

Pirelli & C. S.p.A. — Milano

Peers & Markets

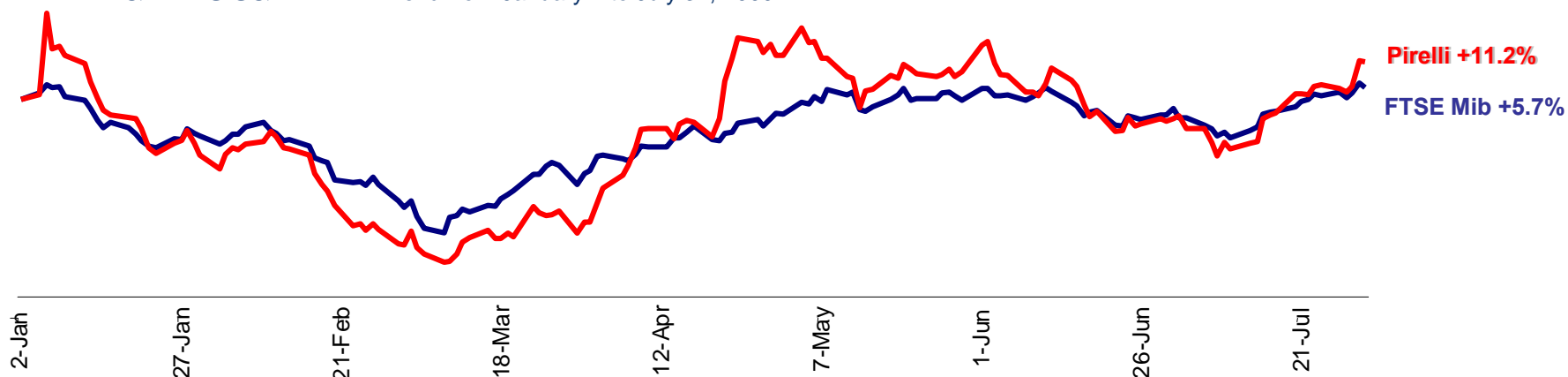
27 July – 31 July 2009



Investor Relations

Pirelli Group on the Stock Market

PIRELLI & C. VS S&P/MIB - Trend from January 2 to July 31, 2009



GROUP TREND FROM JANUARY 2 TO JULY 31, 2009

	Official Close July 31	Percentage change				Daily average volumes		
		Week 27-31 July	1 Month	3 Months	Year to date	Week 27-31 July	1 Month	3 Months
Pirelli & C. Ord.	0.293	6.0	17.3	(1.7)	11.2	40,301,237	38,335,969	51,585,229
Pirelli & C. Risp.	0.300	3.6	11.7	(1.3)	11.5	176,107	117,729	271,383
Pirelli Real Estate	0.543	(2.3)	(31.0)	(19.0)	(11.3)	17,680,454	15,900,471	8,236,440
FTSE All Share	21146	1.6	6.9	7.9	6.6	65,414,045	51,972,197	
FTSE MIB	20576	2.1	7.9	7.3	5.7	546,479,389	605,822,706	740,052,206

Sell side analysts evaluation on Pirelli & C (31/07/2009)

Consensus Target Price: € 0.31

% Buy: 51%

% Sell: 6%

% Hold: 43%

Market Cap: €1,595.9 mln (of which ord. €1,554.4mln)

Markets

MARKETS PERFORMANCE FROM JANUARY 2 TO JULY 31, 2009

	Official Close July 31	Percentage chang			
		Week 20-24 July	1 Month	3 Months	Year to date
EUROPE					
DJ Stoxx 600	224.910	2.4	9.3	12.3	14.2
FTSE MIB	20575.520	2.1	7.9	7.3	5.7
FTSE 100	4608.360	0.7	8.5	8.6	3.9
DAX	5332.140	2.0	10.9	11.8	10.9
CAC 40	3426.270	1.8	9.1	8.4	6.5
IBEX 35	10855.100	4.0	10.9	20.1	18.0
OMX Stockholm	5751.470	1.6	2.6	2.6	6.4
OMX Helsinki	10855.100	4.0	10.9	20.1	18.0
UNITED STATES					
DJ Industr. Average	9171.610	0.9	8.6	12.3	4.5
S&P 500	987.480	0.8	7.4	13.1	9.3
NASDAQ Composite	1978.500	0.6	7.8	15.2	25.5
ASIA					
Nikkei 225 (Giappone)	10356.830	4.1	4.0	17.3	16.9
Hang Seng (HK)	20573.330	3.0	11.9	32.6	43.0
All ordinaries (Australia)	4249.500	3.7	7.6	13.5	16.1
Strait Times (Singapore)	2659.200	5.0	14.0	38.5	51.0
BSE 30 (India)	15670.310	1.9	8.1	37.4	62.4
EMIRATES					
Abu Dhabi	2818.870	3.5	5.5	11.6	17.9
Dubai	1819.590	(1.3)	(0.1)	13.3	11.2
BRAZIL					
Itel (indice TLC)	1221.210	2.7	5.1	4.6	19.4
Bovespa	54765.720	0.6	6.4	15.8	45.8

Source: Reuters

SECTORS PERFORMANCE FROM JANUARY 2 TO JULY 31, 2009

	Official Close July 31	Percentage chang			
		Week 20-24 July	1 Month	3 Months	Year to date
EUROPE					
DJ Stoxx 600	224.910	2.4	9.3	12.3	14.2
Auto	248.770	2.5	15.5	14.0	24.7
Banks	206.130	3.7	15.4	22.4	37.9
Basic Resources	392.130	2.1	14.4	24.2	59.3
Chemical	374.220	4.8	13.3	13.1	16.4
Construction & Material	234.610	2.8	10.0	5.5	15.3
Industrial	324.740	3.4	12.8	12.5	13.9
Insurance	135.310	2.8	10.1	10.3	0.6
Finance	220.900	0.5	7.9	11.7	22.2
Food & Beverage	258.010	2.8	8.8	19.5	12.1
FTSE EPRA Eu Residential	1297.510	3.2	10.5	9.8	9.8
Media	137.070	2.3	7.8	(0.1)	1.9
Oil&Gas	290.650	(2.2)	2.2	5.1	9.9
Retail	229.160	1.7	9.2	11.8	26.3
Tech.	175.580	3.6	3.1	2.9	14.9
TLC	236.690	3.7	8.0	11.1	1.6
Travel & Leisure	92.380	1.1	(0.3)	(5.1)	(0.2)
Utilities	308.950	2.2	2.8	3.5	(8.5)
UNITED STATES					
S&P 500	987.480	0.8	7.4	13.1	9.3
Auto	92.030	15.3	33.0	22.8	125.8
Banks	195.780	7.2	8.8	20.1	(8.9)
Basic Resources	185.550	0.2	9.6	23.4	30.7
Chemical	225.140	2.6	16.6	14.8	34.4
Construction & Materials	261.580	5.5	21.8	0.6	18.7
Industrial	219.600	1.9	9.4	11.0	5.7
Food & Beverage	254.940	0.5	6.5	14.3	9.4
Media	211.510	(0.4)	7.2	11.6	15.0
Oil&Gas	448.750	(1.7)	4.6	9.8	4.5
Insurance	209.130	1.9	10.6	14.9	(3.6)
Finance	231.170	3.9	8.7	16.9	2.1
RE	139.860	3.5	10.3	8.4	(4.0)
Retail	139.860	3.5	10.3	8.4	(4.0)
Tech.	502.420	(0.0)	9.1	16.8	37.3
Tyres	56.590	16.3	50.7	58.6	175.9
TLC	112.080	1.3	3.3	3.3	(2.8)
Utilities	138.300	(1.6)	4.1	13.6	0.4

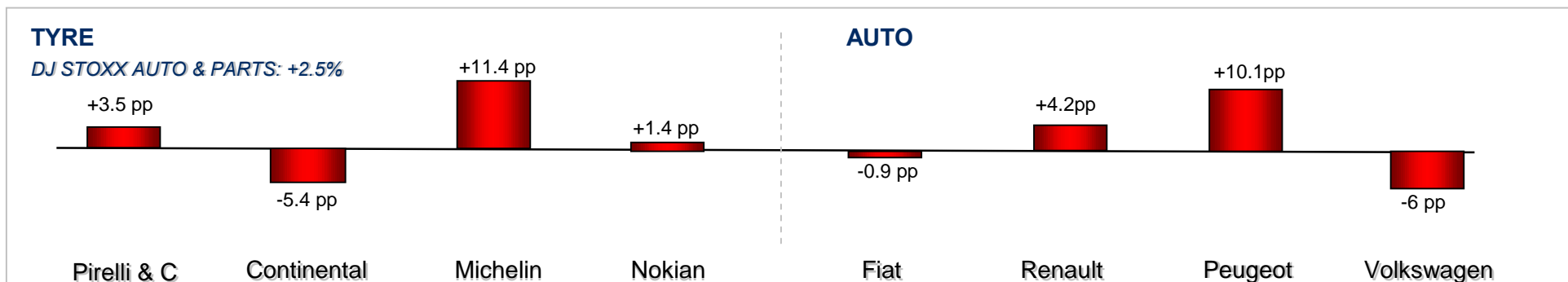
INVESTOR RELATIONS 03/08/09

Pirelli & C. vs Auto & Parts Sector

TREND PIRELLI & C. vs PEERS TYRE & AUTO FROM JANUARY 2 TO JULY 31, 2009

	Official Close July 31	Percentage change				Daily average volumes		
		Week 27-31 July	1 Month	3 Months	Year to date	Week 27-31 July	1 Month	3 Months
EUROPA								
DJ Stoxx Auto	248.770	2.5	15.5	14.0	24.7			
TYRE								
Pirelli & C	0.293	6.0	17.3	(1.7)	11.2	40,301,237	38,335,969	51,585,229
Continental	24.150	(2.9)	19.9	23.3	(16.4)	257,707	241,866	244,425
Michelin	50.660	13.9	24.8	29.9	34.8	1,223,839	874,999	1,117,704
Nokian	14.820	3.9	10.6	22.7	87.4	481,708	576,921	967,734
AUTO								
Fiat	7.780	1.6	8.7	3.5	69.5	19,723,623	22,395,733	40,372,809
Renault	29.920	6.7	14.3	21.8	61.3	2,521,152	2,033,739	2,842,684
Peugeot	21.280	12.6	13.7	20.6	75.1	3,241,433	2,335,320	2,456,598
Volkswagen	252.260	(3.5)	4.6	5.4	0.9	356,157	352,586	422,755
USA								
TYRE								
Goodyear	17.020	17.6	51.2	54.9	185.1	9,085,289	5,940,064	6,171,559
Cooper	14.760	10.4	48.8	78.5	139.6	964,449	1,182,374	1,029,742
AUTO								
Ford	7.390	18.0	31.8	33.8	249.3	14,717,360	13,001,033	17,028,347
ASIA								
TYRE								
Bridgestone	1644.000	(0.6)	8.5	12.6	23.9	4,877,360	5,072,320	4,756,826
Sumitomo	937.000	(1.3)	5.9	21.4	5.7	1,696,920	1,804,953	1,714,570
Toyo	207.000	(3.7)	(10.4)	21.8	27.8	822,400	2,249,533	3,248,211
Yokohama	503.000	0.0	5.2	17.8	13.3	1,546,200	2,000,600	1,949,211
Hankook	19700.000	15.2	18.3	28.8	28.8	1,117,035	879,408	1,119,659
Khumo	5180.000	2.2	10.2	(15.9)	15.4	792,956	446,959	681,371
AUTO								
Toyota	3990.000	6.4	8.7	3.6	37.3	8,465,840	7,595,500	10,706,128
Nissan	689.000	11.7	17.6	35.1	115.3	22,937,000	18,307,627	28,079,969

EUROPE: WEEKLY TREND 27/07/2009 – 31/07/2009 TYRES & AUTO STOCKS vs DJ STOXX AUTO & PARTS



Source: Reuters

INVESTOR RELATIONS 03/08/09

Tyre Sector evaluation Multiples

CONSENSUS PEERS TYRE MARKET MULTIPLES AT 03/08/2009

Source: Pirelli IR analysis on Bloomberg data

TYRES MULTIPLES @ 3-Aug-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	66.5x	16.7x	11.8x	13.4x	0.8x	0.7x	0.7x	0.6x	7.3x	5.5x	4.9x	4.1x	19.6x	11.1x	9.1x	10.2x
	Continental		17.7x	8.3x	6.9x	0.7x	0.6x	0.6x	0.6x	7.1x	5.5x	4.5x	4.4x	38.6x	16.0x	10.1x	9.3x
	Nokian	25.5x	15.5x	12.8x		2.4x	2.1x	1.9x		11.0x	8.5x	7.1x		16.6x	11.8x	9.7x	8.5x
	Simple average	46.0x	16.6x	11.0x	10.2x	1.3x	1.2x	1.0x	0.6x	8.5x	6.5x	5.5x	4.3x	24.9x	13.0x	9.6x	9.3x
	Weighted average *	40.5x	16.8x	10.9x	9.6x	1.0x	0.9x	0.8x	0.5x	7.7x	5.9x	5.1x	3.6x	25.0x	12.7x	9.5x	9.7x
US	Goodyear		13.2x	8.5x		0.5x	0.4x			7.3x	4.8x			12.0x	6.6x		
	Cooper	14.3x	14.0x	13.1x	11.1x	1.2x	1.2x			9.1x	9.3x			11.6x	11.6x		
	Simple average	14.3x	13.6x	10.8x	11.1x	0.8x	0.8x			8.2x	7.1x			11.8x	9.1x		
	Weighted average *	8.2x	13.7x	11.1x	6.4x	0.9x	0.9x			8.3x	7.4x			11.8x	9.5x		
ASIA	Bridgestone	160.0x	20.8x	15.6x	15.2x	0.7x	0.6x	0.6x	0.6x	7.2x	5.5x	4.9x	4.6x	29.4x	12.0x	9.7x	11.8x
	Yokohama		25.8x	16.3x	13.4x	0.7x	0.7x	0.6x	0.6x	9.3x	6.9x	6.2x	5.9x	64.4x	19.5x	15.2x	14.6x
	Sumitomo	-101.8x	19.5x	16.3x	13.3x	0.8x	0.8x	0.8x	0.7x	8.9x	7.9x	7.8x	9.5x	21.2x	17.2x	22.2x	21.0x
	Simple average	29.1x	22.0x	16.1x	14.0x	0.7x	0.7x	0.7x	0.6x	8.5x	6.8x	6.3x	6.6x	38.3x	16.2x	15.7x	15.8x
	Weighted average *	111.2x	21.1x	15.8x	14.8x	0.7x	0.7x	0.6x	0.6x	7.6x	5.9x	5.4x	5.3x	31.9x	13.4x	11.8x	13.2x
TOT. WORLD	max	160.0x	25.8x	16.3x	15.2x	2.4x	2.1x	1.9x	0.7x	11.0x	9.3x	7.8x	9.5x	64.4x	19.5x	22.2x	21.0x
	min	-101.8x	13.2x	8.3x	6.9x	0.5x	0.4x	0.6x	0.6x	7.1x	4.8x	4.5x	4.1x	11.6x	6.6x	9.1x	8.5x
	median	25.5x	17.2x	13.0x	13.3x	0.7x	0.7x	0.6x	0.6x	8.1x	6.2x	5.6x	4.6x	20.4x	11.9x	9.9x	11.0x
	Simple average	32.9x	17.9x	12.8x	12.2x	1.0x	0.9x	0.8x	0.6x	8.4x	6.8x	5.9x	5.7x	26.7x	13.2x	12.7x	12.6x
	Weighted average *	61.3x	16.8x	12.2x	10.4x	0.8x	0.8x	0.5x	0.4x	7.4x	6.0x	3.9x	3.3x	22.5x	11.6x	7.9x	8.5x

* 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	€7,501	€7,501	22.7%	55.6%
Continental	€4,132	€4,132	12.5%	30.6%
Nokian	€1,858	€1,858	5.6%	13.8%
Goodyear	\$ 4,112	€2,889	8.7%	42.7%
Cooper	\$ 5,509	€3,870	11.7%	57.3%
Bridgestone	¥1,336,740	€9,921	30.0%	77.5%
Yokohama	¥172,327	€1,279	3.9%	10.0%
Sumitomo	¥216,221	€1,605	4.9%	12.5%
TOT.		€33,054		

Pirelli & C. RE vs Real Estate Sector

PIRELLI RE TREND vs PEERS RE FROM JANUARY 2 TO JULY 31, 2009

	Official Close July 31	Percentage change				Daily average volumes		
		Week 27-31 July	1 Month	3 Months	Year to date	Week 27-31 July	1 Month	3 Months
Pirelli RE	0.543	(2.3)	(31.0)	(19.0)	(11.3)	17,680,454	15,900,471	8,236,440
Tecla	428.000	4.6	8.1	(2.7)	8.1	27.80	24.07	26.63
Olinca	303.000	4.5	3.1	(4.1)	4.5	136.00	68.47	89.30
Spazio Investment	5.025	0.5	9.9	46.7	(16.3)	46,625	45,088	87,987
ITALIA								
Epra Europe	1297.510	3.2	10.5	9.8	9.8			
Gabetti	0.871	(0.5)	(3.2)	0.5	(12.8)	8,360	10,358	32,219
Beni Stabili	0.540	(4.5)	(3.4)	13.1	9.0	1,795,135	1,383,871	2,238,804
Aedes	0.310	45.8	49.6	47.7	121.4	3,623,732	1,569,744	1,937,145
Bastogi	2.110	(2.3)	(10.2)	(12.1)	42.7	9,488	14,802	35,087
Brioschi	0.196	2.9	5.4	(4.6)	(0.5)	1,114,500	619,968	1,230,526
Gabetti	0.871	(0.5)	(3.2)	0.5	(12.8)	8,360	10,358	32,219
IGD	1.210	1.7	(2.7)	18.7	15.8	296,545	358,620	692,688
IPI	1.897	0.3	1.1	46.5	33.4	53,571	68,455	82,095
Risanamento	0.343	30.9	(4.7)	52.3	(19.9)	14,833,268	4,774,399	3,842,844

WEEKLY TREND 27/07/2009 – 31/07/2009 REAL ESTATE STOCK vs EPRA EUROPE INDEX

