

Pirelli & C. S.p.A. — Milano

# Peers & Markets

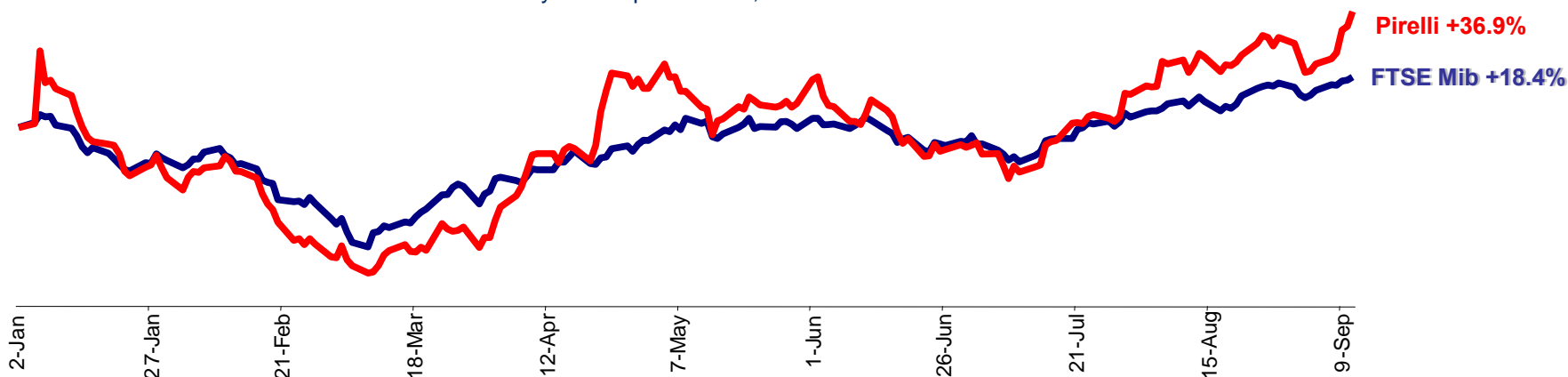
7 September – 11 September 2009



Investor Relations

# Pirelli Group on the Stock Market

PIRELLI & C. VS S&P/MIB - Trend from January 2 to September 11, 2009



GROUP TREND FROM JANUARY 2 TO SEPTEMBER 11, 2009

	Official Close September 11	Percentage change				Daily average volumes		
		Week 7 Sep - 11 Sep	1 Month	3 Months	Year to date	Week 7 Sep - 11 Sep	1 Month	3 Months
Pirelli & C. Ord.	0.360	13.4	15.9	30.2	36.9	49,048,189	38,672,507	40,444,286
Pirelli & C. Risp.	0.387	20.0	21.2	30.1	43.7	623,937	280,148	205,539
Pirelli Real Estate	0.630	6.1	14.8	(14.9)	2.9	14,052,093	12,790,632	11,529,749
FTSE All Share	23504	3.7	8.2	10.8	18.4	1,061,528,834	925,058,252	
FTSE MIB	23039	3.7	8.3	11.9	18.4	802,244,765	743,461,539	706,033,831

## Sell side analysts evaluation on Pirelli & C (14/09/2009)

Consensus Target Price: € 0.324

% Buy: 51%

% Sell: 6%

% Hold: 43%

Market Cap: €1,910.5 mln (of which ord. €1,857.8mln)

# Markets

## MARKETS PERFORMANCE FROM JANUARY 2 TO SEPTEMBER 11, '09

	Official Close September 11	Percentage change (%)			
		Week 7 Sep - 11 Sep	1 Month	3 Months	Year to date
<b>EUROPE</b>					
DJ Stoxx 600	241.740	3.4	6.8	12.5	22.8
FTSE MIB	23039.350	3.7	8.3	11.9	18.4
FTSE 100	5011.470	3.3	7.3	12.3	13.0
DAX	5624.020	4.4	6.4	10.1	16.9
CAC 40	3734.890	3.8	8.1	12.0	16.1
IBEX 35	11452.600	2.0	5.7	18.0	24.5
OMX Stockholm	6448.210	4.1	10.8	8.0	19.3
OMX Helsinki	11452.600	2.0	5.7	18.0	24.5
<b>UNITED STATES</b>					
DJ Industr. Average	9627.480	2.8	3.9	9.5	9.4
S&P 500	1044.140	3.9	4.9	10.4	15.4
NASDAQ Composite	2080.900	4.9	5.6	11.7	32.0
<b>ASIA</b>					
Nikkei 225 (Giappone)	10444.330	2.5	(1.3)	4.6	17.9
Hang Seng (HK)	21161.420	4.1	0.4	12.6	47.1
All ordinaries (Australia)	4596.300	3.5	6.0	13.6	25.6
Strait Times (Singapore)	2681.030	2.2	3.2	12.6	52.2
BSE 30 (India)	16264.300	3.7	7.9	5.5	68.6
<b>EMIRATES</b>					
Abu Dhabi	3018.140	2.9	5.3	5.3	26.3
Dubai	2030.040	3.7	5.5	(3.3)	24.1
<b>BRAZIL</b>					
IteI (indice TLC)	1315.920	8.8	6.2	9.6	27.9
Bovespa	58535.790	4.8	4.7	9.3	55.4

Source: Reuters

## SECTORS PERFORMANCE FROM JANUARY 2 TO SEPTEMBER 11, '09

	Official Close September 11	Percentage change (%)			
		Week 7 Sep - 11 Sep	1 Month	3 Months	Year to date
<b>EUROPE</b>					
DJ Stoxx 600	241.740	3.4	6.8	12.5	22.8
Auto	232.890	6.5	(3.0)	(0.3)	16.7
Banks	229.960	0.9	6.6	20.9	53.8
Basic Resources	420.630	7.2	11.8	8.4	70.9
Chemical	392.910	5.3	6.4	8.7	22.2
Construction & Material	264.670	5.1	12.2	19.5	30.0
Industrial	366.260	6.7	11.9	20.3	28.4
Insurance	152.180	4.7	9.2	16.1	13.1
Finance	233.430	3.5	7.2	8.7	29.1
Food & Beverage	265.720	3.1	3.1	12.9	15.5
FTSE EPRA Eu Residential	1553.890	4.4	12.4	27.8	31.5
Media	148.390	2.5	6.8	14.0	10.3
Oil&Gas	312.950	3.9	8.0	0.8	18.3
Retail	228.830	2.2	2.1	7.0	26.1
Tech.	193.980	5.0	11.3	9.2	26.9
TLC	250.630	3.1	4.8	18.2	7.6
Travel & Leisure	107.560	8.3	12.2	10.0	16.2
Utilities	335.220	2.2	9.2	8.6	(0.7)
<b>UNITED STATES</b>					
S&P 500	1044.140	3.9	4.9	10.4	15.4
Auto	88.570	0.3	(3.0)	27.0	114.4
Banks	221.970	1.4	4.0	18.3	2.2
Basic Resources	210.740	7.7	10.8	8.2	49.0
Chemical	237.92	4.93	2.92	14.77	41.93
Construction & Materials	297.500	2.4	4.1	35.9	32.2
Industrial	238.640	6.0	6.7	11.9	15.3
Food & Beverage	257.060	2.2	2.1	6.3	11.0
Media	237.460	8.6	9.0	16.0	29.2
Oil&Gas	470.020	6.4	6.4	(1.3)	9.5
Insurance	234.770	2.2	8.1	18.6	8.2
Finance	258.180	3.1	5.0	16.7	13.2
RE	160.860	7.4	4.6	23.2	10.1
Retail	160.860	7.4	4.6	23.2	10.1
Tech.	531.350	4.7	6.7	14.0	44.9
Tyres	57.570	7.3	(1.3)	34.3	178.6
TLC	112.190	5.5	4.4	3.8	(2.4)
Utilities	137.880	0.5	(0.6)	4.7	(0.3)

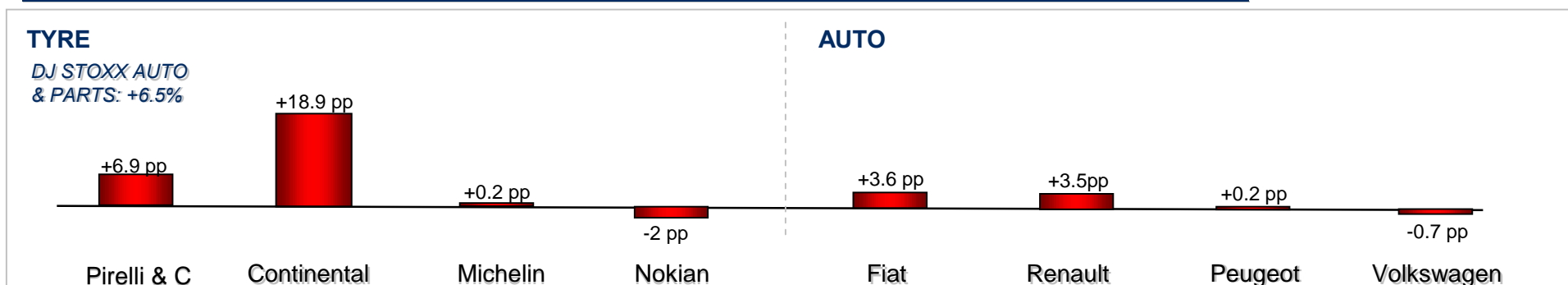
INVESTOR RELATIONS 14/09/09

# Pirelli & C. vs Auto & Parts Sector

## TREND PIRELLI & C. vs PEERS TYRE & AUTO FROM JANUARY 2 TO SEPTEMBER 11, 2009

	Official Close September 11	Percentage change				Daily average volumes		
		Week 7 Sep - 11 Sep	1 Month	3 Months	Year to date	Week 7 Sep - 11 Sep	1 Month	3 Months
<b>EUROPA</b>								
DJ Stoxx Auto	232.890	6.5	(3.0)	(0.3)	16.7			
<b>TYRE</b>								
Pirelli & C	0.360	13.4	15.9	30.2	36.9	49,048,189	38,672,507	40,444,286
Continental	35.500	25.4	47.9	52.4	22.9	483,487	281,619	250,767
Michelin	54.650	6.7	8.6	21.8	45.5	770,653	886,156	952,455
Nokian	16.320	4.5	6.8	15.7	106.3	493,318	806,244	802,306
<b>AUTO</b>								
Fiat	8.795	10.1	8.7	10.7	91.6	22,848,245	21,995,011	24,596,682
Renault	33.305	10.0	5.8	8.4	79.5	2,556,802	2,472,322	2,256,705
Peugeot	21.370	6.7	1.8	(5.1)	75.9	2,433,736	2,220,572	2,265,876
Volkswagen	127.830	5.8	(43.1)	(49.8)	(48.9)	375,428	542,684	450,168
<b>USA</b>								
<b>TYRE</b>								
Goodyear	17.270	8.1	(2.4)	32.0	189.3	3,996,959	5,056,302	5,522,373
Cooper	14.570	3.6	4.2	46.3	136.5	712,119	1,132,582	1,119,214
<b>AUTO</b>								
Ford	7.440	(2.0)	(6.1)	22.6	220.1	8,181,220	11,487,630	14,678,107
<b>ASIA</b>								
<b>TYRE</b>								
Bridgestone	1665.000	1.2	(5.7)	19.5	25.5	2,872,520	3,394,997	4,298,504
Sumitomo	941.000	(2.6)	(3.9)	24.6	11.4	1,235,000	1,327,013	1,550,316
Toyo	226.000	8.1	(1.7)	(2.2)	39.5	925,800	1,168,267	2,034,500
Yokohama	459.000	0.0	(14.0)	7.2	3.4	1,643,200	1,463,300	1,774,411
Hankook	22150.000	(2.0)	12.7	38.0	44.8	1,302,664	1,141,306	1,092,054
Khumo	6550.000	9.9	6.5	36.0	45.9	1,760,379	1,135,883	683,630
<b>AUTO</b>								
Toyota	3840.000	(0.3)	(7.0)	(0.3)	32.2	7,072,500	7,890,273	8,630,533
Nissan	615.000	(2.2)	(15.3)	(1.3)	92.2	17,490,700	19,699,990	21,061,907

## EUROPE: WEEKLY TREND 07/09/2009 – 11/09/2009 TYRES & AUTO STOCKS vs DJ STOXX AUTO & PARTS



Source: Reuters

INVESTOR RELATIONS 14/09/09

# Tyre Sector evaluation Multiples

## CONSENSUS PEERS TYRE MARKET MULTIPLES AT 14/09/2009

Source: Pirelli IR analysis on Bloomberg data

TYRES MULTIPLES @ 14-Sep-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	40.7x	13.6x	10.3x	13.3x	0.8x	0.7x	0.7x	0.6x	7.0x	5.4x	4.6x	4.3x	18.7x	10.1x	8.2x	9.7x
	Continental		20.7x	9.5x	9.1x	0.8x	0.8x	0.7x	0.7x	8.4x	6.4x	5.1x	4.9x	61.4x	18.1x	10.6x	10.4x
	Nokian	29.1x	16.7x	13.2x		2.6x	2.3x	2.0x		12.2x	9.1x	7.3x		18.7x	12.7x	9.8x	
	Simple average	34.9x	17.0x	11.0x	11.2x	1.4x	1.3x	1.1x	0.7x	9.2x	6.9x	5.7x	4.6x	32.9x	13.6x	9.5x	10.0x
	Weighted average *	24.0x	16.7x	10.4x	10.0x	1.0x	0.9x	0.8x	0.6x	8.2x	6.2x	5.1x	4.0x	34.7x	13.4x	9.3x	8.7x
US	Goodyear		12.0x	8.2x		0.5x	0.4x			7.9x	4.9x			16.5x	7.2x		
	Cooper	15.9x	15.5x	14.1x	12.3x	1.3x	1.3x			10.0x	10.1x			12.7x	12.8x		
	Simple average	15.9x	13.7x	11.1x	12.3x	0.9x	0.9x			8.9x	7.5x			14.6x	10.0x		
	Weighted average *	9.5x	14.1x	11.7x	7.3x	1.0x	1.0x			9.1x	8.0x			14.3x	10.5x		
ASIA	Bridgestone	96.2x	18.4x	13.9x	14.3x	0.7x	0.6x	0.6x	0.5x	6.8x	5.3x	4.7x	4.3x	27.3x	11.5x	9.4x	11.1x
	Yokohama		22.2x	14.5x	11.9x	0.6x	0.6x	0.6x	0.5x	8.8x	6.6x	5.9x	5.5x	61.1x	17.7x	13.5x	11.8x
	Sumitomo	37.8x	14.6x	11.4x	10.5x	0.8x	0.8x	0.7x	0.7x	7.7x	6.9x	6.3x	6.8x	17.1x	14.4x	12.4x	13.2x
	Simple average	67.0x	18.4x	13.3x	12.2x	0.7x	0.7x	0.6x	0.6x	7.8x	6.2x	5.6x	5.5x	35.2x	14.5x	11.8x	12.0x
	Weighted average *	79.7x	18.3x	13.6x	13.6x	0.7x	0.6x	0.6x	0.6x	7.1x	5.6x	5.0x	4.7x	29.1x	12.5x	10.2x	11.4x
TOT. WORLD	max	96.2x	22.2x	14.5x	14.3x	2.6x	2.3x	2.0x	0.7x	12.2x	10.1x	7.3x	6.8x	61.4x	18.1x	13.5x	13.2x
	min	15.9x	12.0x	8.2x	9.1x	0.5x	0.4x	0.6x	0.5x	6.8x	4.9x	4.6x	4.3x	12.7x	7.2x	8.2x	9.7x
	median	37.8x	16.1x	12.3x	12.1x	0.8x	0.7x	0.7x	0.6x	8.1x	6.5x	5.5x	4.9x	18.7x	12.7x	10.2x	11.1x
	Simple average	44.0x	16.7x	11.9x	11.9x	1.0x	0.9x	0.9x	0.6x	8.6x	6.8x	5.7x	5.2x	29.2x	13.1x	10.7x	11.2x
	Weighted average *	41.1x	16.0x	11.3x	10.4x	0.9x	0.8x	0.6x	0.4x	7.7x	6.1x	3.9x	3.3x	26.6x	11.9x	7.3x	7.6x

\* 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	€7,916	€7,916	22.2%	50.0%
Continental	€5,939	€5,939	16.7%	37.5%
Nokian	€1,980	€1,980	5.6%	12.5%
Goodyear	\$ 4,178	€2,872	8.1%	40.7%
Cooper	\$ 6,098	€4,192	11.8%	59.3%
Bridgestone	¥1,309,095	€9,926	27.8%	77.7%
Yokohama	¥154,512	€1,172	3.3%	9.2%
Sumitomo	¥220,167	€1,669	4.7%	13.1%
TOT.		€35,665		

# Pirelli & C. RE vs Real Estate Sector

## PIRELLI RE TREND vs PEERS RE FROM JANUARY 2 TO SEPTEMBER 11, 2009

	Official Close September 11	Percentage change				Daily average volumes		
		Week 7 Sep - 11 Sep	1 Month	3 Months	Year to date	Week 7 Sep - 11 Sep	1 Month	3 Months
Pirelli RE	0.630	6.1	14.8	(14.9)	2.9	14,052,093	12,790,632	11,529,749
Tecla	420.000	2.4	(4.8)	2.4	6.1	33.40	17.53	23.28
Olinda	297.020	2.0	1.5	(1.0)	2.4	150.20	81.73	79.31
Spazio Investment	4.885	0.0	(2.3)	12.3	(18.6)	6,849	45,626	88,172
<b>ITALIA</b>								
Epra Europe	1553.890	4.4	12.4	27.8	31.5			
Gabetti	1.182	79.3	83.3	79.3	65.2	605,309	129,363	54,449
Beni Stabili	0.645	3.7	16.3	14.0	30.3	1,469,914	1,622,453	1,713,504
Aedes	0.224	7.1	(18.0)	(0.6)	59.6	19,829,440	13,902,422	5,874,877
Bastogi	2.300	(1.4)	6.7	0.9	55.5	52,803	39,768	24,844
Brioschi	0.223	11.3	17.1	11.4	13.2	3,247,723	1,480,601	1,141,896
Gabetti	1.182	79.3	83.3	79.3	65.2	605,309	129,363	54,449
IGD	1.330	(0.8)	1.3	7.5	27.3	682,195	606,963	710,750
IPI	1.900	0.1	0.2	1.7	33.6	59,495	39,796	73,449
Risanamento	0.520	(1.9)	65.1	22.4	21.5	5,243,604	6,793,288	5,112,895

## WEEKLY TREND 07/09/2009 – 11/09/2009 REAL ESTATE STOCK vs EPRA EUROPE INDEX

