

Pirelli & C. S.p.A. — Milano

Peers & Markets

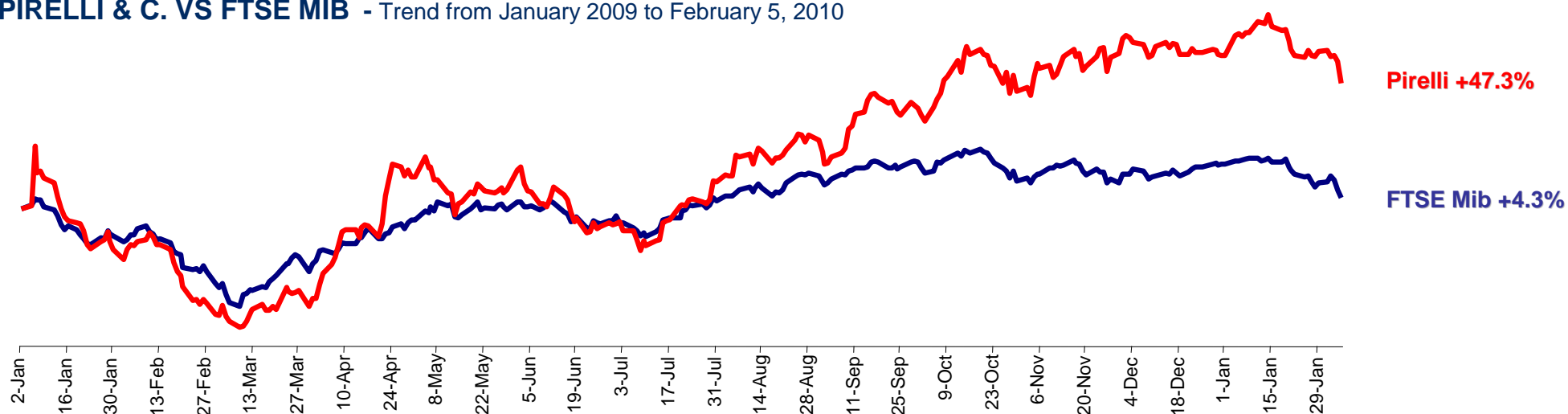
1 February – 5 February 2010



Investor Relations

Pirelli on the Stock Market

PIRELLI & C. VS FTSE MIB - Trend from January 2009 to February 5, 2010



	Official Close February 5	Percentage change				Daily average volumes		
		Week 1 Feb - 5 Feb	1 Month	3 Months	Year to date	Week 1 Feb - 5 Feb	1 Month	3 Months
Pirelli & C. Ord.	0.391	(7.6)	(11.3)	(4.9)	(6.9)	59,877,384	39,797,699	47,551,513
Pirelli & C. Risp.	0.456	(0.9)	(1.9)	6.5	1.2	527,678	244,755	398,790
Pirelli Real Estate	0.420	(8.1)	(21.6)	(24.1)	(18.0)	7,840,568	4,860,667	7,941,116
FTSE All Share	21335	(4.9)	(11.1)	(7.5)	(9.8)	1,190,058,512	841,087,479	739,736,037
FTSE MIB	20816	(4.9)	(11.6)	(7.8)	(10.5)	1,003,722,862	653,491,717	654,012,413

Sell side analysts evaluation on Pirelli & C (08/02/2010)

Consensus Target Price: € 0.49

% Buy: 76%

% Sell: 0%

% Hold: 24%

Market Cap: €2,098.9 mln (of which ord. €2,038.3 mln)

Markets

	Official Close February 5	Percentage change (%)			
		Week 1 Feb - 5 Feb	1 Month	3 Months	Year to date
EUROPE					
DJ Stoxx 600	237.460	(3.8)	(7.8)	(1.3)	(6.2)
FTSE MIB	20815.880	(4.9)	(11.6)	(7.8)	(10.5)
FTSE 100	5060.920	(2.5)	(8.4)	(1.3)	(6.5)
DAX	5434.340	(3.1)	(9.9)	(0.8)	(8.8)
CAC 40	3563.760	(4.7)	(11.2)	(3.9)	(9.5)
IBEX 35	10103.300	(7.7)	(17.2)	(12.5)	(15.4)
OMX Stockholm	6515.360	(2.8)	(1.8)	7.8	0.9
OMX Helsinki	10103.300	(7.7)	(17.2)	(12.5)	(15.4)
UNITED STATES					
DJ Industr. Average	10002.180	(0.5)	(5.3)	0.1	(4.0)
S&P 500	1063.110	(0.7)	(6.2)	(0.0)	(4.4)
NASDAQ Composite	2141.120	(0.3)	(7.3)	1.7	(5.6)
ASIA					
Nikkei 225 (Giappone)	10057.090	(1.4)	(5.8)	3.5	(4.6)
Hang Seng (HK)	19665.080	(2.3)	(11.7)	(8.4)	(10.1)
All ordinaries (Australia)	4532.495	(1.4)	(8.2)	0.3	(7.2)
Strait Times (Singapore)	2683.560	(2.3)	(8.1)	2.1	(7.4)
BSE 30 (India)	15915.650	(2.7)	(10.1)	(1.5)	(8.9)
EMIRATES					
Abu Dhabi	2681.660	1.8	(3.4)	(8.2)	(2.3)
Dubai	1630.810	2.6	(11.2)	(22.3)	(9.6)
BRAZIL					
IteI (indice TLC)	1403.090	(4.6)	(13.6)	(5.7)	(12.1)
Bovespa	63934.010	(4.0)	(10.6)	(3.2)	(8.5)

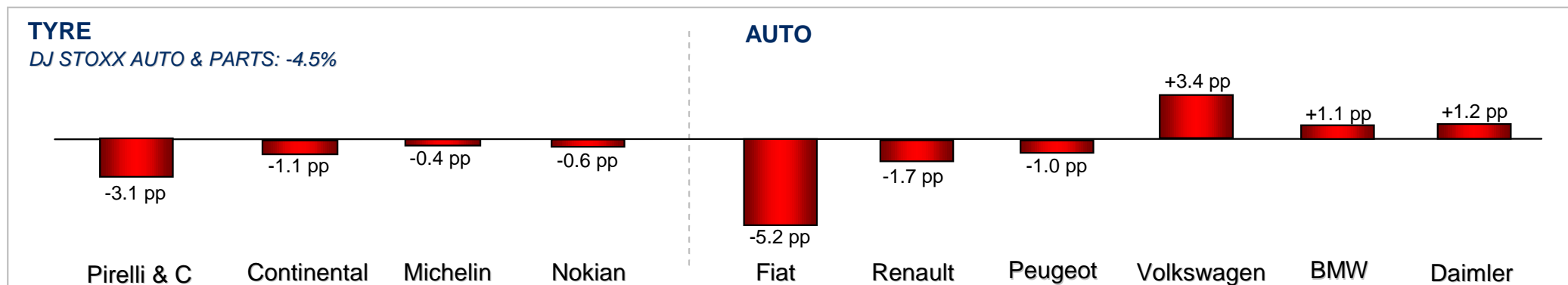
Source: Reuters

	Official Close February 5	Percentage change (%)			
		Week 1 Feb - 5 Feb	1 Month	3 Months	Year to date
EUROPE					
DJ Stoxx 600	237.460	(3.8)	(7.8)	(1.3)	(6.2)
Auto	211.890	(4.5)	(12.2)	(7.6)	(10.2)
Banks	194.550	(6.4)	(15.2)	(12.8)	(12.1)
Basic Resources	450.170	(3.9)	(13.2)	5.6	(9.6)
Chemical	421.570	(3.0)	(9.6)	3.3	(9.0)
Construction & Material	253.030	(4.3)	(10.5)	(2.9)	(8.8)
Industrial	362.460	(3.9)	(8.1)	1.1	(5.7)
Insurance	141.090	(3.8)	(9.5)	(4.5)	(6.8)
Finance	209.780	(5.1)	(12.4)	(7.7)	(9.9)
Food & Beverage	292.380	(4.5)	(3.1)	3.2	(3.9)
FTSE EPRA Eu Residential	1575.020	(0.4)	(3.4)	(1.1)	(0.8)
Media	150.510	(3.9)	(6.4)	1.0	(5.4)
Oil&Gas	308.330	(4.2)	(9.0)	(3.0)	(6.7)
Retail	240.520	(3.3)	(1.4)	1.3	(0.8)
Tech.	191.070	(1.9)	1.0	7.0	3.6
TLC	242.780	(1.9)	(7.7)	(4.2)	(7.0)
Travel & Leisure	107.140	(2.3)	(1.2)	7.2	0.5
Utilities	314.490	(3.5)	(8.7)	(0.7)	(8.2)
UNITED STATES					
S&P 500	1063.110	(0.7)	(6.2)	(0.0)	(4.4)
Auto	121.210	0.5	(2.2)	34.3	6.0
Banks	205.460	(2.8)	(4.8)	(2.6)	(0.4)
Basic Resources	209.620	2.6	(14.9)	(1.1)	(10.5)
Chemical	246.85	(0.44)	(7.64)	0.13	(4.39)
Construction & Materials	276.890	0.6	2.3	5.1	5.8
Industrial	247.460	(0.9)	(5.5)	1.3	(3.6)
Food & Beverage	267.280	(0.4)	(4.0)	1.3	(2.7)
Media	250.880	(0.8)	(6.4)	3.4	(5.5)
Oil&Gas	469.900	(0.7)	(8.6)	(6.0)	(5.1)
Insurance	229.950	(1.4)	(3.3)	0.4	(1.7)
Finance	247.410	(1.8)	(6.0)	(1.6)	(3.3)
RE	165.770	0.2	(5.2)	5.5	(5.3)
Retail	165.770	0.2	(5.2)	5.5	(5.3)
Tech.	543.240	0.9	(9.3)	(0.0)	(7.7)
Tyres	47.150	(4.2)	(19.2)	(1.8)	(11.8)
TLC	106.440	(0.9)	(12.3)	(0.9)	(10.6)
Utilities	139.010	(2.0)	(5.9)	0.4	(6.5)

Pirelli & C. vs Auto & Parts Sector

	Official Close February 5	Percentage change				Daily average volumes		
		Week 1 Feb - 5 Feb	1 Month	3 Months	Year to date	Week 1 Feb - 5 Feb	1 Month	3 Months
EUROPA								
DJ Stoxx Auto	211.890	(4.5)	(12.2)	(7.6)	(10.2)			
TYRE								
Pirelli & C	0.391	(7.6)	(11.3)	(4.9)	(6.9)	59,877,384	39,797,699	47,551,513
Continental	37.765	(5.6)	(3.6)	5.3	3.7	579,642	695,546	399,994
Michelin	53.540	(4.9)	(5.1)	1.5	(0.1)	1,167,271	827,104	798,830
Nokian	16.640	(5.1)	(7.5)	(0.2)	(2.1)	684,490	640,515	676,306
AUTO								
Fiat	8.250	(9.7)	(23.3)	(23.5)	(19.5)	32,057,653	26,499,859	33,947,802
Renault	32.145	(6.2)	(16.1)	0.5	(11.2)	2,811,754	2,390,588	2,571,073
Peugeot	22.335	(5.5)	(9.7)	(4.0)	(5.6)	2,499,696	1,897,225	2,122,332
Volkswagen	62.610	(1.1)	(15.8)	(41.9)	(18.7)	990,790	549,748	498,877
BMW	29.920	(3.4)	(7.4)	(8.7)	(5.9)	2,608,976	2,376,140	2,480,296
Daimler	32.320	(3.3)	(13.2)	(1.0)	(13.2)	7,180,460	5,388,290	6,073,017
USA								
TYRE								
Goodyear	12.640	7.8	7.7	(14.9)	146.6	4,052,122	5,705,239	5,339,556
Cooper	16.870	(0.9)	(17.6)	2.9	(15.9)	880,990	890,385	999,600
AUTO								
Ford	11.060	0.6	(0.5)	46.4	9.1	16,961,780	15,565,630	13,988,617
ASIA								
TYRE								
Bridgestone	1495.0	3.3	(7.5)	0.9	(8.1)	3,920,180	4,566,833	3,707,912
Sumitomo	1018.0	1.4	(6.0)	(9.1)	(10.2)	1,834,080	1,464,593	1,283,136
Toyo	198.0	28.6	13.1	15.8	15.1	7,046,000	1,929,433	1,871,933
Yokohama	388.0	13.1	(3.5)	2.9	(4.7)	3,300,600	2,098,500	1,735,222
Hankook	21700.0	(2.7)	(9.4)	(9.2)	(14.9)	555,049	947,302	875,960
Khumo	3260.0	2.0	6.4	(34.3)	(9.6)	469,238	1,840,160	779,643
AUTO								
Toyota	3315.0	(5.0)	(12.9)	(7.4)	(14.6)	36,781,320	15,390,183	10,856,149
Nissan	733.0	(0.4)	(8.7)	10.6	(9.5)	23,334,000	21,636,627	20,288,142

EUROPE: WEEKLY TREND 01/02/2010 – 05/02/2010 TYRES & AUTO STOCKS vs DJ STOXX AUTO & PARTS



Source: Reuters

Tyre Sector evaluation Multiples

CONSENSUS PEERS TYRE MARKET MULTIPLES AT 08/02/2010

Source: Pirelli IR analysis on Bloomberg data

TYRES MULTIPLES @ 8-Feb-10																
	PIE				EVISALES				EVIEBITDA				EVIEBIT			
	2009	2010	2011	2012	2009	2010	2011	2012	2009	2010	2011	2012	2009	2010	2011	2012
Michelin	36.8x	13.2x	9.3x	6.6x	0.8x	0.7x	0.7x	0.6x	7.1x	5.6x	4.4x	3.3x	19.0x	10.9x	7.4x	5.6x
Continental		17.6x	9.4x	11.3x	0.9x	0.8x	0.7x	0.7x	8.8x	6.3x	5.0x	5.1x		14.8x	10.4x	10.8x
Nokian	37.4x	17.8x	13.0x		2.9x	2.4x	2.1x		13.7x	9.5x	7.5x		21.2x	13.0x	10.2x	
Simple average	37.1x	16.2x	10.6x	9.0x	1.5x	1.3x	1.1x	0.6x	9.8x	7.1x	5.7x	4.2x	20.1x	12.9x	9.3x	8.2x
Weighted average *	21.1x	15.7x	9.8x	7.8x	1.1x	1.0x	0.8x	0.6x	8.6x	6.4x	5.0x	3.7x	11.1x	12.8x	9.0x	7.2x
Goodyear		17.0x	7.7x		0.4x	0.4x	0.3x		7.2x	4.3x	3.6x		34.4x	8.0x	5.2x	
Cooper Tire	9.1x	7.6x	5.6x		0.4x	0.4x			3.8x	3.0x			6.5x	4.9x		
Simple average	9.1x	12.3x	6.7x		0.4x	0.4x	0.3x		5.5x	3.7x	3.6x		20.5x	6.4x	5.2x	
Weighted average *	2.3x	14.6x	7.2x		0.4x	0.4x	0.2x		6.4x	4.0x	2.7x		27.5x	7.2x	3.9x	
Bridgestone	220.8x	20.6x	14.4x	13.5x	0.6x	0.6x	0.6x	0.5x	6.6x	5.6x	4.9x	4.0x	25.0x	13.7x	10.2x	10.0x
Yokohama		18.3x	14.5x	9.8x	0.6x	0.6x	0.5x	0.5x	8.2x	5.9x	5.7x	4.8x	56.6x	15.3x	12.5x	10.0x
Sumitomo	31.1x	13.9x	10.4x	9.9x	0.8x	0.8x	0.7x	0.6x	7.1x	6.6x	5.9x	6.0x	18.8x	12.3x	10.3x	12.8x
Simple average	126.0x	17.6x	13.1x	11.1x	0.7x	0.6x	0.6x	0.5x	7.3x	6.0x	5.5x	4.9x	33.5x	13.8x	11.0x	10.9x
Weighted average *	177.8x	19.6x	13.9x	12.8x	0.7x	0.6x	0.6x	0.5x	6.8x	5.7x	5.1x	4.3x	27.0x	13.7x	10.4x	10.4x
max	220.8x	20.6x	14.5x	13.5x	2.9x	2.4x	2.1x	0.7x	13.7x	9.5x	7.5x	6.0x	56.6x	15.3x	12.5x	12.8x
min	9.1x	7.6x	5.6x	6.6x	0.4x	0.4x	0.3x	0.5x	3.8x	3.0x	3.6x	3.3x	6.5x	4.9x	5.2x	5.6x
median	36.8x	17.3x	9.9x	9.9x	0.7x	0.7x	0.7x	0.6x	7.2x	5.7x	5.0x	4.8x	21.2x	12.6x	10.2x	10.0x
Simple average	67.0x	15.8x	10.5x	10.2x	0.9x	0.8x	0.8x	0.6x	7.8x	5.8x	5.3x	4.7x	25.9x	11.6x	9.4x	9.8x
Weighted average *	77.8x	16.4x	10.6x	8.6x	0.8x	0.8x	0.7x	0.5x	7.5x	5.7x	4.7x	3.4x	16.7x	12.1x	8.6x	7.4x

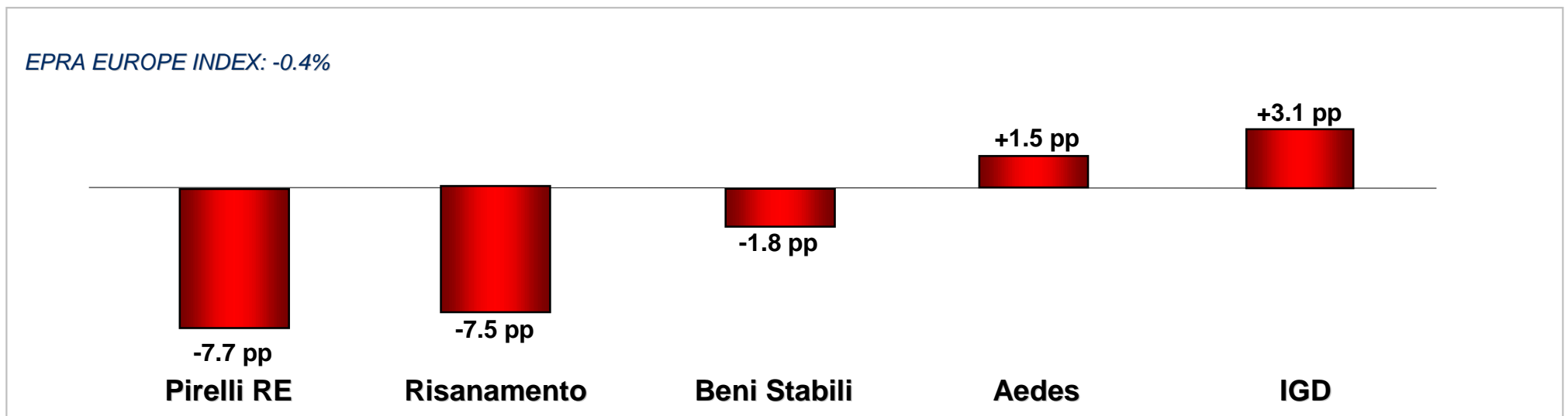
on peers market capitalization by geographical area
on tyre sector market capitalization

Mln	WORLD TYRE MARKET CAP			
	Local currency	€ adjustment	% on cluster	% on geographical Area
Michelin	€7,930	€7,930	24.2%	45.2%
Continental	€7,531	€7,531	23.0%	42.9%
Nokian	€2,089	€2,089	6.4%	11.9%
Goodyear	\$ 3,061	€2,233	6.8%	75.0%
Cooper Tire	\$ 1,021	€745	2.3%	25.0%
Bridgestone	¥1,177,372	€9,607	29.4%	78.8%
Yokohama	¥130,530	€1,065	3.3%	8.7%
Sumitomo	¥186,498	€1,522	4.7%	12.5%
TOT.		€32,721		

Pirelli & C. RE vs Real Estate Sector

	Official Close February 5	Percentage change				Daily average volumes		
		Week 1 Feb - 5 Feb	1 Month	3 Months	Year to date	Week 1 Feb - 5 Feb	1 Month	3 Months
Pirelli RE	0.420	(8.1)	(21.6)	(24.1)	(18.0)	7,840,568	4,860,667	7,941,116
Tecla	443.000	2.8	3.0	6.0	4.9	61.20	34.03	29.31
Olinda	366.960	5.1	12.9	24.4	12.9	390.00	252.37	167.26
ITALIA								
Epra Europe	1575.020	(0.4)	(3.4)	(1.1)	(0.8)			
Beni Stabili	0.591	(2.2)	(1.6)	(6.9)	2.7	1,368,593	1,713,952	1,640,459
Aedes	0.211	1.1	(3.2)	(3.3)	3.3	4,601,943	2,522,729	4,497,222
Bastogi	2.055	(4.0)	(6.2)	(2.8)	(2.4)	12,820	27,498	15,047
Brioschi	0.204	0.3	(6.9)	(2.8)	(6.6)	1,036,981	1,071,893	907,281
Gabetti	0.520	(4.4)	(19.9)	(28.8)	(17.1)	356,894	256,605	344,054
IGD	1.508	2.7	(4.9)	3.7	(3.3)	339,439	301,048	385,528
Risanamento	0.380	(7.9)	(11.3)	(19.1)	(9.7)	754,784	1,099,832	2,309,860

WEEKLY TREND 01/02/2010 – 05/02/2010 REAL ESTATE STOCK vs EPRA EUROPE INDEX



Source: Reuters