

Pirelli & C. S.p.A. — Milano

Peers & Markets

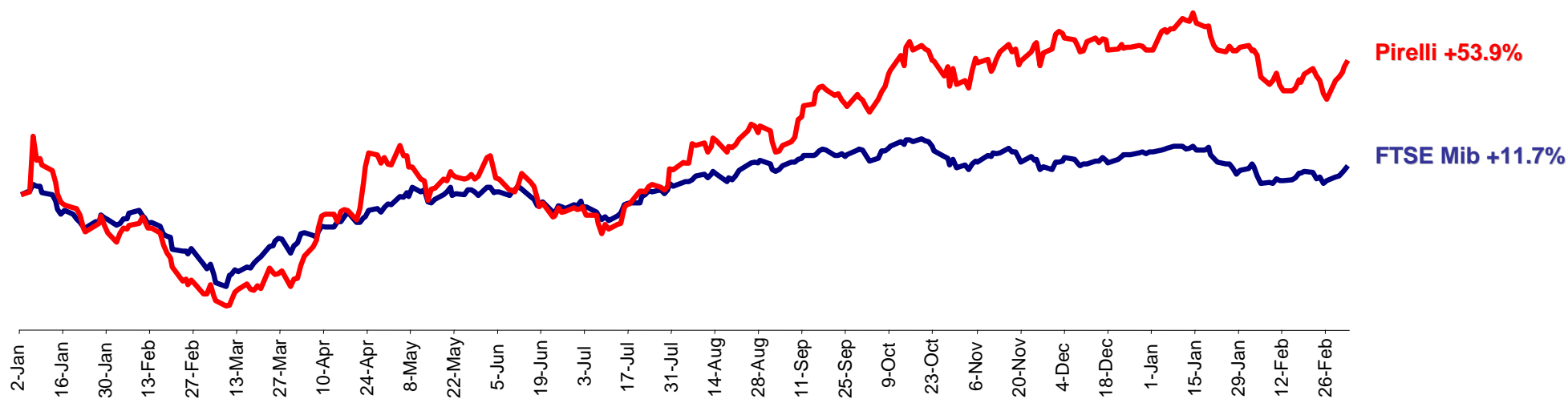
1 March – 5 March 2010



Investor Relations

Pirelli on the Stock Market

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



	Official Close March 5	Percentage change				Daily average volumes		
		Week 1 Mar - 5 Mar	1 Month	3 Months	Year to date	Week 1 Mar - 5 Mar	1 Month	3 Months
Pirelli & C. Ord.	0.409	11.2	4.5	(5.4)	(2.7)	55,051,656	51,778,781	46,743,423
Pirelli & C. Fisp.	0.440	1.7	(3.5)	(0.8)	(2.3)	97,126	208,440	278,754
Pirelli Real Estate	0.424	9.7	0.8	(17.3)	(17.3)	5,351,114	6,207,837	6,312,494
FTSE All Share	22770	5.5	6.7	(2.4)	(3.7)	849,258,334	944,649,219	735,060,077
FTSE MIB	22278	5.7	7.0	(2.8)	(4.2)	696,020,005	800,375,702	664,093,294

Sell side analysts evaluation on Pirelli & C (08/03/2010)

Consensus Target Price: € 0.49

% Buy: 76%

% Sell: 0%

% Hold: 24%

Market Cap: €2,204.8 mln (of which ord. €2,145.6 mln)

Markets

	Official Close March 5	Percentage change (%)			
		Week 1 Mar - 5 Mar	1 Month	3 Months	Year to date
EUROPE					
DJ Stoxx 600	257.090	4.6	8.3	3.2	1.6
FTSE MIB	22278.120	5.7	7.0	(2.8)	(4.2)
FTSE 100	5599.760	4.6	10.6	5.2	3.5
DAX	5877.360	5.0	8.2	1.0	(1.3)
CAC 40	3910.420	5.4	9.7	1.7	(0.7)
IBEX 35	11019.800	6.6	9.1	(8.4)	(7.7)
OMX Stockholm	6965.610	4.3	6.9	12.3	7.9
OMX Helsinki	11019.800	6.6	9.1	(8.4)	(7.7)
UNITED STATES					
DJ Industr. Average	10444.140	2.3	5.5	1.7	1.3
S&P 500	1122.970	3.1	6.8	3.0	2.1
NASDAQ Composite	2326.350	3.9	8.7	6.0	2.5
ASIA					
Nikkei 225 (Giappone)	10368.960	2.4	3.1	3.5	(1.7)
Hang Seng (HK)	20787.970	0.9	5.7	(7.6)	(5.0)
All ordinaries (Australia)	4773.382	2.6	5.3	1.1	(2.2)
Strait Times (Singapore)	2790.290	1.4	4.0	(0.0)	(3.7)
BSE 30 (India)	16994.490	4.6	7.6	(0.6)	(2.7)
EMIRATES					
Abu Dhabi	2747.290	0.9	0.8	6.0	(0.6)
Dubai	1621.730	0.2	(4.7)	(13.5)	(12.1)
BRAZIL					
Itel (indice TLC)	1393.220	1.0	1.6	(9.6)	(10.7)
Bovespa	68846.500	3.5	9.7	1.8	0.4

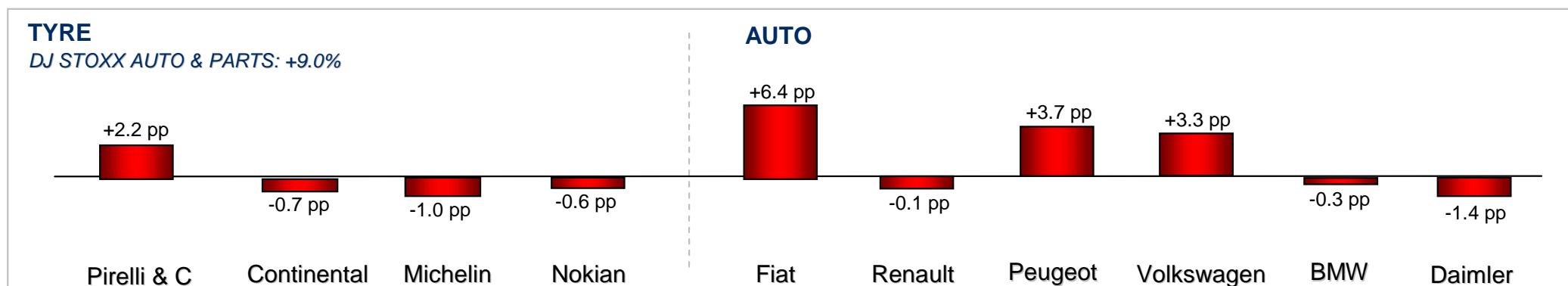
Source: Reuters

	Official Close March 5	Percentage change (%)			
		Week 1 Mar - 5 Mar	1 Month	3 Months	Year to date
EUROPE					
DJ Stoxx 600	257.090	4.6	8.3	3.2	1.6
Auto	221.590	9.0	4.6	(5.5)	(6.0)
Banks	219.120	6.5	12.6	(3.8)	(1.0)
Basic Resources	520.540	9.9	15.6	11.8	4.5
Chemical	462.150	5.5	9.6	2.3	(0.2)
Construction & Material	270.340	7.0	6.8	(0.4)	(2.6)
Industrial	397.370	5.8	9.6	6.4	3.4
Insurance	153.990	3.2	9.1	3.4	1.7
Finance	230.390	5.5	9.8	(0.2)	(1.1)
Food & Beverage	316.860	1.7	8.4	7.0	4.1
FTSE EPRA Eu Residential	1631.550	4.8	3.6	1.8	2.8
Media	162.180	4.7	7.8	6.1	1.9
Oil&Gas	327.400	4.7	6.2	2.2	(0.9)
Retail	252.610	4.2	5.0	3.3	4.2
Tech.	203.650	5.4	6.6	15.0	10.5
TLC	255.440	3.7	5.2	(2.7)	(2.1)
Travel & Leisure	114.430	3.7	6.8	8.7	7.3
Utilities	326.160	2.0	3.7	(1.1)	(4.8)
UNITED STATES					
S&P 500	1138.700	3.1	6.8	3.0	2.1
Auto	142.580	10.5	19.1	35.6	26.3
Banks	225.960	2.6	8.7	4.4	8.3
Basic Resources	252.650	7.8	16.4	9.9	4.3
Chemical	272.88	5.18	10.29	6.12	5.44
Construction & Materials	291.140	4.1	7.5	20.6	13.8
Industrial	269.120	3.9	9.3	5.2	5.3
Food & Beverage	282.080	3.3	5.3	1.5	2.4
Media	278.360	5.3	11.7	9.8	5.6
Oil&Gas	496.400	3.4	5.8	1.7	0.5
Insurance	251.740	3.5	9.1	8.2	7.2
Finance	271.850	3.5	8.7	4.7	5.0
RE	183.860	3.5	8.7	4.5	2.9
Retail	183.860	3.5	8.7	4.5	2.9
Tech.	587.980	3.2	7.0	2.6	(1.3)
Tyres	50.160	5.8	9.0	(4.8)	(3.8)
TLC	108.420	1.0	1.3	(7.7)	(9.4)
Utilities	143.600	2.8	3.6	(0.8)	(3.2)

Pirelli & C. vs Auto & Parts Sector

	Official Close March 5	Percentage change				Daily average volumes		
		Week 1 Mar - 5 Mar	1 Month	3 Months	Year to date	Week 1 Mar - 5 Mar	1 Month	3 Months
EUROPA								
DJ Stoxx Auto	221.590	9.0	4.6	(5.5)	(6.0)			
TYRE								
Pirelli & C	0.409	11.2	4.5	(5.4)	(2.7)	55,051,656	51,778,781	46,743,423
Continental	36.500	8.3	(3.3)	0.6	0.2	550,785	721,706	515,614
Michelin	55.340	8.0	3.4	4.6	3.3	745,084	1,096,348	810,406
Nokian	19.980	8.4	20.1	17.0	17.5	803,594	905,257	798,841
AUTO								
Fiat	8.920	15.4	8.1	(15.5)	(13.0)	33,932,542	35,048,601	30,469,708
Renault	32.890	8.9	2.3	(7.6)	(9.1)	3,146,886	3,627,728	2,808,052
Peugeot	21.855	12.7	(2.1)	(9.6)	(7.6)	2,850,052	2,927,268	2,214,266
Volkswagen	71.360	12.3	14.0	(11.2)	(7.3)	383,242	520,516	526,007
BMW	32.365	8.7	8.2	(1.2)	1.8	2,167,556	2,711,964	2,488,831
Daimler	32.985	7.6	2.1	(8.1)	(11.4)	5,419,476	7,601,777	6,245,130
USA								
TYRE								
Goodyear	13.700	7.8	7.7	(14.9)	146.6	4,052,122	5,705,239	5,339,556
Cooper	18.730	6.8	11.0	(1.4)	(6.6)	1,633,245	1,059,602	1,038,999
AUTO								
Ford	12.790	10.7	19.2	45.4	30.0	18,242,840	14,805,190	14,352,826
ASIA								
TYRE								
Bridgestone	1542.0	(1.0)	3.1	0.0	(5.2)	4,877,920	3,788,343	3,939,062
Sumitomo	978.0	3.7	4.3	(0.3)	(6.4)	1,532,080	1,824,033	1,488,900
Toyo	197.0	(1.0)	(0.5)	23.1	14.5	1,371,400	3,207,667	2,096,222
Yokohama	389.0	1.8	0.3	9.0	(4.4)	1,521,800	1,991,433	1,821,089
Hankook	23850.0	4.1	9.9	3.7	(6.5)	450,154	663,382	760,302
Khumo	3520.0	4.5	8.0	(29.7)	(2.4)	575,444	825,688	901,140
AUTO								
Toyota	3395.0	2.0	2.4	(9.0)	(12.5)	11,872,720	19,524,823	12,214,080
Nissan	700.0	(0.7)	(4.5)	(3.8)	(13.6)	16,386,040	20,981,660	20,200,799

EUROPE: WEEKLY TREND 01/03/2010 – 05/01/2010 TYRES & AUTO STOCKS vs DJ STOXX AUTO & PARTS



Source: Reuters

Tyre Sector evaluation Multiples

CONSENSUS PEERS TYRE MARKET MULTIPLES AT 08/03/2010

Source: Pirelli IR analysis on Bloomberg data

TYRES MULTIPLES @ 8-Mar-10																	
		PIE				EV/SALES				EV/EBITDA				EV/EBIT			
		2009	2010	2011	2012	2009	2010	2011	2012	2009	2010	2011	2012	2009	2010	2011	2012
EUROPA	Michelin	35.2x	12.9x	9.5x	7.7x	0.8x	0.7x	0.6x	0.6x	7.3x	5.5x	4.4x	3.9x	20.2x	11.0x	7.5x	6.7x
	Continental		18.0x	10.0x	8.2x	0.9x	0.7x	0.7x	0.7x	9.1x	6.1x	4.8x	4.4x		13.8x	9.6x	8.5x
	Nokian	43.9x	20.5x	14.8x		3.3x	2.9x	2.4x		15.8x	11.3x	9.0x		24.9x	15.6x	11.8x	
	Simple average	39.6x	17.1x	11.4x	7.9x	1.7x	1.4x	1.2x	0.7x	10.7x	7.6x	6.1x	4.2x	22.5x	13.5x	9.7x	7.6x
	Weighted average *	22.0x	16.1x	10.4x	6.8x	1.2x	1.0x	0.9x	0.6x	9.2x	6.5x	5.2x	3.6x	12.6x	12.8x	9.0x	6.5x
US	Goodyear		24.6x	8.0x	5.0x	0.4x	0.4x	0.4x		7.9x	4.6x	3.8x		38.1x	9.1x	6.2x	
	Cooper Tire	10.2x	9.5x	8.2x		0.5x	0.4x			4.1x	3.5x			7.2x	5.7x		
	Simple average	10.2x	17.1x	8.1x		0.4x	0.4x			6.0x	4.0x			22.7x	7.4x		
	Weighted average *	2.6x	20.8x	8.0x		0.4x	0.4x			6.9x	4.3x			30.2x	8.2x		
ASIA	Bridgestone	283.3x	22.8x	15.9x	13.4x	0.7x	0.6x	0.6x	0.5x	7.0x	6.1x	5.2x	4.3x	26.5x	15.3x	11.4x	10.4x
	Yokohama		16.9x	13.4x	9.8x	0.6x	0.6x	0.6x	0.5x	8.3x	5.8x	5.6x	4.9x	57.8x	16.0x	13.1x	10.4x
	Sumitomo	32.4x	14.7x	10.7x	9.3x	0.8x	0.8x	0.7x	0.7x	7.2x	6.8x	6.0x	5.1x	19.4x	12.3x	10.0x	9.3x
	Simple average	157.8x	18.1x	13.3x	10.8x	0.7x	0.7x	0.6x	0.6x	7.5x	6.2x	5.6x	4.7x	34.5x	14.5x	11.5x	10.1x
	Weighted average *	228.2x	21.3x	15.0x	12.6x	0.7x	0.7x	0.6x	0.5x	7.1x	6.1x	5.3x	4.4x	28.2x	15.0x	11.3x	10.3x
TOT. WORLD	max	283.3x	24.6x	15.9x	13.4x	3.3x	2.9x	2.4x	0.7x	15.8x	11.3x	9.0x	5.1x	57.8x	16.0x	13.1x	10.4x
	min	10.2x	9.5x	8.0x	5.0x	0.4x	0.4x	0.4x	0.5x	4.1x	3.5x	3.8x	3.9x	7.2x	5.7x	6.2x	6.7x
	median	35.2x	17.5x	10.4x	8.7x	0.7x	0.7x	0.6x	0.6x	7.6x	6.0x	5.2x	4.4x	24.9x	13.0x	10.0x	9.3x
	Simple average	81.0x	17.5x	11.3x	8.9x	1.0x	0.9x	0.9x	0.6x	8.3x	6.2x	5.5x	4.5x	27.7x	12.3x	9.9x	9.1x
	Weighted average *	98.9x	18.0x	11.5x	8.4x	0.9x	0.8x	0.7x	0.5x	7.9x	6.0x	4.8x	3.4x	18.4x	12.7x	9.0x	7.0x

* on peers market capitalization by geographical area

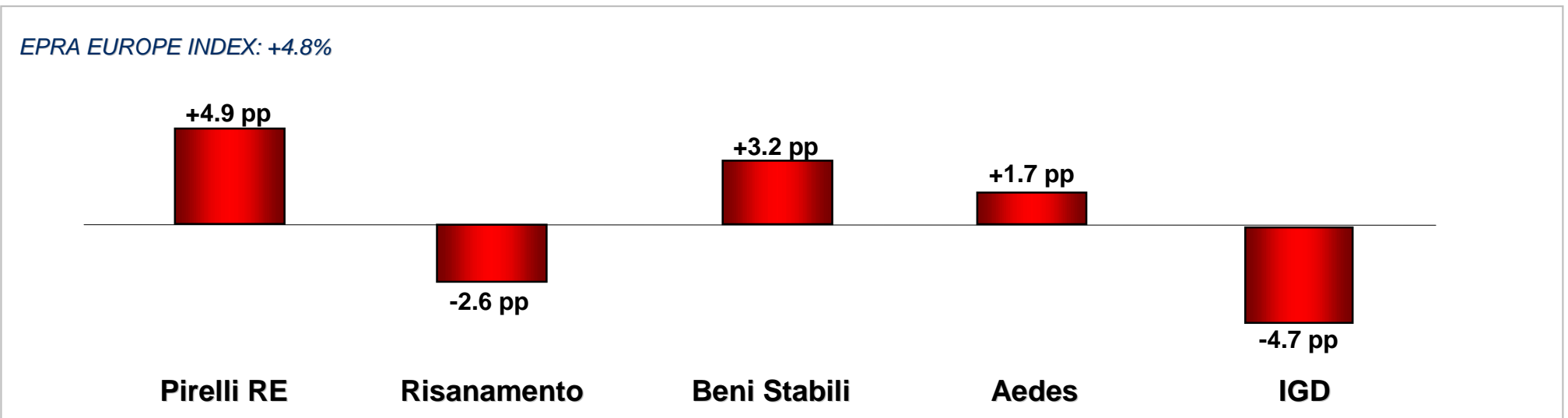
** on tyre sector market capitalization

WORLD TYRE MARKET CAP				
Min	Local currency	€ adjustment	% on cluster	% on geographical Area
Michelin	€8,110	€8,110	23.7%	45.4%
Continental	€7,310	€7,310	21.4%	40.9%
Nokian	€2,443	€2,443	7.1%	13.7%
Goodyear	\$ 3,318	€2,431	7.1%	74.5%
Cooper Tire	\$ 1,139	€834	2.4%	25.5%
Bridgestone	¥1,275,758	€10,336	30.2%	79.1%
Yokohama	¥136,697	€1,107	3.2%	8.5%
Sumitomo	¥199,650	€1,618	4.7%	12.4%
TOT.		€34,189		

Pirelli & C. RE vs Real Estate Sector

	Official Close March 5	Percentage change				Daily average volumes		
		Week 1 Mar - 5 Mar	1 Month	3 Months	Year to date	Week 1 Mar - 5 Mar	1 Month	3 Months
Pirelli RE	0.424	9.7	0.8	(17.3)	(17.3)	5,351,114	6,207,837	6,312,494
Tecla	425.250	(1.3)	(4.0)	3.7	0.7	30.80	34.53	29.09
Olinda	347.990	6.4	(5.2)	14.1	7.1	201.40	241.47	190.33
ITALIA								
Epra Europe	1631.550	4.8	3.6	1.8	2.8			
Beni Stabili	0.724	8.0	22.5	23.0	25.8	2,660,353	2,124,266	1,742,617
Aedes	0.250	6.5	18.4	15.5	22.2	6,133,825	3,581,228	2,935,871
Bastogi	2.060	0.0	0.2	5.6	(2.1)	8,993	16,529	16,306
Brioschi	0.223	1.4	9.6	14.9	2.3	773,750	987,161	971,493
Gabetti	0.434	1.2	(16.5)	(31.6)	(30.8)	355,370	281,640	244,693
IGD	1.540	0.1	2.1	(0.8)	(1.2)	194,729	224,846	306,421
Risanamento	0.380	2.2	0.0	(11.8)	(9.7)	646,559	765,267	1,412,122

WEEKLY TREND 01/03/2010 – 05/03/2010 REAL ESTATE STOCK vs EPRA EUROPE INDEX



Source: Reuters