

Pirelli & C. S.p.A. — Milano

Peers & Markets

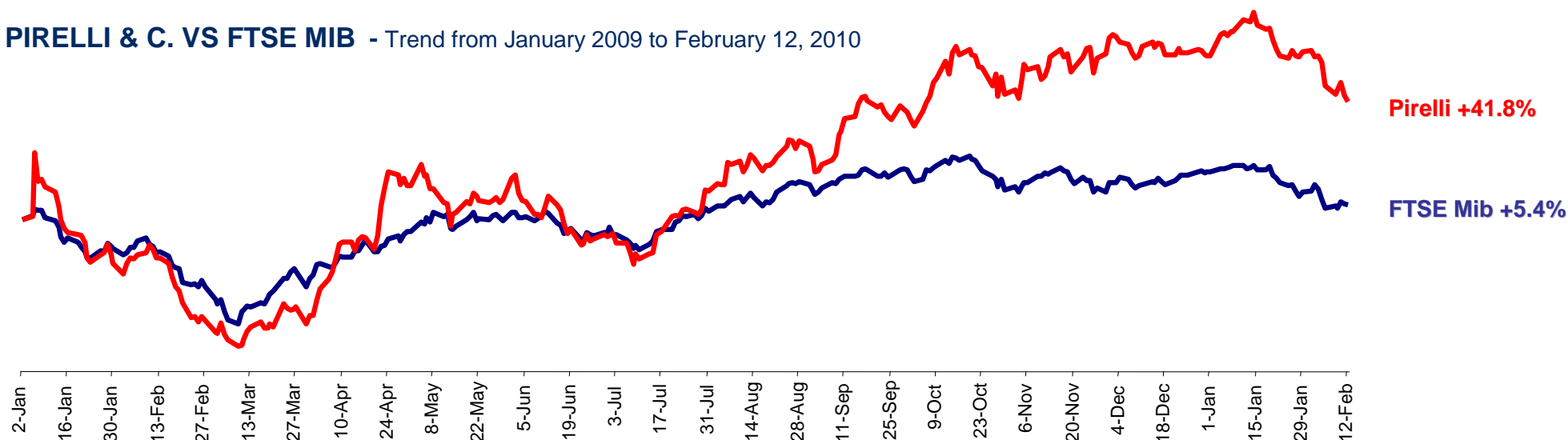
8 February – 12 February 2010



Investor Relations

Pirelli on the Stock Market

PIRELLI & C. VS FTSE MIB - Trend from January 2009 to February 12, 2010



	Official Close February 12	Percentage change				Daily average volumes		
		Week 8 Feb - 12 Feb	1 Month	3 Months	Year to date	Week 8 Feb - 12 Feb	1 Month	3 Months
Pirelli & C. Ord.	0.377	(3.7)	(16.6)	(8.1)	(10.4)	59,978,376	47,469,864	48,542,857
Pirelli & C. Risp.	0.440	(3.4)	(4.5)	1.9	(2.2)	121,361	246,404	384,748
Pirelli Real Estate	0.379	(9.9)	(27.2)	(36.1)	(26.1)	5,264,103	5,066,092	7,288,638
FTSE All Share	21549	1.0	(10.2)	(8.8)	(8.9)	1,065,931,316	953,700,256	743,659,283
FTSE MIB	21036	1.1	(10.8)	(9.4)	(9.5)	929,813,885	762,881,850	663,418,449

Sell side analysts evaluation on Pirelli & C (15/02/2010)

Consensus Target Price: € 0.49

% Buy: 76%

% Sell: 0%

% Hold: 24%

Market Cap: €2,041.2 mln (of which ord. €1,980.8 mln)

Markets

	Official Close February 12	Percentage change (%)			
		Week 8 Feb - 12 Feb	1 Month	3 Months	Year to date
EUROPE					
DJ Stoxx 600	241.020	1.5	(6.0)	(2.3)	(4.8)
FTSE MIB	21035.910	1.1	(10.8)	(9.4)	(9.5)
FTSE 100	5142.450	1.6	(6.5)	(2.5)	(5.0)
DAX	5500.390	1.2	(7.4)	(2.9)	(7.7)
CAC 40	3599.070	1.0	(10.0)	(5.5)	(8.6)
IBEX 35	10224.900	1.2	(14.6)	(13.6)	(14.4)
OMIX Stockholm	6436.120	(1.2)	(1.5)	2.4	(0.3)
OMIX Helsinki	10224.900	1.2	(14.6)	(13.6)	(14.4)
UNITED STATES					
DJ Industr. Average	10144.190	0.9	(5.0)	(1.0)	(3.2)
S&P 500	1078.470	0.9	(5.3)	(1.1)	(3.6)
NASDAQ Composite	2183.530	2.0	(4.3)	1.6	(3.8)
ASIA					
Nikkei 225 (Giappone)	10092.190	(2.5)	(7.2)	2.9	(4.3)
Hang Seng (HK)	20290.690	3.1	(9.2)	(9.5)	(7.3)
All ordinaries (Australia)	4588.842	1.2	(6.9)	(3.6)	(6.0)
Strait Times (Singapore)	2753.630	2.8	(5.4)	1.2	(4.8)
BSE 30 (India)	16152.590	2.3	(7.8)	(4.1)	(7.5)
EMIRATES					
Abu Dhabi	2726.480	1.7	0.7	(8.1)	(0.6)
Dubai	1617.510	(0.8)	(5.3)	(25.4)	(10.3)
BRAZIL					
Itel (indice TLC)	1432.320	4.0	(7.7)	(3.3)	(8.6)
Bovespa	66128.940	4.9	(6.0)	2.2	(4.0)

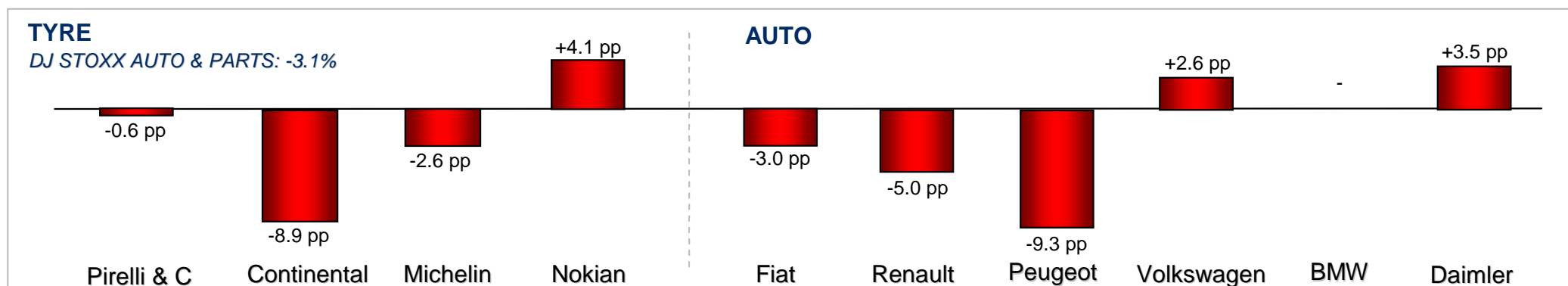
Source: Reuters

	Official Close February 12	Percentage change (%)			
		Week 8 Feb - 12 Feb	1 Month	3 Months	Year to date
EUROPE					
DJ Stoxx 600	241.020	1.5	(6.0)	(2.3)	(4.8)
Auto	205.310	(3.1)	(14.1)	(11.7)	(12.9)
Banks	196.320	0.9	(15.0)	(16.2)	(11.3)
Basic Resources	465.500	3.4	(9.6)	3.4	(6.5)
Chemical	434.060	3.0	(4.4)	1.9	(6.3)
Construction & Material	249.180	(1.5)	(11.7)	(6.2)	(10.2)
Industrial	361.420	(0.3)	(7.9)	(2.0)	(6.0)
Insurance	142.570	1.0	(7.9)	(6.1)	(5.9)
Finance	213.040	1.6	(9.4)	(9.7)	(8.5)
Food & Beverage	302.080	3.3	1.3	6.2	(0.7)
FTSE EPRA Eu Residential	1517.050	(3.7)	(5.6)	(6.3)	(4.4)
Media	152.950	1.6	(3.8)	1.3	(3.9)
Oil&Gas	315.510	2.3	(7.4)	(1.3)	(4.5)
Retail	245.520	2.1	1.2	1.2	1.3
Tech.	186.540	(2.4)	(1.3)	2.1	1.2
TLC	245.010	0.9	(3.5)	(4.0)	(6.1)
Travel & Leisure	107.310	0.2	(0.5)	5.0	0.6
Utilities	319.370	1.6	(6.8)	(0.9)	(6.8)
UNITED STATES					
S&P 500	1078.470	0.9	(5.3)	(1.1)	(3.6)
Auto	122.730	2.2	(6.2)	26.8	8.4
Banks	207.350	(0.8)	(6.8)	(5.0)	(1.2)
Basic Resources	225.690	4.2	(12.0)	0.5	(6.7)
Chemical	252.47	2.39	(5.77)	(1.29)	(2.11)
Construction & Materials	288.410	7.0	3.7	8.5	13.2
Industrial	250.800	1.4	(6.3)	0.3	(2.3)
Food & Beverage	271.310	1.0	(3.0)	0.6	(1.7)
Media	251.160	0.9	(3.8)	2.1	(4.6)
Oil&Gas	479.700	1.7	(6.9)	(3.7)	(3.4)
Insurance	232.380	1.0	(3.1)	(0.7)	(0.7)
Finance	250.230	(0.1)	(6.4)	(3.7)	(3.4)
RE	165.920	(1.1)	(5.2)	1.5	(6.3)
Retail	165.920	(1.1)	(5.2)	1.5	(6.3)
Tech.	558.300	1.8	(5.6)	(0.6)	(6.1)
Tyres	48.080	4.8	(14.3)	(3.3)	(7.6)
TLC	107.550	0.1	(7.9)	(2.8)	(10.5)
Utilities	138.530	(0.6)	(7.0)	(0.1)	(7.0)

Pirelli & C. vs Auto & Parts Sector

	Official Close February 12	Percentage change				Daily average volumes		
		Week 8 Feb - 12 Feb	1 Month	3 Months	Year to date	Week 8 Feb - 12 Feb	1 Month	3 Months
EUROPA								
DJ Stoxx Auto	205.310	(3.1)	(14.1)	(11.7)	(12.9)			
TYRE								
Pirelli & C	0.377	(3.7)	(16.6)	(8.1)	(10.4)	59,978,376	47,469,864	48,542,857
Continental	33.220	(12.0)	(18.7)	(8.5)	(8.8)	1,000,329	844,439	437,858
Michelin	50.480	(5.7)	(11.1)	(5.8)	(5.8)	1,635,036	1,070,403	820,741
Nokian	16.800	1.0	(4.5)	(4.5)	(1.2)	1,483,777	840,223	732,960
AUTO								
Fiat	7.750	(6.1)	(27.5)	(27.8)	(24.4)	35,424,414	31,170,775	33,602,035
Renault	29.555	(8.1)	(23.0)	(7.5)	(18.4)	5,318,828	3,189,412	2,729,528
Peugeot	19.570	(12.4)	(24.7)	(18.0)	(17.3)	4,221,986	2,534,565	2,228,723
Volkswagen	62.300	(0.5)	(15.8)	(36.6)	(19.1)	390,428	509,067	502,711
BMW	29.000	(3.1)	(7.2)	(12.6)	(8.8)	2,940,306	2,707,927	2,497,533
Daimler	32.460	0.4	(10.5)	(4.8)	(12.8)	6,739,014	6,172,737	6,107,794
USA								
TYRE								
Goodyear	13.250	7.8	7.7	(14.9)	146.6	4,052,122	5,705,239	5,339,556
Cooper	17.480	4.0	(14.4)	(3.0)	(12.5)	852,843	971,515	995,936
AUTO								
Ford	11.180	1.9	(6.3)	35.6	11.2	11,674,200	16,089,327	13,941,796
ASIA								
TYRE								
Bridgestone	1465.0	(1.9)	(5.8)	3.8	(9.9)	3,576,580	4,696,660	3,715,026
Sumitomo	1035.0	(0.7)	(9.4)	(3.6)	(10.6)	2,138,500	1,651,403	1,343,450
Toyo	190.0	(2.1)	2.7	18.8	10.5	4,509,400	2,367,267	1,979,733
Yokohama	379.0	(2.6)	(2.3)	5.3	(6.9)	1,950,000	2,148,567	1,759,289
Hankook	21900.0	(1.4)	(7.4)	(7.8)	(16.1)	492,752	912,486	832,235
Khumo	3415.0	3.1	3.1	(34.5)	(6.8)	1,674,874	2,010,447	859,072
AUTO								
Toyota	3460.0	5.5	(15.9)	(1.7)	(10.8)	27,229,140	17,508,590	11,480,814
Nissan	729.0	(4.5)	(11.4)	10.1	(10.0)	25,636,420	21,856,713	20,546,904

EUROPE: WEEKLY TREND 08/02/2010 – 12/02/2010 TYRES & AUTO STOCKS vs DJ STOXX AUTO & PARTS



Source: Reuters

Tyre Sector evaluation Multiples

CONSENSUS PEERS TYRE MARKET MULTIPLES AT 15/02/2010

Source: Pirelli IR analysis on Bloomberg data

TYRES MULTIPLES @ 15-Feb-10																	
		PIE				EVSALES				EVIEBITDA				EVIEBIT			
		2009	2010	2011	2012	2009	2010	2011	2012	2009	2010	2011	2012	2009	2010	2011	2012
EUROPA	Michelin	32.9x	12.2x	8.9x	6.9x	0.8x	0.7x	0.6x	0.6x	6.9x	5.3x	4.2x	3.5x	19.3x	10.5x	7.1x	6.0x
	Continental		16.0x	8.5x	10.2x	0.9x	0.7x	0.7x	0.7x	8.4x	6.0x	4.8x	4.9x		14.2x	9.9x	10.3x
	Nokian	37.8x	17.7x	13.0x		2.9x	2.5x	2.1x		13.8x	9.7x	7.8x		21.7x	13.4x	10.4x	
	Simple average	35.3x	15.3x	10.1x	8.6x	1.5x	1.3x	1.1x	0.6x	9.7x	7.0x	5.6x	4.2x	20.5x	12.7x	9.1x	8.2x
	Weighted average *	19.9x	14.5x	9.2x	7.4x	1.1x	0.9x	0.8x	0.5x	8.4x	6.2x	4.9x	3.6x	11.6x	12.4x	8.7x	7.0x
US	Goodyear		17.9x	7.2x		0.4x	0.4x			7.7x	4.5x			37.5x	8.7x		
	Cooper Tire	9.5x	7.9x	5.9x		0.4x	0.4x			3.9x	3.1x			6.7x	5.1x		
	Simple average	9.5x	12.9x	6.5x		0.4x	0.4x			5.8x	3.8x			22.1x	6.9x		
	Weighted average *	2.4x	15.4x	6.8x		0.4x	0.4x			6.7x	4.2x			29.9x	7.8x		
ASIA	Bridgestone	263.5x	20.7x	14.5x	13.6x	0.6x	0.6x	0.6x	0.5x	6.6x	5.6x	4.9x	4.0x	25.1x	13.8x	10.2x	10.1x
	Yokohama		18.2x	14.4x	9.8x	0.6x	0.6x	0.5x	0.5x	8.1x	5.9x	5.7x	4.8x	56.4x	15.3x	12.5x	9.9x
	Sumitomo	30.0x	13.9x	10.3x	9.7x	0.8x	0.8x	0.7x	0.6x	7.0x	6.6x	6.0x	6.2x	18.7x	12.4x	10.3x	13.1x
	Simple average	146.7x	17.6x	13.1x	11.0x	0.7x	0.6x	0.6x	0.5x	7.2x	6.0x	5.5x	5.0x	33.4x	13.8x	11.0x	11.0x
	Weighted average *	211.9x	19.7x	14.0x	12.8x	0.7x	0.6x	0.6x	0.5x	6.8x	5.7x	5.1x	4.4x	27.0x	13.7x	10.4x	10.5x
TOT. WORLD	max	263.5x	20.7x	14.5x	13.6x	2.9x	2.5x	2.1x	0.7x	13.8x	9.7x	7.8x	6.2x	56.4x	15.3x	12.5x	13.1x
	min	9.5x	7.9x	5.9x	6.9x	0.4x	0.4x	0.5x	0.5x	3.9x	3.1x	4.2x	3.5x	6.7x	5.1x	7.1x	6.0x
	median	32.9x	16.8x	9.6x	9.8x	0.7x	0.6x	0.6x	0.6x	7.3x	5.7x	5.3x	4.8x	21.7x	12.9x	10.3x	10.1x
	Simple average	74.7x	15.6x	10.3x	10.0x	0.9x	0.8x	0.9x	0.6x	7.8x	5.8x	5.6x	4.7x	26.5x	11.7x	10.1x	9.9x
	Weighted average *	92.0x	16.0x	10.4x	8.4x	0.8x	0.7x	0.6x	0.5x	7.4x	5.6x	4.3x	3.4x	17.5x	11.9x	8.1x	7.3x

* on peers market capitalization by geographical area

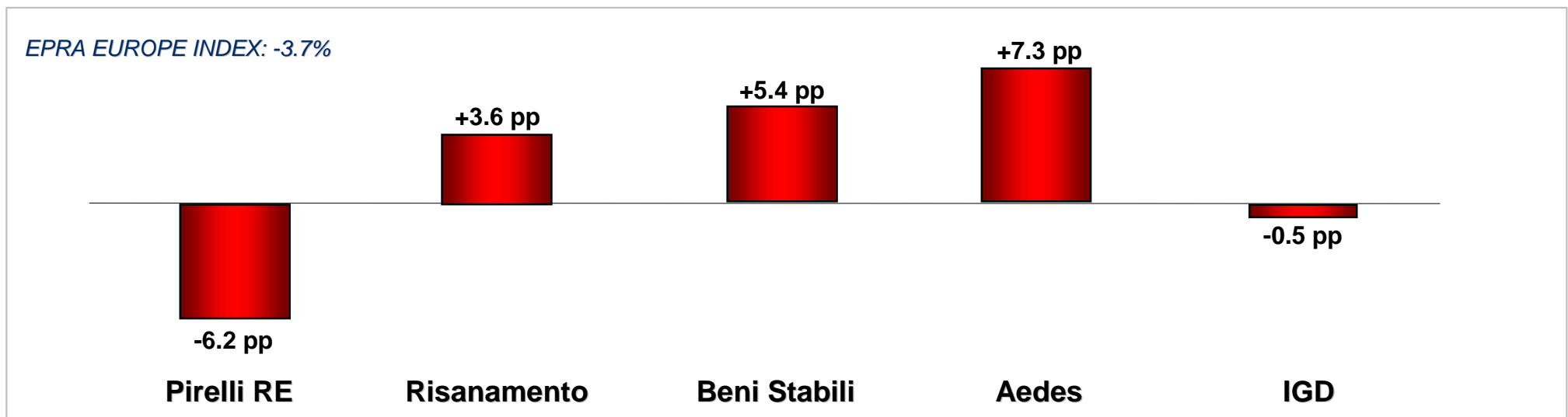
** on tyre sector market capitalization

WORLD TYRE MARKET CAP				
Min	Local currency	€ adjustment	% on cluster	% on geographical Area
Michelin	€7,572	€7,572	23.7%	45.9%
Continental	€6,818	€6,818	21.4%	41.3%
Nokian	€2,104	€2,104	6.6%	12.8%
Goodyear	\$ 3,216	€2,365	7.4%	75.2%
Cooper Tire	\$ 1,061	€780	2.4%	24.8%
Bridgestone	¥1,186,316	€9,687	30.4%	79.0%
Yokohama	¥129,502	€1,057	3.3%	8.6%
Sumitomo	¥185,182	€1,512	4.7%	12.3%
TOT.		€31,896		

Pirelli & C. RE vs Real Estate Sector

	Official Close February 12	Percentage change				Daily average volumes		
		Week 8 Feb - 12 Feb	1 Month	3 Months	Year to date	Week 8 Feb - 12 Feb	1 Month	3 Months
Pirelli RE	0.379	(9.9)	(27.2)	(36.1)	(26.1)	5,264,103	5,066,092	7,288,638
Tecla	451.150	2.3	6.1	7.4	6.9	34.80	34.93	28.91
Olinda	356.500	(2.9)	7.0	18.8	9.7	191.40	240.23	171.64
ITALIA								
Epra Europe	1517.050	(3.7)	(5.6)	(6.3)	(4.4)			
Beni Stabili	0.601	1.7	(1.3)	(4.8)	4.4	791,393	1,723,668	1,553,761
Aedes	0.219	3.6	4.2	(2.1)	7.0	2,018,816	2,617,545	3,649,797
Bastogi	2.048	(0.4)	(3.4)	(5.0)	(2.7)	6,858	11,442	13,918
Brioschi	0.206	1.1	0.7	(9.3)	(5.6)	391,114	830,528	859,877
Gabetti	0.479	(8.0)	(26.5)	(35.4)	(23.7)	154,460	171,344	315,529
IGD	1.445	(4.2)	(8.3)	(2.4)	(7.3)	228,941	297,106	375,289
Risanamento	0.380	(0.1)	(9.5)	(22.6)	(9.9)	671,012	879,816	2,237,356

WEEKLY TREND 08/02/2010 – 12/02/2010 REAL ESTATE STOCK vs EPRA EUROPE INDEX



Source: Reuters