)	2.4	8.3
Tech.	549.570	3.1	2.6	10.0	50.3
Tyres	46.860	4.1	(16.3)	(18.7)	131.4
TLC	108.020	1.0	(4.2)	(0.9)	(6.0)
Utilities	138.090	1.6	(1.2)	0.5	(0.1)

Pirelli & C. vs Auto & Parts Sector

TREND PIRELLI & C. vs PEERS TYRE & AUTO FROM JANUARY 2 TO NOVEMBER 6, 2009

	Official Close November 6	Percentage change				Daily average volumes			
		Week 2 Nov - 6 Nov	1 Month	3 Months	Year to date	Week 2 Nov - 6 Nov	1 Month	3 Months	
EUROPA	DJ Stoxx Auto	231.340	2.2	1.2	(7.7)	16.0			
	TYRE								
	Pirelli & C	0.406	6.0	8.1	27.1	54.4	61,285,625	59,850,537	47,465,641
	Continental	36.600	(0.1)	(2.7)	57.1	26.7	247,614	298,107	286,382
	Michelin	53.120	5.1	1.4	1.1	41.4	876,679	1,005,186	930,912
	Nokian	17.110	17.7	6.6	17.0	116.3	1,228,190	657,781	685,762
	AUTO								
	Fiat	10.620	4.5	13.6	27.0	131.4	59,086,485	49,998,519	31,551,950
	Renault	31.635	3.4	(0.6)	(5.5)	70.5	3,297,108	2,968,815	2,684,950
	Peugeot	23.355	4.9	13.7	3.9	92.2	2,137,516	2,593,703	2,400,186
	Volkswagen	109.180	(1.3)	(5.9)	(55.1)	(56.3)	284,491	287,247	441,134
	BMW	33.070	(0.7)	2.1	5.3	53.0	3,886,221	2,843,460	2,427,078
Daimler	33.210	0.4	(1.6)	1.9	24.4	7,561,024	7,486,786	6,487,074	
USA	TYRE								
	Goodyear	13.130	1.9	(19.6)	(25.1)	119.9	6,497,293	7,098,793	5,958,420
	Cooper	17.050	11.7	(3.8)	11.7	176.8	2,129,917	1,235,719	1,277,097
	AUTO								
Ford	7.450	10.7	8.5	(4.0)	238.4	27,442,380	14,071,570	12,641,862	
ASIA	TYRE								
	Bridgestone	1436.000	(2.6)	(4.3)	(15.2)	8.2	3,928,080	3,097,893	3,719,967
	Sumitomo	872.000	(4.3)	(1.3)	(7.0)	0.0	1,297,080	1,013,013	1,362,968
	Toyo	172.000	(0.6)	(7.0)	(22.9)	6.2	1,471,600	1,844,000	1,785,400
	Yokohama	375.000	(5.8)	(6.3)	(27.6)	(15.5)	1,565,400	1,281,867	1,487,400
	Hankook	24450.000	6.8	17.0	23.8	59.8	663,395	1,010,513	1,086,321
	Khumo	5110.000	2.0	(10.5)	(14.1)	13.8	114,168	211,589	599,040
	AUTO								
	Toyota	3520.000	(1.4)	2.9	(14.8)	21.2	7,622,460	8,485,597	8,013,160
	Nissan	657.000	2.5	7.2	(6.4)	105.3	21,144,200	20,558,237	19,614,468

EUROPE: WEEKLY TREND 02/11/2009 – 06/11/2009 TYRES & AUTO STOCKS vs DJ STOXX AUTO & PARTS



Source: Reuters

Tyre Sector evaluation Multiples

CONSENSUS PEERS TYRE MARKET MULTIPLES AT 09/11/2009

Source: Pirelli IR analysis on Bloomberg data

TYRES MULTIPLES @ 9-Nov-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	38.8x	13.3x	9.7x	9.4x	0.8x	0.7x	0.7x	0.6x	6.9x	5.3x	4.6x	4.4x	18.0x	9.8x	7.6x	9.8x
	Continental		23.8x	11.1x	14.8x	0.8x	0.8x	0.7x	0.7x	8.7x	6.4x	5.0x	5.2x	-80.2x	16.7x	10.3x	12.4x
	Nokian	35.8x	18.1x	13.7x		2.9x	2.5x	2.1x		13.7x	9.8x	7.8x		21.1x	13.7x	10.4x	
	Simple average	37.3x	18.4x	11.5x	12.1x	1.5x	1.3x	1.2x	0.7x	9.8x	7.2x	5.8x	4.8x	-13.7x	13.4x	9.4x	11.1x
	Weighted average *	23.2x	18.0x	10.8x	10.3x	1.1x	1.0x	0.9x	0.6x	8.5x	6.3x	5.2x	4.1x	-20.0x	13.0x	9.0x	9.6x
US	Goodyear		17.7x	7.8x		0.4x	0.4x			7.6x	4.5x			19.8x	7.3x		
	Cooper	16.9x	15.0x	12.9x	11.6x	1.5x	1.4x			10.6x	9.6x			13.1x	12.0x		
	Simple average	16.9x	16.3x	10.3x	11.6x	0.9x	0.9x			9.1x	7.0x			16.5x	9.7x		
	Weighted average *	11.6x	15.8x	11.3x	7.9x	1.1x	1.1x			9.6x	8.0x			15.3x	10.5x		
ASA	Bridgestone	91.1x	15.9x	12.5x	13.3x	0.6x	0.6x	0.5x	0.5x	6.5x	5.0x	4.4x	3.8x	24.2x	11.2x	8.9x	9.7x
	Yokohama		18.1x	11.8x	9.7x	0.6x	0.6x	0.5x	0.5x	8.1x	6.0x	5.3x	4.9x	55.9x	16.0x	12.2x	10.6x
	Sumitomo	32.1x	12.3x	10.1x	9.7x	0.8x	0.8x	0.7x	0.7x	7.3x	6.5x	5.8x	6.5x	17.0x	12.0x	10.0x	12.7x
	Simple average	61.6x	15.4x	11.5x	10.9x	0.7x	0.6x	0.6x	0.5x	7.3x	5.8x	5.2x	5.1x	32.3x	13.0x	10.4x	11.0x
	Weighted average *	75.3x	15.6x	12.1x	12.5x	0.6x	0.6x	0.6x	0.5x	6.7x	5.3x	4.7x	4.3x	25.9x	11.7x	9.3x	10.2x
TOT. WORLD	max	91.1x	23.8x	13.7x	14.8x	2.9x	2.5x	2.1x	0.7x	13.7x	9.8x	7.8x	6.5x	55.9x	16.7x	12.2x	12.7x
	min	16.9x	12.3x	7.8x	9.4x	0.4x	0.4x	0.5x	0.5x	6.5x	4.5x	4.4x	3.8x	-80.2x	7.3x	7.6x	9.7x
	median	35.8x	16.8x	11.5x	10.7x	0.8x	0.8x	0.7x	0.6x	7.8x	6.2x	5.2x	4.9x	18.9x	12.0x	10.1x	10.6x
	Simple average	42.9x	16.8x	11.2x	11.4x	1.0x	1.0x	0.9x	0.6x	8.7x	6.6x	5.5x	5.0x	11.1x	12.3x	9.9x	11.0x
	Weighted average *	37.7x	16.3x	11.0x	10.3x	0.9x	0.9x	0.6x	0.4x	7.9x	6.1x	3.9x	3.2x	0.1x	11.7x	7.0x	7.6x

* on peers market capitalization by geographical area

** on tyre sector market capitalization

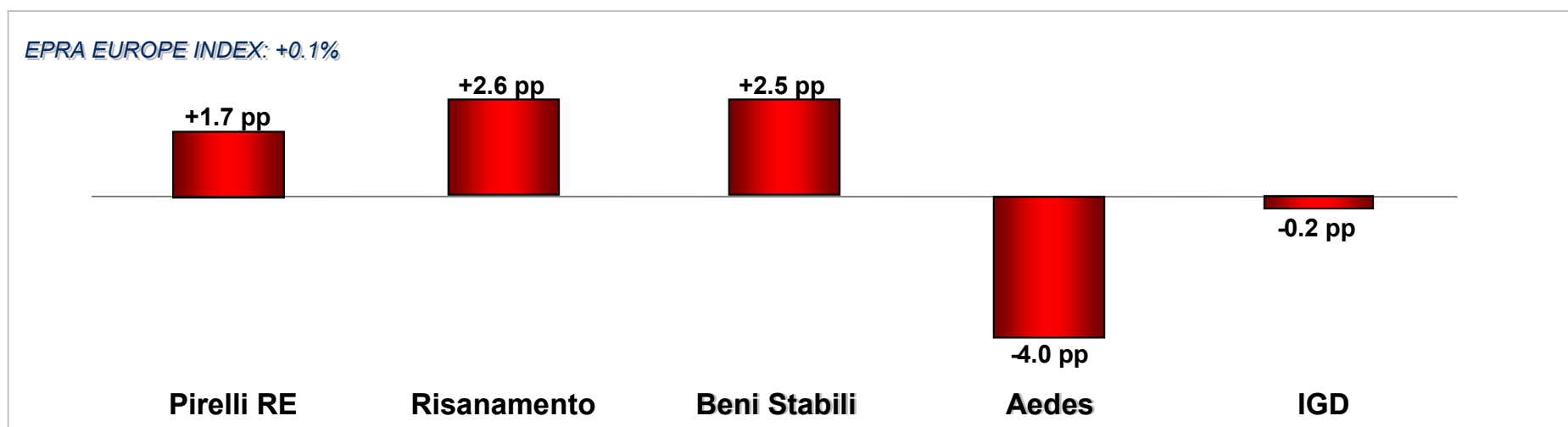
WORLD TYRE MARKET CAP				
Mln	Local currency	€ adjustment	% on cluster	% on geographical Area
Michelin	€7,902	€7,902	23.1%	47.8%
Continental	€6,461	€6,461	18.9%	39.1%
Nokian	€2,152	€2,152	6.3%	13.0%
Goodyear	\$ 3,179	€2,125	6.2%	31.6%
Cooper	\$ 6,871	€4,593	13.4%	68.4%
Bridgestone	¥1,153,792	€8,555	25.0%	77.8%
Yokohama	¥126,419	€937	2.7%	8.5%
Sumitomo	¥203,069	€1,506	4.4%	13.7%
TOT.		€34,231		

Pirelli & C. RE vs Real Estate Sector

PIRELLI RE TREND vs PEERS RE FROM JANUARY 2 TO NOVEMBER 6, 2009

	Official Close November 6	Percentage change				Daily average volumes		
		Week 2 Nov - 6 Nov	1 Month	3 Months	Year to date	Week 2 Nov - 6 Nov	1 Month	3 Months
Pirelli RE	0.551	1.8	(15.9)	(2.0)	(9.9)	11,869,051	13,033,238	15,063,214
Teda	418.000	0.7	(3.5)	(5.0)	5.6	25.20	25.53	22.00
Olinda	295.000	(4.8)	(9.8)	0.3	1.7	120.00	113.57	97.91
Spazio Investment	4.640	(10.7)	(5.0)	(7.2)	(22.7)	7,834	44,365	88,225
ITALIA								
Epra Europe	1597.370	0.1	0.8	13.2	35.2			
Gabetti	0.736	(1.9)	(18.3)	14.1	2.8	156,275	605,970	407,107
Beni Stabili	0.630	2.6	0.6	12.9	27.3	1,143,672	1,784,247	1,636,429
Aedes	0.214	(3.9)	(13.7)	(33.0)	52.8	3,413,609	8,671,998	10,802,002
Bastogi	2.110	(5.0)	(10.1)	(0.9)	42.7	3,720	13,602	23,136
Brioschi	0.207	(3.1)	(12.0)	6.7	5.2	794,203	801,447	1,241,833
Gabetti	0.736	(1.9)	(18.3)	14.1	2.8	156,275	605,970	407,107
IGD	1.468	(0.1)	7.0	14.8	40.5	391,294	513,076	502,448
Risanamento	0.456	2.7	(6.2)	36.3	6.5	2,699,616	4,096,398	5,721,944

WEEKLY TREND 02/11/2009 – 06/11/2009 REAL ESTATE STOCK vs EPRA EUROPE INDEX



Source: Reuters