

Pirelli & C. S.p.A. — Milano

Peers & Markets

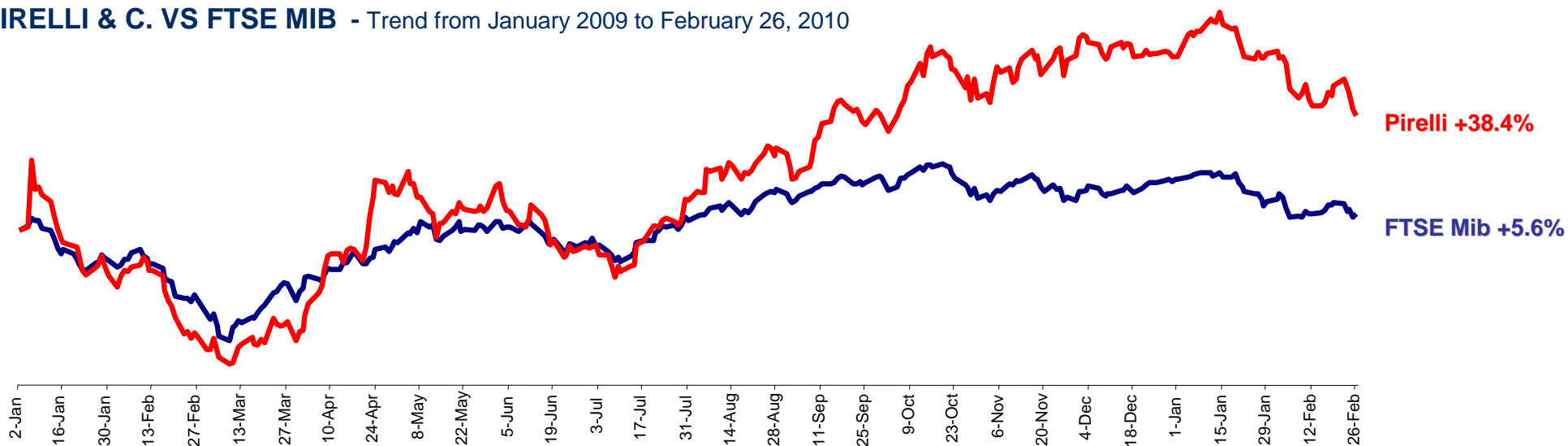
22 February – 26 February 2010



Investor Relations

Pirelli on the Stock Market

PIRELLI & C. VS FTSE MIB - Trend from January 2009 to February 26, 2010



	Official Close February 26	Percentage change				Daily average volumes		
		Week 22 Feb - 26 Feb	1 Month	3 Months	Year to date	Week 22 Feb - 26 Feb	1 Month	3 Months
Pirelli & C. Ord.	0.368	(6.7)	(13.3)	(8.8)	(12.5)	58,095,593	50,176,582	46,351,105
Pirelli & C. Risp.	0.432	(2.0)	(6.7)	(0.2)	(4.0)	227,280	232,759	306,698
Pirelli Real Estate	0.386	(6.3)	(20.2)	(25.3)	(24.6)	3,702,391	5,923,391	6,511,626
FTSE All Share	21583	(3.0)	(5.7)	(3.5)	(8.7)	870,588,546	977,407,977	735,782,810
FTSE MIB	21068	(3.2)	(6.0)	(3.9)	(9.4)	749,892,822	810,172,881	667,659,094

Sell side analysts evaluation on Pirelli & C (01/03/2010)

Consensus Target Price: € 0.49

% Buy: 76%

% Sell: 0%

% Hold: 24%

Market Cap: €2,002.3 mln (of which ord. €1,944.1 mln)

Markets

	Official Close February 26	Percentage change (%)			
		Week 22 Feb - 26 Feb	1 Month	3 Months	Year to date
EUROPE					
DJ Stoxx 600	245.800	(1.8)	(1.4)	2.5	(2.9)
FTSE MIB	21068.320	(3.2)	(6.0)	(3.9)	(9.4)
FTSE 100	5354.520	(0.1)	1.5	3.1	(1.1)
DAX	5598.460	(2.2)	(1.2)	(0.3)	(6.0)
CAC 40	3708.800	(1.6)	(2.6)	0.8	(5.8)
IBEX 35	10333.600	(3.2)	(8.9)	(11.4)	(13.5)
OMX Stockholm	6680.450	0.1	3.6	9.5	3.5
OMX Helsinki	10333.600	(3.2)	(8.9)	(11.4)	(13.5)
UNITED STATES					
DJ Industr. Average	10321.030	(0.7)	1.3	(1.3)	(1.0)
S&P 500	1102.940	(0.4)	1.1	(0.6)	(1.0)
NASDAQ Composite	2238.260	(0.3)	1.6	2.9	(1.4)
ASIA					
Nikkei 225 (Giappone)	10126.030	0.0	(1.9)	7.9	(4.0)
Hang Seng (HK)	20608.700	3.6	2.5	(7.2)	(5.8)
All ordinaries (Australia)	4651.114	(0.1)	(1.9)	(1.6)	(4.7)
Strait Times (Singapore)	2750.860	(0.2)	0.4	(0.4)	(5.1)
BSE 30 (India)	16254.200	1.5	(2.1)	(2.5)	(5.9)
EMIRATES					
Abu Dhabi	2703.560	(1.9)	2.7	1.3	(1.5)
Dubai	1592.910	(1.9)	0.2	(17.9)	(11.7)
BRAZIL					
Itel (indice TLC)	1383.340	(2.3)	(4.1)	(8.6)	(11.6)
Bovespa	66121.040	(1.6)	1.5	0.2	(3.0)

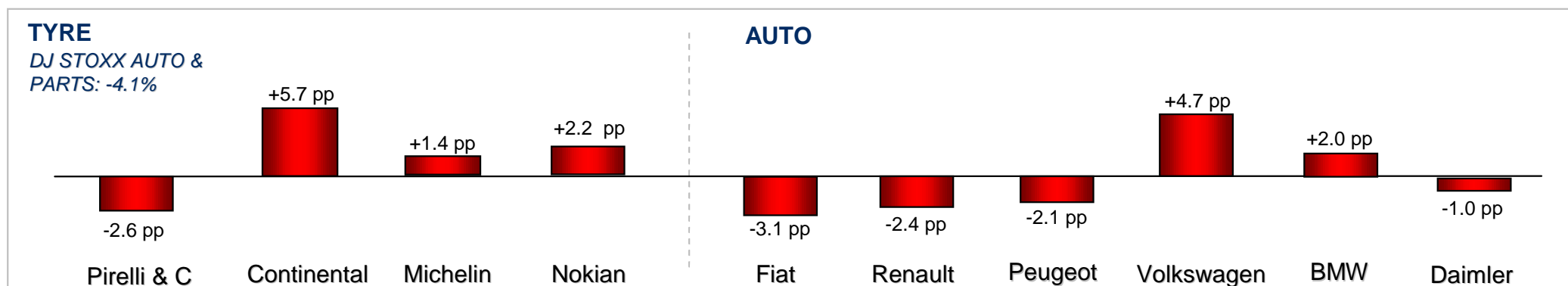
Source: Reuters

	Official Close February 26	Percentage change (%)			
		Week 22 Feb - 26 Feb	1 Month	3 Months	Year to date
EUROPE					
DJ Stoxx 600	245.800	(1.8)	(1.4)	2.5	(2.9)
Auto	203.330	(4.1)	(9.6)	(8.5)	(13.8)
Banks	205.750	(1.0)	(2.9)	(5.7)	(7.0)
Basic Resources	473.710	(3.9)	(1.5)	6.6	(4.9)
Chemical	438.080	(2.5)	0.8	2.4	(5.4)
Construction & Material	252.630	(2.9)	(6.4)	(1.2)	(9.0)
Industrial	375.410	(1.7)	(2.2)	3.6	(2.3)
Insurance	149.150	(0.4)	0.3	2.6	(1.5)
Finance	218.390	(1.6)	(3.0)	(2.7)	(6.2)
Food & Beverage	311.670	(0.7)	3.2	9.8	2.4
FTSE EPRA Eu Residential	1556.500	0.6	(1.3)	0.1	(2.0)
Media	154.890	(1.0)	(1.7)	5.1	(2.7)
Oil&Gas	312.850	(3.4)	(4.5)	0.5	(5.4)
Retail	242.460	(2.6)	(1.3)	1.8	(0.0)
Tech.	193.220	(0.5)	2.6	10.7	4.8
TLC	246.440	(2.0)	(1.4)	(2.5)	(5.6)
Travel & Leisure	110.300	(1.5)	(0.1)	11.3	3.4
Utilities	319.800	(2.2)	(3.7)	(0.1)	(6.6)
UNITED STATES					
S&P 500	1102.940	(0.4)	1.1	(0.6)	(1.0)
Auto	129.410	3.5	5.1	23.7	14.3
Banks	218.200	2.4	6.0	1.4	5.5
Basic Resources	233.140	(1.8)	3.5	(2.5)	(3.3)
Chemical	258.82	(1.38)	0.29	(0.89)	0.25
Construction & Materials	277.080	(3.2)	5.8	11.3	9.3
Industrial	258.520	(0.4)	1.9	2.0	1.4
Food & Beverage	273.690	(2.1)	1.0	(1.4)	(0.9)
Media	262.990	0.3	4.7	5.6	0.3
Oil&Gas	479.400	(2.3)	(1.4)	(5.3)	(2.8)
Insurance	243.350	0.6	3.7	2.8	3.6
Finance	261.390	1.2	4.0	1.1	1.5
RE	177.490	1.0	4.5	6.6	(0.5)
Retail	177.490	1.0	4.5	6.6	(0.5)
Tech.	569.610	(0.9)	(0.1)	0.4	(4.3)
Tyres	46.560	(3.5)	(3.7)	(6.8)	(9.1)
TLC	107.110	(0.8)	(1.9)	(6.9)	(10.3)
Utilities	140.650	(2.3)	(3.6)	(1.7)	(5.8)

Pirelli & C. vs Auto & Parts Sector

	Official Close February 26	Percentage change				Daily average volumes		
		Week 22 Feb - 26 Feb	1 Month	3 Months	Year to date	Week 22 Feb - 26 Feb	1 Month	3 Months
EUROPA								
DJ Stoxx Auto	203.330	(4.1)	(9.6)	(8.5)	(13.8)			
TYRE								
Pirelli & C	0.368	(6.7)	(13.3)	(8.8)	(12.5)	58,095,593	50,176,582	46,351,105
Continental	33.705	1.6	(16.6)	(0.9)	(7.5)	883,529	794,002	496,882
Michelin	51.230	(2.7)	(8.8)	1.9	(4.4)	978,360	1,117,513	832,990
Nokian	18.430	(1.9)	7.9	6.5	8.4	700,223	866,653	778,077
AUTO								
Fiat	7.730	(7.2)	(18.3)	(19.8)	(24.6)	24,841,500	34,126,191	31,165,257
Renault	30.200	(6.5)	(13.6)	(4.3)	(16.6)	3,918,331	3,568,300	2,849,730
Peugeot	19.385	(6.2)	(22.0)	(16.6)	(18.1)	2,964,272	2,744,395	2,222,269
Volkswagen	63.530	0.6	(6.4)	(21.6)	(17.5)	563,392	510,006	518,060
BMW	29.785	(2.1)	(1.6)	(4.8)	(6.3)	2,185,688	2,792,587	2,534,080
Daimler	30.660	(5.1)	(9.5)	(10.1)	(17.6)	7,082,776	7,732,050	6,296,984
USA								
TYRE								
Goodyear	12.990	7.8	7.7	(14.9)	146.6	4,052,122	5,705,239	5,339,556
Cooper	17.540	(3.5)	(5.5)	(5.5)	(12.5)	736,087	951,991	992,387
AUTO								
Ford	11.780	4.0	4.9	33.3	17.4	11,534,320	13,774,590	13,885,782
ASIA								
TYRE								
Bridgestone	1558.0	6.7	5.8	11.8	(4.2)	4,720,840	4,306,960	3,782,837
Sumitomo	968.0	3.3	(0.4)	4.8	(9.7)	2,366,500	1,780,493	1,452,302
Toyo	199.0	2.6	20.6	46.3	15.7	3,114,800	3,126,367	2,164,567
Yokohama	382.0	(1.8)	4.1	16.8	(6.1)	1,999,000	2,088,333	1,797,522
Hankook	22900.0	5.0	12.6	(2.9)	(9.0)	517,163	779,414	791,200
Khumo	3370.0	5.4	0.0	(35.4)	(5.5)	427,989	929,584	881,268
AUTO								
Toyota	3330.0	0.9	(14.0)	(1.5)	(14.2)	14,705,840	18,798,417	11,946,533
Nissan	705.0	(4.1)	(3.0)	11.2	(13.0)	21,028,520	21,427,897	20,094,827

EUROPE: WEEKLY TREND 22/02/2010 – 26/02/2010 TYRES & AUTO STOCKS vs DJ STOXX AUTO & PARTS



Source: Reuters

Tyre Sector evaluation Multiples

CONSENSUS PEERS TYRE MARKET MULTIPLES AT 01/03/2010

Source: Pirelli IR analysis on Bloomberg data

TYRES MULTIPLES @ 1-Mar-10																	
		PIE				EVSALES				EVIEBITDA				EVIEBIT			
		2009	2010	2011	2012	2009	2010	2011	2012	2009	2010	2011	2012	2009	2010	2011	2012
EUROPA	Michelin	33.3x	12.2x	9.0x	7.2x	0.8x	0.7x	0.6x	0.6x	7.0x	5.3x	4.2x	3.8x	19.4x	10.6x	7.2x	6.4x
	Continental		16.2x	9.1x	8.4x	0.9x	0.7x	0.6x	0.8x	8.9x	5.9x	4.7x	4.4x		13.5x	9.6x	10.3x
	Nokian	42.5x	19.8x	14.5x		3.2x	2.8x	2.4x		15.3x	10.9x	8.8x		24.2x	15.2x	11.7x	
	Simple average	37.9x	16.1x	10.9x	7.8x	1.6x	1.4x	1.2x	0.7x	10.4x	7.4x	5.9x	4.1x	21.8x	13.1x	9.5x	8.4x
	Weighted average *	21.1x	14.9x	9.8x	6.7x	1.2x	1.0x	0.9x	0.6x	8.9x	6.3x	5.1x	3.5x	12.2x	12.4x	8.8x	7.1x
US	Goodyear		23.4x	7.6x	4.7x	0.4x	0.4x	0.3x		7.7x	4.3x	3.6x		37.1x	8.8x	6.0x	
	Cooper Tire	9.5x	7.9x	5.9x		0.4x	0.4x			3.9x	3.1x			6.7x	5.1x		
	Simple average	9.5x	15.6x	6.7x		0.4x	0.4x			5.8x	3.7x			21.9x	7.0x		
	Weighted average *	2.4x	19.5x	7.1x		0.4x	0.4x			6.7x	4.0x			29.5x	7.9x		
ASIA	Bridgestone	286.8x	22.7x	16.1x	13.5x	0.7x	0.7x	0.6x	0.5x	7.0x	6.1x	5.3x	4.3x	26.7x	15.4x	11.4x	10.5x
	Yokohama		18.3x	14.2x	9.6x	0.6x	0.6x	0.5x	0.5x	8.2x	6.0x	5.8x	4.9x	56.6x	15.7x	12.8x	10.2x
	Sumitomo	31.6x	14.4x	10.8x	9.1x	0.8x	0.8x	0.7x	0.7x	7.1x	6.7x	6.0x	5.0x	19.2x	12.2x	9.9x	9.2x
	Simple average	159.2x	18.5x	13.7x	10.7x	0.7x	0.7x	0.6x	0.6x	7.4x	6.3x	5.7x	4.7x	34.2x	14.4x	11.4x	10.0x
	Weighted average *	232.8x	21.3x	15.3x	12.7x	0.7x	0.7x	0.6x	0.5x	7.1x	6.2x	5.4x	4.4x	28.2x	15.0x	11.4x	10.4x
TOT. WORLD	max	286.8x	23.4x	16.1x	13.5x	3.2x	2.8x	2.4x	0.8x	15.3x	10.9x	8.8x	5.0x	56.6x	15.7x	12.8x	10.5x
	min	9.5x	7.9x	5.9x	4.7x	0.4x	0.4x	0.3x	0.5x	3.9x	3.1x	3.6x	3.8x	6.7x	5.1x	6.0x	6.4x
	median	33.3x	17.3x	9.9x	8.8x	0.7x	0.7x	0.6x	0.6x	7.4x	5.9x	5.3x	4.4x	24.2x	12.8x	9.9x	10.2x
	Simple average	80.7x	16.9x	10.9x	8.8x	1.0x	0.9x	0.8x	0.6x	8.1x	6.1x	5.5x	4.5x	27.1x	12.0x	9.8x	9.3x
	Weighted average *	104.1x	17.3x	11.3x	8.5x	0.9x	0.8x	0.7x	0.5x	7.7x	5.9x	4.8x	3.4x	18.4x	12.5x	9.0x	7.4x

* 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	€7,656	€7,656	23.1%	45.5%
Continental	€6,798	€6,798	20.5%	40.4%
Nokian	€2,365	€2,365	7.1%	14.1%
Goodyear	\$ 3,146	€2,306	6.9%	74.8%
Cooper Tire	\$ 1,061	€778	2.3%	25.2%
Bridgestone	¥1,291,207	€10,603	32.0%	79.9%
Yokohama	¥130,530	€1,072	3.2%	8.1%
Sumitomo	¥195,178	€1,603	4.8%	12.1%
TOT.		€33,180		

Pirelli & C. RE vs Real Estate Sector

	Official Close February 26	Percentage change				Daily average volumes		
		Week 22 Feb - 26 Feb	1 Month	3 Months	Year to date	Week 22 Feb - 26 Feb	1 Month	3 Months
Pirelli RE	0.386	(6.3)	(20.2)	(25.3)	(24.6)	3,702,391	5,923,391	6,511,626
Tecla	430.690	(5.3)	0.2	7.6	2.0	33.40	34.80	29.17
Olinda	327.000	(8.9)	(4.7)	10.5	0.6	270.80	258.13	185.30
ITALIA								
Epra Europe	1556.500	0.6	(1.3)	0.1	(2.0)			
Beni Stabili	0.670	11.7	10.0	17.0	16.5	5,341,919	2,253,136	1,708,451
Aedes	0.235	3.7	12.7	11.9	14.8	3,665,796	2,732,891	2,894,470
Bastogi	2.060	(1.4)	(1.9)	2.5	(2.1)	52,363	16,984	16,406
Brioschi	0.220	4.2	6.2	12.7	0.9	2,435,290	1,048,512	962,053
Gabetti	0.429	(3.8)	(24.1)	(35.1)	(31.6)	462,700	239,911	279,713
IGD	1.539	1.5	1.9	5.5	(1.3)	169,054	219,804	325,162
Risanamento	0.372	(3.4)	(8.4)	(14.9)	(11.6)	1,138,756	912,214	1,495,647

WEEKLY TREND 22/02/2010 – 26/02/2010 REAL ESTATE STOCK vs EPRA EUROPE INDEX

