

Pirelli & C. S.p.A. — Milano

Peers & Markets

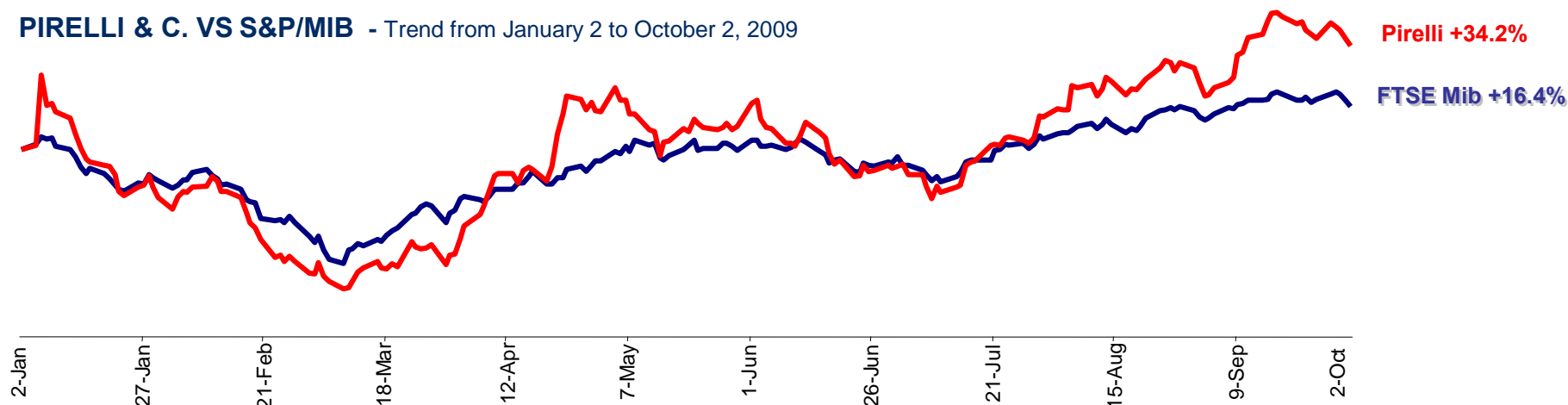
28 September – 2 October 2009



Investor Relations

Pirelli Group on the Stock Market

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



GROUP TREND FROM JANUARY 2 TO OCTOBER 2, 2009

	Official Close October 2	Percentage change				Daily average volumes		
		Week 28 Sep - 2 Oct	1 Month	3 Months	Year to date	Week 28 Sep - 2 Oct	1 Month	3 Months
Pirelli & C. Ord.	0.353	(1.7)	13.7	39.5	34.2	44,663,889	44,124,734	41,694,229
Pirelli & C. Risp.	0.392	(0.8)	24.8	44.6	45.7	239,800	381,014	229,378
Pirelli Real Estate	0.646	1.2	13.5	(9.5)	5.6	17,903,286	18,230,023	13,438,066
FTSE All Share	23141	(1.9)	4.1	17.6	16.6	995,312,889	1,063,161,193	885,298,379
FTSE MIB	22653	(1.9)	4.0	19.7	16.4	801,375,922	838,758,899	727,913,584

Sell side analysts evaluation on Pirelli & C (05/10/2009)

Consensus Target Price: € 0.38

% Buy: 51%

% Sell: 6%

% Hold: 43%

Market Cap: €1,953.9 mln (of which ord. €1,899.6mln)

Markets

MARKETS PERFORMANCE FROM JANUARY 2 TO OCTOBER 2, '09

	Official Close October 2	Percentage change (%)			
		Week 28 Sep - 2 Oct	1 Month	3 Months	Year to date
EUROPE					
DJ Stoxx 600	234.100	(2.0)	1.5	14.7	18.9
FTSE MIB	22652.940	(1.9)	4.0	19.7	16.4
FTSE 100	4988.700	(1.8)	3.6	17.8	12.5
DAX	5467.900	(2.0)	2.8	15.9	13.7
CAC 40	3649.900	(2.4)	2.1	17.1	13.4
IBEX 35	11326.700	(2.7)	3.0	17.5	23.2
OMX Stockholm	6095.930	(4.8)	2.0	8.7	12.8
OMX Helsinki	11326.700	(2.7)	3.0	17.5	23.2
UNITED STATES					
DJ Industr. Average	9509.280	(1.8)	2.2	14.6	8.1
S&P 500	1029.850	(1.8)	3.1	14.4	13.5
NASDAQ Composite	2048.110	(2.0)	4.1	14.0	29.9
ASIA					
Nikkei 225 (Giappone)	9731.870	(5.2)	(5.3)	(1.5)	9.8
Hang Seng (HK)	20375.490	(3.2)	4.4	12.1	41.6
All ordinaries (Australia)	4606.100	(2.3)	3.8	18.9	25.9
Strait Times (Singapore)	2604.530	(2.2)	1.3	12.2	47.9
BSE 30 (India)	17134.550	2.5	10.2	17.0	77.6
EMIRATES					
Abu Dhabi	3127.590	0.1	8.3	17.1	30.9
Dubai	2192.310	(0.2)	14.2	20.4	34.0
BRAZIL					
IteI (indice TLC)	1362.440	2.6	14.5	17.5	33.2
Bovespa	61171.990	1.4	10.4	19.9	62.9

Source: Reuters

SECTORS PERFORMANCE FROM JANUARY 2 TO OCTOBER 2, '09

	Official Close October 2	Percentage change (%)			
		Week 28 Sep - 2 Oct	1 Month	3 Months	Year to date
EUROPE					
DJ Stoxx 600	234.100	(2.0)	1.5	14.7	18.9
Auto	220.620	(2.5)	3.8	5.6	10.6
Banks	224.490	(3.2)	1.4	27.4	50.2
Basic Resources	378.300	(4.9)	1.1	12.2	53.7
Chemical	378.930	(2.2)	1.7	16.1	17.8
Construction & Material	253.410	(2.4)	3.1	21.7	24.5
Industrial	350.180	(3.7)	4.3	23.1	22.8
Insurance	153.750	1.1	7.7	27.2	14.3
Finance	223.210	(2.2)	1.1	11.7	23.4
Food & Beverage	264.390	(0.9)	1.6	10.1	14.9
FTSE EPRA Eu Residential	1536.140	(2.3)	5.8	28.7	30.0
Media	147.030	(2.0)	2.4	17.9	9.3
Oil&Gas	295.470	(2.2)	(1.3)	4.3	11.7
Retail	219.320	(1.7)	(2.0)	4.1	20.8
Tech.	184.760	(3.2)	2.9	9.3	20.9
TLC	245.050	(2.0)	2.7	12.3	5.2
Travel & Leisure	102.220	(1.4)	4.9	11.5	10.5
Utilities	325.000	(1.3)	(0.4)	9.7	(3.7)
UNITED STATES					
S&P 500	1029.850	(1.8)	3.1	14.4	13.5
Auto	81.620	(6.6)	(3.6)	19.2	96.0
Banks	214.420	(2.9)	2.0	24.8	(0.1)
Basic Resources	201.580	(3.6)	5.3	21.9	41.0
Chemical	237.16	(3.30)	5.00	24.97	40.31
Construction & Materials	256.160	(7.6)	(9.9)	19.8	13.7
Industrial	235.630	(3.2)	4.4	18.7	11.8
Food & Beverage	259.280	0.9	3.8	8.3	12.5
Media	235.120	(1.2)	6.2	21.8	26.1
Oil&Gas	460.270	(2.8)	3.9	10.4	6.4
Insurance	233.670	0.3	3.5	28.5	7.7
Finance	253.000	(2.0)	3.7	23.9	11.5
RE	158.760	(4.2)	7.4	30.3	8.0
Retail	158.760	(4.2)	7.4	30.3	8.0
Tech.	522.840	(2.1)	3.5	15.0	42.4
Tyres	55.710	(3.8)	2.1	38.3	159.8
TLC	111.370	(1.3)	3.6	4.3	(3.8)
Utilities	137.710	(2.4)	0.1	4.7	(0.9)

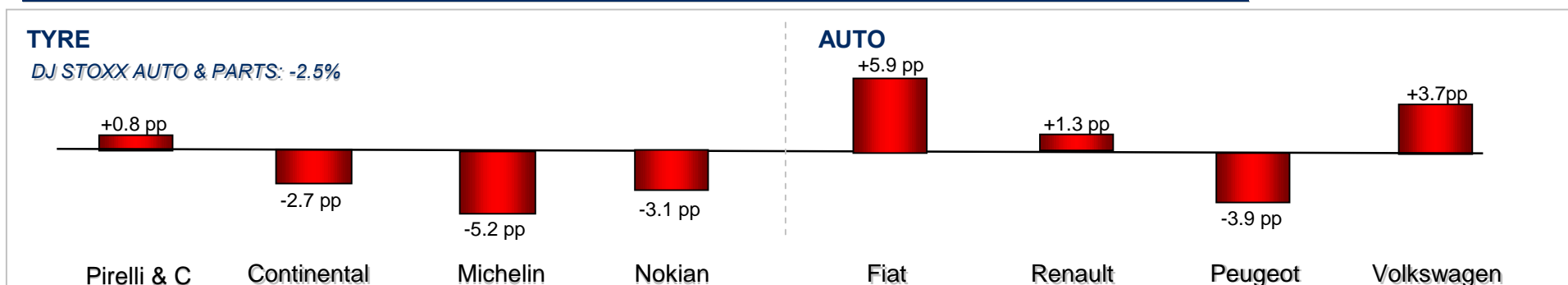
INVESTOR RELATIONS 05/10/09

Pirelli & C. vs Auto & Parts Sector

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

	Official Close October 2	Percentage change				Daily average volumes		
		Week 28 Sep - 2 Oct	1 Month	3 Months	Year to date	Week 28 Sep - 2 Oct	1 Month	3 Months
EUROPA								
DJ Stoxx Auto	220.620	(2.5)	3.8	5.6	10.6			
TYRE								
Pirelli & C	0.353	(1.7)	13.7	39.5	34.2	44,663,889	44,124,734	41,694,229
Continental	34.340	(5.2)	26.3	69.5	18.9	302,973	310,081	264,699
Michelin	50.360	(7.7)	1.5	28.2	34.0	1,190,647	882,453	923,448
Nokian	15.180	(5.6)	1.3	13.6	91.9	464,003	588,871	720,835
AUTO								
Fiat	9.085	3.4	16.9	25.9	97.9	41,675,400	24,615,991	23,122,804
Renault	30.755	(1.2)	3.9	20.3	65.8	2,419,188	2,802,927	2,378,109
Peugeot	19.665	(6.4)	3.9	8.9	61.9	2,389,213	2,478,298	2,323,207
Volkswagen	109.450	1.2	(14.5)	(52.2)	(56.2)	311,533	552,348	487,591
USA								
TYRE								
Goodyear	15.350	(4.2)	(1.8)	33.8	157.1	4,999,048	4,956,188	5,313,027
Cooper	16.660	(2.5)	20.2	57.9	170.5	823,542	1,196,334	1,164,205
AUTO								
Ford	6.970	(6.2)	(2.7)	16.1	198.7	12,380,580	11,296,783	12,639,516
ASIA								
TYRE								
Bridgestone	1562.000	(7.3)	(7.2)	(0.8)	17.7	2,697,820	2,661,453	3,984,283
Sumitomo	890.000	(6.3)	(11.5)	1.1	2.1	817,060	1,114,980	1,503,982
Toyo	197.000	(8.8)	(9.2)	(14.7)	21.6	2,119,800	1,338,933	1,895,678
Yokohama	413.000	(6.6)	(13.6)	(15.2)	(7.0)	964,400	1,193,767	1,645,078
Hankook	22250.000	(0.2)	(4.7)	26.1	45.4	1,337,727	1,302,125	1,166,609
Khumo	5850.000	(4.4)	(2.8)	21.0	30.3	254,286	685,500	668,428
AUTO								
Toyota	3380.000	(8.9)	(13.8)	(6.4)	16.4	8,774,980	7,811,330	7,968,111
Nissan	592.000	(3.1)	(7.5)	0.3	85.0	18,984,800	20,206,970	19,751,879

EUROPE: WEEKLY TREND 28/09/2009 – 02/10/2009 TYRES & AUTO STOCKS vs DJ STOXX AUTO & PARTS



Source: Reuters

Tyre Sector evaluation Multiples

CONSENSUS PEERS TYRE MARKET MULTIPLES AT 05/10/2009

Source: Pirelli IR analysis on Bloomberg data

TYRES MULTIPLES @ 5-Oct-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	12.9x	9.8x	12.8x	0.8x	0.7x	0.7x	0.6x	6.8x	5.2x	4.5x	4.2x	18.2x	9.8x	8.0x	9.4x
	Continental		18.0x	8.7x	7.7x	0.8x	0.7x	0.7x	0.7x	8.3x	6.3x	5.0x	4.7x	67.2x	17.9x	10.4x	10.1x
	Nokian	28.6x	16.2x	12.7x		2.5x	2.2x	1.9x		12.1x	8.7x	7.0x		18.5x	12.1x	9.3x	
	Simple average	32.7x	15.7x	10.4x	10.2x	1.4x	1.2x	1.1x	0.7x	9.1x	6.7x	5.5x	4.5x	34.6x	13.2x	9.3x	9.8x
	Weighted average *	22.0x	15.2x	9.8x	9.3x	1.0x	0.9x	0.8x	0.6x	8.0x	6.0x	5.0x	3.9x	36.6x	13.1x	9.1x	8.5x
US	Goodyear		10.4x	6.9x		0.4x	0.4x			7.4x	4.6x			15.5x	6.7x		
	Cooper	15.7x	15.3x	13.7x	12.3x	1.3x	1.3x			9.9x	10.0x			12.7x	12.7x		
	Simple average	15.7x	12.8x	10.3x	12.3x	0.9x	0.9x			8.7x	7.3x			14.1x	9.7x		
	Weighted average *	9.7x	13.4x	11.1x	7.6x	1.0x	1.0x			9.0x	8.0x			13.7x	10.4x		
ASIA	Bridgestone	75.9x	17.1x	13.2x	13.5x	0.7x	0.6x	0.6x	0.5x	6.8x	5.2x	4.6x	4.1x	25.7x	12.1x	9.7x	10.6x
	Yokohama		19.9x	13.0x	10.7x	0.6x	0.6x	0.5x	0.5x	8.4x	6.2x	5.6x	5.1x	58.1x	16.7x	12.8x	11.1x
	Sumitomo	33.4x	13.5x	10.7x	9.8x	0.8x	0.7x	0.7x	0.7x	7.3x	6.6x	6.1x	6.6x	16.6x	13.9x	12.0x	12.8x
	Simple average	54.6x	16.8x	12.3x	11.3x	0.7x	0.6x	0.6x	0.6x	7.5x	6.0x	5.4x	5.3x	33.5x	14.2x	11.5x	11.5x
	Weighted average *	63.7x	16.8x	12.8x	12.7x	0.7x	0.6x	0.6x	0.5x	7.0x	5.5x	4.9x	4.5x	27.4x	12.7x	10.2x	10.9x
TOT. WORLD	max	75.9x	19.9x	13.7x	13.5x	2.5x	2.2x	1.9x	0.7x	12.1x	10.0x	7.0x	6.6x	67.2x	17.9x	12.8x	12.8x
	min	15.7x	10.4x	6.9x	7.7x	0.4x	0.4x	0.5x	0.5x	6.8x	4.6x	4.5x	4.1x	12.7x	6.7x	8.0x	9.4x
	median	33.4x	15.7x	11.7x	11.5x	0.8x	0.7x	0.7x	0.6x	7.9x	6.2x	5.3x	4.7x	18.4x	12.4x	10.0x	10.6x
	Simple average	38.1x	15.4x	11.1x	11.1x	1.0x	0.9x	0.8x	0.6x	8.4x	6.6x	5.5x	4.9x	29.1x	12.7x	10.4x	10.8x
	Weighted average *	34.3x	14.8x	10.7x	9.8x	0.9x	0.8x	0.6x	0.4x	7.6x	6.0x	3.8x	3.2x	27.0x	11.9x	7.3x	7.3x

* on peers market capitalization by geographical area

** on tyre sector market capitalization

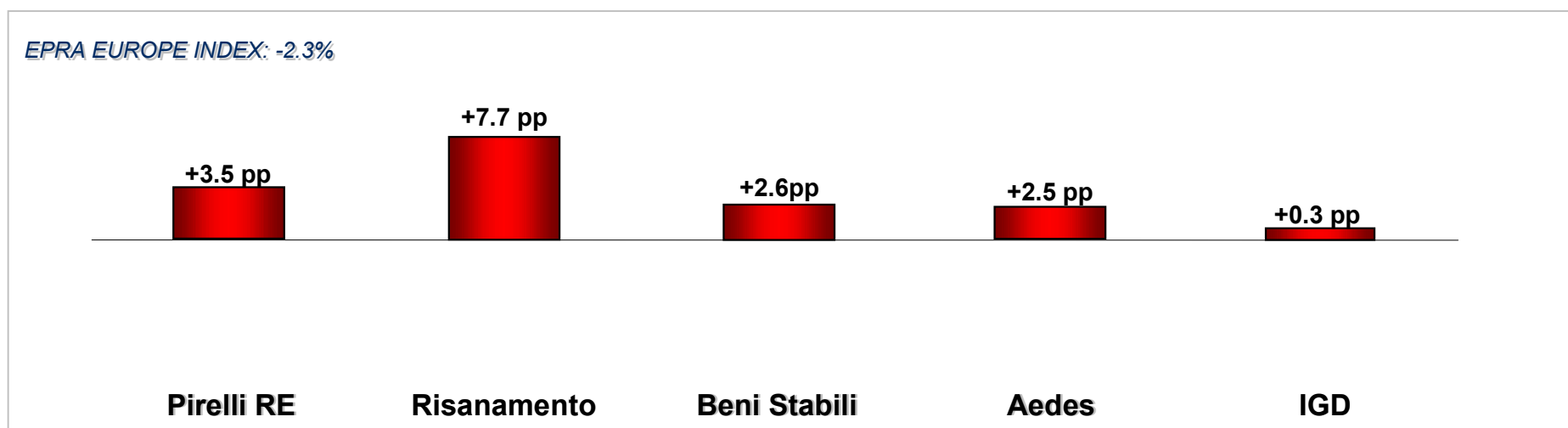
WORLD TYRE MARKET CAP				
Mn	Local currency	€ adjustment	% on cluster	% on geographical Area
Michelin	€7,613	€7,613	22.4%	50.0%
Continental	€5,699	€5,699	16.8%	37.4%
Nokian	€1,909	€1,909	5.6%	12.5%
Goodyear	\$ 3,713	€2,540	7.5%	38.0%
Cooper	\$ 6,064	€4,148	12.2%	62.0%
Bridgestone	¥1,235,102	€9,397	27.7%	78.2%
Yokohama	¥138,410	€1,053	3.1%	8.8%
Sumitomo	¥205,963	€1,567	4.6%	13.0%
TOT.		€33,926		
Pirelli	€1,954	€1,954		

Pirelli & C. RE vs Real Estate Sector

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

	Official Close October 2	Percentage change				Daily average volumes		
		Week 28 Sep - 2 Oct	1 Month	3 Months	Year to date	Week 28 Sep - 2 Oct	1 Month	3 Months
Pirelli RE	0.646	1.2	13.5	(9.5)	5.6	17,903,286	18,230,023	13,438,066
Tecla	442.000	(0.7)	7.5	11.6	11.6	22.60	23.63	22.70
Ofinla	336.570	6.2	15.7	14.1	16.1	112.40	124.93	85.10
Spazio Investment	4.885	0.0	0.0	6.5	(18.6)	6,849	45,626	88,172
ITALIA								
Epra Europe	1536.140	(2.3)	5.8	28.7	30.0			
Gabetti	0.961	(13.5)	45.8	49.0	34.3	553,664	688,775	243,633
Beni Stabili	0.601	0.3	(5.0)	7.8	21.3	2,378,707	1,825,764	1,631,665
Aedes	0.258	0.2	21.0	27.4	84.2	16,105,465	21,427,789	9,036,087
Bastogi	2.300	(0.1)	1.1	0.5	55.5	27,173	50,546	25,119
Brioschi	0.234	(3.9)	17.7	25.8	19.1	1,270,480	2,407,470	1,233,878
Gabetti	0.961	(13.5)	45.8	49.0	34.3	553,664	688,775	243,633
IGD	1.320	(2.0)	(1.5)	5.2	26.3	415,447	701,779	532,955
IPI	1.898	0.1	0.1	1.0	33.5	10,626	43,339	72,663
Risanamento	0.458	5.4	(4.9)	24.3	6.9	3,146,444	8,648,276	5,307,591

WEEKLY TREND 28/09/2009 – 02/10/2009 REAL ESTATE STOCK vs EPRA EUROPE INDEX



Source: Reuters