

Pirelli & C. S.p.A. — Milano

# Peers & Markets

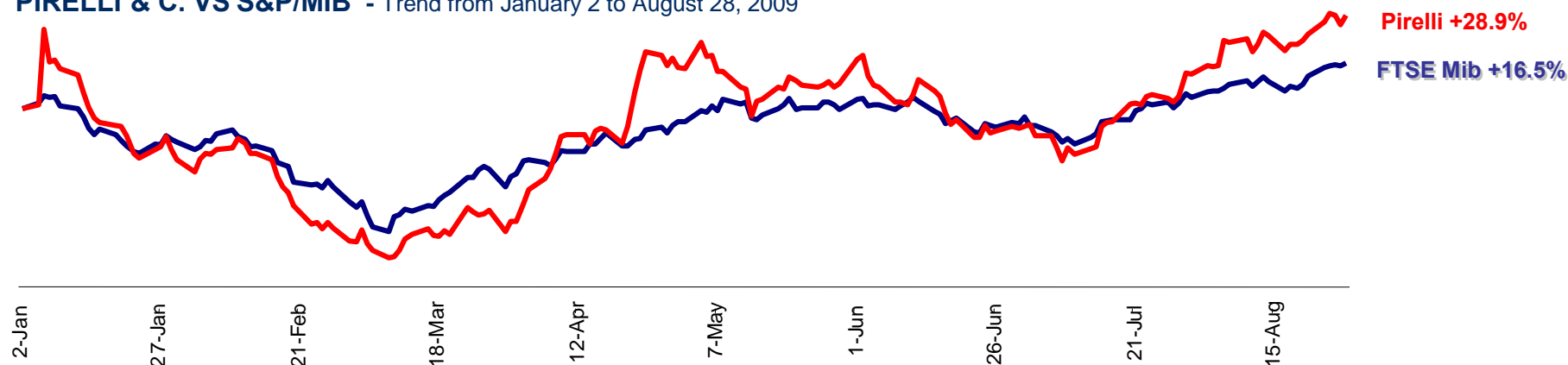
24 August – 28 August 2009



Investor Relations

# Pirelli Group on the Stock Market

PIRELLI & C. VS S&P/MIB - Trend from January 2 to August 28, 2009



GROUP TREND FROM JANUARY 2 TO AUGUST 28, 2009

	Official Close August 28	Percentage change				Daily average volumes		
		Week 24-28 Aug.	1 Month	3 Months	Year to date	Week 24-28 Aug.	1 Month	3 Months
<b>Pirelli &amp; C. Ord.</b>	0.339	4.5	25.3	20.2	28.9	31,275,161	38,303,261	42,632,687
<b>Pirelli &amp; C. Risp.</b>	0.343	7.2	19.1	10.8	27.5	184,617	183,892	203,118
<b>Pirelli Real Estate</b>	0.630	12.3	12.2	(34.2)	3.0	29,009,048	13,403,348	10,336,419
<b>FTSE All Share</b>	23077	3.1	11.6	11.2	16.3	1,047,349,140	856,354,906	
<b>FTSE MIB</b>	22673	3.5	13.3	12.5	16.5	848,716,310	704,800,811	711,826,529

## Sell side analysts evaluation on Pirelli & C (31/08/2009)

Consensus Target Price: € 0.32

% Buy: 51%

% Sell: 6%

% Hold: 43%

Market Cap: €1,804.7 mln (of which ord. €1,758.3mln)

# Markets

## MARKETS PERFORMANCE FROM JANUARY 2 TO AUGUST 28, 2009

	Official Close August 28	Percentage change (%)			
		Week 24-28 Aug.	1 Month	3 Months	Year to date
<b>EUROPE</b>					
DJ Stoxx 600	237.510	1.1	8.7	14.2	20.6
FTSE MIB	22672.540	3.5	13.3	12.5	16.5
FTSE 100	4869.350	1.2	8.4	11.9	10.7
DAX	5517.350	1.0	6.6	11.8	14.7
CAC 40	3693.140	2.1	10.9	13.2	14.8
IBEX 35	11442.700	2.5	7.3	21.3	24.4
OMX Stockholm	6305.560	4.8	11.7	8.0	16.7
OMX Helsinki	11442.700	2.5	7.3	21.3	24.4
<b>UNITED STATES</b>					
DJ Industr. Average	9580.630	0.4	4.9	13.6	8.7
S&P 500	1030.980	0.3	5.0	13.5	13.9
NASDAQ Composite	2028.770	0.4	2.7	15.8	28.6
<b>ASIA</b>					
Nikkei 225 (Giappone)	10534.140	2.9	4.4	11.5	18.9
Hang Seng (HK)	20098.620	(0.5)	(2.5)	12.4	39.7
All ordinaries (Australia)	4495.900	4.4	7.7	19.8	22.9
Strait Times (Singapore)	2642.800	3.8	0.7	15.3	50.0
BSE 30 (India)	15922.340	4.5	3.9	11.4	65.0
<b>EMIRATES</b>					
Abu Dhabi	2882.520	2.0	2.9	8.4	20.6
Dubai	1922.180	3.4	5.7	7.3	17.5
<b>BRAZIL</b>					
Itel (indice TLC)	1231.580	2.2	3.4	(1.1)	20.4
Bovespa	57700.570	(0.0)	5.9	8.8	53.7

Source: Reuters

## SECTORS PERFORMANCE FROM JANUARY 2 TO AUGUST 28, 2009

	Official Close August 28	Percentage change (%)			
		Week 24-28 Aug.	1 Month	3 Months	Year to date
<b>EUROPE</b>					
DJ Stoxx 600	237.510	1.1	8.7	14.2	20.6
Auto	226.460	(3.3)	(3.5)	9.0	13.5
Banks	235.040	3.4	19.4	29.8	57.2
Basic Resources	394.360	(0.0)	5.4	13.0	60.2
Chemical	383.660	0.2	8.0	11.1	19.3
Construction & Material	257.710	1.5	14.5	18.3	26.6
Industrial	351.060	2.8	12.0	19.1	23.1
Insurance	149.480	2.6	14.6	19.2	11.1
Finance	229.330	1.1	6.7	11.3	26.8
Food & Beverage	259.120	(0.6)	2.7	12.1	12.6
FTSE EPRA Eu Residential	1511.880	4.6	20.1	24.1	28.0
Media	145.560	2.3	8.1	7.9	8.2
Oil&Gas	301.500	(0.5)	2.4	2.4	14.0
Retail	226.100	(1.1)	1.0	7.4	24.6
Tech.	184.590	4.6	10.2	7.9	20.8
TLC	245.010	1.0	7.0	14.7	5.2
Travel & Leisure	100.140	1.8	11.6	1.8	8.2
Utilities	332.990	0.9	9.4	6.1	(1.4)
<b>UNITED STATES</b>					
S&P 500	1030.980	0.3	5.0	13.5	13.9
Auto	88.900	0.8	8.1	37.6	120.8
Banks	226.920	0.4	19.8	24.6	5.5
Basic Resources	195.360	(0.1)	8.5	13.6	39.7
Chemical	231.350	(1.3)	6.0	16.5	38.8
Construction & Materials	304.020	4.3	18.5	45.8	38.8
Industrial	231.890	0.1	7.0	15.5	11.2
Food & Beverage	256.220	(1.0)	0.1	8.8	9.1
Media	226.260	1.4	5.8	16.2	23.1
Oil&Gas	459.350	(0.3)	1.8	2.5	6.7
Insurance	236.030	2.7	15.5	24.4	9.4
Finance	259.020	1.2	15.3	21.6	14.6
RE	158.630	2.4	16.7	25.2	9.6
Retail	158.630	2.4	16.7	25.2	9.6
Tech.	516.470	0.8	3.1	18.8	41.7
Tyres	56.280	(8.8)	11.4	40.9	163.2
TLC	111.090	0.1	(0.3)	3.2	(4.1)
Utilities	140.350	(0.7)	1.4	12.0	1.8

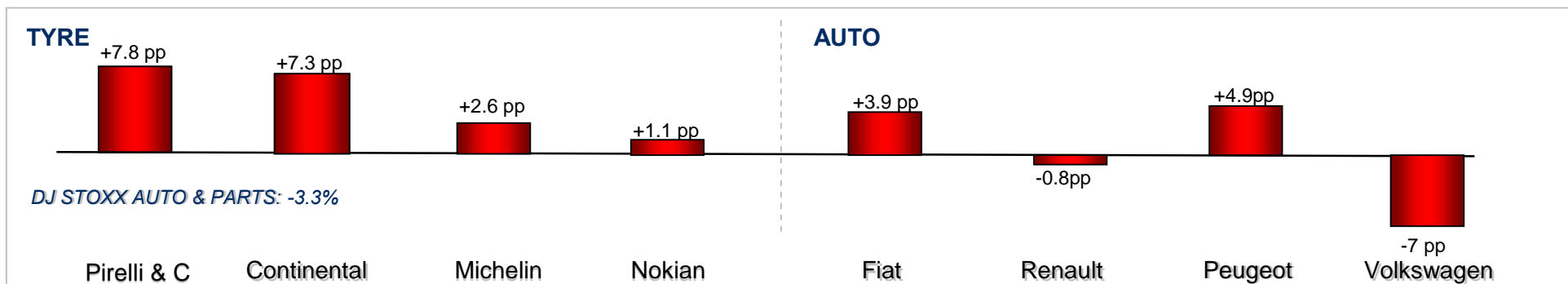
INVESTOR RELATIONS 31/08/09

# Pirelli & C. vs Auto & Parts Sector

## TREND PIRELLI & C. vs PEERS TYRE & AUTO FROM JANUARY 2 TO AUGUST 28, 2009

	Official Close August 28	Percentage change				Daily average volumes		
		Week 24-28 Aug.	1 Month	3 Months	Year to date	Week 24-28 Aug.	1 Month	3 Months
<b>EUROPA</b>								
DJ Stoxx Auto	226.460	(3.3)	(3.5)	9.0	13.5			
<b>TYRE</b>								
Pirelli & C	0.339	4.5	25.3	20.2	28.9	31,275,161	38,303,261	42,632,687
Continental	28.810	4.0	12.0	26.0	(0.2)	214,821	284,310	248,194
Michelin	53.100	(0.7)	20.3	27.2	41.3	678,537	980,688	1,017,984
Nokian	16.140	(2.2)	15.2	22.5	104.0	518,770	804,106	856,630
<b>AUTO</b>								
Fiat	8.330	0.6	10.6	6.3	81.5	15,077,600	22,354,481	28,963,856
Renault	32.580	(4.1)	20.7	23.0	75.6	1,943,521	2,296,147	2,340,082
Peugeot	20.690	1.6	12.4	(0.3)	70.3	2,088,323	2,233,486	2,270,581
Volkswagen	135.600	(10.3)	(46.9)	(35.4)	(45.8)	470,063	503,345	440,487
<b>USA</b>								
<b>TYRE</b>								
Goodyear	16.200	(9.8)	12.7	42.9	171.4	5,453,583	5,841,174	5,949,601
Cooper	14.230	(3.9)	5.7	32.1	131.0	874,458	1,198,663	1,126,600
<b>AUTO</b>								
Ford	7.670	(0.1)	8.3	39.0	237.6	9,059,140	12,823,623	15,598,633
<b>ASIA</b>								
<b>TYRE</b>								
Bridgestone	1730.000	2.1	7.0	18.1	30.4	2,539,840	3,885,590	4,435,757
Sumitomo	958.000	1.8	11.9	38.1	16.8	1,144,360	1,502,903	1,586,830
Toyo	224.000	2.8	6.2	12.6	38.3	1,063,800	1,306,100	2,190,022
Yokohama	494.000	3.3	(1.6)	12.3	11.3	1,197,800	1,495,667	1,804,778
Hankook	22550.000	7.4	24.9	70.8	47.4	1,069,674	1,162,312	1,073,961
Khumo	5900.000	6.5	9.3	15.7	31.4	782,496	1,002,159	629,721
<b>AUTO</b>								
Toyota	4040.000	1.5	6.0	6.3	39.1	7,806,380	8,068,853	9,177,072
Nissan	659.000	(2.7)	5.3	17.5	105.9	18,615,920	19,702,943	22,870,864

## EUROPE: WEEKLY TREND 24/08/2009 – 28/08/2009 TYRES & AUTO STOCKS vs DJ STOXX AUTO & PARTS



Source: Reuters

INVESTOR RELATIONS 31/08/09

# Tyre Sector evaluation Multiples

## CONSENSUS PEERS TYRE MARKET MULTIPLES AT 31/08/2009

Source: Pirelli IR analysis on Bloomberg data

TYRES MULTIPLES @ 31-Aug-09																	
	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	39.5x	13.3x	9.9x	13.0x	0.8x	0.7x	0.7x	0.6x	6.9x	5.3x	4.6x	4.3x	18.4x	10.0x	8.1x	9.5x
	Continental		18.7x	8.4x	7.1x	0.7x	0.7x	0.6x	0.6x	7.6x	5.8x	4.6x	4.6x	48.1x	16.9x	10.0x	9.5x
	Nokian	29.0x	16.6x	13.2x		2.6x	2.3x	2.0x		12.2x	9.1x	7.3x		18.6x	12.6x	9.8x	#VALUE!
	Simple average	34.2x	16.2x	10.5x	10.1x	1.4x	1.2x	1.1x	0.6x	8.9x	6.7x	5.5x	4.4x	28.4x	13.2x	9.3x	#VALUE!
	Weighted average *	25.3x	15.5x	9.9x	9.3x	1.0x	0.9x	0.8x	0.6x	7.8x	6.0x	5.0x	3.8x	28.1x	12.6x	9.0x	#VALUE!
US	Goodyear		11.3x	7.6x		0.5x	0.5x			7.5x	4.7x			15.0x	6.8x		
	Cooper	14.7x	14.4x	13.3x	11.3x	1.2x	1.2x			9.2x	9.5x			11.8x	11.8x		
	Simple average	14.7x	12.8x	10.5x	11.3x	0.9x	0.9x			8.4x	7.1x			13.4x	9.3x		
	Weighted average *	8.6x	13.1x	11.0x	6.7x	0.9x	0.9x			8.5x	7.5x			13.1x	9.8x		
ASIA	Bridgestone	112.7x	19.1x	14.6x	15.1x	0.7x	0.6x	0.6x	0.6x	7.1x	5.5x	4.9x	4.5x	28.4x	12.0x	9.9x	11.6x
	Yokohama		24.4x	15.3x	12.4x	0.7x	0.6x	0.6x	0.5x	9.1x	6.9x	6.1x	5.7x	63.3x	18.4x	14.1x	12.3x
	Sumitomo	62.0x	16.7x	13.7x	11.2x	0.9x	0.8x	0.8x	0.7x	8.0x	7.1x	6.5x	7.0x	17.7x	14.8x	12.9x	13.7x
	Simple average	87.3x	20.1x	14.5x	12.9x	0.7x	0.7x	0.6x	0.6x	8.1x	6.5x	5.8x	5.7x	36.5x	15.1x	12.3x	12.5x
	Weighted average *	95.5x	19.3x	14.6x	14.3x	0.7x	0.7x	0.6x	0.6x	7.4x	5.8x	5.2x	4.9x	30.2x	13.0x	10.6x	11.9x
TOT. WORLD	max	112.7x	24.4x	15.3x	15.1x	2.6x	2.3x	2.0x	0.7x	12.2x	9.5x	7.3x	7.0x	63.3x	18.4x	14.1x	#VALUE!
	min	14.7x	11.3x	7.6x	7.1x	0.5x	0.5x	0.6x	0.5x	6.9x	4.7x	4.6x	4.3x	11.8x	6.8x	8.1x	#VALUE!
	median	39.5x	16.6x	13.3x	11.8x	0.8x	0.7x	0.6x	0.6x	7.8x	6.3x	5.5x	4.6x	18.5x	12.3x	9.9x	#VALUE!
	Simple average	51.6x	16.8x	12.0x	11.7x	1.0x	0.9x	0.9x	0.6x	8.4x	6.7x	5.7x	5.2x	27.7x	12.9x	10.8x	#VALUE!
	Weighted average *	49.4x	15.6x	11.4x	10.3x	0.9x	0.8x	0.6x	0.4x	7.5x	6.0x	3.9x	3.3x	23.7x	11.5x	7.4x	#VALUE!

\* on peers market capitalization by geographical area

\*\* on tyre sector market capitalization

WORLD TYRE MARKET CAP				
	Local currency	€ adjustment	% on cluster	% on geographical Area
Michelin	€7.764	€7.764	22.5%	53.9%
Continental	€4.659	€4.659	13.5%	32.4%
Nokian	€1.973	€1.973	5.7%	13.7%
Goodyear	\$ 3,919	€2.741	8.0%	41.1%
Cooper	\$ 5,607	€3.923	11.4%	58.9%
Bridgestone	¥1.383,087	€10.402	30.2%	77.5%
Yokohama	¥166,160	€1.250	3.6%	9.3%
Sumitomo	¥234,898	€1.767	5.1%	13.2%
TOT.		€34,479		

# Pirelli & C. RE vs Real Estate Sector

## PIRELLI RE TREND vs PEERS RE FROM JANUARY 2 TO AUGUST 28, 2009

	Official Close August 28	Percentage change				Daily average volumes		
		Week 24-28 Aug.	1 Month	3 Months	Year to date	Week 24-28 Aug.	1 Month	3 Months
Pirelli RE	0.630	12.3	12.2	(34.2)	3.0	29,009,048	13,403,348	10,336,419
Tecla	410.000	(5.7)	(1.0)	0.0	3.5	20.20	16.30	23.67
Ofinca	294.000	(0.3)	(1.7)	(3.0)	1.4	95.20	70.90	76.04
Spazio Investment	5.000	(2.4)	0.0	30.7	(16.7)	6,849	45,626	88,172
<b>ITALIA</b>								
Epra Europe	1511.880	4.6	20.1	24.1	28.0			
Gabetti	0.930	1.5	5.7	5.7	(6.9)	13,249	14,196	19,811
Beni Stabili	0.633	(0.2)	14.4	12.5	27.9	1,070,247	1,537,671	1,946,010
Aedes	0.200	(4.5)	(47.7)	(15.4)	42.7	13,890,776	6,883,285	3,428,265
Bastogi	2.330	8.9	8.4	0.9	57.5	118,989	28,049	24,326
Brioschi	0.201	4.8	5.2	4.9	2.2	3,015,607	1,063,237	1,129,519
Gabetti	0.930	1.5	5.7	5.7	(6.9)	13,249	14,196	19,811
IGD	1.475	10.2	25.0	11.3	41.1	1,183,080	468,042	710,389
IPI	1.898	0.2	0.2	38.8	33.5	52,052	44,157	71,353
Risanamento	0.478	26.1	29.2	(0.3)	11.7	16,281,986	7,259,994	4,213,007

## WEEKLY TREND 24/08/2009 – 28/08/2009 REAL ESTATE STOCK vs EPRA EUROPE INDEX

