

Pirelli & C. S.p.A. — Milano

Peers & Markets

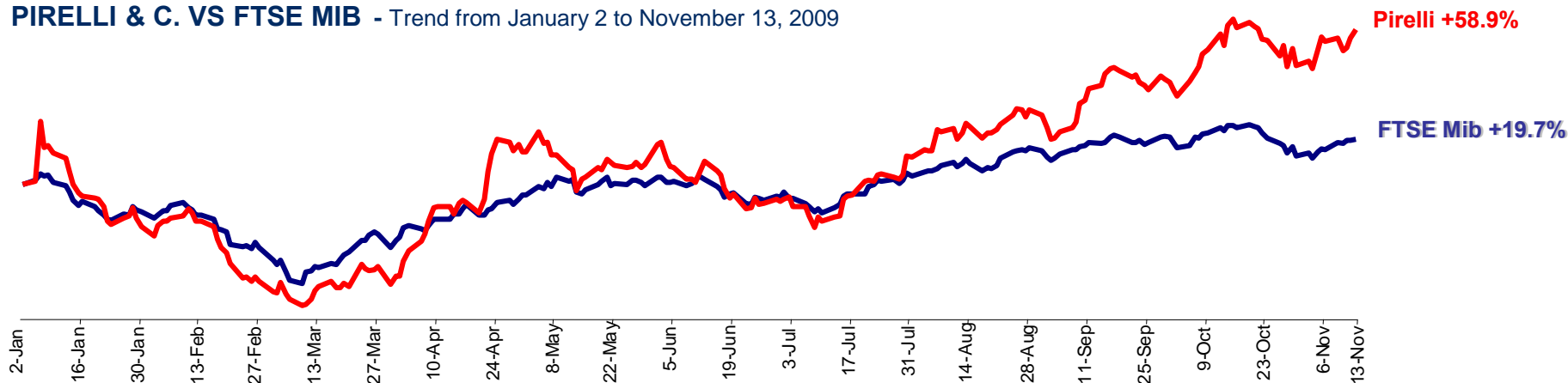
9 November – 13 November 2009



Investor Relations

Pirelli Group on the Stock Market

PIRELLI & C. VS FTSE MIB - Trend from January 2 to November 13, 2009



GROUP TREND FROM JANUARY 2 TO NOVEMBER 13, 2009

	Official Close November 13	Percentage change				Daily average volumes		
		Week 9 Nov - 13 Nov	1 Month	3 Months	Year to date	Week 9 Nov - 13 Nov	1 Month	3 Months
Pirelli & C. Ord.	0.418	3.0	3.9	28.2	58.9	50,030,390	60,744,954	48,061,420
Pirelli & C. Risp.	0.430	0.9	(5.3)	31.9	59.9	281,074	567,832	373,986
Pirelli Real Estate	0.589	6.9	(12.9)	4.3	(3.7)	10,613,024	11,818,194	14,125,671
FTSE All Share	23710	3.0	(3.1)	6.6	19.5	881,370,710	916,706,016	929,151,465
FTSE MIB	23284	3.3	(2.7)	6.7	19.7	648,443,593	696,288,835	735,499,214

Sell side analysts evaluation on Pirelli & C (16/11/2009)

Consensus Target Price: € 0.43

% Buy: 65%

% Sell: 6%

% Hold: 29%

Market Cap: €2,276.2 mln (of which ord. €2,216.2mln)

Markets

MARKETS PERFORMANCE FROM JANUARY 2 TO NOVEMBER 13, '09

	Official Close November 13	Percentage change (%)			
		Week 9 Nov - 13 Nov	1 Month	3 Months	Year to date
EUROPE					
DJ Stoxx 600	247.800	2.8	2.4	7.5	25.9
FTSE MIB	23284.200	3.3	(2.7)	6.7	19.7
FTSE 100	5296.380	3.0	2.8	11.4	19.4
DAX	5686.830	3.6	(0.5)	5.3	18.2
CAC 40	3806.010	2.7	0.1	8.0	18.3
IBEX 35	11867.000	2.5	2.2	7.4	29.0
OMX Stockholm	6303.440	3.7	(0.6)	5.7	16.7
OMX Helsinki	11867.000	2.5	2.2	7.4	29.0
UNITED STATES					
DJ Industr. Average	10197.470	2.5	4.0	9.3	17.0
S&P 500	1087.240	2.3	1.9	8.0	21.1
NASDAQ Composite	2167.880	2.6	1.3	7.9	37.5
ASIA					
Nikkei 225 (Giappone)	9770.310	(0.2)	(3.0)	(7.1)	10.3
Hang Seng (HK)	22553.630	3.3	5.1	8.1	56.8
All ordinaries (Australia)	4722.600	2.6	(1.4)	6.4	29.1
Strait Times (Singapore)	2727.230	2.6	2.2	4.3	54.8
BSE 30 (India)	16848.830	4.3	(1.0)	8.6	74.6
EMIRATES					
Abu Dhabi	2972.710	1.1	(8.2)	3.7	24.4
Dubai	2164.110	1.9	(7.9)	12.5	32.3
BRAZIL					
Itel (indice TLC)	1474.420	3.3	3.2	20.8	46.4
Bovespa	64447.930	1.3	1.1	14.5	74.0

Source: Reuters

SECTORS PERFORMANCE FROM JANUARY 2 TO NOVEMBER 13, '09

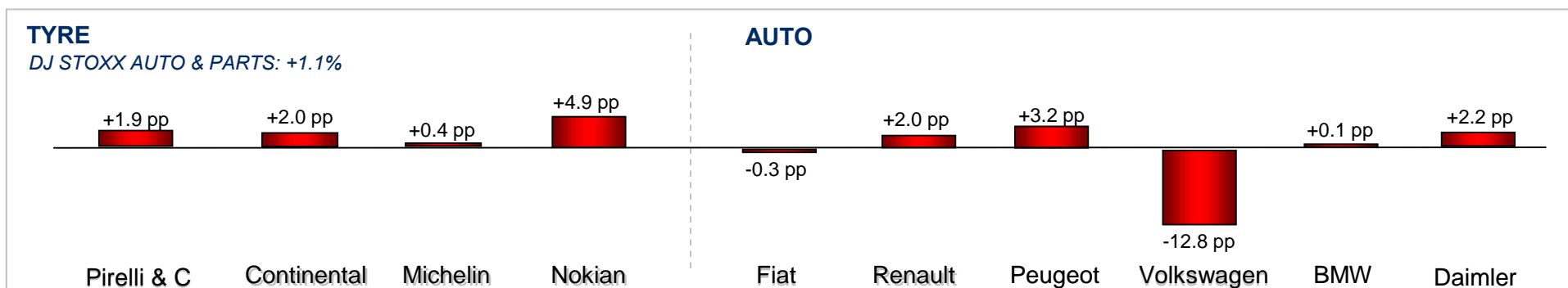
	Official Close November 13	Percentage change (%)			
		Week 9 Nov - 13 Nov	1 Month	3 Months	Year to date
EUROPE					
DJ Stoxx 600	247.800	2.8	2.4	7.5	25.9
Auto	233.900	1.1	(2.2)	(5.6)	17.2
Banks	235.010	3.9	1.4	5.2	57.2
Basic Resources	454.930	5.8	9.2	16.6	84.8
Chemical	426.840	4.4	5.7	12.5	32.7
Construction & Material	266.900	3.2	(1.7)	9.2	31.1
Industrial	367.940	2.3	(1.5)	9.9	29.0
Insurance	152.390	3.3	(5.8)	6.1	13.3
Finance	236.650	3.7	1.7	7.0	30.9
Food & Beverage	286.210	1.4	6.0	13.7	24.4
FTSE EPRA Eu Residential	1629.030	2.0	0.7	15.8	37.9
Media	152.010	1.5	0.6	8.8	13.0
Oil&Gas	320.600	1.2	5.3	9.4	21.2
Retail	244.680	3.2	10.7	7.4	34.8
Tech.	183.750	3.0	(5.4)	3.5	20.2
TLC	256.080	1.6	4.1	6.8	10.0
Travel & Leisure	103.520	2.1	(0.5)	7.4	11.9
Utilities	323.880	2.7	0.2	2.7	(4.0)
UNITED STATES					
S&P 500	1087.240	2.3	1.9	8.0	21.1
Auto	96.500	7.8	10.2	8.1	143.0
Banks	216.980	1.3	(7.5)	(2.6)	0.1
Basic Resources	224.830	3.4	1.7	12.2	60.1
Chemical	256.66	4.32	2.72	9.55	54.22
Construction & Materials	266.910	2.4	(2.4)	(8.3)	20.4
Industrial	248.930	2.3	2.9	9.3	20.7
Food & Beverage	269.010	2.3	1.8	7.8	16.2
Media	246.310	3.6	4.0	13.7	36.3
Oil&Gas	495.220	0.2	0.1	10.3	16.0
Insurance	234.920	2.3	(2.3)	3.8	8.8
Finance	259.670	2.4	(3.0)	2.7	14.6
RE	164.780	6.0	2.5	8.1	14.8
Retail	164.780	6.0	2.5	8.1	14.8
Tech.	562.980	3.4	3.7	11.4	55.4
Tyres	49.830	9.7	(11.4)	(12.8)	153.9
TLC	110.170	1.7	1.2	0.8	(4.5)
Utilities	137.980	1.1	(0.9)	0.3	1.0

Pirelli & C. vs Auto & Parts Sector

TREND PIRELLI & C. vs PEERS TYRE & AUTO FROM JANUARY 2 TO NOVEMBER 13, 2009

	Official Close November 13	Percentage change				Daily average volumes			
		Week 9 Nov - 13 Nov	1 Month	3 Months	Year to date	Week 9 Nov - 13 Nov	1 Month	3 Months	
EUROPA	DJ Stoxx Auto	233.900	1.1	(2.2)	(5.6)	17.2			
	TYRE								
	Pirelli & C	0.418	3.0	3.9	28.2	58.9	50,030,390	60,744,954	48,061,420
	Continental	37.720	3.1	(7.4)	54.6	30.6	208,194	282,310	291,122
	Michelin	53.900	1.5	(1.2)	2.9	43.5	450,856	881,888	918,188
	Nokian	18.140	6.0	12.4	13.4	129.3	832,482	719,194	706,413
	AUTO								
	Fiat	10.700	0.8	(0.5)	25.7	133.1	25,506,635	47,303,724	31,925,778
	Renault	32.615	3.1	(7.4)	(2.9)	75.8	2,302,487	2,949,364	2,684,658
	Peugeot	24.350	4.3	6.9	14.3	100.4	3,022,683	2,699,281	2,458,664
	Volkswagen	96.400	(11.7)	(16.2)	(57.3)	(61.4)	593,681	334,271	461,622
	BMW	33.465	1.2	0.8	3.0	54.9	2,179,445	2,778,384	2,428,673
Daimler	34.300	3.3	(0.5)	5.9	28.5	4,902,342	7,278,707	6,456,582	
USA	TYRE								
	Goodyear	14.340	9.2	(16.2)	(21.7)	140.2	5,908,148	7,250,310	5,956,077
	Cooper	18.960	11.2	7.7	34.6	207.8	1,363,360	1,325,689	1,285,837
	AUTO								
Ford	8.200	8.5	10.4	6.5	267.2	17,046,920	14,849,293	13,051,186	
ASIA	TYRE								
	Bridgestone	1415.000	(1.5)	(11.3)	(20.7)	6.6	2,978,260	3,138,073	3,465,443
	Sumitomo	873.000	(4.4)	(8.9)	(17.1)	(4.4)	918,060	1,013,713	1,301,379
	Toyo	159.000	(7.6)	(17.6)	(30.6)	(1.9)	3,335,800	2,090,667	1,876,411
	Yokohama	358.000	(4.5)	(14.8)	(29.9)	(19.4)	1,230,400	1,305,867	1,419,300
	Hankook	23350.000	(4.5)	7.6	19.1	52.6	652,007	896,226	1,083,335
	Khumo	5220.000	2.2	(9.4)	(14.6)	16.3	95,436	185,114	589,121
	AUTO								
	Toyota	3510.000	(0.3)	(2.8)	(14.2)	20.8	9,378,880	8,595,363	8,090,769
	Nissan	661.000	0.6	(3.6)	(8.6)	106.6	16,511,900	20,141,110	19,677,760

EUROPE: WEEKLY TREND 09/11/2009 – 13/11/2009 TYRES & AUTO STOCKS vs DJ STOXX AUTO & PARTS



Source: Reuters

Tyre Sector evaluation Multiples

CONSENSUS PEERS TYRE MARKET MULTIPLES AT 16/11/2009

Source: Pirelli IR analysis on Bloomberg data

TYRES MULTIPLES @ 16-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	38.9x	13.6x	9.9x	9.5x	0.8x	0.7x	0.7x	0.7x	7.0x	5.3x	4.6x	4.5x	18.2x	9.9x	7.7x	9.9x
	Continental	23.8x	11.1x	11.1x	14.8x	0.8x	0.8x	0.7x	0.7x	8.7x	6.4x	5.0x	5.2x	nm	16.7x	10.3x	12.4x
	Nokian	38.6x	19.0x	14.4x		3.1x	2.7x	2.3x		14.5x	10.3x	8.2x		22.5x	14.3x	10.9x	
	Simple average	38.8x	18.8x	11.8x	12.2x	1.6x	1.4x	1.2x	0.7x	10.1x	7.3x	6.0x	4.8x	20.3x	13.6x	9.7x	11.2x
	Weighted average *	23.9x	18.2x	11.0x	10.3x	1.1x	1.0x	0.9x	0.6x	8.7x	6.4x	5.3x	4.1x	11.7x	13.1x	9.1x	9.6x
US	Goodyear		18.5x	8.3x		0.4x	0.4x			7.8x	4.7x			36.8x	8.4x		
	Cooper	17.4x	15.4x	13.3x	12.0x	1.5x	1.4x			10.9x	9.8x			13.5x	12.4x		
	Simple average	17.4x	16.9x	10.8x	12.0x	0.9x	0.9x			9.3x	7.2x			25.2x	10.4x		
	Weighted average *	11.7x	16.4x	11.7x	8.0x	1.1x	1.1x			9.9x	8.1x			21.2x	11.1x		
ASIA	Bridgestone	93.9x	16.3x	13.1x	13.4x	0.6x	0.6x	0.5x	0.5x	6.6x	5.1x	4.5x	3.9x	24.3x	11.3x	9.0x	9.8x
	Yokohama		18.1x	12.1x	10.1x	0.6x	0.5x	0.5x	0.4x	7.9x	5.8x	5.4x	5.0x	55.0x	15.3x	11.8x	10.2x
	Sumitomo	29.7x	12.6x	10.3x	10.4x	0.8x	0.8x	0.7x	0.7x	7.2x	6.4x	5.7x	6.0x	16.4x	11.8x	9.8x	12.9x
	Simple average	61.8x	15.7x	11.8x	11.3x	0.7x	0.6x	0.6x	0.5x	7.2x	5.8x	5.2x	4.9x	31.9x	12.8x	10.2x	11.0x
	Weighted average *	77.7x	16.0x	12.6x	12.7x	0.6x	0.6x	0.6x	0.5x	6.8x	5.3x	4.8x	4.2x	25.8x	11.7x	9.3x	10.2x
TOT. WORLD	max	93.9x	23.8x	14.4x	14.8x	3.1x	2.7x	2.3x	0.7x	14.5x	10.3x	8.2x	6.0x	55.0x	16.7x	11.8x	12.9x
	min	17.4x	12.6x	8.3x	9.5x	0.4x	0.4x	0.5x	0.4x	6.6x	4.7x	4.5x	3.9x	13.5x	8.4x	7.7x	9.8x
	median	38.6x	17.2x	11.6x	11.2x	0.8x	0.7x	0.7x	0.7x	7.9x	6.1x	5.2x	5.0x	20.3x	12.1x	10.1x	10.2x
	Simple average	43.7x	17.2x	11.6x	11.7x	1.1x	1.0x	0.9x	0.6x	8.8x	6.7x	5.6x	4.9x	26.7x	12.5x	9.9x	11.1x
	Weighted average *	38.5x	16.7x	11.3x	10.3x	1.0x	0.9x	0.6x	0.4x	8.1x	6.3x	3.9x	3.2x	16.7x	11.8x	7.0x	7.6x

* on peers market capitalization by geographical area

** on tyre sector market capitalization

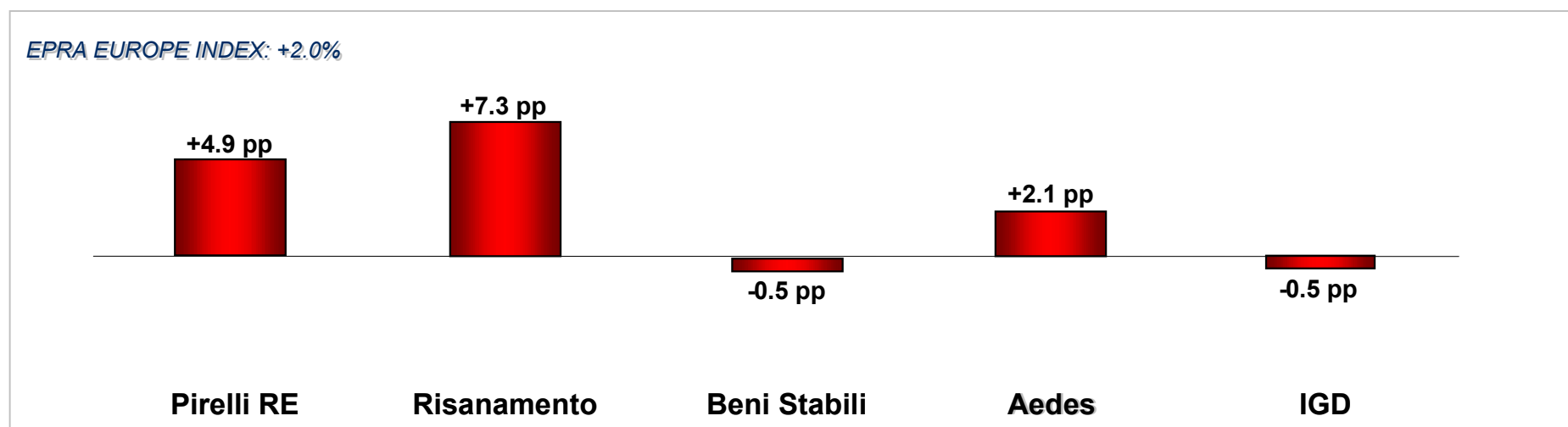
WORLD TYRE MARKET CAP				
Mln	Local currency	€ adjustment	% on cluster	% on geographical Area
Michelin	€8,038	€8,038	23.1%	47.9%
Continental	€6,464	€6,464	18.5%	38.5%
Nokian	€2,273	€2,273	6.5%	13.6%
Goodyear	\$ 3,472	€2,319	6.7%	32.9%
Cooper	\$ 7,077	€4,726	13.6%	67.1%
Bridgestone	¥1,163,549	€8,673	24.9%	78.6%
Yokohama	¥121,965	€909	2.6%	8.2%
Sumitomo	¥195,441	€1,457	4.2%	13.2%
TOT.		€34,859		
Pirelli	€2,276	€2,276		

Pirelli & C. RE vs Real Estate Sector

PIRELLI RE TREND vs PEERS RE FROM JANUARY 2 TO NOVEMBER 13, 2009

	Official Close November 13	Percentage change				Daily average volumes		
		Week 9 Nov - 13 Nov	1 Month	3 Months	Year to date	Week 9 Nov - 13 Nov	1 Month	3 Months
Pirelli RE	0.589	6.9	(12.9)	4.3	(3.7)	10,613,024	11,818,194	14,125,671
Teda	415.000	(0.7)	(4.5)	(3.7)	4.8	25.00	25.93	21.98
Olinda	300.000	1.7	(9.4)	2.4	3.4	160.40	121.57	104.18
Spazio Investment	4.570	(1.5)	(13.0)	(8.6)	(23.8)	7,834	44,365	88,225
ITALIA								
Epra Europe	1629.030	2.0	0.7	15.8	37.9			
Gabetti	0.722	(1.8)	(16.1)	12.0	0.9	132,224	535,730	414,098
Beni Stabili	0.640	1.5	(0.1)	14.6	29.2	1,015,656	1,557,071	1,638,913
Aedes	0.223	4.1	(12.6)	(7.1)	59.1	2,382,158	6,384,780	10,903,932
Bastogi	2.150	1.9	(6.7)	1.4	45.4	6,587	7,936	22,990
Brioschi	0.222	7.5	(2.0)	15.7	13.1	1,487,891	837,682	1,301,299
Gabetti	0.722	(1.8)	(16.1)	12.0	0.9	132,224	535,730	414,098
IGD	1.490	1.5	3.3	12.3	42.6	228,117	481,854	495,822
Risanamento	0.499	9.3	14.9	59.8	16.5	11,486,312	5,486,376	6,257,759

WEEKLY TREND 09/11/2009 – 13/11/2009 REAL ESTATE STOCK vs EPRA EUROPE INDEX



Source: Reuters