

Pirelli & C. S.p.A. — Milano

Peers & Markets

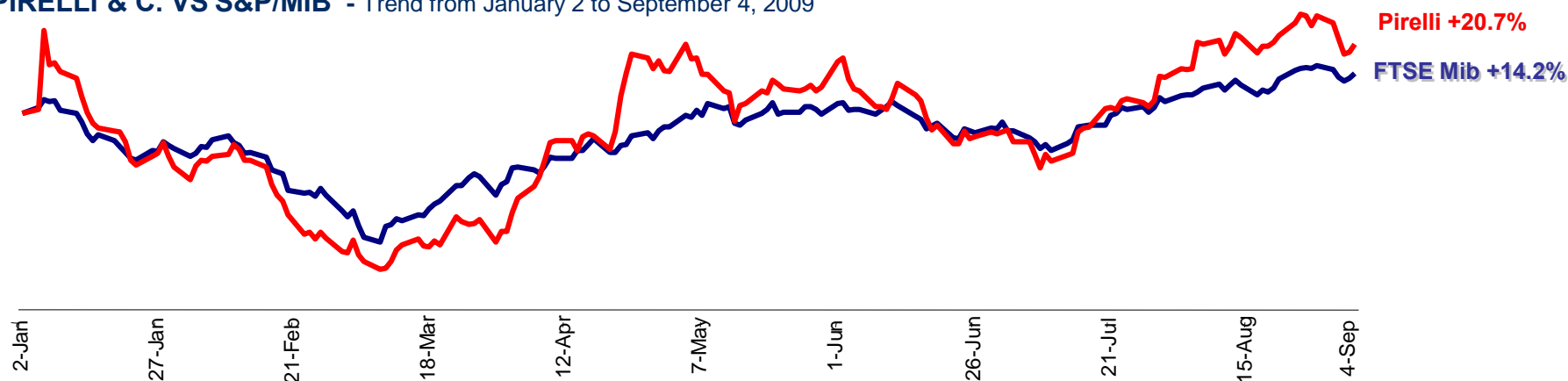
31 August – 4 September 2009



Investor Relations

Pirelli Group on the Stock Market

PIRELLI & C. VS S&P/MIB - Trend from January 2 to September 4, 2009



GROUP TREND FROM JANUARY 2 TO SEPTEMBER 4, 2009

	Official Close September 4	Percentage change				Daily average volumes		
		Week 31Aug - 4 Sep	1 Month	3 Months	Year to date	Week 31Aug - 4 Sep	1 Month	3 Months
Pirelli & C. Ord.	0.318	(6.3)	6.4	12.0	20.7	35,855,353	37,214,682	41,280,457
Pirelli & C. Risp.	0.322	(6.1)	3.2	6.6	19.7	253,255	205,510	189,915
Pirelli Real Estate	0.594	(5.8)	8.0	(28.6)	(2.9)	10,953,114	13,395,358	10,882,193
FTSE All Share	22657	(1.8)	5.4	9.3	14.2	921,232,308	885,311,829	
FTSE MIB	22215	(2.0)	6.0	10.4	14.2	780,000,317	727,805,176	709,133,094

Sell side analysts evaluation on Pirelli & C (07/09/2009)

Consensus Target Price: € 0.32

% Buy: 51%

% Sell: 6%

% Hold: 43%

Market Cap: €1,731.7 mln (of which ord. €1,687.7mln)

Markets

MARKETS PERFORMANCE FROM JANUARY 2 TO SEPTEMBER 4, '09

	Official Close September 4	Percentage change (%)			
		Week 31Aug - 4 Sep	1 Month	3 Months	Year to date
EUROPE					
DJ Stoxx 600	233.850	(1.5)	2.7	11.6	18.8
FTSE MIB	22214.610	(2.0)	6.0	10.4	14.2
FTSE 100	4851.700	(0.4)	3.9	10.6	9.4
DAX	5384.430	(2.4)	(0.6)	6.3	11.9
CAC 40	3598.760	(2.6)	3.5	8.7	11.8
IBEX 35	11222.700	(1.9)	3.2	18.7	22.0
OMX Stockholm	6195.440	(1.7)	6.3	6.9	14.7
OMX Helsinki	11222.700	(1.9)	3.2	18.7	22.0
UNITED STATES					
DJ Industr. Average	9344.610	(1.1)	1.3	7.9	7.6
S&P 500	1003.240	(1.2)	1.1	7.8	12.5
NASDAQ Composite	2018.780	(0.5)	0.4	9.1	28.0
ASIA					
Nikkei 225 (Giappone)	10187.110	(3.3)	(1.8)	5.4	15.0
Hang Seng (HK)	20318.620	1.1	(2.3)	9.8	41.2
All ordinaries (Australia)	4442.700	(1.2)	3.0	13.0	21.4
Strait Times (Singapore)	2622.690	(0.8)	(1.0)	11.0	48.9
BSE 30 (India)	15689.120	(1.5)	(0.9)	4.5	62.6
EMIRATES					
Abu Dhabi	2933.420	1.8	3.1	4.6	22.7
Dubai	1958.170	1.9	2.0	(3.3)	19.7
BRAZIL					
Itel (indice TLC)	1201.710	(0.8)	(0.7)	0.2	19.4
Bovespa	55707.170	(1.8)	1.1	6.0	50.9

Source: Reuters

SECTORS PERFORMANCE FROM JANUARY 2 TO SEPTEMBER 4, '09

	Official Close September 4	Percentage change (%)			
		Week 31Aug - 4 Sep	1 Month	3 Months	Year to date
EUROPE					
DJ Stoxx 600	233.850	(1.5)	2.7	11.6	18.8
Auto	218.770	(3.4)	(14.9)	(3.1)	9.7
Banks	227.900	(3.0)	8.0	25.4	52.4
Basic Resources	392.290	(0.5)	(3.6)	10.1	59.4
Chemical	373.270	(2.7)	(1.8)	4.8	16.1
Construction & Material	251.710	(2.3)	5.4	14.1	23.7
Industrial	343.410	(2.2)	3.9	13.6	20.4
Insurance	145.400	(2.7)	5.8	13.7	8.1
Finance	225.640	(1.6)	0.8	7.2	24.8
Food & Beverage	257.730	(0.5)	0.8	10.5	12.0
FTSE EPRA Eu Residential	1487.830	(1.6)	13.0	22.9	25.9
Media	144.810	(0.5)	3.6	9.4	7.6
Oil&Gas	301.210	(0.1)	1.8	(0.3)	13.9
Retail	223.930	(1.0)	(2.1)	6.2	23.4
Tech.	184.820	0.1	4.1	7.8	20.9
TLC	243.060	(0.8)	2.2	16.6	4.4
Travel & Leisure	99.350	(0.8)	4.9	1.3	7.4
Utilities	328.060	(1.5)	5.0	7.3	(2.8)
UNITED STATES					
S&P 500	1003.240	(1.2)	1.1	7.8	12.5
Auto	87.100	(3.2)	(8.7)	18.2	113.7
Banks	216.530	(3.6)	6.0	18.9	1.8
Basic Resources	196.350	0.6	2.3	7.0	40.6
Chemical	226.58	(1.12)	(1.32)	10.14	37.21
Construction & Materials	284.530	(5.7)	5.7	34.5	30.9
Industrial	225.860	(0.5)	2.0	7.7	10.7
Food & Beverage	253.030	0.5	(0.5)	4.0	9.6
Media	218.840	(0.6)	3.1	12.1	22.3
Oil&Gas	442.110	(2.0)	(2.0)	(3.0)	4.6
Insurance	229.670	(3.0)	5.2	15.0	6.1
Finance	248.840	(3.4)	3.6	12.9	10.6
RE	149.240	(5.5)	1.0	9.2	3.6
Retail	149.240	(5.5)	1.0	9.2	3.6
Tech.	506.390	(0.6)	1.3	12.6	40.9
Tyres	53.270	0.8	(9.6)	33.8	165.3
TLC	106.770	(2.0)	(3.6)	1.4	(6.0)
Utilities	136.730	(2.1)	(0.6)	7.1	(0.4)

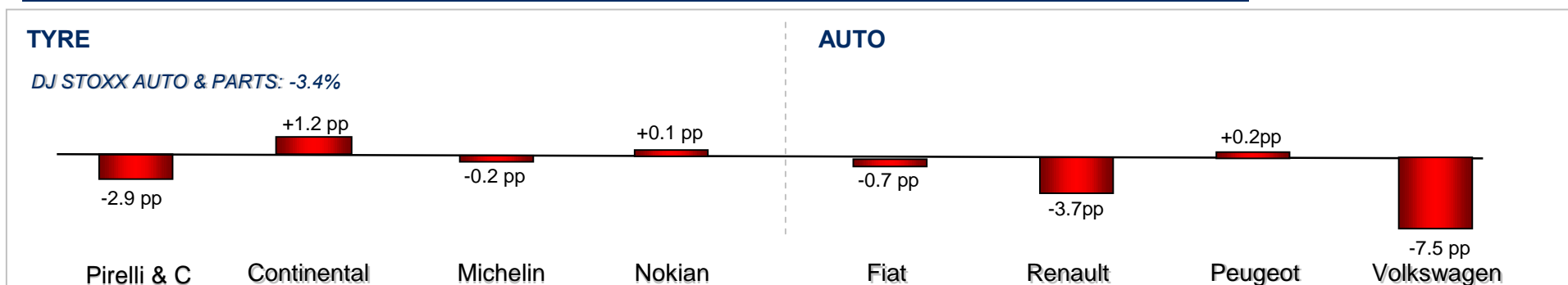
INVESTOR RELATIONS 07/09/09

Pirelli & C. vs Auto & Parts Sector

TREND PIRELLI & C. vs PEERS TYRE & AUTO FROM JANUARY 2 TO SEPTEMBER 4, 2009

	Official Close September 4	Percentage change				Daily average volumes		
		Week 31 Aug - 4 Sep	1 Month	3 Months	Year to date	Week 31 Aug - 4 Sep	1 Month	3 Months
EUROPA								
DJ Stoxx Auto	218.770	(3.4)	(14.9)	(3.1)	9.7			
TYRE								
Pirelli & C	0.318	(6.3)	6.4	12.0	20.7	35,855,353	37,214,682	41,280,457
Continental	28.300	(2.2)	13.2	17.1	(2.0)	164,735	243,989	236,770
Michelin	51.200	(3.6)	(4.8)	17.7	36.3	826,677	961,687	985,246
Nokian	15.610	(3.3)	5.8	19.5	97.3	658,385	804,309	846,731
AUTO								
Fiat	7.990	(4.1)	(4.8)	3.8	74.1	23,305,205	21,474,241	26,784,609
Renault	30.270	(7.1)	(10.3)	2.7	63.2	2,982,092	2,466,380	2,304,472
Peugeot	20.020	(3.2)	(11.1)	(9.7)	64.8	2,556,402	2,355,188	2,252,045
Volkswagen	120.870	(10.9)	(51.7)	(51.1)	(51.7)	609,080	539,472	457,949
USA								
TYRE								
Goodyear	15.980	0.9	(9.8)	33.9	173.9	4,082,880	5,534,019	5,716,934
Cooper	14.070	0.3	(8.6)	33.2	131.7	900,231	1,150,485	1,127,801
AUTO								
Ford	7.480	(3.9)	(10.5)	16.8	224.5	12,132,180	12,022,463	15,147,767
ASIA								
TYRE								
Bridgestone	1646.000	(4.9)	(4.0)	18.4	24.0	2,793,620	3,729,137	4,385,400
Sumitomo	917.000	(2.1)	5.5	36.1	14.4	1,047,760	1,404,000	1,556,232
Toyo	209.000	(6.7)	(5.4)	(9.9)	29.0	969,800	1,151,033	2,135,944
Yokohama	459.000	(7.1)	(11.0)	9.0	3.4	1,175,800	1,447,133	1,781,922
Hankook	22600.000	0.2	7.6	53.2	47.7	807,702	1,110,368	1,080,271
Khumo	5960.000	1.0	2.8	13.7	32.7	413,756	974,645	614,418
AUTO								
Toyota	3850.000	(4.7)	(4.5)	1.0	32.5	6,921,040	8,122,497	8,952,647
Nissan	629.000	(4.6)	(9.4)	4.1	96.6	21,077,400	20,607,707	22,099,831

EUROPE: WEEKLY TREND 31/08/2009 – 04/09/2009 TYRES & AUTO STOCKS vs DJ STOXX AUTO & PARTS



Source: Reuters

INVESTOR RELATIONS 07/09/09

Tyre Sector evaluation Multiples

CONSENSUS PEERS TYRE MARKET MULTIPLES AT 07/09/2009

Source: Pirelli IR analysis on Bloomberg data

TYRES MULTIPLES @ 7-Sep-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	36.3x	13.1x	9.9x	12.9x	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		19.4x	8.6x	7.4x	0.8x	0.7x	0.6x	0.6x	7.7x	6.0x	4.7x	4.6x	50.7x	17.3x	9.9x	9.7x
	Nokian	29.2x	16.8x	13.3x		2.6x	2.3x	2.0x		12.3x	9.2x	7.4x		18.7x	12.7x	9.9x	#VALUE!
	Simple average	32.8x	16.4x	10.6x	10.2x	1.4x	1.3x	1.1x	0.6x	9.0x	6.8x	5.5x	4.4x	29.3x	13.3x	9.3x	#VALUE!
	Weighted average *	23.2x	15.7x	9.9x	9.3x	1.0x	0.9x	0.8x	0.6x	7.9x	6.0x	5.0x	3.8x	29.2x	12.8x	9.0x	#VALUE!
US	Goodyear		11.4x	7.7x		0.5x	0.5x			7.5x	4.7x			15.1x	6.8x		
	Cooper	14.9x	14.6x	13.5x	11.5x	1.2x	1.2x			9.4x	9.6x			12.0x	12.0x		
	Simple average	14.9x	13.0x	10.6x	11.5x	0.9x	0.9x			8.4x	7.2x			13.5x	9.4x		
	Weighted average *	8.8x	13.3x	11.2x	6.8x	0.9x	0.9x			8.6x	7.6x			13.3x	9.9x		
ASIA	Bridgestone	104.7x	19.1x	14.5x	15.0x	0.7x	0.6x	0.6x	0.6x	7.0x	5.4x	4.8x	4.4x	28.3x	11.9x	9.8x	11.5x
	Yokohama		23.1x	15.1x	12.4x	0.6x	0.6x	0.6x	0.5x	9.0x	6.7x	6.0x	5.6x	62.3x	18.1x	13.8x	12.1x
	Sumitomo	42.5x	15.6x	12.2x	11.2x	0.9x	0.8x	0.8x	0.7x	8.0x	7.1x	6.5x	7.1x	17.7x	14.9x	12.9x	13.7x
	Simple average	73.6x	19.3x	14.0x	12.9x	0.7x	0.7x	0.6x	0.6x	8.0x	6.4x	5.8x	5.7x	36.1x	15.0x	12.2x	12.4x
	Weighted average *	86.9x	19.0x	14.3x	14.2x	0.7x	0.7x	0.6x	0.6x	7.3x	5.8x	5.2x	4.9x	29.9x	12.9x	10.6x	11.9x
TOT. WORLD	max	104.7x	23.1x	15.1x	15.0x	2.6x	2.3x	2.0x	0.7x	12.3x	9.6x	7.4x	7.1x	62.3x	18.1x	13.8x	#VALUE!
	min	14.9x	11.4x	7.7x	7.4x	0.5x	0.5x	0.6x	0.5x	6.9x	4.7x	4.6x	4.3x	12.0x	6.8x	8.1x	#VALUE!
	median	36.3x	16.2x	12.8x	12.0x	0.8x	0.7x	0.6x	0.6x	7.8x	6.4x	5.4x	4.6x	18.5x	12.4x	9.9x	#VALUE!
	Simple average	45.5x	16.6x	11.9x	11.7x	1.0x	0.9x	0.9x	0.6x	8.5x	6.8x	5.7x	5.2x	27.9x	13.0x	10.7x	#VALUE!
	Weighted average *	44.8x	15.7x	11.3x	10.3x	0.9x	0.8x	0.6x	0.4x	7.5x	6.0x	3.9x	3.3x	24.2x	11.6x	7.3x	#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	€7,720	€7,720	22.3%	52.9%
Continental	€4,876	€4,876	14.1%	33.4%
Nokian	€1,988	€1,988	5.8%	13.6%
Goodyear	\$ 3,955	€2,757	8.0%	41.0%
Cooper	\$ 5,692	€3,968	11.5%	59.0%
Bridgestone	¥1,372,517	€10,278	29.7%	77.6%
Yokohama	¥161,021	€1,206	3.5%	9.1%
Sumitomo	¥235,424	€1,763	5.1%	13.3%
TOT.		€34,555		

Pirelli & C. RE vs Real Estate Sector

PIRELLI RE TREND vs PEERS RE FROM JANUARY 2 TO SEPTEMBER 4, 2009

	Official Close September 4	Percentage change				Daily average volumes		
		Week 31 Aug - 4 Sep	1 Month	3 Months	Year to date	Week 31 Aug - 4 Sep	1 Month	3 Months
Pirelli RE	0.594	(5.8)	8.0	(28.6)	(2.9)	10,953,114	13,395,358	10,882,193
Tecla	410.000	0.0	(4.7)	1.0	3.5	20.80	15.67	23.09
Ofinla	291.120	(1.0)	0.4	(6.1)	0.4	102.80	79.37	76.67
Spazio Investment	4.885	(2.3)	(2.3)	20.8	(18.6)	6,849	45,626	88,172
ITALIA								
Epra Europe	1487.830	(1.6)	13.0	22.9	25.9			
Gabetti	0.920	(1.1)	3.4	(2.1)	(7.9)	122,568	29,871	22,262
Beni Stabili	0.622	(1.7)	18.3	13.9	25.7	1,903,567	1,676,657	1,922,040
Aedes	0.209	4.4	(27.9)	(6.3)	49.0	27,859,314	11,201,471	4,873,212
Bastogi	2.333	0.1	10.0	3.9	57.7	42,175	32,549	24,245
Brioschi	0.200	(0.4)	4.2	1.9	1.8	1,218,947	1,125,064	1,101,988
Gabetti	0.920	(1.1)	3.4	(2.1)	(7.9)	122,568	29,871	22,262
IGD	1.341	(9.1)	9.1	11.5	28.3	631,426	542,688	725,954
IPI	1.898	0.0	0.2	40.9	33.5	61,980	48,715	71,964
Risanamento	0.530	10.9	58.2	16.7	23.8	14,997,688	8,391,565	4,933,914

WEEKLY TREND 31/08/2009 – 04/09/2009 REAL ESTATE STOCK vs EPRA EUROPE INDEX

