

Pirelli & C. S.p.A. — Milano

Peers & Markets

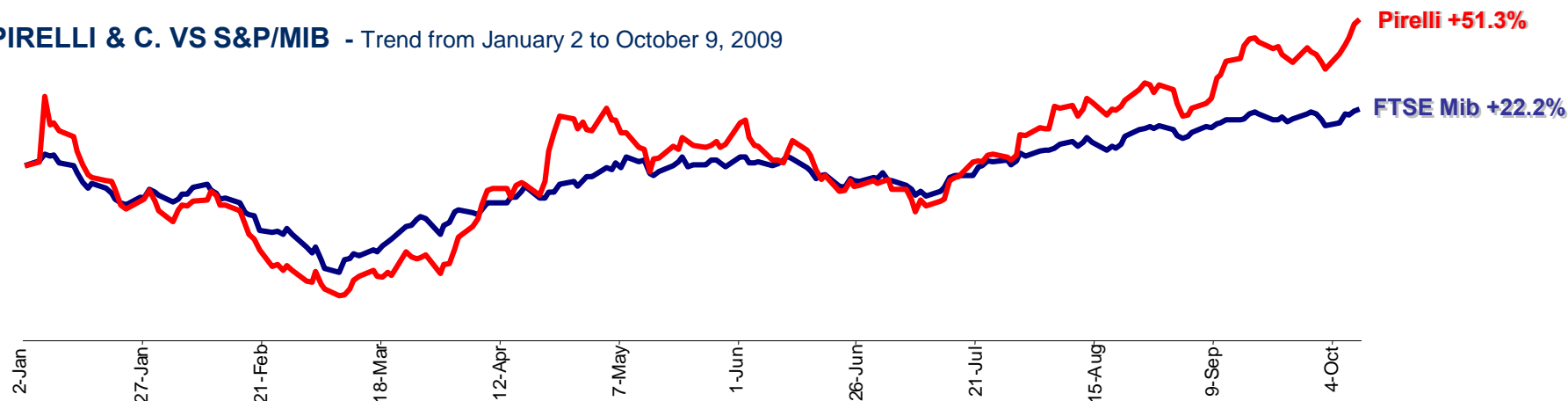
5 October – 9 October 2009



Investor Relations

Pirelli Group on the Stock Market

PIRELLI & C. VS S&P/MIB - Trend from January 2 to October 9, 2009



GROUP TREND FROM JANUARY 2 TO OCTOBER 9, 2009

	Official Close October 9	Percentage change				Daily average volumes		
		Week 5 Oct - 9 Oct	1 Month	3 Months	Year to date	Week 5 Oct - 9 Oct	1 Month	3 Months
Pirelli & C. Ord.	0.398	12.7	15.4	70.2	51.3	59,780,590	48,875,639	41,950,005
Pirelli & C. Risp.	0.411	4.8	17.4	55.1	52.8	618,453	453,320	250,774
Pirelli Real Estate	0.676	4.6	9.9	23.7	10.5	14,226,684	15,766,295	14,072,357
FTSE All Share	24232	4.7	4.1	28.6	22.1	817,050,094	1,024,778,019	886,574,124
FTSE MIB	23771	4.9	4.2	30.9	22.2	626,495,840	801,722,154	725,023,615

Sell side analysts evaluation on Pirelli & C (12/10/2009)

Consensus Target Price: € 0.38

% Buy: 51%

% Sell: 6%

% Hold: 43%

Market Cap: €2,250.1 mln (of which ord. €2,192.7mln)

Markets

MARKETS PERFORMANCE FROM JANUARY 2 TO OCTOBER 9, '09

	Official Close October 9	Percentage change (%)			
		Week 5 Oct - 9 Oct	1 Month	3 Months	Year to date
EUROPE					
DJ Stoxx 600	242.730	3.7	1.1	21.7	23.3
FTSE MIB	23770.560	4.9	4.2	30.9	22.2
FTSE 100	5161.870	3.5	3.1	24.1	16.4
DAX	5711.880	4.5	2.5	23.4	18.7
CAC 40	3799.610	4.1	2.5	25.6	18.1
IBEX 35	11743.200	3.7	2.5	24.4	27.7
OMX Stockholm	6346.470	4.1	(1.3)	17.2	17.5
OMX Helsinki	11743.200	3.7	2.5	24.4	27.7
UNITED STATES					
DJ Industr. Average	9786.870	4.0	3.3	20.6	12.4
S&P 500	1065.480	4.5	3.7	21.4	18.6
NASDAQ Composite	2139.280	4.5	3.8	22.1	35.7
ASIA					
Nikkei 225 (Giappone)	9832.470	2.9	(2.9)	7.8	13.1
Hang Seng (HK)	21499.440	5.5	3.1	20.8	49.4
All ordinaries (Australia)	4754.500	3.2	5.0	26.4	29.9
Strait Times (Singapore)	2652.510	1.8	0.1	14.9	50.6
BSE 30 (India)	16642.660	(2.9)	2.8	21.0	72.5
EMIRATES					
Abu Dhabi	3230.440	3.3	5.6	24.8	35.2
Dubai	2325.360	6.1	14.0	38.3	42.1
BRAZIL					
IteI (indice TLC)	1449.290	6.0	11.5	26.5	41.1
Bovespa	63759.870	4.7	10.6	30.3	70.6

Source: Reuters

SECTORS PERFORMANCE FROM JANUARY 2 TO OCTOBER 9, '09

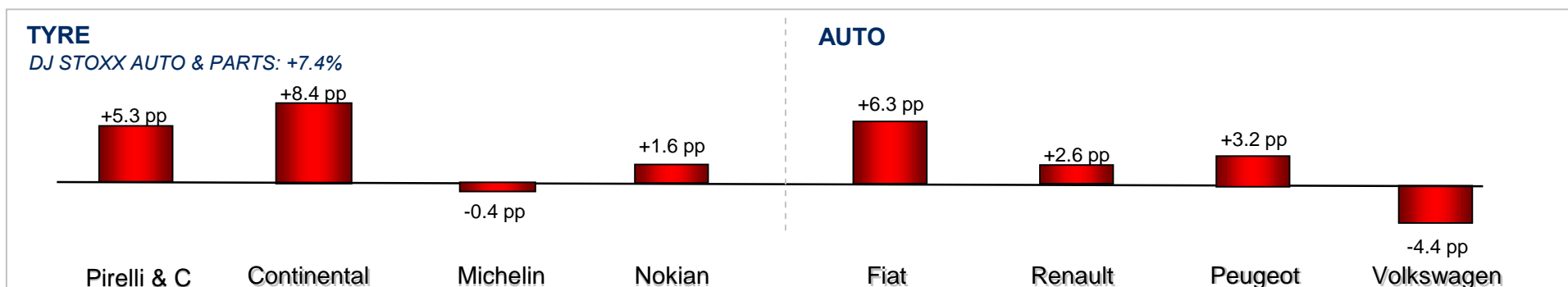
	Official Close October 9	Percentage change (%)			
		Week 5 Oct - 9 Oct	1 Month	3 Months	Year to date
EUROPE					
DJ Stoxx 600	242.730	3.7	1.1	21.7	23.3
Auto	236.920	7.4	3.0	19.7	18.8
Banks	234.340	4.4	1.8	34.9	56.7
Basic Resources	417.290	10.3	1.9	30.8	69.5
Chemical	402.470	6.2	2.6	25.6	25.1
Construction & Material	271.200	7.0	3.5	32.6	33.2
Industrial	373.630	6.7	4.4	34.2	31.0
Insurance	162.560	5.7	8.8	41.6	20.9
Finance	234.670	5.1	1.2	21.2	29.8
Food & Beverage	268.970	1.7	1.7	12.9	16.9
FTSE EPRA Eu Residential	1625.550	5.8	4.4	39.6	37.6
Media	151.100	2.8	2.9	20.9	12.3
Oil&Gas	303.380	2.7	(2.9)	12.1	14.7
Retail	223.250	1.8	(2.6)	6.8	23.0
Tech.	192.570	4.2	0.9	16.0	26.0
TLC	247.580	1.0	(1.2)	16.0	6.3
Travel & Leisure	105.160	2.9	0.1	17.4	13.6
Utilities	328.640	1.1	(1.3)	16.0	(2.6)
UNITED STATES					
S&P 500	1065.480	4.5	3.7	21.4	18.6
Auto	84.710	5.8	(4.1)	30.8	107.3
Banks	228.110	7.2	4.3	34.1	7.2
Basic Resources	223.240	10.7	7.8	42.3	56.2
Chemical	248.66	6.39	6.26	35.68	49.27
Construction & Materials	266.920	7.2	(8.2)	33.7	21.9
Industrial	242.500	5.0	3.3	28.8	17.5
Food & Beverage	264.900	1.3	2.8	10.8	14.0
Media	242.320	4.4	5.0	30.1	31.7
Oil&Gas	491.920	7.6	6.4	22.3	14.5
Insurance	244.000	4.8	5.3	36.6	12.9
Finance	266.190	6.3	4.8	33.6	18.5
RE	164.390	5.4	4.3	42.2	13.9
Retail	164.390	5.4	4.3	42.2	13.9
Tech.	539.820	4.9	4.3	23.5	49.4
Tyres	58.560	11.3	5.5	63.8	189.2
TLC	109.290	(2.2)	(1.2)	6.6	(5.9)
Utilities	139.560	2.9	2.0	9.3	1.9

Pirelli & C. vs Auto & Parts Sector

TREND PIRELLI & C. vs PEERS TYRE & AUTO FROM JANUARY 2 TO OCTOBER 9, 2009

	Official Close October 9	Percentage change				Daily average volumes		
		Week 5 Oct - 9 Oct	1 Month	3 Months	Year to date	Week 5 Oct - 9 Oct	1 Month	3 Months
EUROPA								
DJ Stoxx Auto	236.920	7.4	3.0	19.7	18.8			
TYRE								
Pirelli & C	0.398	12.7	15.4	70.2	51.3	59,780,590	48,875,639	41,950,005
Continental	39.750	15.8	21.9	101.3	37.6	290,515	322,697	271,852
Michelin	53.890	7.0	(1.3)	45.6	43.4	986,063	933,707	912,519
Nokian	16.550	9.0	2.4	35.1	109.2	334,336	558,132	683,736
AUTO								
Fiat	10.330	13.7	22.4	53.9	125.1	37,974,305	28,432,108	24,065,954
Renault	33.825	10.0	1.2	48.7	82.3	2,206,469	2,846,752	2,378,593
Peugeot	21.755	10.6	3.0	31.0	79.1	2,403,674	2,530,856	2,283,704
Volkswagen	112.710	3.0	(6.9)	(48.1)	(54.9)	278,438	520,411	466,494
USA								
TYRE								
Goodyear	17.230	12.2	2.1	60.9	188.6	4,050,962	4,733,393	5,286,920
Cooper	17.950	7.7	21.4	76.7	191.4	935,823	1,209,599	1,171,852
AUTO								
Ford	7.180	4.1	(3.7)	26.5	210.9	8,100,400	11,017,990	11,999,924
ASIA								
TYRE								
Bridgestone	1540.000	0.8	(6.5)	4.3	18.7	2,899,680	2,704,887	3,971,169
Sumitomo	914.000	2.8	(7.2)	4.5	4.9	744,260	1,032,337	1,475,358
Toyo	192.000	(3.0)	(10.3)	5.5	17.9	1,244,800	1,377,033	1,765,044
Yokohama	409.000	(0.2)	(11.0)	(11.8)	(7.2)	1,386,200	1,221,433	1,626,511
Hankook	21000.000	(5.6)	(3.4)	28.0	37.3	1,389,900	1,344,481	1,120,933
Khumo	5980.000	2.2	(2.0)	26.4	33.2	181,802	589,303	652,861
AUTO								
Toyota	3500.000	4.1	(7.4)	3.5	21.2	9,860,460	8,149,253	7,941,296
Nissan	649.000	13.7	8.2	26.3	110.3	25,660,300	20,805,450	19,763,712

EUROPE: WEEKLY TREND 05/10/2009 – 09/10/2009 TYRES & AUTO STOCKS vs DJ STOXX AUTO & PARTS



Source: Reuters

Tyre Sector evaluation Multiples

CONSENSUS PEERS TYRE MARKET MULTIPLES AT 12/10/2009

Source: Pirelli IR analysis on Bloomberg data

TYRES MULTIPLES @ 12-Oct-09																	
	PIE				EVSALES				EVIEBITDA				EVIEBIT				
	2009	2010	2011	2012	2009	2010	2011	2012	2009	2010	2011	2012	2009	2010	2011	2012	
EUROPA	Michelin	42.4x	13.9x	10.6x	9.7x	0.8x	0.8x	0.7x	0.7x	7.1x	5.5x	4.7x	4.5x	19.0x	10.2x	8.3x	10.0x
	Continental	21.4x	10.5x	9.3x	9.3x	0.9x	0.8x	0.7x	0.7x	8.9x	6.7x	5.4x	5.1x	74.8x	18.9x	11.1x	10.9x
	Nokian	31.7x	17.9x	14.0x	14.0x	2.8x	2.5x	2.1x	2.1x	13.2x	9.6x	7.7x	7.7x	20.3x	13.3x	10.4x	10.4x
	Simple average	37.0x	17.7x	11.7x	9.5x	1.5x	1.3x	1.2x	0.7x	9.7x	7.2x	5.9x	4.8x	38.0x	14.1x	9.9x	10.5x
	Weighted average *	24.0x	17.4x	11.0x	8.3x	1.1x	1.0x	0.9x	0.6x	8.6x	6.5x	5.3x	4.2x	41.6x	14.0x	9.7x	9.2x
US	Goodyear		11.7x	7.7x		0.5x	0.4x			7.9x	4.9x			16.5x	7.1x		
	Cooper	17.0x	16.5x	14.8x	13.2x	1.4x	1.4x			10.6x	10.8x			13.6x	13.6x		
	Simple average	17.0x	14.1x	11.2x	13.2x	0.9x	0.9x			9.3x	7.8x			15.1x	10.4x		
	Weighted average *	10.4x	14.6x	12.0x	8.1x	1.0x	1.0x			9.6x	8.5x			14.7x	11.1x		
ASIA	Bridgestone	84.7x	17.4x	13.7x	14.0x	0.7x	0.6x	0.6x	0.5x	7.0x	5.4x	4.8x	4.2x	26.4x	12.4x	9.9x	10.9x
	Yokohama		20.2x	13.2x	10.9x	0.6x	0.6x	0.5x	0.5x	8.5x	6.3x	5.6x	5.2x	58.6x	16.9x	12.9x	11.2x
	Sumitomo	34.8x	14.1x	11.1x	10.2x	0.8x	0.8x	0.7x	0.7x	7.5x	6.8x	6.2x	6.7x	16.9x	14.2x	12.3x	13.0x
	Simple average	59.7x	17.2x	12.7x	11.7x	0.7x	0.7x	0.6x	0.6x	7.7x	6.1x	5.5x	5.4x	34.0x	14.5x	11.7x	11.7x
	Weighted average *	70.8x	17.2x	13.3x	13.2x	0.7x	0.6x	0.6x	0.5x	7.2x	5.6x	5.0x	4.6x	27.9x	13.0x	10.5x	11.2x
TOT. WORLD	max	84.7x	21.4x	14.8x	14.0x	2.8x	2.5x	2.1x	0.7x	13.2x	10.8x	7.7x	6.7x	74.8x	18.9x	12.9x	13.0x
	min	17.0x	11.7x	7.7x	9.3x	0.5x	0.4x	0.5x	0.5x	7.0x	4.9x	4.7x	4.2x	13.6x	7.1x	8.3x	10.0x
	median	34.8x	16.9x	12.2x	10.5x	0.8x	0.8x	0.7x	0.7x	8.2x	6.5x	5.5x	5.1x	19.7x	13.4x	10.7x	10.9x
	Simple average	42.1x	16.6x	11.9x	11.2x	1.1x	1.0x	0.9x	0.6x	8.8x	7.0x	5.7x	5.1x	30.8x	13.3x	10.8x	11.2x
	Weighted average *	37.1x	16.2x	11.6x	9.6x	0.9x	0.9x	0.6x	0.5x	8.1x	6.4x	4.0x	3.3x	30.0x	12.6x	7.7x	7.7x

* on peers market capitalization by geographical area

** on tyre sector market capitalization

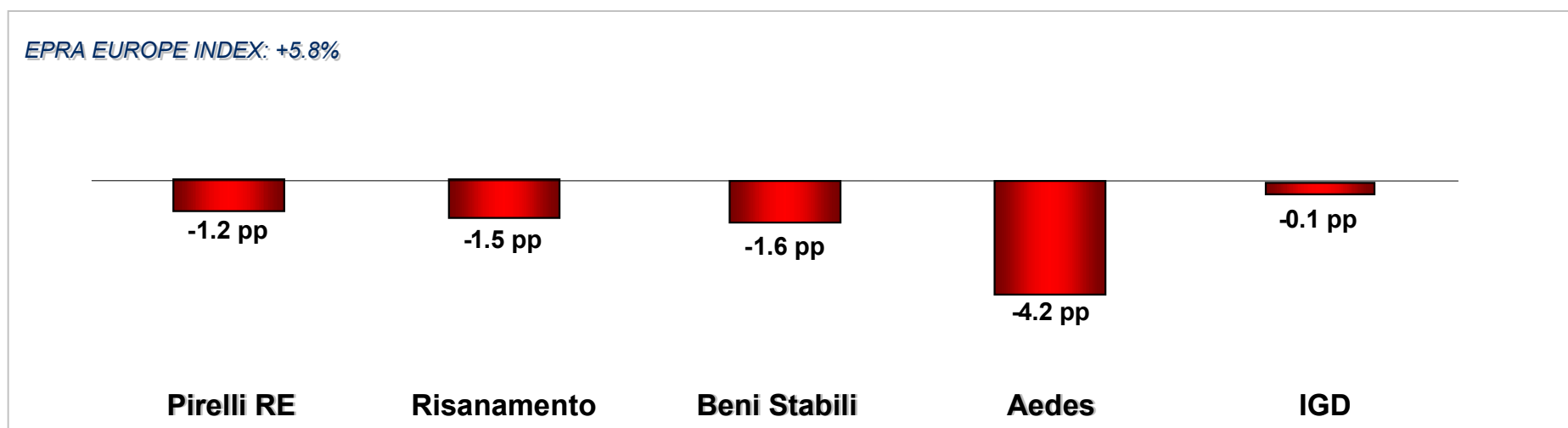
Mn	WORLD TYRE MARKET CAP			
	Local currency	€ adjustment	% on cluster	% on geographical Area
Michelin	€8,104	€8,104	22.1%	47.5%
Continental	€6,855	€6,855	18.7%	40.2%
Nokian	€2,111	€2,111	5.8%	12.4%
Goodyear	\$4,167.83	€2,833	7.7%	38.9%
Cooper	\$6,547.86	€4,451	12.1%	61.1%
Bridgestone	¥1,280,636	€9,644	26.3%	78.3%
Yokohama	¥141,150	€1,063	2.9%	8.6%
Sumitomo	¥214,643	€1,616	4.4%	13.1%
TOT.		€36,678		

Pirelli & C. RE vs Real Estate Sector

PIRELLI RE TREND vs PEERS RE FROM JANUARY 2 TO OCTOBER 9, 2009

	Official Close October 9	Percentage change				Daily average volumes		
		Week 5 Oct - 9 Oct	1 Month	3 Months	Year to date	Week 5 Oct - 9 Oct	1 Month	3 Months
Pirelli RE	0.676	4.6	9.9	23.7	10.5	14,226,684	15,766,295	14,072,357
Tecla	425.500	(4.2)	1.8	3.0	7.4	26.40	25.80	22.82
Ofinla	324.950	2.2	12.4	10.9	12.8	84.20	123.10	86.46
Spazio Investment	5.195	6.3	6.3	6.9	(13.4)	6,899	44,444	88,091
ITALIA								
Epra Europe	1625.550	5.8	4.4	39.6	37.6			
Gabetti	0.885	(7.9)	1.7	48.0	23.7	818,699	822,142	284,539
Beni Stabili	0.626	4.2	(2.6)	18.6	26.5	1,686,393	1,928,455	1,652,746
Aedes	0.262	1.6	25.6	51.0	87.1	11,094,915	20,961,812	9,569,585
Bastogi	2.350	2.2	0.9	10.3	58.9	7,915	32,033	24,619
Brioschi	0.233	(0.5)	12.2	28.7	18.5	819,818	2,041,505	1,207,669
Gabetti	0.885	(7.9)	1.7	48.0	23.7	818,699	822,142	284,539
IGD	1.395	5.7	1.1	17.2	33.5	400,549	571,358	503,635
IPI	1.877	(1.1)	(1.2)	(0.4)	32.0	10,240	42,403	69,408
Risanamento	0.477	4.3	(10.7)	32.0	11.4	3,544,856	6,525,421	5,149,854

WEEKLY TREND 05/10/2009 – 09/10/2009 REAL ESTATE STOCK vs EPRA EUROPE INDEX



Source: Reuters