

Pirelli & C. S.p.A. — Milano

Peers & Markets

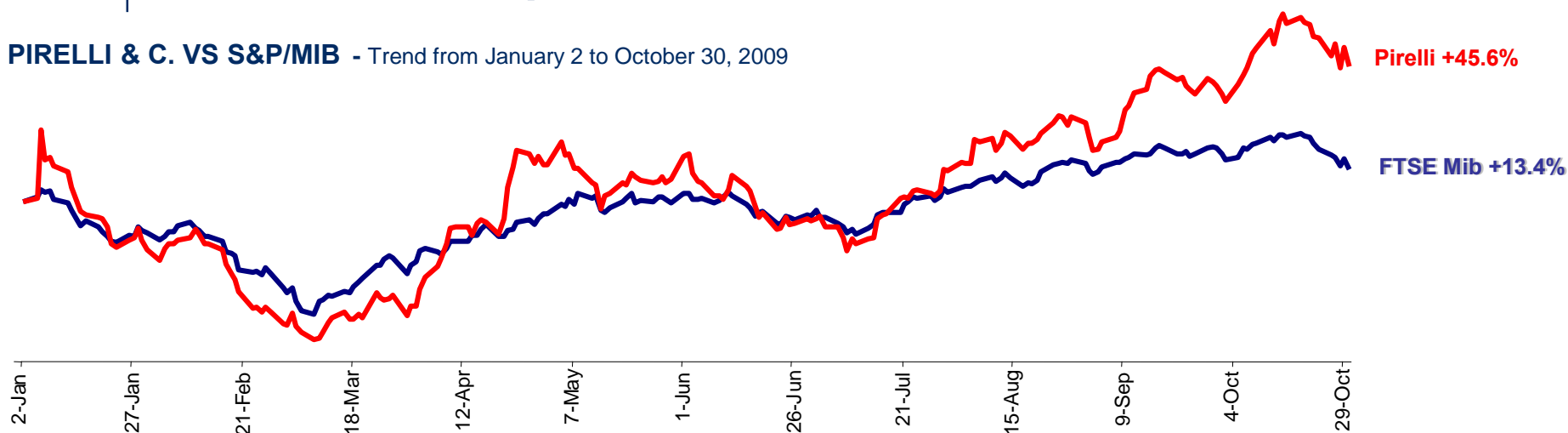
26 October – 30 October 2009



Investor Relations

Pirelli Group on the Stock Market

PIRELLI & C. VS S&P/MIB - Trend from January 2 to October 30, 2009



GROUP TREND FROM JANUARY 2 TO OCTOBER 30, 2009

	Official Close October 30	Percentage change				Daily average volumes		
		Week 26 Oct - 30 Oct	1 Month	3 Months	Year to date	Week 26 Oct - 30 Oct	1 Month	3 Months
Pirelli & C. Ord.	0.383	(6.1)	4.6	30.5	45.6	64,843,880	56,332,996	46,049,105
Pirelli & C. Risp.	0.397	(9.6)	(1.2)	33.7	47.6	579,431	557,019	354,528
Pirelli Real Estate	0.541	(12.8)	(15.7)	1.5	(11.5)	11,430,456	13,332,362	15,174,224
FTSE All Share	22528	(5.8)	(5.9)	5.0	13.5	1,080,285,542	980,504,161	900,549,967
FTSE MIB	22060	(5.8)	(6.0)	6.0	13.4	836,614,619	765,719,691	722,255,691

Sell side analysts evaluation on Pirelli & C (2/11/2009)

Consensus Target Price: € 0.40

% Buy: 59%

% Sell: 6%

% Hold: 35%

Market Cap: €2,060.8 mln (of which ord. €2,004.9mln)

Markets

MARKETS PERFORMANCE FROM JANUARY 2 TO OCTOBER 30, '09

	Official Close October 30	Percentage change (%)			
		Week 26 Oct - 30 Oct	1 Month	3 Months	Year to date
EUROPE					
DJ Stoxx 600	236.930	(3.3)	(2.3)	5.2	20.3
FTSE MIB	22060.330	(5.8)	(6.0)	6.0	13.4
FTSE 100	5044.550	(3.8)	(1.7)	8.9	13.8
DAX	5414.960	(5.7)	(4.6)	1.0	12.6
CAC 40	3607.690	(5.3)	(4.9)	5.0	12.1
IBEX 35	11414.800	(2.8)	(2.9)	5.0	24.1
OMX Stockholm	5952.960	(3.5)	(6.5)	3.1	10.2
OMX Helsinki	11414.800	(2.8)	(2.9)	5.0	24.1
UNITED STATES					
DJ Industr. Average	9962.580	(2.6)	0.0	6.1	10.7
S&P 500	1066.110	(4.0)	(2.0)	5.0	14.7
NASDAQ Composite	2045.110	(5.1)	(3.6)	3.1	29.7
ASIA					
Nikkei 225 (Giappone)	10034.740	(2.4)	(1.0)	(1.3)	13.3
Hang Seng (HK)	21752.870	(2.1)	3.8	7.5	51.2
All ordinaries (Australia)	4646.900	(4.4)	(1.9)	10.7	27.0
Strait Times (Singapore)	2651.130	(2.4)	(0.8)	0.6	50.5
BSE 30 (India)	16052.720	(5.4)	(7.2)	3.3	64.8
EMIRATES					
Abu Dhabi	2920.260	(7.2)	(6.9)	4.3	22.2
Dubai	2076.560	(8.2)	(5.4)	14.2	26.9
BRAZIL					
IteI (indice TLC)	1405.530	(4.7)	0.7	13.3	33.2
Bovespa	63720.580	(5.4)	0.0	13.0	63.9

Source: Reuters

SECTORS PERFORMANCE FROM JANUARY 2 TO OCTOBER 30, '09

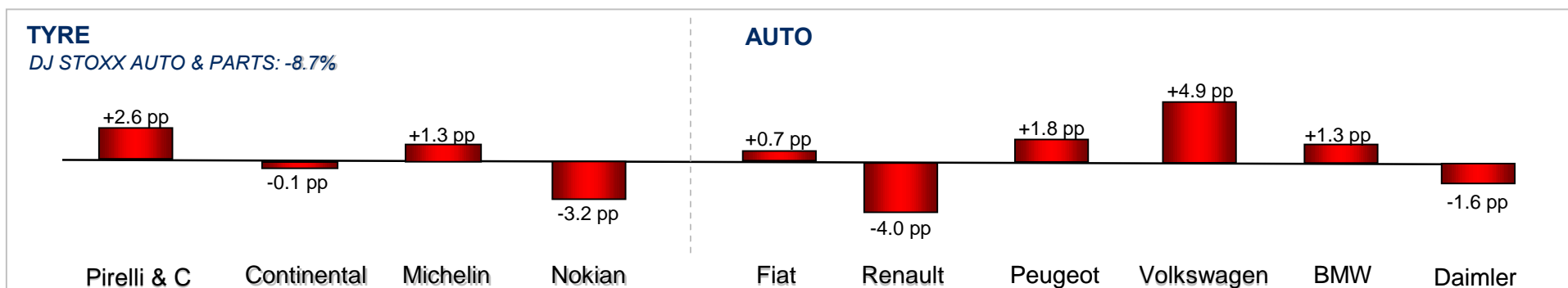
	Official Close October 30	Percentage change (%)			
		Week 26 Oct - 30 Oct	1 Month	3 Months	Year to date
EUROPE					
DJ Stoxx 600	236.930	(3.3)	(2.3)	5.2	20.3
Auto	226.340	(8.7)	(1.3)	(7.9)	13.5
Banks	222.650	(5.1)	(5.8)	8.9	48.9
Basic Resources	405.410	(7.7)	0.6	3.5	64.7
Chemical	393.540	(4.6)	(0.7)	6.3	22.4
Construction & Material	247.180	(6.9)	(6.5)	5.5	21.4
Industrial	349.680	(5.6)	(4.4)	8.3	22.6
Insurance	145.960	(8.2)	(8.3)	7.6	8.5
Finance	225.590	(5.8)	(2.9)	2.1	24.8
Food & Beverage	282.680	1.1	4.8	9.0	22.8
FTSE EPRA Eu Residential	1596.360	(2.2)	1.6	24.3	35.1
Media	146.130	(2.6)	(3.4)	7.4	8.6
Oil&Gas	310.000	(2.3)	1.4	4.0	17.2
Retail	227.170	0.5	0.8	(1.0)	25.2
Tech.	176.500	(4.9)	(7.5)	1.1	15.5
TLC	249.150	(1.1)	(0.5)	4.6	7.0
Travel & Leisure	97.710	(4.3)	(6.9)	6.8	5.6
Utilities	314.580	(1.4)	(6.3)	0.9	(6.8)
UNITED STATES					
S&P 500	1066.110	(4.0)	(2.0)	5.0	14.7
Auto	88.050	(8.7)	(0.8)	(2.2)	106.5
Banks	219.940	(7.7)	(7.5)	7.8	(2.9)
Basic Resources	213.530	(8.6)	(2.6)	13.0	44.3
Chemical	246.34	(5.65)	(4.34)	6.00	41.28
Construction & Materials	252.010	(9.9)	(8.3)	(4.8)	11.1
Industrial	238.470	(5.3)	(4.4)	6.0	11.5
Food & Beverage	264.840	(1.5)	(0.7)	2.2	11.8
Media	237.670	(4.5)	(3.7)	8.1	25.7
Oil&Gas	502.400	(5.1)	2.0	8.5	12.6
Insurance	237.290	(5.3)	(5.2)	10.1	5.0
Finance	259.970	(6.2)	(5.5)	8.4	9.9
RE	160.930	(4.0)	(5.3)	12.7	8.1
Retail	160.930	(4.0)	(5.3)	12.7	8.1
Tech.	547.190	(3.8)	(1.0)	5.9	45.9
Tyres	46.030	(24.1)	(22.1)	(14.2)	122.2
TLC	109.550	(0.5)	(5.4)	(4.9)	(7.0)
Utilities	138.140	(3.8)	(3.5)	(3.0)	(1.7)

Pirelli & C. vs Auto & Parts Sector

TREND PIRELLI & C. vs PEERS TYRE & AUTO FROM JANUARY 2 TO OCTOBER 30, 2009

	Official Close October 30	Percentage change				Daily average volumes			
		Week 26 Oct - 30 Oct	1 Month	3 Months	Year to date	Week 26 Oct - 30 Oct	1 Month	3 Months	
EUROPA	DJ Stoxx Auto	226.340	(8.7)	(1.3)	(7.9)	13.5			
	TYRE								
	Pirelli & C	0.383	(6.1)	4.6	30.5	45.6	64,843,880	56,332,996	46,049,105
	Continental	36.650	(8.8)	(0.7)	35.2	26.9	481,057	298,921	281,511
	Michelin	50.550	(7.5)	(5.7)	6.4	34.5	1,251,233	985,953	923,572
	Nokian	14.540	(11.9)	(8.7)	1.2	83.8	965,706	550,353	645,322
	AUTO								
	Fiat	10.160	(8.0)	15.6	31.6	121.4	55,399,026	43,081,278	29,294,828
	Renault	30.600	(12.7)	(4.0)	5.7	65.0	4,765,637	2,826,910	2,574,893
	Peugeot	22.255	(6.9)	6.8	6.9	83.2	2,787,263	2,548,975	2,393,323
	Volkswagen	110.640	(3.8)	(1.5)	(56.7)	(55.7)	291,841	319,157	441,793
BMW	33.295	(7.4)	1.0	3.9	54.1	3,294,845	2,544,469	2,297,004	
Daimler	33.080	(10.3)	(3.9)	3.6	23.9	9,221,571	7,080,358	6,315,421	
USA	TYRE								
	Goodyear	12.880	(27.4)	(24.4)	(18.8)	115.7	19,992,185	6,691,231	5,854,740
	Cooper	15.260	(10.1)	(13.2)	6.6	147.7	1,953,385	1,112,644	1,225,303
	AUTO								
Ford	7.300	(8.3)	(2.9)	(5.3)	205.7	12,743,480	11,699,093	11,890,011	
ASIA	TYRE								
	Bridgestone	1531.000	(2.2)	(5.0)	(4.4)	15.4	3,896,080	2,861,537	3,772,660
	Sumitomo	900.000	3.5	0.0	0.5	8.9	1,371,400	1,001,910	1,379,318
	Toyo	174.000	3.6	(19.4)	(15.5)	7.4	2,352,400	1,884,533	1,783,444
	Yokohama	404.000	(1.5)	(8.4)	(18.4)	(9.0)	1,390,000	1,190,167	1,544,233
	Hankook	22900.000	(5.2)	(2.3)	22.8	49.7	878,079	1,135,631	1,115,644
	Khumo	5010.000	(5.6)	(14.9)	(3.3)	11.6	277,775	248,620	622,233
	AUTO								
	Toyota	3660.000	1.9	2.5	(6.9)	26.0	8,730,580	8,580,620	8,041,158
	Nissan	672.000	2.1	10.7	(3.2)	110.0	22,928,660	21,287,600	19,841,078

EUROPE: WEEKLY TREND 26/10/2009 – 30/10/2009 TYRES & AUTO STOCKS vs DJ STOXX AUTO & PARTS



Source: Reuters

Tyre Sector evaluation Multiples

CONSENSUS PEERS TYRE MARKET MULTIPLES AT 02/11/2009

Source: Pirelli IR analysis on Bloomberg data

TYRES MULTIPLES @ 2-Nov-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	36.8x	12.7x	9.2x	8.9x	0.8x	0.7x	0.7x	0.6x	6.7x	5.1x	4.4x	4.3x	17.4x	9.5x	7.4x	9.4x
	Continental		21.5x	10.1x	14.0x	0.9x	0.8x	0.7x	0.7x	8.8x	6.5x	4.9x	5.0x	-156.4x	16.9x	10.1x	12.1x
	Nokian	27.7x	15.4x	11.9x		2.5x	2.2x	1.8x		11.7x	8.4x	6.7x		18.1x	11.7x	8.9x	
	Simple average	32.3x	16.5x	10.4x	11.4x	1.4x	1.2x	1.1x	0.6x	9.1x	6.7x	5.3x	4.6x	-40.3x	12.7x	8.8x	10.8x
	Weighted average *	21.2x	16.5x	9.9x	9.8x	1.0x	0.9x	0.8x	0.6x	8.1x	6.1x	4.9x	4.1x	-50.9x	12.7x	8.6x	9.4x
US	Goodyear		17.3x	6.7x		0.4x	0.4x			8.0x	4.7x			21.1x	7.9x		
	Cooper	15.9x	14.0x	12.1x	10.9x	1.4x	1.3x			10.0x	9.0x			12.4x	11.3x		
	Simple average	15.9x	15.6x	9.4x	10.9x	0.9x	0.9x			9.0x	6.9x			16.8x	9.6x		
	Weighted average *	10.7x	15.1x	10.4x	7.4x	1.1x	1.0x			9.3x	7.6x			15.2x	10.2x		
ASA	Bridgestone	79.7x	16.3x	12.9x	13.1x	0.7x	0.6x	0.6x	0.5x	6.7x	5.2x	4.6x	4.0x	25.3x	11.9x	9.5x	10.4x
	Yokohama		18.6x	12.2x	10.0x	0.6x	0.6x	0.5x	0.5x	8.2x	6.0x	5.4x	5.0x	56.5x	16.2x	12.4x	10.7x
	Sumitomo	33.1x	12.6x	10.9x	10.0x	0.8x	0.8x	0.7x	0.7x	7.4x	6.6x	5.9x	6.6x	17.2x	12.1x	10.1x	12.9x
	Simple average	56.4x	15.9x	12.0x	11.0x	0.7x	0.6x	0.6x	0.6x	7.4x	5.9x	5.3x	5.2x	33.0x	13.4x	10.7x	11.3x
	Weighted average *	66.7x	16.0x	12.5x	12.4x	0.7x	0.6x	0.6x	0.5x	6.9x	5.4x	4.8x	4.4x	26.8x	12.3x	9.8x	10.7x
TOT. WORLD	max	79.7x	21.5x	12.9x	14.0x	2.5x	2.2x	1.8x	0.7x	11.7x	9.0x	6.7x	6.6x	56.5x	16.9x	12.4x	12.9x
	min	15.9x	12.6x	6.7x	8.9x	0.4x	0.4x	0.5x	0.5x	6.7x	4.7x	4.4x	4.0x	-156.4x	7.9x	7.4x	9.4x
	median	33.1x	15.9x	11.4x	10.5x	0.8x	0.7x	0.7x	0.6x	8.1x	6.3x	5.1x	5.0x	17.7x	11.8x	9.8x	10.7x
	Simple average	38.7x	16.1x	10.7x	11.1x	1.0x	0.9x	0.8x	0.6x	8.4x	6.4x	5.3x	5.0x	1.5x	12.2x	9.7x	11.1x
	Weighted average *	35.0x	15.5x	10.5x	10.0x	0.9x	0.8x	0.6x	0.4x	7.7x	6.0x	3.8x	3.3x	-12.9x	11.6x	7.0x	7.7x

* on peers market capitalization by geographical area

** on tyre sector market capitalization

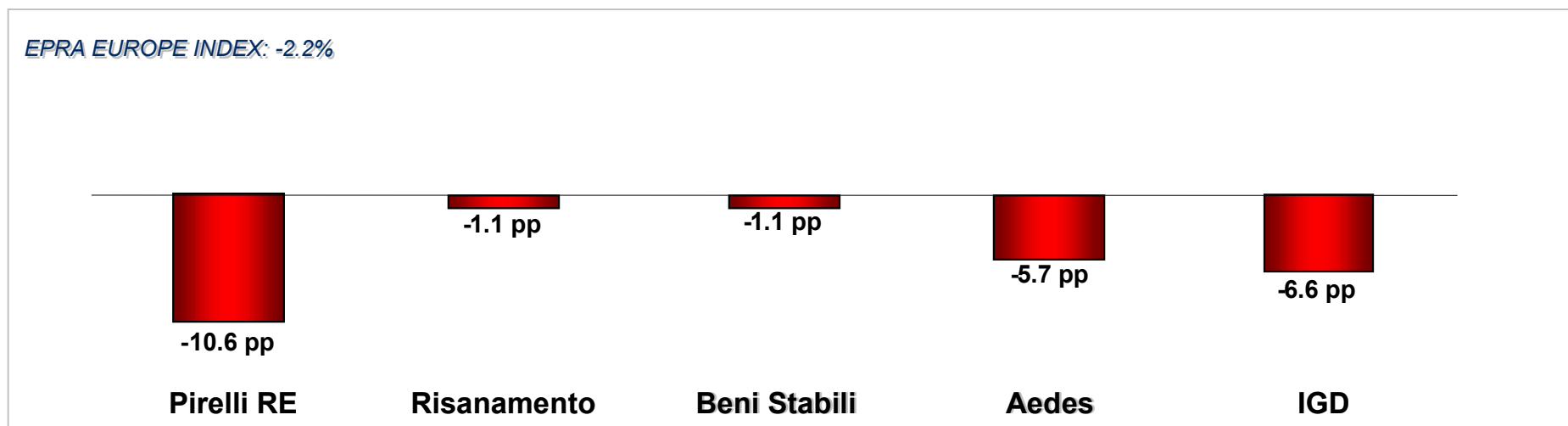
WORLD TYRE MARKET CAP				
Mln	Local currency	€ adjustment	% on cluster	% on geographical Area
Michelin	€7,509	€7,509	22.4%	48.6%
Continental	€6,077	€6,077	18.1%	39.4%
Nokian	€1,853	€1,853	5.5%	12.0%
Goodyear	\$ 3,119	€2,110	6.3%	32.6%
Cooper	\$ 6,451	€4,364	13.0%	67.4%
Bridgestone	¥1,205,831	€9,072	27.1%	78.1%
Yokohama	¥129,845	€977	2.9%	8.4%
Sumitomo	¥209,119	€1,573	4.7%	13.5%
TOT.		€33,534		

Pirelli & C. RE vs Real Estate Sector

PIRELLI RE TREND vs PEERS RE FROM JANUARY 2 TO OCTOBER 30, 2009

	Official Close October 30	Percentage change				Daily average volumes		
		Week 26 Oct - 30 Oct	1 Month	3 Months	Year to date	Week 26 Oct - 30 Oct	1 Month	3 Months
Pirelli RE	0.541	(12.8)	(15.7)	1.5	(11.5)	11,430,456	13,332,362	15,174,224
Teda	418.000	(0.5)	(5.9)	(2.1)	5.6	32.20	28.23	22.87
Olinda	310.000	(2.5)	(4.6)	2.3	6.9	103.40	117.83	94.10
Spazio Investment	5.195	0.0	6.3	3.9	(13.4)	6,899	44,444	88,091
ITALIA								
Epra Europe	1596.360	(2.2)	1.6	24.3	35.1			
Gabetti	0.750	(5.1)	(28.7)	17.8	4.8	384,816	789,101	399,288
Beni Stabili	0.614	(3.3)	4.2	13.2	24.0	1,657,978	1,915,855	1,655,344
Aedes	0.223	(7.9)	(19.5)	(34.7)	59.0	6,174,726	10,773,646	10,628,397
Bastogi	2.220	(5.1)	(6.4)	4.5	50.1	9,404	16,166	24,700
Brioschi	0.213	(1.7)	(9.6)	7.0	8.6	691,255	1,081,350	1,220,987
Gabetti	0.750	(5.1)	(28.7)	17.8	4.8	384,816	789,101	399,288
IGD	1.469	(8.8)	9.1	22.4	40.6	538,157	536,872	517,163
Risanamento	0.444	(3.3)	(2.0)	32.5	3.7	1,775,429	4,918,864	5,638,927

WEEKLY TREND 26/10/2009 – 30/10/2009 REAL ESTATE STOCK vs EPRA EUROPE INDEX



Source: Reuters