

Pirelli & C. S.p.A. — Milano

# Peers & Markets

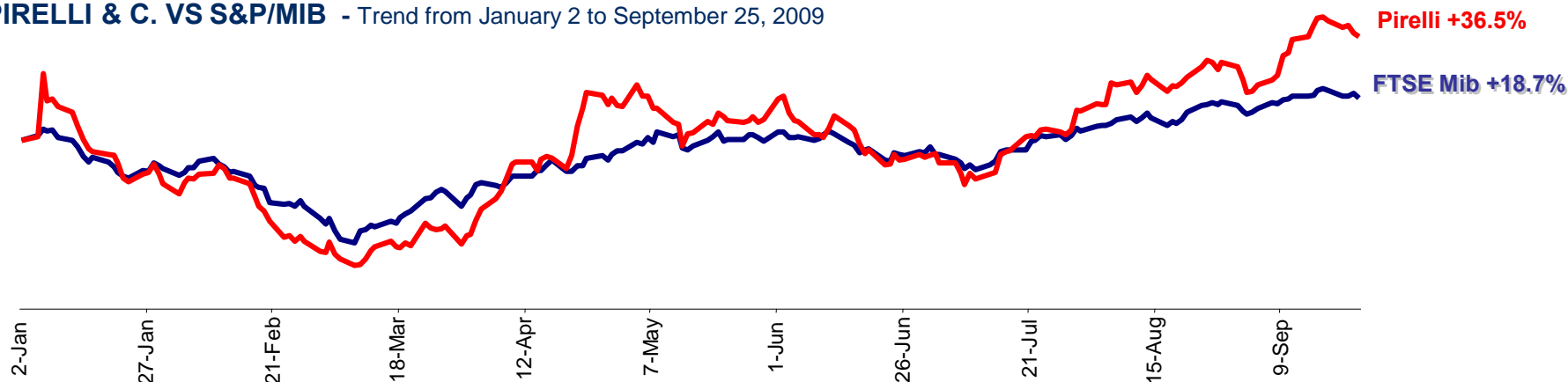
21 September – 25 September 2009



Investor Relations

# Pirelli Group on the Stock Market

PIRELLI & C. VS S&P/MIB - Trend from January 2 to September 25, 2009



GROUP TREND FROM JANUARY 2 TO SEPTEMBER 25, 2009

	Official Close September 25	Percentage change				Daily average volumes		
		Week 21 Sep - 25 Sep	1 Month	3 Months	Year to date	Week 21 Sep - 25 Sep	1 Month	3 Months
Pirelli & C. Ord.	0.359	(4.9)	5.4	45.9	36.5	40,180,377	40,580,495	40,898,717
Pirelli & C. Fisp.	0.395	(2.8)	16.2	50.8	46.8	215,954	356,137	222,879
Pirelli Real Estate	0.639	(4.4)	(0.3)	(37.8)	4.4	13,663,796	16,129,861	12,642,854
FTSE All Share	23587	(1.6)	2.9	20.1	18.9	1,173,416,945	1,015,788,417	
FTSE MIB	23103	(1.6)	2.8	22.0	18.7	932,345,017	782,685,432	714,967,529

## Sell side analysts evaluation on Pirelli & C (28/09/2009)

Consensus Target Price: € 0.36

% Buy: 51%

% Sell: 6%

% Hold: 43%

Market Cap: €1,933.2 mln (of which ord. €1,879.7mln)

# Markets

## MARKETS PERFORMANCE FROM JANUARY 2 TO SEPTEMBER 25, '09

	Official Close September 25	Percentage change (%)			
		Week 21 Sep - 25 Sep	1 Month	3 Months	Year to date
<b>EUROPE</b>					
DJ Stoxx 600	238.950	(2.4)	0.5	16.8	21.4
FTSE MIB	23102.740	(1.6)	2.8	22.0	18.7
FTSE 100	5082.200	(1.8)	3.4	19.5	14.6
DAX	5581.410	(2.1)	0.4	16.3	16.0
CAC 40	3739.140	(2.3)	1.6	18.2	16.2
IBEX 35	11643.800	(1.1)	1.9	20.4	26.6
OMX Stockholm	6405.560	(3.1)	4.6	15.4	18.5
OMX Helsinki	11643.800	(1.1)	1.9	20.4	26.6
<b>UNITED STATES</b>					
DJ Industr. Average	9707.440	(1.6)	1.3	14.1	10.1
S&P 500	1050.780	(2.2)	1.6	13.5	15.6
NASDAQ Composite	2090.920	(2.0)	3.3	14.3	32.6
<b>ASIA</b>					
Nikkei 225 (Giappone)	10265.980	0.5	(2.2)	4.8	15.9
Hang Seng (HK)	21024.400	(2.8)	2.9	15.0	46.1
All ordinaries (Australia)	4714.800	0.4	6.7	22.4	28.8
Strait Times (Singapore)	2662.820	(0.4)	1.7	15.7	51.2
BSE 30 (India)	16781.430	(0.1)	6.4	16.4	73.0
<b>EMIRATES</b>					
Abu Dhabi	3123.680	4.1	9.4	18.9	30.7
Dubai	2197.080	8.3	16.4	18.2	34.3
<b>BRAZIL</b>					
IteI (indice TLC)	1328.120	(1.3)	8.8	15.6	29.8
Bovespa	60355.730	(0.6)	5.1	17.2	60.7

Source: Reuters

## SECTORS PERFORMANCE FROM JANUARY 2 TO SEPTEMBER 25, '09

	Official Close September 25	Percentage change (%)			
		Week 21 Sep - 25 Sep	1 Month	3 Months	Year to date
<b>EUROPE</b>					
DJ Stoxx 600	238.950	(2.4)	0.5	16.8	21.4
Auto	226.340	(1.3)	(2.9)	5.8	13.5
Banks	231.900	(2.6)	(0.0)	31.7	55.1
Basic Resources	397.970	(5.7)	(1.0)	15.7	61.7
Chemical	387.520	(4.4)	(0.6)	17.8	20.5
Construction & Material	259.560	(5.1)	(0.9)	23.5	27.5
Industrial	363.650	(3.6)	3.3	28.3	27.5
Insurance	152.010	(0.7)	1.7	25.8	13.0
Finance	228.270	(3.6)	(2.0)	13.7	26.2
Food & Beverage	266.920	(1.7)	2.7	11.8	16.0
FTSE EPRA Eu Residential	1571.910	(2.8)	5.2	33.7	33.0
Media	149.970	(1.3)	3.6	17.6	11.5
Oil&Gas	302.200	(3.3)	(1.2)	7.5	14.3
Retail	223.090	(2.7)	(1.8)	6.2	22.9
Tech.	190.810	(2.1)	7.9	13.3	24.8
TLC	250.140	(0.5)	1.1	14.6	7.4
Travel & Leisure	103.710	(2.8)	3.8	11.2	12.1
Utilities	329.280	(2.6)	(0.8)	8.9	(2.5)
<b>UNITED STATES</b>					
S&P 500	1050.780	(2.2)	1.6	13.5	15.6
Auto	86.310	2.4	(2.7)	30.4	109.9
Banks	223.860	(3.0)	(1.4)	24.7	2.9
Basic Resources	211.210	(5.4)	5.9	19.9	46.3
Chemical	246.42	(4.46)	4.70	26.46	45.09
Construction & Materials	278.950	(10.4)	(9.3)	24.3	23.0
Industrial	242.360	(3.3)	3.4	19.1	15.5
Food & Beverage	259.160	(1.5)	2.0	8.7	11.5
Media	236.450	(3.6)	4.4	19.1	27.6
Oil&Gas	470.510	(3.0)	2.4	9.2	9.4
Insurance	233.390	(3.1)	(0.5)	23.0	7.4
Finance	260.380	(3.6)	0.4	22.3	13.8
RE	164.030	(5.5)	4.9	31.6	12.7
Retail	164.030	(5.5)	4.9	31.6	12.7
Tech.	535.520	(1.1)	3.5	15.5	45.5
Tyres	56.870	(5.9)	(3.7)	49.6	170.2
TLC	112.820	(0.2)	1.4	3.2	(2.5)
Utilities	140.330	(1.7)	(0.8)	5.8	1.5

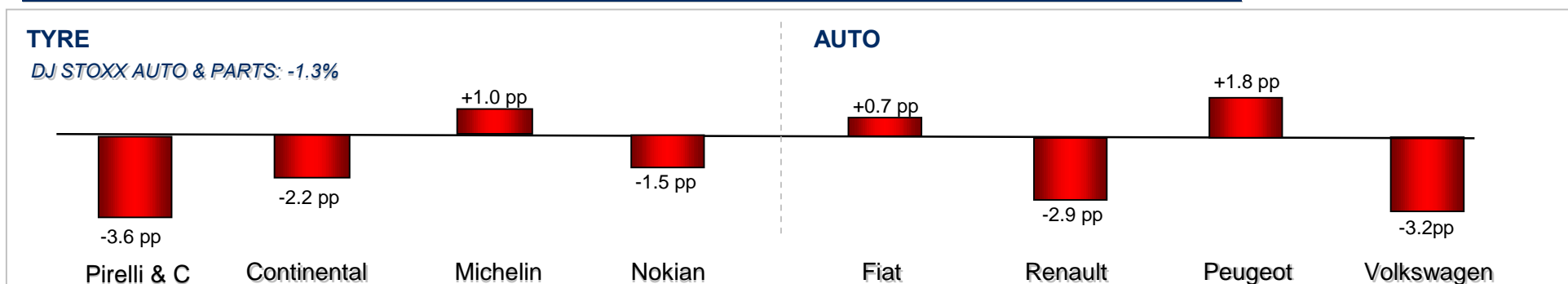
INVESTOR RELATIONS 28/09/09

# Pirelli & C. vs Auto & Parts Sector

## TREND PIRELLI & C. vs PEERS TYRE & AUTO FROM JANUARY 2 TO SEPTEMBER 25, 2009

	Official Close September 25	Percentage change				Daily average volumes			
		Week 21 Sep - 25 Sep	1 Month	3 Months	Year to date	Week 21 Sep - 25 Sep	1 Month	3 Months	
EUROPA	DJ Stoxx Auto	226.340	(1.3)	(2.9)	5.8	13.5			
	TYRE								
	Pirelli & C	0.359	(4.9)	5.4	45.9	36.5	40,180,377	40,580,495	40,898,717
	Continental	36.240	(3.5)	28.2	79.7	25.5	252,501	324,778	258,656
	Michelin	54.560	(0.3)	0.5	34.2	45.2	761,282	833,068	914,787
	Nokian	16.080	(2.8)	(3.5)	19.4	103.3	583,627	606,091	727,153
	AUTO								
	Fiat	8.790	(0.6)	5.8	25.3	91.5	17,583,039	20,567,318	22,588,294
	Renault	31.130	(4.2)	(7.9)	19.6	67.8	2,445,680	2,748,307	2,339,468
	Peugeot	21.020	0.5	0.1	8.3	73.0	1,869,145	2,396,437	2,306,622
Volkswagen	108.120	(4.5)	(25.0)	(55.4)	(56.8)	475,956	667,413	492,716	
USA	TYRE								
	Goodyear	16.020	(6.2)	(8.0)	42.3	168.3	4,051,924	4,698,130	5,314,166
	Cooper	17.080	(5.0)	17.4	86.3	177.3	1,391,467	1,217,919	1,168,392
	AUTO								
Ford	7.330	5.0	(4.0)	28.3	218.3	13,207,520	10,563,680	12,688,131	
ASIA	TYRE								
	Bridgestone	1685.000	4.5	(3.5)	20.3	27.0	2,672,060	2,787,367	4,036,140
	Sumitomo	928.000	0.5	(7.0)	15.1	8.9	1,160,320	1,207,940	1,510,314
	Toyo	216.000	(1.8)	(1.8)	(0.5)	33.3	1,448,200	1,192,900	1,873,078
	Yokohama	442.000	(0.9)	(10.3)	(1.6)	(0.5)	1,134,800	1,395,000	1,708,578
	Hankook	23600.000	9.8	10.3	48.9	54.2	1,644,113	1,273,330	1,169,768
	Khumo	6090.000	(3.5)	8.9	26.6	35.6	302,073	744,210	676,634
	AUTO								
	Toyota	3710.000	(1.1)	(8.4)	0.3	27.7	8,459,040	7,609,773	8,058,198
	Nissan	611.000	5.7	(9.9)	4.4	90.9	21,584,140	19,400,967	20,433,248

## EUROPE: WEEKLY TREND 21/09/2009 – 25/09/2009 TYRES & AUTO STOCKS vs DJ STOXX AUTO & PARTS



Source: Reuters

# Tyre Sector evaluation Multiples

## CONSENSUS PEERS TYRE MARKET MULTIPLES AT 28/09/2009

Source: Pirelli IR analysis on Bloomberg data

TYRES MULTIPLES @ 28-Sep-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	38.7x	13.6x	10.3x	13.4x	0.8x	0.7x	0.7x	0.7x	7.0x	5.4x	4.7x	4.4x	18.9x	10.1x	8.3x	9.8x
	Continental		19.9x	9.6x	8.5x	0.8x	0.8x	0.7x	0.7x	8.6x	6.5x	5.2x	4.9x	68.2x	18.6x	10.9x	10.5x
	Nokian	30.0x	17.0x	13.3x		2.6x	2.4x	2.0x		12.6x	9.1x	7.3x		19.4x	12.6x	9.8x	
	Simple average	34.4x	16.8x	11.1x	11.0x	1.4x	1.3x	1.1x	0.7x	9.4x	7.0x	5.7x	4.6x	35.5x	13.8x	9.7x	10.2x
	Weighted average *	22.7x	16.4x	10.4x	9.9x	1.0x	1.0x	0.9x	0.6x	8.3x	6.3x	5.2x	4.0x	38.0x	13.7x	9.5x	8.9x
US	Goodyear		11.1x	7.6x		0.4x	0.4x			7.6x	4.7x			15.9x	6.9x		
	Cooper	15.7x	15.3x	13.7x	12.3x	1.3x	1.3x			9.9x	10.1x			12.7x	12.7x		
	Simple average	15.7x	13.2x	10.6x	12.3x	0.9x	0.9x			8.8x	7.4x			14.3x	9.8x		
	Weighted average *	9.6x	13.7x	11.3x	7.5x	1.0x	1.0x			9.0x	8.0x			13.9x	10.5x		
ASA	Bridgestone	80.6x	18.1x	14.0x	14.3x	0.7x	0.6x	0.6x	0.5x	7.1x	5.5x	4.8x	4.3x	26.9x	12.6x	10.1x	11.1x
	Yokohama		21.4x	14.0x	11.5x	0.6x	0.6x	0.6x	0.5x	8.7x	6.5x	5.8x	5.3x	60.1x	17.4x	13.3x	11.5x
	Sumitomo	34.9x	14.2x	11.2x	10.3x	0.8x	0.8x	0.7x	0.7x	7.5x	6.8x	6.2x	6.7x	16.9x	14.2x	12.3x	13.1x
	Simple average	57.7x	17.9x	13.0x	12.0x	0.7x	0.7x	0.6x	0.6x	7.8x	6.2x	5.6x	5.4x	34.6x	14.7x	11.9x	11.9x
	Weighted average *	67.5x	17.9x	13.6x	13.5x	0.7x	0.6x	0.6x	0.6x	7.3x	5.7x	5.1x	4.7x	28.5x	13.3x	10.7x	11.4x
TOT. WORLD	max	80.6x	21.4x	14.0x	14.3x	2.6x	2.4x	2.0x	0.7x	12.6x	10.1x	7.3x	6.7x	68.2x	18.6x	13.3x	13.1x
	min	15.7x	11.1x	7.6x	8.5x	0.4x	0.4x	0.6x	0.5x	7.0x	4.7x	4.7x	4.3x	12.7x	6.9x	8.3x	9.8x
	median	34.9x	16.2x	12.2x	11.9x	0.8x	0.8x	0.7x	0.7x	8.1x	6.5x	5.5x	4.9x	19.1x	12.7x	10.5x	11.1x
	Simple average	40.0x	16.3x	11.7x	11.7x	1.0x	1.0x	0.9x	0.6x	8.6x	6.8x	5.7x	5.1x	29.9x	13.1x	10.8x	11.2x
	Weighted average *	36.2x	15.8x	11.3x	10.4x	0.9x	0.8x	0.6x	0.5x	7.8x	6.2x	4.0x	3.3x	28.1x	12.4x	7.7x	7.7x

\* 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	€8,007	€8,007	22.3%	49.1%
Continental	€6,294	€6,294	17.5%	38.6%
Nokian	€2,004	€2,004	5.6%	12.3%
Goodyear	\$ 3,875	€2,648	7.4%	38.9%
Cooper	\$ 6,078	€4,153	11.6%	61.7%
Bridgestone	¥1,311,534	€10,025	27.9%	78.3%
Yokohama	¥149,030	€1,139	3.2%	8.9%
Sumitomo	¥215,432	€1,647	4.6%	12.9%
TOT.		€35,916		
Pirelli	€1,933	€1,933		

# Pirelli & C. RE vs Real Estate Sector

## PIRELLI RE TREND vs PEERS RE FROM JANUARY 2 TO SEPTEMBER 25, 2009

	Official Close September 25	Percentage change				Daily average volumes		
		Week 21 Sep - 25 Sep	1 Month	3 Months	Year to date	Week 21 Sep - 25 Sep	1 Month	3 Months
<b>Pirelli RE</b>	0.639	(4.4)	(0.3)	(37.8)	4.4	13,663,796	16,129,861	12,642,854
<b>Tecla</b>	445.000	4.0	6.7	14.1	12.4	19.80	22.00	22.89
<b>Olinx</b>	317.000	3.3	5.7	9.3	9.3	145.60	109.57	84.86
<b>Spazio Investment</b>	4.885	0.0	(2.3)	4.4	(18.6)	6,849	45,626	88,172
<b>ITALIA</b>								
<b>Epra Europe</b>	1571.910	(2.8)	5.2	33.7	33.0			
<b>Gabetti</b>	1.110	(7.5)	65.0	78.2	55.2	1,255,063	600,812	213,645
<b>Beni Stabili</b>	0.599	(3.9)	(6.0)	11.0	21.0	1,933,321	1,725,545	1,558,766
<b>Aedes</b>	0.258	1.6	23.9	24.6	83.9	16,023,496	20,440,656	8,576,004
<b>Bastogi</b>	2.303	(2.0)	(4.1)	12.3	55.7	28,894	47,854	25,027
<b>Brioschi</b>	0.244	6.2	25.1	30.6	23.9	2,473,621	2,273,061	1,290,433
<b>Gabetti</b>	1.110	(7.5)	65.0	78.2	55.2	1,255,063	600,812	213,645
<b>IGD</b>	1.347	(3.8)	(5.7)	15.4	28.9	534,069	697,231	639,292
<b>IPI</b>	1.897	0.0	0.1	1.0	33.4	28,721	47,232	73,869
<b>Risanamento</b>	0.434	(23.3)	3.8	17.9	1.4	7,634,415	8,349,891	5,330,321

## WEEKLY TREND 21/09/2009 – 25/09/2009 REAL ESTATE STOCK vs EPRA EUROPE INDEX

