

Pirelli & C. S.p.A. — Milano

Peers & Markets

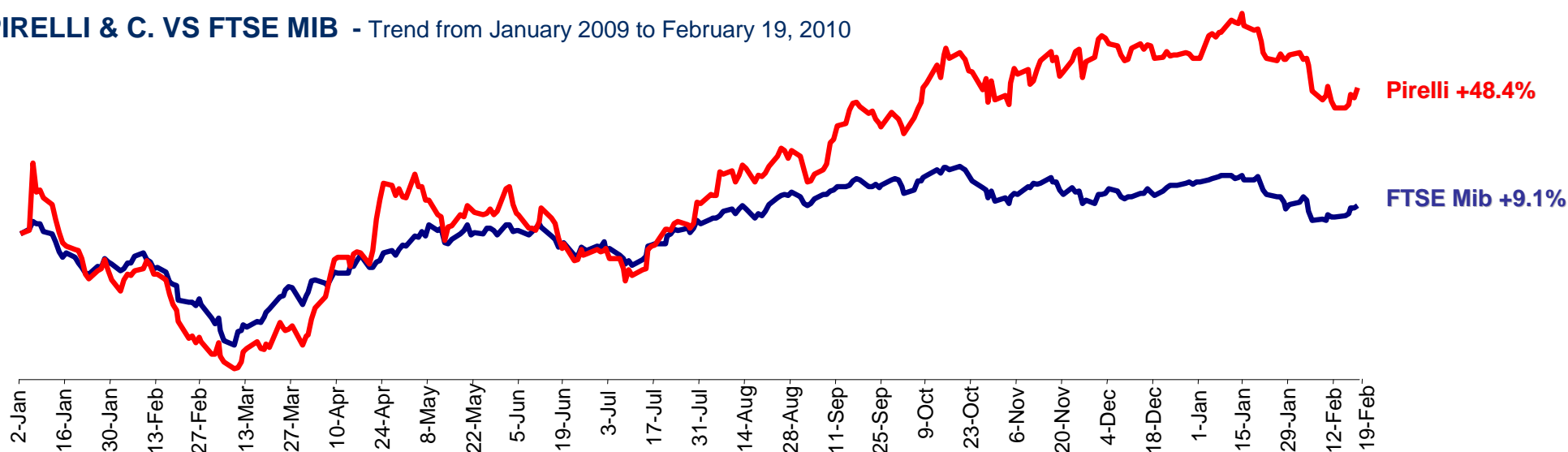
15 February – 19 February 2010



Investor Relations

Pirelli on the Stock Market

PIRELLI & C. VS FTSE MIB - Trend from January 2009 to February 19, 2010



	Official Close February 19	Percentage change				Daily average volumes		
		Week 15 Feb - 19 Feb	1 Month	3 Months	Year to date	Week 15 Feb - 19 Feb	1 Month	3 Months
Pirelli & C. Ord.	0.394	4.6	(11.6)	(2.5)	(6.2)	41,852,424	48,499,670	47,173,769
Pirelli & C. Risp.	0.441	0.2	(7.2)	3.4	(2.0)	55,669	229,362	343,198
Pirelli Real Estate	0.412	8.9	(21.1)	(24.1)	(19.5)	10,532,379	5,897,600	6,958,970
FTSE All Share	22260	3.3	(7.8)	(4.3)	(5.9)	759,377,007	977,719,331	740,455,222
FTSE MIB	21772	3.5	(8.2)	(4.6)	(6.3)	642,011,753	786,525,511	663,651,339

Sell side analysts evaluation on Pirelli & C (22/02/2010)

Consensus Target Price: € 0.49

% Buy: 76%

% Sell: 0%

% Hold: 24%

Market Cap: €2,172.1 mln (of which ord. €2,111.6 mln)

Markets

	Official Close February 19	Percentage change (%)			
		Week 15 Feb - 19 Feb	1 Month	3 Months	Year to date
EUROPE					
DJ Stoxx 600	250.300	3.9	(3.8)	1.9	(1.1)
FTSE MIB	21772.330	3.5	(8.2)	(4.6)	(6.3)
FTSE 100	5358.170	4.2	(2.8)	1.7	(1.0)
DAX	5722.050	4.0	(4.3)	0.3	(4.0)
CAC 40	3769.540	4.7	(6.0)	0.2	(4.2)
IBEX 35	10676.700	4.4	(11.2)	(9.9)	(10.6)
OMX Stockholm	6672.060	3.7	(0.0)	6.3	3.3
OMX Helsinki	10676.700	4.4	(11.2)	(9.9)	(10.6)
UNITED STATES					
DJ Industr. Average	10392.900	2.5	(3.0)	0.7	(0.2)
S&P 500	1106.750	2.8	(3.6)	1.3	(0.5)
NASDAQ Composite	2243.870	3.1	(3.3)	4.0	(1.1)
ASIA					
Nikkei 225 (Giappone)	10123.580	0.3	(6.0)	6.0	(4.0)
Hang Seng (HK)	19894.020	(0.1)	(8.2)	(12.1)	(9.0)
All ordinaries (Australia)	4656.283	1.5	(4.8)	(2.3)	(4.6)
Strait Times (Singapore)	2757.140	0.8	(5.3)	(0.1)	(4.8)
BSE 30 (India)	16191.630	0.2	(7.4)	(3.5)	(7.3)
EMIRATES					
Abu Dhabi	2754.680	1.0	4.5	(5.8)	0.4
Dubai	1623.930	0.4	(1.7)	(23.8)	(10.0)
BRAZIL					
Itel (indice TLC)	1412.940	(0.6)	(3.2)	(7.1)	(9.6)
Bovespa	67836.080	3.9	(3.3)	1.9	(1.4)

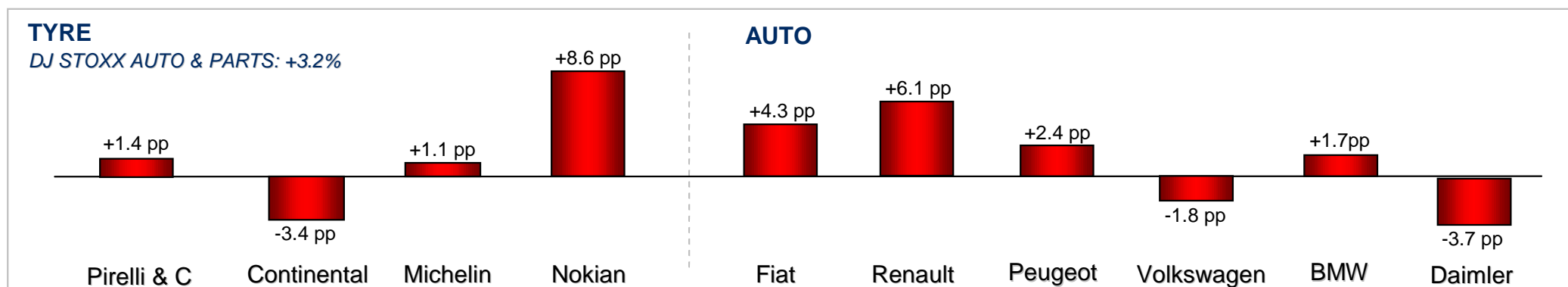
Source: Reuters

	Official Close February 19	Percentage change (%)			
		Week 15 Feb - 19 Feb	1 Month	3 Months	Year to date
EUROPE					
DJ Stoxx 600	250.300	3.9	(3.8)	1.9	(1.1)
Auto	211.950	3.2	(12.9)	(9.7)	(10.1)
Banks	207.810	5.9	(8.8)	(9.7)	(6.1)
Basic Resources	493.020	5.9	(7.6)	7.1	(1.0)
Chemical	449.090	3.5	(2.6)	5.1	(3.0)
Construction & Material	260.110	4.4	(8.7)	(1.0)	(6.3)
Industrial	381.720	5.6	(3.9)	3.0	(0.7)
Insurance	149.710	5.0	(3.6)	(0.1)	(1.1)
Finance	221.900	4.2	(6.1)	(5.5)	(4.7)
Food & Beverage	313.980	3.9	2.0	10.2	3.2
FTSE EPRA Eu Residential	1546.930	2.0	(4.0)	(4.7)	(2.6)
Media	156.510	2.3	(3.2)	4.6	(1.7)
Oil&Gas	323.970	2.7	(5.9)	1.2	(2.0)
Retail	248.850	1.4	(1.1)	3.5	2.6
Tech.	194.230	4.1	0.9	7.3	5.4
TLC	251.590	2.7	(2.2)	(0.6)	(3.6)
Travel & Leisure	112.010	4.4	0.7	10.3	5.0
Utilities	327.070	2.4	(4.7)	0.5	(4.5)
UNITED STATES					
S&P 500	1106.750	2.8	(3.6)	1.3	(0.5)
Auto	125.650	1.5	(4.1)	21.4	10.4
Banks	214.750	3.7	(3.5)	(1.2)	3.0
Basic Resources	236.400	5.7	(7.1)	1.8	(1.6)
Chemical	262.64	4.20	(3.56)	1.95	1.65
Construction & Materials	287.280	0.2	2.8	9.8	12.9
Industrial	258.920	3.8	(2.7)	3.8	1.9
Food & Beverage	278.500	2.8	(0.5)	2.2	1.2
Media	260.920	5.0	(0.5)	5.0	0.0
Oil&Gas	490.470	2.5	(4.8)	(1.0)	(0.5)
Insurance	240.270	4.1	(1.1)	3.0	2.9
Finance	258.570	3.8	(3.9)	(0.1)	0.4
RE	175.610	6.0	(3.1)	4.9	(1.5)
Retail	175.610	6.0	(3.1)	4.9	(1.5)
Tech.	575.550	3.0	(4.8)	1.8	(3.5)
Tyres	51.730	2.2	(10.0)	(6.0)	(5.8)
TLC	108.570	0.7	(4.8)	(2.5)	(9.5)
Utilities	140.960	3.2	(4.9)	3.4	(3.6)

Pirelli & C. vs Auto & Parts Sector

	Official Close February 19	Percentage change				Daily average volumes		
		Week 15 Feb - 19 Feb	1 Month	3 Months	Year to date	Week 15 Feb - 19 Feb	1 Month	3 Months
EUROPA								
DJ Stoxx Auto	211.950	3.2	(12.9)	(9.7)	(10.1)			
TYRE								
Pirelli & C	0.394	4.6	(11.6)	(2.5)	(6.2)	41,852,424	48,499,670	47,173,769
Continental	33.165	(0.2)	(21.4)	(8.8)	(9.0)	733,540	876,523	461,199
Michelin	52.650	4.3	(11.8)	(0.8)	(1.7)	1,026,110	1,123,612	833,892
Nokian	18.780	11.8	2.8	4.9	10.5	970,821	890,093	768,321
AUTO								
Fiat	8.330	7.5	(22.2)	(20.8)	(18.7)	30,502,069	33,196,952	32,694,638
Renault	32.290	9.3	(15.9)	(0.3)	(10.8)	3,323,525	3,306,238	2,769,654
Peugeot	20.665	5.6	(19.9)	(15.8)	(12.7)	2,653,030	2,570,277	2,220,333
Volkswagen	63.160	1.4	(13.3)	(33.9)	(18.0)	283,946	460,009	504,360
BMW	30.435	4.9	(6.2)	(8.3)	(4.3)	2,864,849	2,867,302	2,535,202
Daimler	32.300	(0.5)	(12.0)	(8.5)	(13.2)	12,037,497	7,430,581	6,429,836
USA								
TYRE								
Goodyear	13.460	7.8	7.7	(14.9)	146.6	4,052,122	5,705,239	5,339,556
Cooper	18.170	3.9	(13.2)	(3.3)	(9.4)	881,817	979,340	994,684
AUTO								
Ford	11.380	1.0	(3.9)	29.3	12.9	9,823,920	15,051,237	14,018,682
ASIA								
TYRE								
Bridgestone	1460.0	(0.3)	(2.0)	3.3	(10.2)	2,342,020	4,587,947	3,701,827
Sumitomo	958.0	(2.2)	(8.8)	(1.3)	(12.6)	1,316,700	1,675,723	1,367,214
Toyo	194.0	2.1	10.2	41.6	12.8	3,017,400	2,765,567	2,051,856
Yokohama	389.0	2.6	4.3	15.4	(4.4)	1,220,000	2,163,567	1,772,778
Hankook	22100.0	0.9	0.5	(9.8)	(13.3)	563,882	826,059	804,679
Khumo	3230.0	(5.4)	(5.6)	(39.3)	(10.4)	455,294	1,217,159	868,220
AUTO								
Toyota	3300.0	(4.6)	(20.3)	(5.4)	(14.9)	12,928,460	18,388,893	11,736,704
Nissan	735.0	0.8	(4.3)	15.0	(9.3)	16,011,060	21,372,900	20,434,527

EUROPE: WEEKLY TREND 15/02/2010 – 19/02/2010 TYRES & AUTO STOCKS vs DJ STOXX AUTO & PARTS



Source: Reuters

Tyre Sector evaluation Multiples

CONSENSUS PEERS TYRE MARKET MULTIPLES AT 22/02/2010

Source: Pirelli IR analysis on Bloomberg data

TYRES MULTIPLES @ 22-Feb-10																	
		PIE				EVSALES				EVIEBITDA				EVIEBIT			
		2009	2010	2011	2012	2009	2010	2011	2012	2009	2010	2011	2012	2009	2010	2011	2012
EUROPA	Michelin	33.7x	12.6x	9.1x	7.4x	0.8x	0.7x	0.6x	0.6x	7.0x	5.3x	4.3x	3.8x	19.6x	10.7x	7.3x	6.4x
	Continental		14.3x	7.9x	9.9x	0.8x	0.7x	0.6x	0.7x	8.3x	5.9x	4.7x	4.8x		13.8x	9.7x	10.2x
	Nokian	42.2x	19.7x	14.5x		3.2x	2.8x	2.3x		15.3x	10.9x	8.7x		24.0x	15.1x	11.6x	
	Simple average	38.0x	15.5x	10.5x	8.7x	1.6x	1.4x	1.2x	0.6x	10.2x	7.4x	5.9x	4.3x	21.8x	13.2x	9.5x	8.3x
	Weighted average *	21.6x	14.3x	9.4x	7.4x	1.1x	1.0x	0.9x	0.5x	8.7x	6.3x	5.1x	3.7x	12.4x	12.5x	8.8x	7.0x
US	Goodyear		24.2x	7.8x		0.4x	0.4x			7.8x	4.4x			37.8x	9.0x		
	Cooper Tire	9.8x	8.2x	6.1x		0.5x	0.4x			4.0x	3.2x			7.0x	5.2x		
	Simple average	9.8x	16.2x	7.0x		0.4x	0.4x			5.9x	3.8x			22.4x	7.1x		
	Weighted average *	2.5x	20.1x	7.4x		0.4x	0.4x			6.8x	4.1x			30.0x	8.0x		
ASIA	Bridgestone	273.8x	21.4x	15.3x	12.9x	0.7x	0.6x	0.6x	0.5x	6.8x	5.9x	5.1x	4.1x	25.8x	14.9x	11.1x	10.2x
	Yokohama		19.3x	15.2x	10.3x	0.6x	0.6x	0.5x	0.5x	8.3x	6.0x	5.8x	4.9x	57.8x	15.7x	12.8x	10.2x
	Sumitomo	31.0x	14.2x	10.5x	8.9x	0.8x	0.8x	0.7x	0.6x	7.1x	6.6x	5.9x	5.0x	19.0x	12.1x	9.8x	9.2x
	Simple average	152.4x	18.3x	13.7x	10.7x	0.7x	0.7x	0.6x	0.6x	7.4x	6.2x	5.6x	4.7x	34.2x	14.2x	11.2x	9.8x
	Weighted average *	220.0x	20.3x	14.7x	12.2x	0.7x	0.6x	0.6x	0.5x	7.0x	6.0x	5.3x	4.3x	27.8x	14.6x	11.1x	10.1x
TOT. WORLD	max	273.8x	24.2x	15.3x	12.9x	3.2x	2.8x	2.3x	0.7x	15.3x	10.9x	8.7x	5.0x	57.8x	15.7x	12.8x	10.2x
	min	9.8x	8.2x	6.1x	7.4x	0.4x	0.4x	0.5x	0.5x	4.0x	3.2x	4.3x	3.8x	7.0x	5.2x	7.3x	6.4x
	median	33.7x	16.8x	9.8x	9.9x	0.7x	0.7x	0.6x	0.6x	7.4x	5.9x	5.5x	4.8x	24.0x	12.9x	10.5x	10.2x
	Simple average	78.1x	16.7x	10.8x	9.9x	1.0x	0.9x	0.9x	0.6x	8.1x	6.0x	5.8x	4.5x	27.3x	12.1x	10.4x	9.2x
	Weighted average *	96.2x	16.5x	10.7x	8.1x	0.9x	0.8x	0.7x	0.5x	7.6x	5.8x	4.4x	3.4x	18.1x	12.4x	8.4x	7.2x

* on peers market capitalization by geographical area

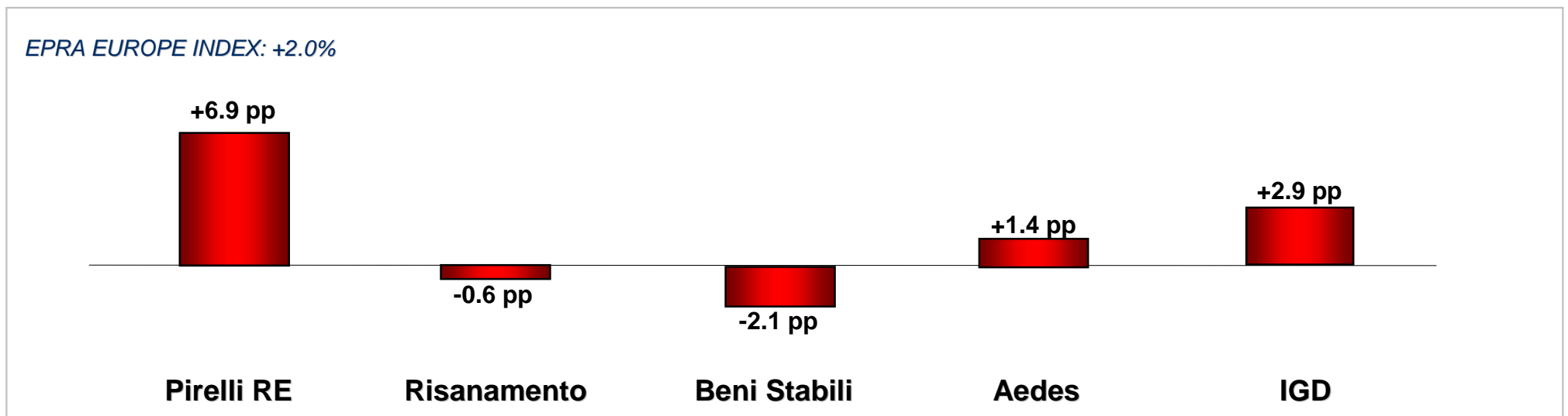
** on tyre sector market capitalization

WORLD TYRE MARKET CAP				
Min	Local currency	€ adjustment	% on cluster	% on geographical Area
Michelin	€7,758	€7,758	23.9%	46.4%
Continental	€6,621	€6,621	20.4%	39.6%
Nokian	€2,351	€2,351	7.2%	14.1%
Goodyear	\$3,260.22	€2,393	7.4%	74.8%
Cooper Tire	\$1,099.24	€807	2.5%	25.2%
Bridgestone	¥1,232,663	€9,881	30.5%	79.0%
Yokohama	¥137,039	€1,099	3.4%	8.8%
Sumitomo	¥191,232	€1,533	4.7%	12.3%
TOT.		€32,443		

Pirelli & C. RE vs Real Estate Sector

	Official Close February 19	Percentage change				Daily average volumes		
		Week 15 Feb - 19 Feb	1 Month	3 Months	Year to date	Week 15 Feb - 19 Feb	1 Month	3 Months
Pirelli RE	0.412	8.9	(21.1)	(24.1)	(19.5)	10,532,379	5,897,600	6,958,970
Tecla	424.150	0.9	7.0	12.2	7.8	28.60	36.77	29.24
Olinda	310.160	0.7	2.1	19.7	10.5	209.80	254.83	178.62
ITALIA								
Epra Europe	1546.930	2.0	(4.0)	(4.7)	(2.6)			
Beni Stabili	0.600	(0.1)	(2.4)	(0.6)	4.3	846,125	1,618,059	1,502,827
Aedes	0.226	3.4	9.8	1.0	10.7	2,263,832	2,357,878	3,227,601
Bastogi	2.090	2.1	(4.3)	(1.6)	(0.7)	7,299	9,414	13,884
Brioschi	0.211	2.5	2.5	3.2	(3.2)	735,331	676,146	857,914
Gabetti	0.446	(6.8)	(26.6)	(36.0)	(28.9)	235,666	178,328	291,068
IGD	1.516	4.9	(3.2)	(2.8)	(2.8)	154,836	252,071	358,719
Risanamento	0.385	1.4	(11.2)	(16.4)	(8.6)	352,604	805,544	1,975,650

WEEKLY TREND 15/02/2010 – 19/02/2010 REAL ESTATE STOCK vs EPRA EUROPE INDEX



Source: Reuters