

Pirelli & C. S.p.A. — Milano

Peers & Markets

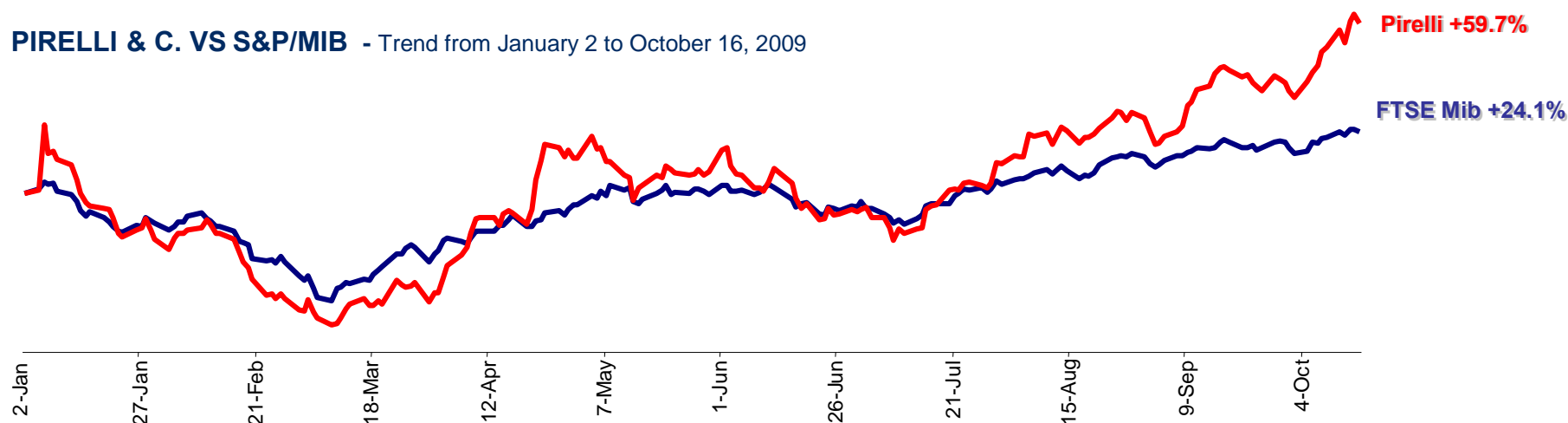
12 October – 16 October 2009



Investor Relations

Pirelli Group on the Stock Market

PIRELLI & C. VS S&P/MIB - Trend from January 2 to October 16, 2009



GROUP TREND FROM JANUARY 2 TO OCTOBER 16, 2009

	Official Close October 16	Percentage change				Daily average volumes		
		Week 12 Oct - 16 Oct	1 Month	3 Months	Year to date	Week 12 Oct - 16 Oct	1 Month	3 Months
Pirelli & C. Ord.	0.420	5.5	10.5	65.4	59.7	80,009,255	56,234,623	43,793,317
Pirelli & C. Risp.	0.468	13.9	12.9	73.3	74.0	1,143,135	601,634	308,083
Pirelli Real Estate	0.665	(1.7)	(2.6)	19.2	8.7	14,116,231	16,293,481	14,528,411
FTSE All Share	24725	2.0	3.2	24.3	24.6	954,691,960	1,030,354,627	895,314,761
FTSE MIB	24152	1.6	2.9	25.6	24.1	702,289,505	788,770,352	725,883,302

Sell side analysts evaluation on Pirelli & C (19/10/2009)

Consensus Target Price: € 0.39

% Buy: 59%

% Sell: 6%

% Hold: 35%

Market Cap: €2,288.5 mln (of which ord. €2,226.7mln)

Markets

MARKETS PERFORMANCE FROM JANUARY 2 TO OCTOBER 16, '09

	Official Close October 16	Percentage change (%)			
		Week 12 Oct - 16 Oct	1 Month	3 Months	Year to date
EUROPE					
DJ Stoxx 600	245.580	1.2	0.3	17.0	24.7
FTSE MIB	24152.340	1.6	2.9	25.6	24.1
FTSE 100	5190.240	0.5	1.3	19.0	17.1
DAX	5743.390	0.6	0.8	15.9	19.4
CAC 40	3827.600	0.7	0.4	19.6	18.9
IBEX 35	11676.400	(0.6)	(0.6)	16.8	27.0
OMX Stockholm	6236.340	(1.7)	(5.4)	14.7	15.4
OMX Helsinki	11676.400	(0.6)	(0.6)	16.8	27.0
UNITED STATES					
DJ Industr. Average	10062.940	1.3	2.1	14.7	13.9
S&P 500	1096.560	1.5	1.8	15.6	20.4
NASDAQ Composite	2156.800	0.8	1.1	14.4	36.8
ASIA					
Nikkei 225 (Giappone)	10257.560	4.3	(0.1)	9.8	15.8
Hang Seng (HK)	21929.900	2.0	2.5	19.4	52.4
All ordinaries (Australia)	4842.600	1.9	4.1	21.4	32.3
Strait Times (Singapore)	2708.120	2.1	1.3	12.8	53.7
BSE 30 (India)	17322.820	4.1	3.7	17.5	79.6
EMIRATES					
Abu Dhabi	3206.620	(0.7)	3.4	19.8	34.2
Dubai	2292.330	(1.4)	7.7	32.0	40.1
BRAZIL					
IteI (indice TLC)	1466.620	1.2	9.1	25.7	43.4
Bovespa	66200.480	3.8	9.6	27.5	76.3

Source: Reuters

SECTORS PERFORMANCE FROM JANUARY 2 TO OCTOBER 16, '09

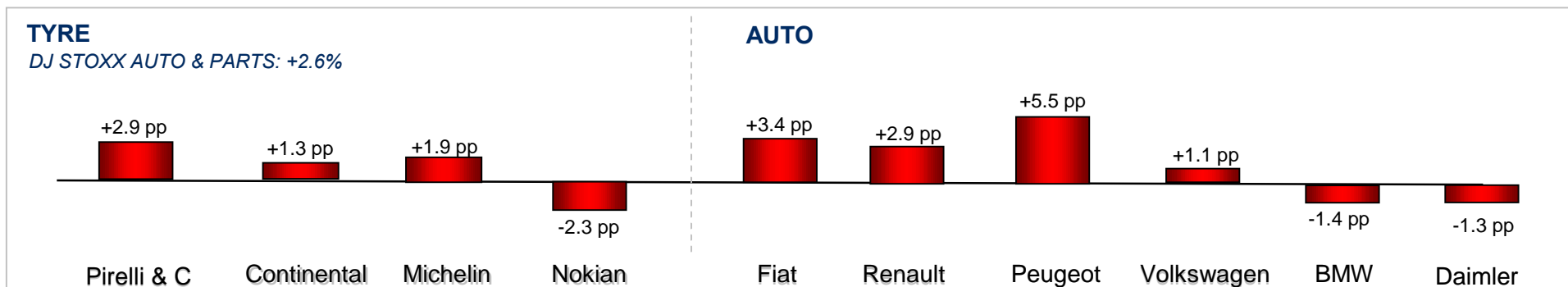
	Official Close October 16	Percentage change (%)			
		Week 12 Oct - 16 Oct	1 Month	3 Months	Year to date
EUROPE					
DJ Stoxx 600	245.580	1.2	0.3	17.0	24.7
Auto	243.130	2.6	2.7	7.0	21.9
Banks	236.430	0.9	0.2	25.6	58.1
Basic Resources	434.370	4.1	0.8	25.1	76.5
Chemical	414.070	2.9	2.3	21.9	28.7
Construction & Material	273.380	0.8	1.5	28.8	34.3
Industrial	377.860	1.1	1.2	28.2	32.5
Insurance	162.110	(0.3)	5.9	30.3	20.5
Finance	241.220	2.8	1.8	16.9	33.4
Food & Beverage	271.360	0.9	1.3	10.2	17.9
FTSE EPRA Eu Residential	1640.500	0.9	3.7	34.5	38.9
Media	152.900	1.2	1.2	18.0	13.7
Oil&Gas	316.680	4.4	0.9	11.4	19.7
Retail	225.130	0.8	(1.9)	3.1	24.0
Tech.	189.540	(1.6)	(3.6)	12.7	24.0
TLC	248.140	0.2	(2.4)	13.4	6.5
Travel & Leisure	103.990	(1.1)	(3.5)	13.4	12.4
Utilities	318.170	(3.2)	(6.0)	8.2	(5.7)
UNITED STATES					
S&P 500	1096.560	1.5	1.8	15.6	20.4
Auto	92.380	6.8	5.2	25.9	121.4
Banks	238.500	0.2	0.8	24.5	7.4
Basic Resources	229.460	1.8	0.0	29.3	59.0
Chemical	258.23	2.30	1.37	27.17	52.70
Construction & Materials	276.930	2.3	(10.9)	24.2	24.8
Industrial	250.470	1.7	(0.3)	19.7	19.5
Food & Beverage	269.840	1.5	3.5	7.4	15.7
Media	244.650	0.6	(0.3)	20.4	32.5
Oil&Gas	516.880	5.0	5.8	20.4	20.2
Insurance	247.880	(0.3)	(0.3)	27.1	12.5
Finance	274.420	(0.2)	(0.4)	23.0	18.3
RE	167.610	(1.5)	(6.5)	27.4	12.2
Retail	167.610	(1.5)	(6.5)	27.4	12.2
Tech.	555.760	0.6	2.1	14.0	50.3
Tyres	60.360	(0.4)	3.0	37.9	188.1
TLC	109.380	(0.2)	(3.5)	4.0	(6.1)
Utilities	142.270	1.4	(0.2)	6.3	3.4

Pirelli & C. vs Auto & Parts Sector

TREND PIRELLI & C. vs PEERS TYRE & AUTO FROM JANUARY 2 TO OCTOBER 16, 2009

	Official Close October 16	Percentage change				Daily average volumes			
		Week 12 Oct - 16 Oct	1 Month	3 Months	Year to date	Week 12 Oct - 16 Oct	1 Month	3 Months	
EUROPA	DJ Stoxx Auto	243.130	2.6	2.7	7.0	21.9			
	TYRE								
	Pirelli & C	0.420	5.5	10.5	65.4	59.7	80,009,255	56,234,623	43,793,317
	Continental	41.300	3.9	4.7	78.4	43.0	270,798	340,374	277,381
	Michelin	56.300	4.5	(2.0)	38.5	49.9	893,859	944,904	917,251
	Nokian	16.600	0.3	(2.9)	32.4	109.9	524,606	535,836	663,181
	AUTO								
	Fiat	10.950	6.0	21.7	43.3	138.6	58,969,850	34,376,216	26,197,353
	Renault	35.695	5.5	4.0	39.6	92.4	2,450,868	2,758,214	2,397,997
	Peugeot	23.510	8.1	5.4	31.4	93.5	2,410,832	2,506,595	2,328,312
	Volkswagen	116.920	3.7	(4.3)	(54.1)	(53.2)	301,059	469,074	468,022
BMW	33.250	1.2	(4.9)	16.7	53.9	2,012,818	2,549,315	2,236,486	
Daimler	35.160	1.3	3.2	23.9	31.7	8,048,654	6,451,962	6,267,651	
USA	TYRE								
	Goodyear	17.460	1.3	2.5	38.5	192.5	3,796,853	4,563,826	5,173,253
	Cooper	16.670	(7.1)	5.2	35.4	170.6	777,426	1,173,047	1,176,656
	AUTO								
Ford	7.660	4.2	3.8	21.0	224.0	13,926,520	11,300,887	11,988,149	
ASIA	TYRE								
	Bridgestone	1602.000	4.0	(2.3)	2.6	20.7	3,207,320	2,771,223	3,911,164
	Sumitomo	926.000	0.0	(4.6)	3.5	3.7	833,060	984,617	1,415,473
	Toyo	177.000	(7.8)	(20.3)	(6.8)	9.3	1,752,200	1,475,133	1,728,256
	Yokohama	417.000	2.0	(8.1)	(9.9)	(6.1)	1,616,000	1,258,367	1,605,444
	Hankook	21050.000	0.2	(2.5)	32.4	37.6	752,734	1,345,145	1,084,393
	Khumo	5640.000	(5.7)	(12.6)	19.6	25.6	193,116	546,618	630,013
	AUTO								
	Toyota	3620.000	3.4	(2.4)	3.4	24.6	9,402,600	8,253,817	8,000,617
	Nissan	672.000	3.5	13.3	21.1	110.0	21,182,120	20,912,310	19,640,509

EUROPE: WEEKLY TREND 12/10/2009 – 16/10/2009 TYRES & AUTO STOCKS vs DJ STOXX AUTO & PARTS



Source: Reuters

Tyre Sector evaluation Multiples

CONSENSUS PEERS TYRE MARKET MULTIPLES AT 19/10/2009

Source: Pirelli IR analysis on Bloomberg data

TYRES MULTIPLES @ 19-Oct-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	41.1x	14.4x	10.9x	10.1x	0.8x	0.8x	0.7x	0.7x	7.3x	5.6x	4.9x	4.7x	19.6x	10.4x	8.5x	10.4x
	Continental		20.7x	10.3x	9.5x	0.9x	0.8x	0.7x	0.7x	9.0x	6.7x	5.3x	5.1x	77.4x	18.9x	11.3x	11.1x
	Nokian	31.0x	17.7x	13.8x		2.8x	2.5x	2.1x		13.2x	9.5x	7.6x		20.2x	13.2x	10.3x	
	Simple average	36.1x	17.6x	11.7x	9.8x	1.5x	1.3x	1.2x	0.7x	9.8x	7.3x	5.9x	4.9x	39.1x	14.2x	10.0x	10.7x
	Weighted average *	23.5x	17.3x	11.0x	8.6x	1.1x	1.0x	0.9x	0.6x	8.7x	6.5x	5.4x	4.3x	42.8x	14.2x	9.8x	9.4x
US	Goodyear		11.8x	7.8x		0.5x	0.4x			8.0x	4.9x			16.7x	7.2x		
	Cooper	16.6x	16.0x	14.2x	12.7x	1.4x	1.4x			10.4x	10.1x			13.0x	12.9x		
	Simple average	16.6x	13.9x	11.0x	12.7x	0.9x	0.9x			9.2x	7.5x			14.8x	10.0x		
	Weighted average *	10.1x	14.3x	11.7x	7.7x	1.0x	1.0x			9.4x	8.0x			14.4x	10.6x		
ASA	Bridgestone	85.3x	17.5x	13.8x	14.1x	0.7x	0.6x	0.6x	0.5x	7.0x	5.4x	4.8x	4.2x	26.5x	12.5x	10.0x	11.0x
	Yokohama		20.2x	13.2x	10.8x	0.6x	0.6x	0.5x	0.5x	8.4x	6.3x	5.6x	5.2x	58.5x	16.9x	12.9x	11.2x
	Sumitomo	33.6x	13.6x	10.7x	9.9x	0.8x	0.8x	0.7x	0.7x	7.4x	6.6x	6.1x	6.6x	16.6x	13.9x	12.1x	12.8x
	Simple average	59.4x	17.1x	12.6x	11.6x	0.7x	0.7x	0.6x	0.6x	7.6x	6.1x	5.5x	5.3x	33.9x	14.4x	11.6x	11.6x
	Weighted average *	71.4x	17.2x	13.3x	13.2x	0.7x	0.6x	0.6x	0.5x	7.2x	5.6x	5.0x	4.6x	28.0x	13.0x	10.5x	11.2x
TOT. WORLD	max	85.3x	20.7x	14.2x	14.1x	2.8x	2.5x	2.1x	0.7x	13.2x	10.1x	7.6x	6.6x	77.4x	18.9x	12.9x	12.8x
	min	16.6x	11.8x	7.8x	9.5x	0.5x	0.4x	0.5x	0.5x	7.0x	4.9x	4.8x	4.2x	13.0x	7.2x	8.5x	10.4x
	median	33.6x	16.7x	12.0x	10.5x	0.8x	0.8x	0.7x	0.7x	8.2x	6.5x	5.5x	5.1x	19.9x	13.0x	10.8x	11.1x
	Simple average	41.5x	16.5x	11.8x	11.2x	1.1x	1.0x	0.9x	0.6x	8.8x	6.9x	5.7x	5.2x	31.1x	13.2x	10.8x	11.3x
	Weighted average *	36.6x	16.1x	11.5x	9.7x	0.9x	0.9x	0.6x	0.5x	8.1x	6.3x	4.1x	3.4x	30.8x	12.6x	7.8x	7.8x

* on peers market capitalization by geographical area

** on tyre sector market capitalization

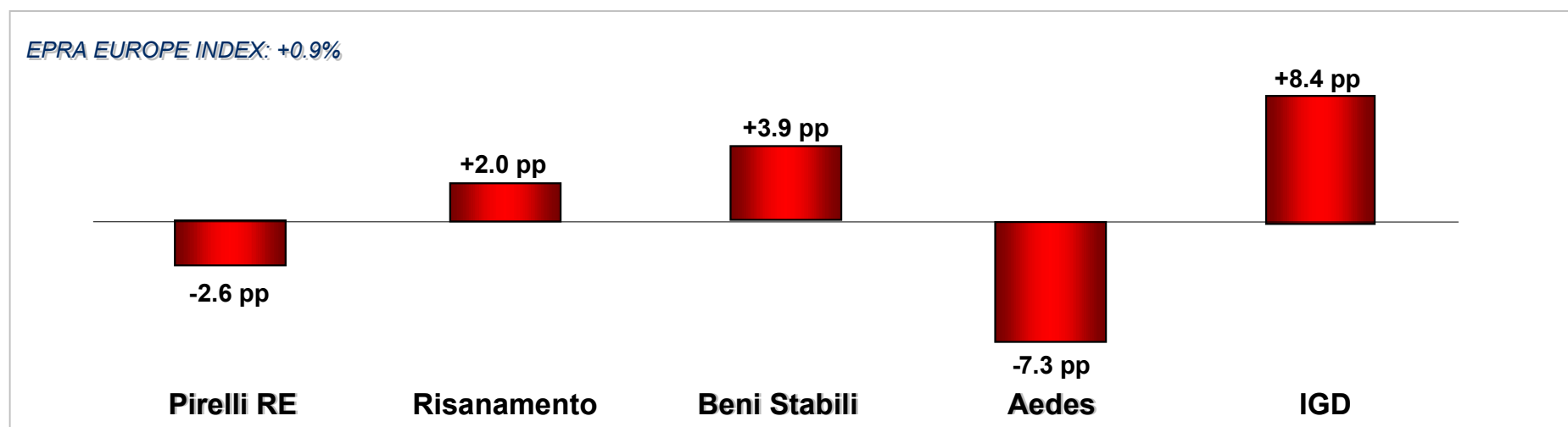
WORLD TYRE MARKET CAP				
Mln	Local currency	€ adjustment	% on cluster	% on geographical Area
Michelin	€8,465	€8,465	22.9%	48.1%
Continental	€7,029	€7,029	19.0%	39.9%
Nokian	€2,116	€2,116	5.7%	12.0%
Goodyear	\$ 4,223	€2,829	7.7%	39.4%
Cooper	\$ 6,501	€4,354	11.8%	60.6%
Bridgestone	¥1,289,580	€9,535	25.8%	78.8%
Yokohama	¥140,808	€1,041	2.8%	8.6%
Sumitomo	¥207,015	€1,531	4.1%	12.6%
TOT.		€36,900		

Pirelli & C. RE vs Real Estate Sector

PIRELLI RE TREND vs PEERS RE FROM JANUARY 2 TO OCTOBER 16, 2009

	Official Close October 16	Percentage change				Daily average volumes		
		Week 12 Oct - 16 Oct	1 Month	3 Months	Year to date	Week 12 Oct - 16 Oct	1 Month	3 Months
Pirelli RE	0.665	(1.7)	(2.6)	19.2	8.7	14,116,231	16,293,481	14,528,411
Teda	432.000	1.5	2.9	4.9	9.1	20.20	25.97	22.57
Olinda	331.000	1.9	9.2	22.1	14.1	150.60	131.07	89.58
Spazio Investment	5.195	0.0	5.5	2.0	(13.4)	6,899	44,444	88,091
ITALIA								
Epra Europe	1640.500	0.9	3.7	34.5	38.9			
Gabetti	0.822	(7.1)	(37.5)	35.1	14.9	659,499	903,530	320,325
Beni Stabili	0.656	4.8	3.1	18.5	32.5	1,747,663	1,902,471	1,693,935
Aedes	0.245	(6.4)	(1.3)	30.8	75.2	7,820,845	17,622,067	9,965,282
Bastogi	2.320	(1.3)	(1.1)	6.9	56.9	6,967	26,165	24,443
Brioschi	0.223	(4.1)	(5.5)	21.0	13.6	611,851	1,940,323	1,188,222
Gabetti	0.822	(7.1)	(37.5)	35.1	14.9	659,499	903,530	320,325
IGD	1.525	9.3	13.0	26.6	45.9	761,789	593,085	516,504
Risanamento	0.491	2.9	(9.2)	36.8	14.7	10,269,179	5,737,337	5,603,453

WEEKLY TREND 12/10/2009 – 16/10/2009 REAL ESTATE STOCK vs EPRA EUROPE INDEX



Source: Reuters