



MILAN – November 5, 2009

PIRELLI GROUP 9M'09 FINANCIAL RESULTS

Disclaimer

This presentation contains statements that constitute forward-looking statements and does not constitute an offer or solicitation for the sale, purchase or acquisition of securities of any of the companies mentioned and is directed to professionals of the financial community.

These statements appear in a number of places in this presentation and include statements regarding the intent, belief or current expectations of the customer base, estimates regarding future growth in the different business lines and the global business, market share, financial results and other aspects of the activities and situation relating to the Company.

Such forward looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward looking statements as a result of various factors. Consequently it is recommended that they be viewed as indicative only.

Analysts are cautioned not to place undue reliance on those forward looking statements, which speak only as of the date of this presentation.

Pirelli & C. SpA undertakes no obligation to release publicly the results of any revisions to these forward looking statements which may be made to reflect events and circumstances after the date of this presentation, including, without limitation, changes in Pirelli & C. SpA business or acquisition strategy or to reflect the occurrence of unanticipated events.

Statement

The Manager mandated to draft corporate accounting documents of Pirelli & C. SpA, Francesco Tanzi, attests – as per art.154-bis, comma 2 of the Testo Unico della Finanza (D.Lgs. 58/1998) – that all the accounting information contained in this presentation correspond to the documented results, books and accounting of the Company.

Agenda

- ▶ **Pirelli 9M'09 Key Messages**
- ▶ Pirelli Financial Review
- ▶ Pirelli Tyre & Parts
- ▶ Pirelli Real Estate
- ▶ Appendix

Pirelli 9M'09 Key Messages

- ▶ **Improved Pirelli competitiveness:** exploiting exposure to emerging markets, incisive marketing strategy, powerful restructuring program started in '08 and continued in '09
- ▶ **Leaner business model enhanced :**
 - ▶ 200 € mln gross savings expected for 2009 confirmed in Tyre
 - ▶ -28% YoY 2009E fixed costs in Pirelli Re (savings raised from 50 to 65 mil euro)
- ▶ **The " Portfolio Reshaping Plan" implementation accelerates:**
 - ▶ focus on core business: organizational structure simplified and regrouping of all activities directly supporting core business under a new "tyre and parts" department
 - ▶ ~236€ mln cashed-in (9M'09) due to the sale of non strategic shareholdings (all Telecom Italia and Alcatel stakes)
- ▶ **Real Estate business turnaround plan fully in progress** now based on sound financial structure
- ▶ **Progressive strengthening of consolidated Net Financial Position,** ready to seize new opportunities for organic growth in the core business

Pirelli 9M'09 results and 2009 FY targets update

€/bln

	9M'09	2009 Targets (Feb.'09)	2009 revised Target (Nov. '09)
Group revenues	3.3	~4.3	>4.3
EBIT %	5.0%	4.5-5.0%	~4.5%
After continuous restructuring			
NFP	0.7	1.0	~ 0.7

Green revenues and Capex information will be completed at year end

Agenda

- ▶ **Pirelli 9M'09 Key Messages**
- ▶ **Pirelli Financial Review**
- ▶ Pirelli Tyre & Parts
- ▶ Pirelli Real Estate
- ▶ Appendix

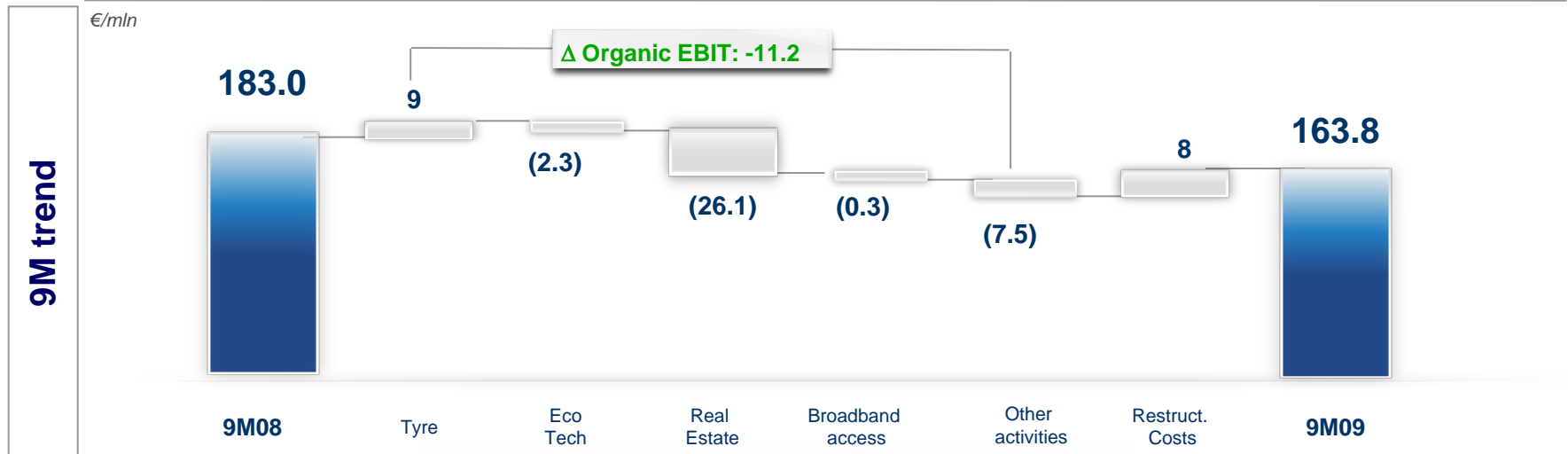
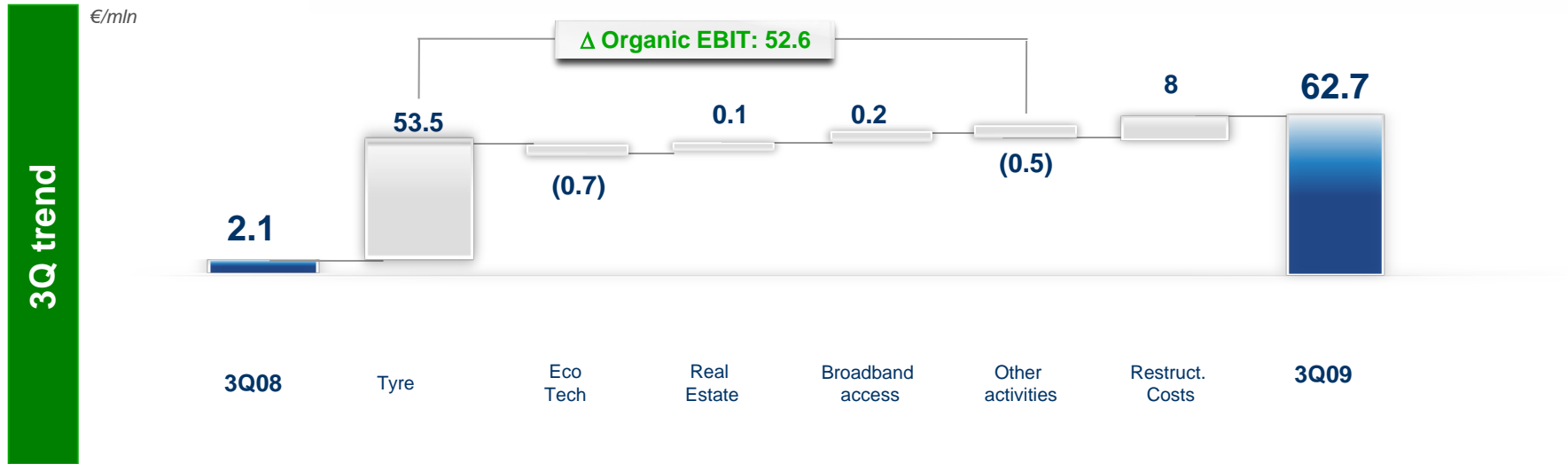
Pirelli Key Financial Results

€/mln

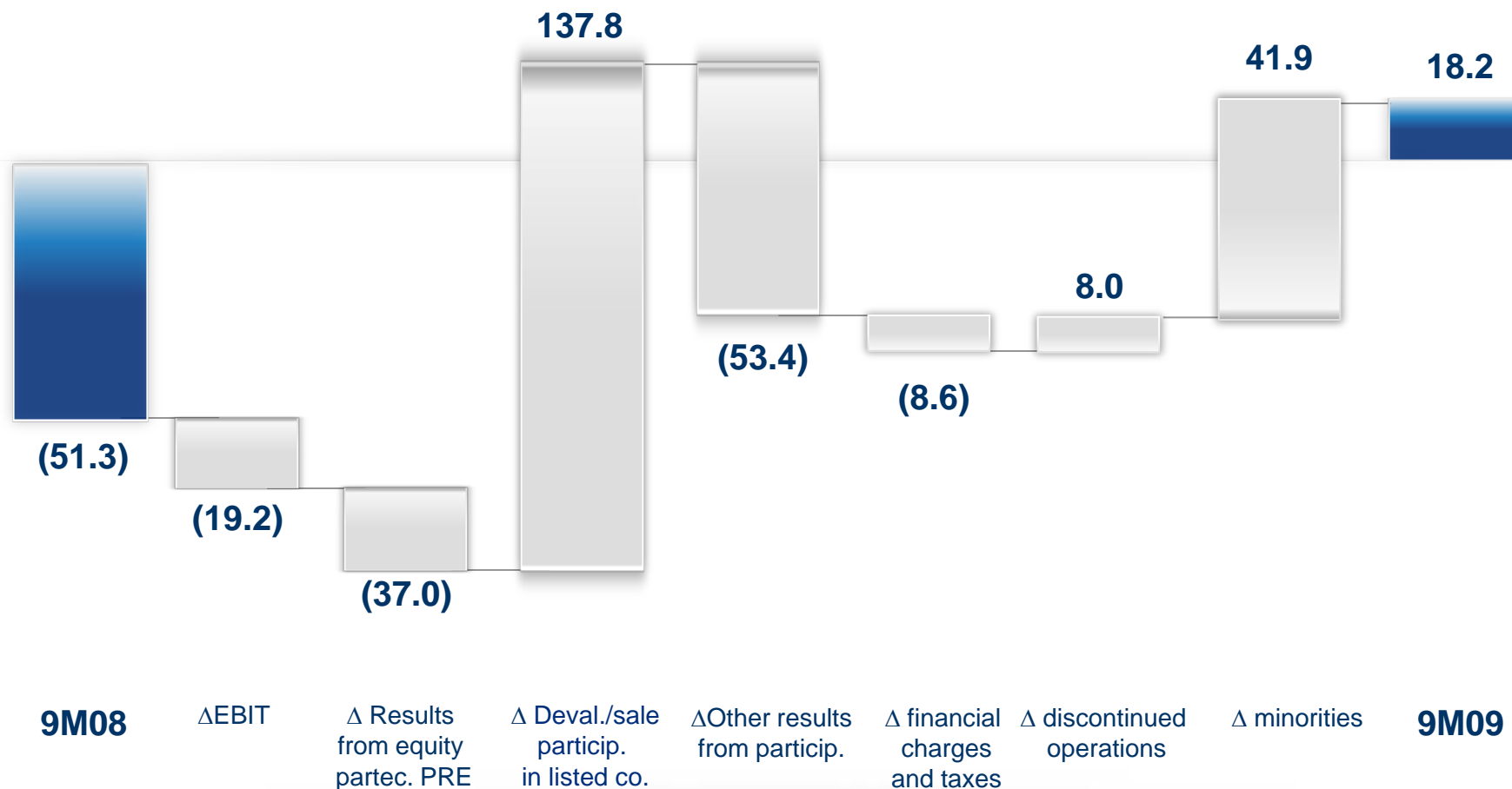
	9M'09	YoY %	3Q'09	YoY %	3Q'09 Results Drivers
Revenues (organic*)	3,307.4	-7.7%	1,169.8	-0.7%	<ul style="list-style-type: none"> ▶ Pirelli Tyre top line rebound yoy: +1.4% net of exchange rate ▶ Strong profitability improvement driven by the core business ▶ PRE's efficiency programs '09 target raised. ▶ Sale of Telecom Italia stake (123.9 mln shares) ▶ Solid cash flow generation thanks to Pirelli Tyre working capital management, cash-in from disposals and Pirelli Re right issue positive impact
EBITDA before Restructuring Costs	361.2	+7.6%	135.1	+58.8%	
<i>Margin</i>	10.9%	+0.2pp	11.5%	+4.5pp	
EBIT before Restructuring Costs	205.1	-11.7%	82.8	+174.2%	
<i>Margin</i>	6.2%	-0.1pp	7.1%	+4.6pp	
Restructuring Costs	(41.3)	+8	(20.1)	+8	
EBIT	163.8	-10.5%	62.7	n.m.	
<i>Margin</i>	5.0%	0.0pp	5.4%	+5.2pp	
Devaluation/sale of particip. in listed co.	(17.5)	(155.3) in 9M08	6.7	-	
Results from equity particip. Pirelli RE	(36.7)	(36.4)	(15.1)	+1.4	
Other Results from participations	16.3	-53.4	(0.9)	+25.8	
Total Net Income	(8.7)	+27.6	3.7	+30.5	
Net Income post minorities	18.2	+69.5	11.9	+27	
Net Financial Position	691.4	-336.3 vs. 2008 y.e.	-416.2 vs. June 30, 2009		
Capex	112.3	-48.3%	32.0	-64.1%	
Employees (no. as of September 30, 2009)	29,509	-1,547 vs 2008 ye.			

(*) Homogeneous terms variations, not including exchange rate effects

Pirelli EBIT trend

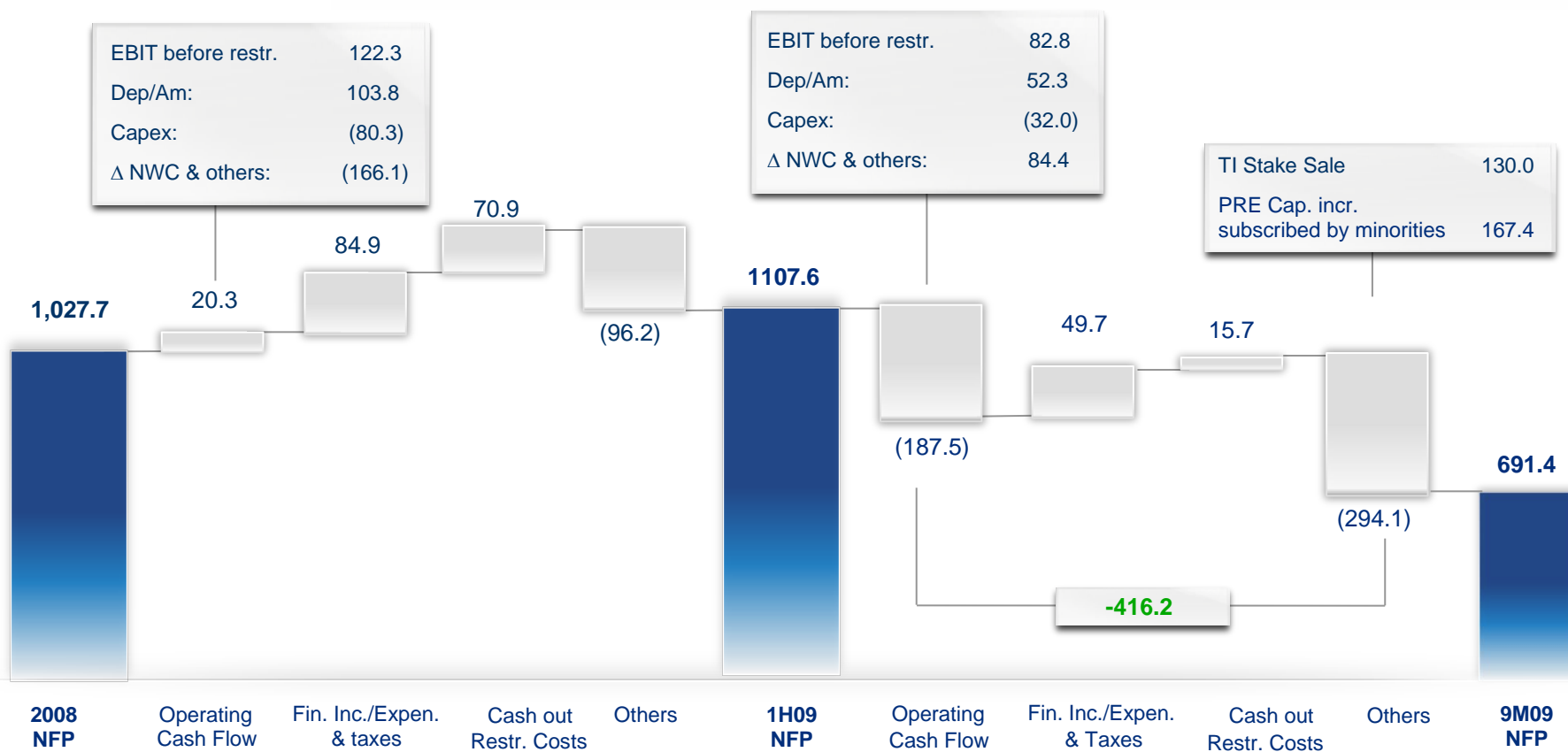


Pirelli attributable net income 9M'09 vs 9M'08

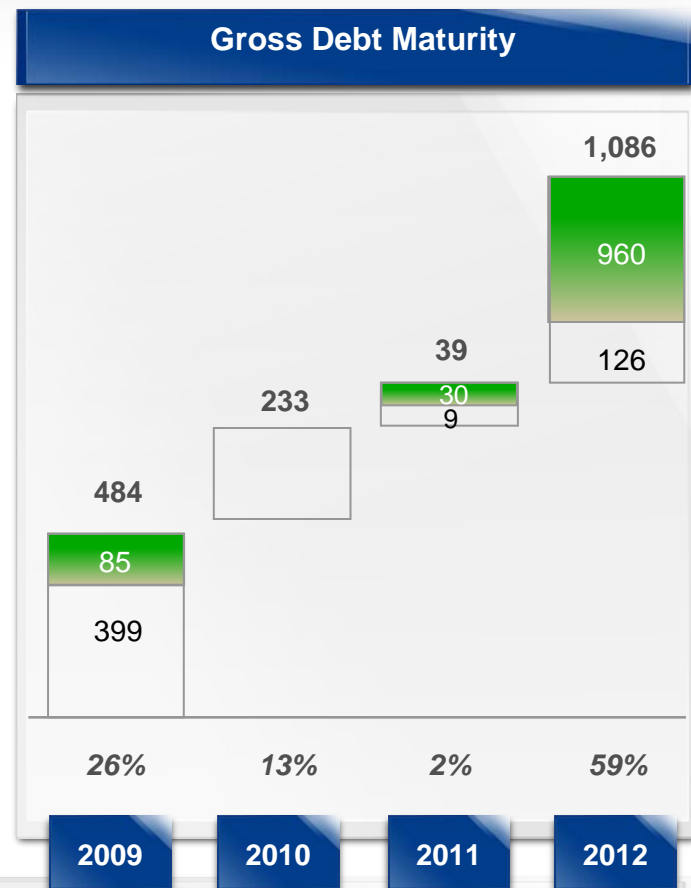
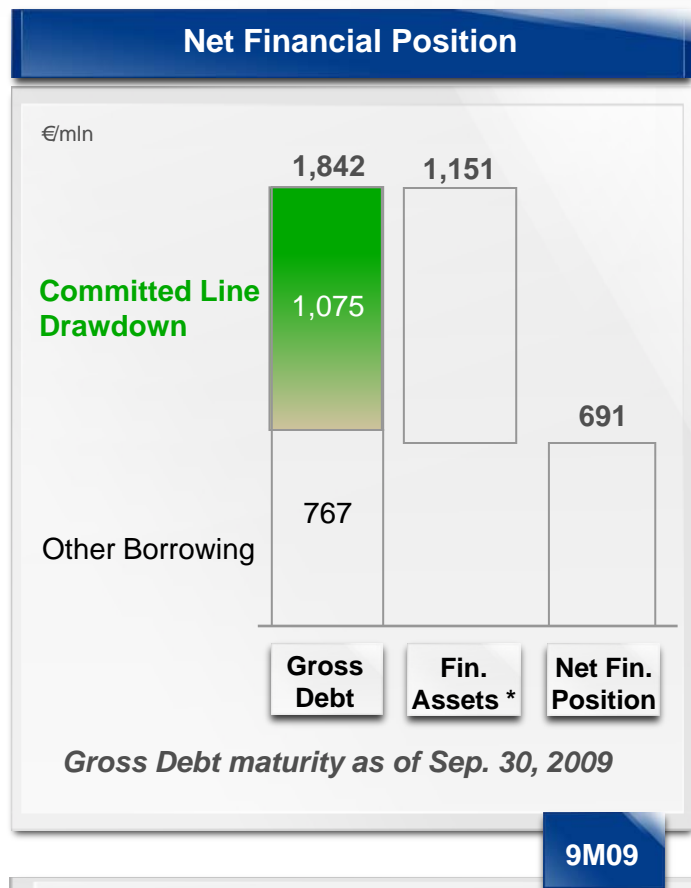


Pirelli 9M'09 net financial position

€/mln



Pirelli Debt Structure as of September 30, 2009



Total Committed Lines Not Drawn	Total	870			
			15	0	175
					680

*Financial receivables, cash and cash equivalents

Agenda

- ▶ **Pirelli 9M'09 Key Messages**
- ▶ **Pirelli Financial Review**
- ▶ **Pirelli Tyre & Parts**
- ▶ **Pirelli Real Estate**
- ▶ **Appendix**

3Q'09 Pirelli Tyre performance: Key Messages



- ▶ **Top line keeps improving QoQ** : +5.5% 3Q revenues vs. 2Q09 thanks to market share increase in all major markets and segments except Russia; 3Q organic growth is also positive yoy (+1.4%)
- ▶ **Profitability trend keeps improving QoQ and YoY** thanks to:
 - ▶ raw material price reduction (raw material price index: -1% QoQ, -22% yoy)
 - ▶ increasing cost efficiencies (85% of 200 €/mln 2009 gross savings achieved in 9M09)
- ▶ **9M09 margins in line with 3Y plan targets**
- ▶ **Solid cash generation**: close to 170 €/mln of net cash flow in 3Q09 thanks to:
 - ▶ effective inventory reductions and working capital tight control
 - ▶ lower investments (Capex/Depreciation = 0.7 in 9M)

Pirelli Tyre quarterly performance

€/mln, Percent



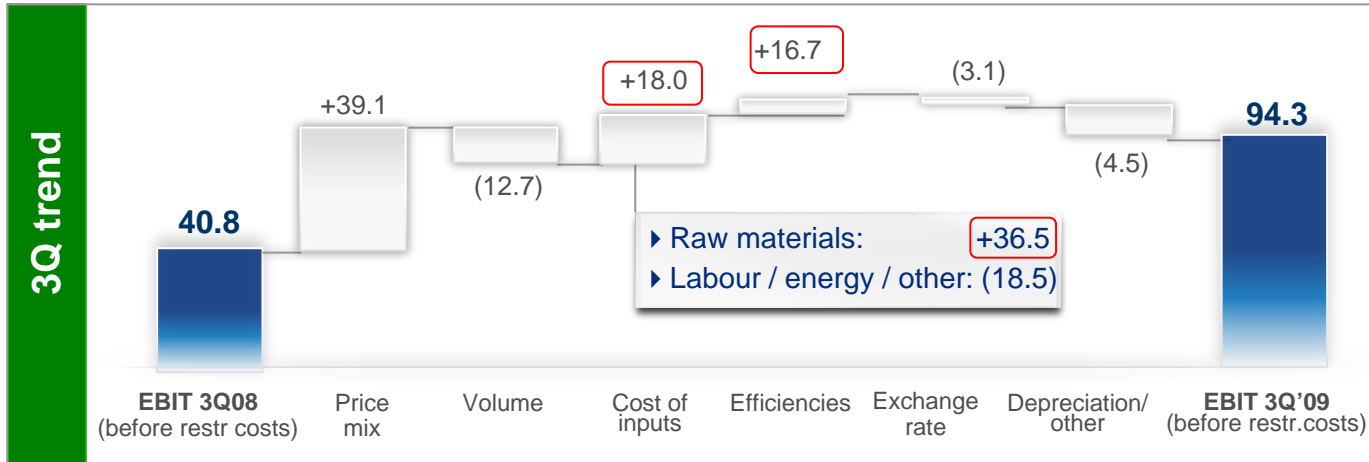
Profit & Loss	1Q '09	YoY%	2Q '09	YoY%	3Q '09	YoY%	9M '09	YoY%
Revenues	926.9	-13.9%	989.0	-9.2%	1,042.7	-1.9%	2,958.6	-8.4%
EBITDA (before restructuring costs)	107.8	-28.6%	133.0	-1.8%	142.0	+54.7%	382.8	+1.2%
margin	11.6%	-2.4 p.p.	13.4%	+1.0 p.p.	13.6%	+5.0 p.p.	12.9%	1.2 p.p.
EBIT (before restruct.costs)	61.0	-40.7%	85.5	-3.1%	94.3	+131%	240.8	+3.9%
margin	6.6%	-2.9 p.p.	8.6%	+0.5 p.p.	9.0%	+5.2 p.p.	8.1%	+0.9 p.p.
EBIT (after restruct.costs)	57.5	-42.7%	79.3	-7.5%	85.9	n.m.	222.7	+11.3%
margin	6.2%	-3.1 p.p.	8.0%	+0.1p.p.	8.2%	+6.9p.p.	7.5%	+1.3 p.p.
Net Income	14.6		39.6		36.7		90.9	

Revenue drivers	1Q '09	2Q '09	3Q '09	9M '09
Δ Price/Mix	+6.9%	+5.6%	+4.7%	+5.8%
Δ Volume	-18.1%	-13.3%	-3.3%	-11.6%
Δ Rev. (before Exch. rate impact)	-11.2%	-7.7%	+1.4%	-5.8%
Δ Exch. Rate	-2.7%	-1.5%	-3.3%	-2.6%

- ▶ 3Q price/mix trend still positive vs. 2008 both in Consumer and in Industrial segment
- ▶ Strong volume recovery in 3Q vs. previous quarters for both segments

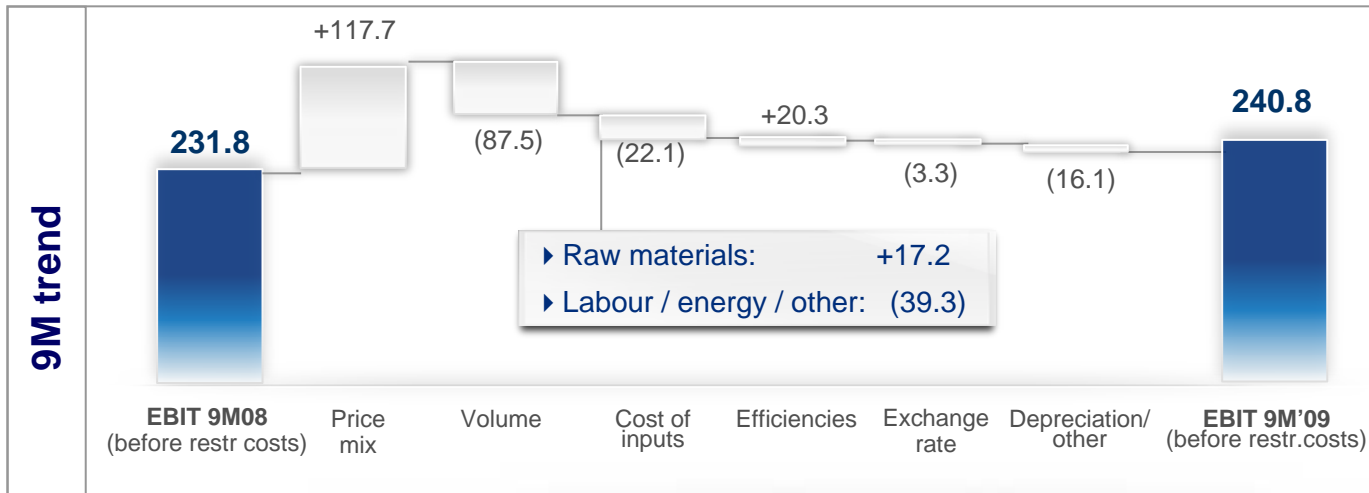
Pirelli Tyre operating performance

€/mln



▶ 3Q Raw materials price index trend -1% on 2Q '09 and -22% vs 3Q '08

▶ 3Q Improving cost efficiencies thanks to higher saturation



▶ 3Q Further reduction in finished product and raw material stocks



Pirelli Tyre 2009 Cost reduction program update



COST REDUCTION PROGRAMS

9M'09 ACHIEVEMENTS

Labour

- ▶ **15% rightsizing** in high-cost countries; bonus and pay freeze for management and staff in 2009

- ▶ **over 90% of the target**

Raw materials

- ▶ 360° purchasing **contracts renegotiation**
- ▶ Selective adoption of “**spot purchases**” to best capture the benefits of price decrease
- ▶ Reduction of **usage and weight**

- ▶ **over 100 mln €yoy raw material cost reduction (before exch. rate)**

Other Costs

- ▶ Crash program for the reduction of **discretionary / indirect expenses** (except R&D and marketing)
- ▶ Savings from **lower energy** costs, lower transportation / **logistic** rates

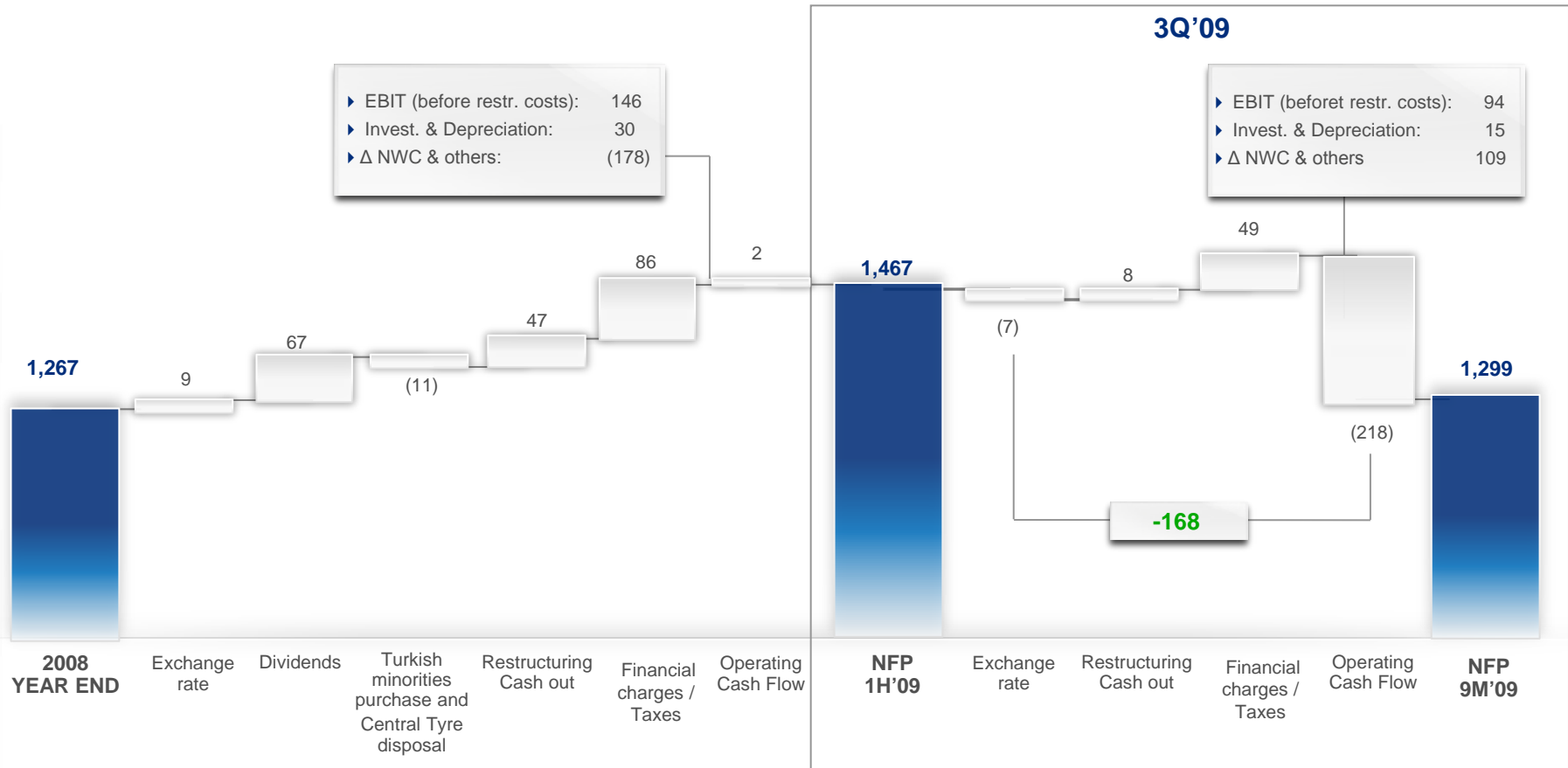
- ▶ **Substantially achieved**

85% of 200 € mln of 2009 gross savings already achieved in 9M09

Pirelli Tyre NFP evolution



€/mln



- ▶ Continuing inventory reductions and working capital tight control, together with lower investments, translate into a positive NCF generation in 3Q'09 close to 170 €/mln

Consumer Business: market trends in 9M'09

Car tyre shipments, % (yoy)



Market trends		1Q'09	2Q'09	3Q'09	9M'09
Europe	OE	-34%	-20%	-1%	-20%
	Replacement	-5%	-8%	+1%	-4%
North America	OE	-49%	-48%	-22%	-41%
	Replacement	-13%	-10%	+3%	-6%
Mercosur	OE	-18%	-10%	-8%	-12%
	Replacement	-4%	+2%	+11%	+3%

Sources: main external data provider for each region and Pirelli estimates

- ▶ **OE:** Light Vehicle production sustained tyre volume trend in 3Q: in EU, YoY decline almost offset; in North America, 50% QoQ increase
- ▶ **Replacement:** Slightly positive trends in all mature replacement markets driven by dealers restocking and improving end-user demand. Mercosur now two digit positive result.

Consumer Business: Pirelli economics in 9M'09

€/mln, %



Profit & Loss	1Q'09	Δ%	2Q '09	Δ%	3Q '09	Δ%	9M '09	Δ%
Revenues	670.5	-10.4%	701.5	-6.0%	736.0	+3.1%	2,108.0	-4.5%
EBITDA (before restructuring costs)	77.4	-28.8%	90.4	+1.1%	100.3	+96.7%	268.1	+7.7%
margin	11.5%	-3.0 p.p.	12.9%	+0.9 p.p.	13.6%	+6.5 p.p.	12.7%	+1.4 p.p.
EBIT (before restruct.costs)	41.9	-42.2%	54.5	+1.5%	64.1	n.m.	160.5	+15.5%
margin	6.2%	-3.5 p.p.	7.8%	+0.6 p.p.	8.7%	+6.9 p.p.	7.6%	+1.3 p.p.

- ▶ Highest profitability in 3Q supported by:
 - ▶ high product mix in EU (winter)
 - ▶ strong sales to Replacement in South America
 - ▶ lowest input costs vs previous quarters

- ▶ Volume rebound already in 3Q'09 due to strong winter pre-sales and market share gains

Revenues drivers	1Q'09	2Q '09	3Q '09	9M '09
Δ Price/Mix	+6.6%	+5.1%	+3.6%	+5.2%
Δ Volume	-14.7%	-9.8%	+1.7%	-7.8%
Δ Rev. (before Exch. rate impact)	-8.1%	-4.7%	+5.3%	-2.6%
Δ Exch. Rate	-2.3%	-1.3%	-2.2%	-1.9%

- ▶ Price/mix still holding well notwithstanding the higher '08 base of comparison
- ▶ 3Q high single digit organic growth

Industrial Business: market trends in 9M'09

Car tyre shipments, % (yoy)



Market trends		1Q'09	2Q'09	3Q'09	9M'09
Europe	OE	-62%	-75%	-66%	-68%
	Replacement	-33%	-25%	-14%	-24%
Mercosur	OE	-26%	-29%	-27%	-28%
	Replacement	-22%	-16%	-10%	-16%

Sources: main external data provider for each region and Pirelli estimates

- ▶ **Original Equipment:** still ongoing strong reductions in medium-heavy vehicle production worldwide
- ▶ **Replacement:** still negative trends in all mature markets and Latin America although to a lesser extent, while China and MEA markets keep showing some improvements

Industrial Business: Pirelli economics in 9M'09

€/mln, Percent



Profit & Loss	1Q'09	Δ%	2Q'09	Δ%	3Q '09	Δ%	9M '09	Δ%
Revenues	256.4	-22.0%	287.5	-16.3%	306.7	-12.2%	850.6	-16.7%
EBITDA (before restructuring costs)	30.4	-28.1%	42.6	-7.6%	41.7	+2.2%	114.7	-11.2%
margin	11.9%	-1.0 p.p.	14.8%	+1.4 p.p.	13.6%	+1.9 p.p.	13.5%	-0.8 p.p.
EBIT (before restruct.costs)	19.1	-36.8%	31.0	-10.1%	30.2	+7.5%	80.3	-13.5%
margin	7.5%	-1.7 p.p.	10.8%	+0.8 p.p.	9.8%	+1.8 p.p.	9.4%	+0.3 p.p.

► Natural Rubber rising costs slightly reduce profitability

► Volumes still negative even though improving vs. previous quarters

► Price/mix stable on 1H09 level

Revenues drivers	1Q'09	2Q'09	3Q '09	9M '09
Δ Price/Mix	+ 7.2 %	+6.8%	+7.0%	+7.3%
Δ Volume	- 25.7 %	-20.9%	-13.4%	-19.8%
Δ Rev. (before Exch. rate impact)	-18.5%	-14.1%	-6.4%	-12.5%
Δ Exch. Rate	-3.5%	-2.2%	-5.8%	-4.2%

Recent Pirelli Tyre Highlights:

3/7/2009



Pirelli celebrates the 80th anniversary of its industrial presence in Brazil, while announcing new investments worth 200 million dollar over a 3 year period.

7/7/2009



Pirelli launches the new FH65 long distance M/H Truck tyre for MEA markets.

Summer 2009



Superbike World Championship: 6 consecutive years of success and satisfaction for teams and pilots with Pirelli as exclusive tyre supplier. Over 40 different R&D solutions developed in 2009 to stand up to fierce competitions. World Motorcross Championship: Pirelli wins MX2 with Scorpion MX fitted on KTM

17/9/2009



Pirelli is the exclusive partner of McLaren for its new supercar, MP4-12C, with Pzero and Pzero Corsa

Fall 2009



Pirelli introduces a package of financial services with BNP-Paribas "Credityre" to support sales of M/H Truck tyres to fleets and end-users in Europe

Fall 2009



Pirelli Tyre expands its winter product range with Winter Snowcontrol Serie II, the tyre designed for mid-sized and city cars, the fastest growing segment in Europe. Fuel and noise reduction and safety are the main features of the new tyre launched in a three-day press trip through the Alps

Fall 2009

DEKRA








Cinturato P6 is recognized by tyre tests carried out by DEKRA as one of the best tyres among competitors both in mileage and in rolling resistance

Fall 2009



Cinturato P7 proves that safety and performance can be combined with energy efficiency, showing the highest results in all the six areas tested by TÜV among some major competitors: straight aquaplaning, wet and dry braking, wet and dry handling, rolling resistance. Cinturato P6 proves to be the best tyre in terms of straight aquaplaning, wet and dry braking and wet handling.

Pirelli Winter Tyre Test Results

	MAGAZINE	PATTERN	SIZE	FINAL RESULT	Strength
CENTRAL EUROPEAN		Chrono Winter	225/75R16 C	TEST WINNER	Top performance on snow, good on wet; harmonic, easily manageable and is forgiving mistakes.
		Winter Sottozero Serie II	225/45R17 V	VERY RECOMMENDABLE	Very balanced driving behaviour and good grip level at low friction. High traction and braking power on snow and wet.
		Winter Sottozero Serie II	205/55R16 H	GOOD	Top-Performance with a good traction and a stable cornering grip on snow, agile driving-behavior on dry.
		Winter Sottozero	235/55R17 H/V	EXEMPLARY	Very balanced winter tyre, short braking distance on every surface.
NORDICS		Winter Carving Edge	205/55R16 T	TEST WINNER	On icy surface the Pirelli is easy to drive, and the grip level is never lost in any of the test. On snow Pirelli earns best position on test. Driveability remains uncomplicated and unchanged in all circumstances, which makes driveability easy.
		Winter Carving Edge	205/55R16 T	EXCELLENT	For the ice testing, Pirelli did very well. Is the quickest to start on snow. Judges to be outstanding to drive. Brakes equally well on wet and dry asphalt. Very good on ice and snow.
		Winter Carving Edge	205/55R16 T	VERY GOOD	The Italians have sharpen up the Carving and have now a very good grip on winter roads. The steering is very precise.

Pirelli Tyre 2009 targets update



2009 Targets
(Feb. '09)

2009 revised
Target (Nov. '09)

Revenues

3.8 €/bln

~3.9 €/bln

EBIT %

6.5/ 7.0%

≥ 7.0%

After continuous restructuring

Pirelli Eco Technology: 9M'09 Key Financial Results



€/mln

	1Q'09	YoY	2Q'09	YoY	3Q'09	YoY	9M'09	YoY
Volumes								
Filters	903		1,045		514		2,462	
Gecam (l/mln)	21.5	-12.2%	15.9	-17.6%	10,7	-30,1%	48.1	-18,6%
Revenues	14.3	-13.9%	14.0	-16.7%	10.5	-25.5%	38.8	-18.3%
of which								
Filters	3.7		4.3		2,3		10,3	
Gecam	10,6		9,5		7,8		27,9	
Ebitda	(2.3)	n.m.	(2.1)	n.m.	(2.8)	n.m.	(7.2)	n.m.
Ebit	(2.8)	n.m.	(2.7)	n.m.	(3.3)	n.m.	(8.8)	n.m.
Net income	(3.4)		(3.2)		(4.1)		(10.7)	
NFP	26.8		32.8		42.9		42.9	

- ▶ Homologation process in Germany for Light and Heavy Duty Vehicles from Euro 1 to Euro 3 completed in 3Q09
- ▶ Delay in Low Emission Zones and traffic restrictions do not support sales forecast
- ▶ 2009 FY results in line with current trend
- ▶ Set up of production site in China progressing by 1Q 2010

Agenda

- ▶ **Pirelli 9M'09 Key Messages**
- ▶ **Pirelli Financial Review**
- ▶ **Pirelli Tyre & Parts**
- ▶ **Pirelli Real Estate**
- ▶ **Appendix**

September 2009 Results - Highlights



- ▶ **The service platform⁽¹⁾**, which includes the proceeds from the 5% disposal of Pirelli RE Fund management (SGR), **improved significantly** through continuous focus on efficiency
- ▶ **EBIT**, including income from equity participations and **interest income from participations is equal to -8.9 €/mln** (+ 0.3 €/mln in 3Q).
- ▶ **Cost-saving plan**: 47 €/mln in savings already achieved in the period with a new target of approx 65 €/mln by year- end versus an original target of 50 €/mln
- ▶ **Trend shows further reduction in operating losses**: in 3Q the operating loss - before restructuring costs and writedowns and revaluations - is approx. 7.3 €/mln compared to € 14.7 mln in 1Q and to 8.2 €/mln in 2Q
- ▶ **EBIT, including income from equity participations is -30.2 €/mln**, in line with the previously announced target range of -25/-35 €/mln. This target is confirmed for year-end⁽²⁾
- ▶ **Real estate sales amounted to 657.6 €/mln**: the year-end sales target of 1 €/bln is confirmed, on the basis of negotiations underway⁽³⁾
- ▶ **Consolidated Net Financial Position⁽⁴⁾**: 447.4 €/mln, fell sharply compared with to December 2008 due to the successful completion of Pirelli RE's rights issue

⁽¹⁾ Includes results from: Asset and Fund Management, Services platform (Agency, Property, Facility and Credit Servicing) and Holding costs

⁽²⁾ Before restructuring costs and writedowns/revaluations.

⁽³⁾ Includes preliminary contracts, offers received and negotiation in progress

⁽⁴⁾ Excluding shareholders' loan

Consolidated profit and loss



(€/mln)

	9M'09	1H'09	9M'08
Revenues	199.2	115.8	296.5
<i>of which services activities</i>	137.4	94.7	172.1
<i>of which other revenues (*)</i>	61.8	21.1	124.4
EBIT ante restr. Costs, writedown/reval.	(1.3)	(2.0)	21.0
Income from Equity Participations	(28.9)	(20.9)	1.4
A EBIT incl. Inc. From Equity Part. ante Restructuring costs, writedown/reval.	(30.2)	(22.9)	22.4
Restructuring Costs	(13.2)	(11.5)	(17.6)
Property writedowns/revaluations	(11.9)	(4.8)	(1.4)
EBIT incl. Inc. From Equity Part. After Restructuring costs, writedown/reval.	(55.3)	(39.3)	3.4
B Interest Income from Participations	21.3	13.7	24.1
EBIT incl. Income from Equity Part. & Interest Income from Part.	(34.0)	(25.6)	27.5
Financial Charges	(19.5)	(14.7)	(34.0)
Profit Before taxes	(53.5)	(40.3)	(6.5)
Income Taxes	(5.2)	(2.4)	(8.2)
Net Income before discontinued operations	(58.7)	(42.7)	(14.7)
Discontinued Operations	0.0	0.0	4.1
Net Income	(58.7)	(42.7)	(10.6)
Minority Interests	0.8	0.4	(2.3)
Net Income after minority interests	(57.9)	(42.3)	(12.9)
A + B	(8.9)	(9.2)	46.5

The 2008 result of 22.4 € mln includes one-off revenues in excess of +30 € mln (disposal of Lucchini area in Poland and indemnification for the replacement of Pirelli RE SGR in the Berenice Fund management).

(*) Related to revenues on controlled initiatives.

Details on service platform and on vehicles & funds



(€/mln)

Service Platform & Holding

	9M'09	1H'09	9M'08
Consolidated Revenues	137.4	94.7	172.1
Other Revenues (*)	7.9	2.0	17.6
Total Revenues	145.3	96.7	189.7
Result (**)	(0.5)	(3.2)	(5.2)

Vehicles & Funds

EBIT from vehicles & funds	(29.7)	(19.8)	27.6
-of which Real Estate	(35.6)	(22.8)	13.2
-of which NPLs	6.0	3.0	14.5
Interest Income from Participations	21.3	13.7	24.1
Result(**)	(8.4)	(6.0)	51.8
TOTAL Result (**)	(8.9)	(9.2)	46.5

(*) Includes results from participated companies, success fees, promote and a capital gain from quota funds disposals.

In 2009 it corresponds to the capital gain from disposal of 5% Pirelli RE SGR and 20% Credit Servicing.

In 2008, 17.0 € mln are related to indemnification for the replacement of Pirelli RE from the Berenice Fund management .

(**) 'Result' represents EBIT including income from equity participations before restructuring costs, writedown/ revaluations, interest income from participations

Segment report



(€/mln)

	Italy		Germany		Poland		NPL		Holding		Total	
	9M'09	9M'08	9M'09	9M'08	9M'09	9M'08	9M'09	9M'08	9M'09	9M'08	9M'09	9M'08
Service Platform	(*) 19.5	18.9 (**)	2.2	(6.4)	(1.1)	(0.4)	(5.2)	0.2			15.4	12.3
Holding									(15.9)	(17.5)	(15.9)	(17.5)
A. Vehicles & Funds	(21.0)	0.6	(14.9)	(4.9)	0.3	17.4	6.0	14.5			(29.7)	27.6
Subtotal	(1.6)	19.5	(12.8)	(11.2)	(0.8)	17.0	0.8	14.7	(15.9)	(17.5)	(30.2)	22.4
B. Interest Income from Part.	5.9	8.5	12.3	7.7	1.7	1.1	1.3	6.3	0.0	0.6	21.3	24.1
Total Result (***)	4.3	28.1	(0.4)	(3.6)	0.9	18.0	2.1	21.0	(15.9)	(17.0)	(8.9)	46.5
A+B. Vehicles & Funds Total Result	(15.1)	9.2	(2.6)	2.8	2.0	18.5	7.3	20.8	0.0	0.6	(8.4)	51.8

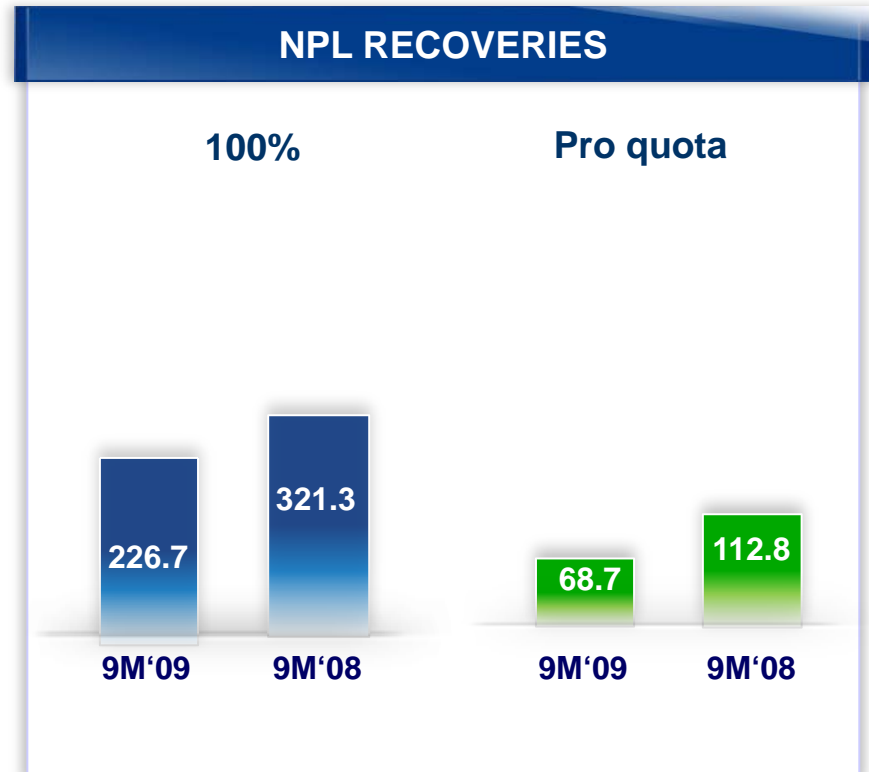
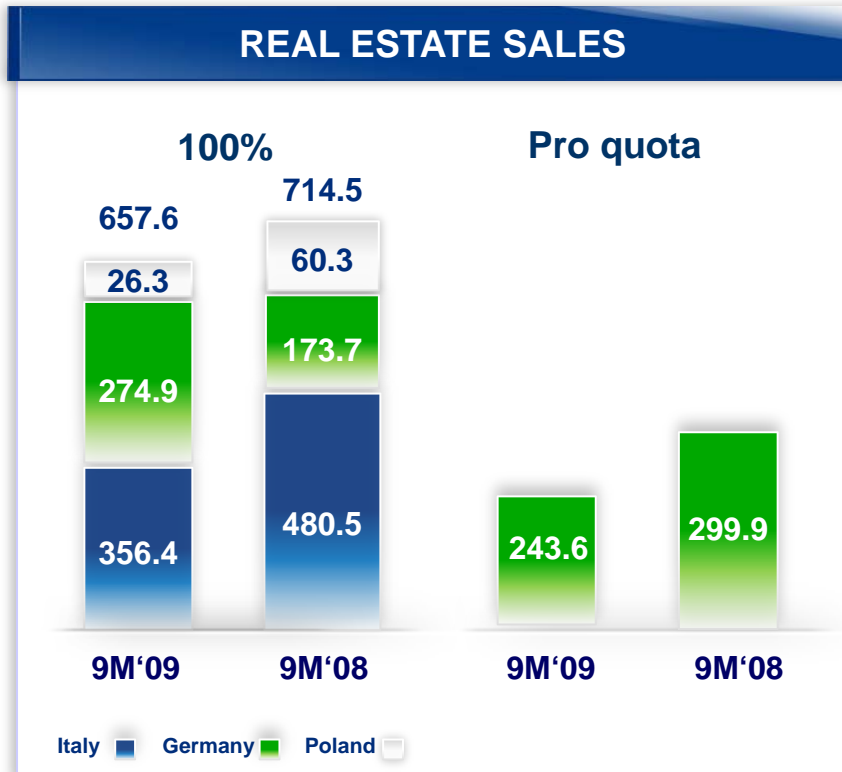
(*) It includes 6.1 € mln from 5% SGR disposal.

(**) It includes 17 € mln indemnification from Berenice Fund.

(***) result Represents EBIT including income from equity participations before restructuring costs, writedowns/revaluations, interest income from participations

Real estate sales and NPL recoveries

(€/mln)

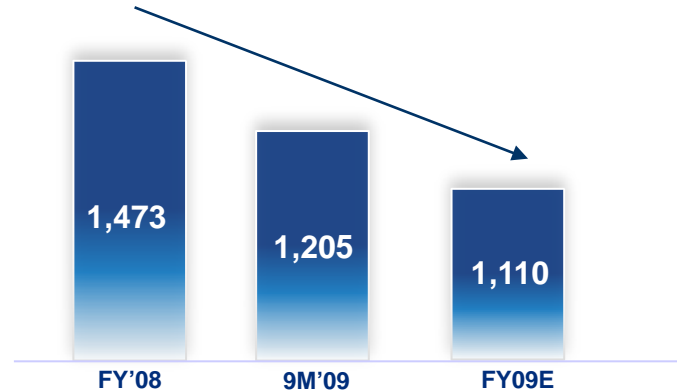


- ▶ **Gross Margin on sales** is around **12%** as of **September 2009** and **sales price in line with market value**
- ▶ **Confirmed 1 € bln of real estate sales by year end**, on the basis of preliminary contracts, offers received and negotiations in progress

Update on Headcount and Cost Saving

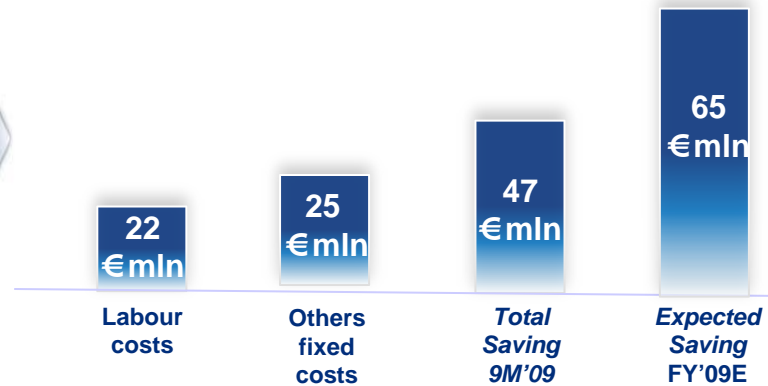
(€/mln)

Headcount decrease



Reduction from 2,956 in 2007 to 1,205 as of September. New targets confirmed

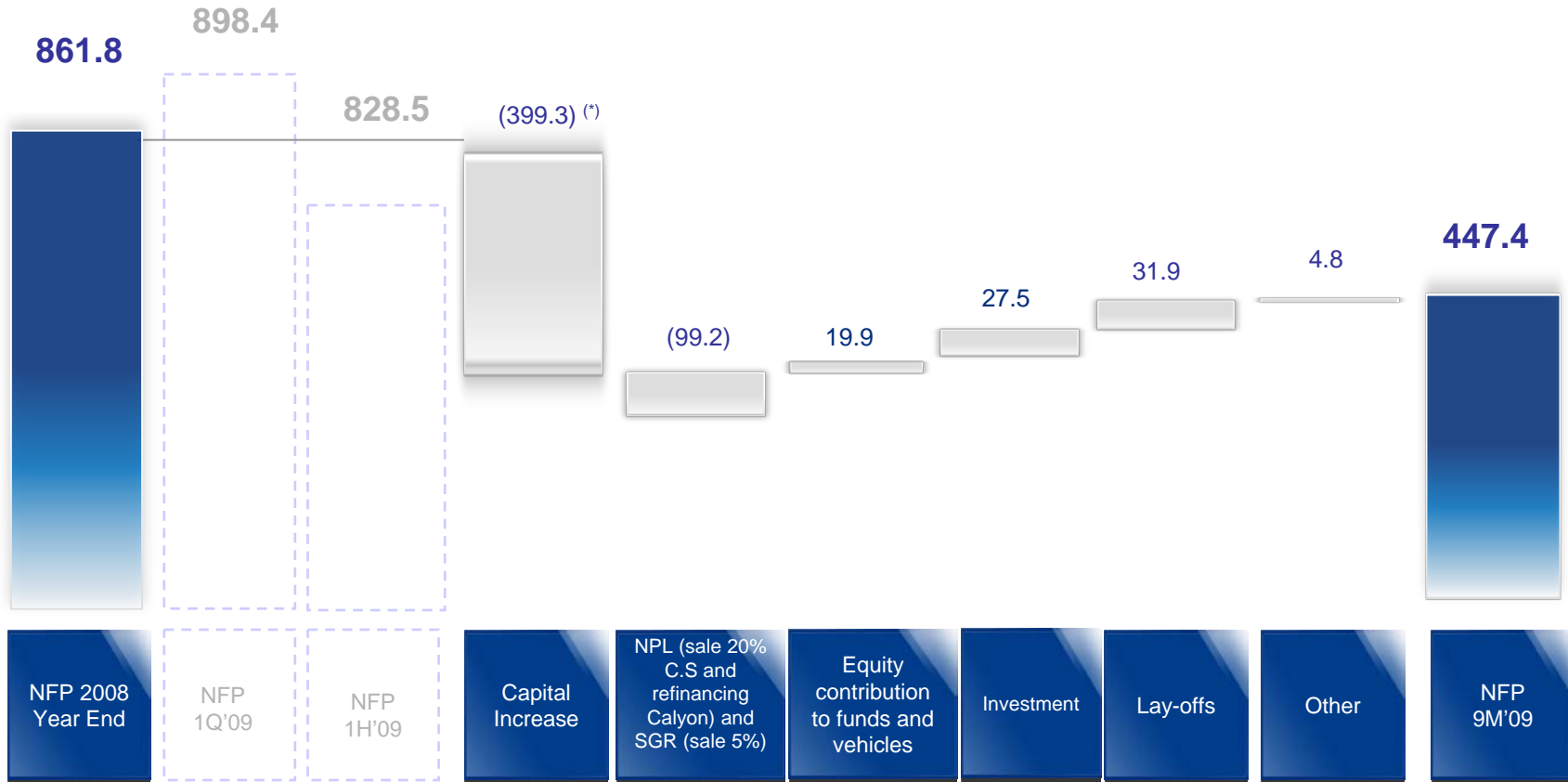
Cost Saving



€47 mln saving as of 2009 (of which nearly 50% related to headcount). Year end target improved vs. original 50 €mln

NFP excluding shareholders' loans

(€/mln)



(*) Gross of closing costs

Consolidated balance sheet

€/mln



	9M'09	FY'08	9M'08
Fixed Assets	562.8	589.1	816.3
<i>of which participations</i>	389.0	405.7	632.0
<i>of which goodwill</i>	135.5	137.8	140.0
Net working capital	136.1	133.1	170.9
Net invested capital	698.9	722.2	987.2
Net equity	687.0	366.4	616.7
<i>Of which own net equity</i>	679.9	361.7	609.8
Funds	55.4	66.3	46.7
Net Financial Position	(43.5)	289.5	323.8
<i>Of which shareholders'loan</i>	(490.9)	(572.3)	(610.7)
Total Funds	698.9	722.2	987.2
NPF excluding shareholders'loan	447.4	861.8	934.5
NIC excluding shareholders'loan	1,189.8	1,294.5	1,597.9
Gearing	0,65	2.35	1.52

Back up

Pirelli Group – 9M'09 Results

Profit & Loss and Net Financial Position by Business Unit

€/mln	Pirelli Tyre		Pirelli Eco Technology		Pirelli Real Estate		Broadband Access		Others		Pirelli & C. Cons.	
	9M'09	9M'08	9M'09	9M'08	9M'09	9M'08	9M'09	9M'08	9M'09	9M'08	9M'09	9M'08
Sales	2,958.6	3,229.2	38.8	47.5	199.2	296.5	103.1	92.3	7.7	2.5	3,307.4	3,668.0
Δ%		-8.4%		-18.3%		-32.8%		11.7%				-9.8%
Δ % on organic sales		-5.8%		-18.3%		-32.8%		11.7%				-7.7%
EBITDA before Restruct Costs	382.8	378.3	(7.2)	(5.8)	0.0 *	27.3 *	3.6	3.8	(18.0)	(12.6)	361.2*	391.0*
% on sales	12.9%	11.7%	n.s.	n.s.	n.s.	n.s.					10.9%	10.7%
EBITDA	364.7	346.6	(7.2)	(5.8)	(13.2) *	9.7 *	3.6	3.8	(28.0)	(12.6)	319.9 *	341.7 *
EBIT before Restruct Costs	240.8	231.8	(8.8)	(6.5)	(5.4) *	20.7 *	2.9	3.2	(24.4)	(16.9)	205.1 *	232.3 *
% on sales	8.1%	7.2%									6.2%	6.3%
Restructuring Costs	(18.1)	(31.7)	0.0	0.0	(13.2)	(17.6)	0.0	0.0	(10.0)	0.0	(41.3)	(49.3)
EBIT	222.7	200.1	(8.8)	(6.5)	(18.6) *	3.1 *	2.9	3.2	(34.4)	(16.9)	163.8 *	183.0 *
% on sales	7.5%	6.2%									5.0%	5.0%
Devaluation/sale of participations in listed companies									(17.5)	(155.3)	(17.5)	(155.3)
Other result from participations	3.8	27.6	0.0	0.0	(36.7)**	0.3**	0.0	0.0	12.5	42.1	(20.4)**	70.0**
EBIT post results from particip. excl. RE deval./reval. & restruct. costs					(30.2)	22.4						
EBIT post results from particip.					(55.3)	3.4						
Financial Income/Charges	(59.7)	(43.0)	(1.9)	(1.2)	1.8	(9.9)	0.1	(1.3)	6.7	20.3	(53.0)	(35.1)
Fiscal Charges	(75.9)	(76.4)	0.0	0.0	(5.2)	(8.2)	0.5	0.4	(1.0)	(6.7)	(81.6)	(90.9)
Net income before discount. operat	90.9	108.3	(10.7)	(7.7)	(58.7)	(14.7)	3.5	2.3	(33.7)	(116.5)	(8.7)	(28.3)
% on sales	3.1%	3.4%									n.s.	n.s.
Discontinued Operations					0.0	4.1			0.0	(12.1)	0.0	(8.0)
Net income	90.9	108.3	(10.7)	(7.7)	(58.7)	(10.6)	3.5	2.3	(33.7)	(128.6)	(8.7)	(36.3)
% on sales	3.1%	3.4%									n.s.	n.s.
Attributable Net income					(57.9)	(12.9)					18.2	(51.3)
Net Financial Position	1,298.6	892.4	42.9	12.8	(43.5)	323.8	(17.9)	32.0	(588.7)	(205.3)	691.4	1,055.7

* Of which Pirelli RE property writedowns/revaluations: -4.2 €/mln in 9M'09 and -0.3€/mln in 9M'08

*of witch Pirelli RE property writedowns/revaluations: -7.7€/mln in 9M'09 and -1.1€/mln in 9M'08

Pirelli Group – 3Q'09 Results

Profit & Loss and Net Financial Position by Business Unit

€/mln	Pirelli Tyre		Pirelli Eco Technology		Pirelli Real Estate		Broadband Access		Others		Pirelli & C. Cons.	
	3Q'09	3Q'08	3Q'09	3Q'08	3Q'09	3Q'08	3Q'09	3Q'08	3Q'09	3Q'08	3Q'09	3Q'08
Sales	1,042.7	1,062.9	10.5	14.1	83.4	103.7	30.3	28.9	2.9	3.6	1,169.8	1,213.2
Δ%		-1.9%		-25.5%		-19.6%		4.8%				-3.6%
Δ % on organic sales		+1.4%		-25.5%		-19.6%		4.8%				-0.7%
EBITDA before Restruct Costs	142.0	91.8	(2.8)	(2.5)	2.6	3.0	0.4	0.2	(7.1)	(7.3)	135.1	85.2
% on sales	13.6%	8.6%					1.3%	0.7%			11.5%	7.0%
EBITDA	133.6	65.1	(2.8)	(2.5)	0.9	1.6	0.4	0.2	(17.1)	(7.3)	115.0	57.1
EBIT before Restruct Costs	94.3	40.8	(3.3)	(2.6)	0.8	0.7	0.2	0.0	(9.2)	(8.7)	82.8	30.2
% on sales	9.0%	3.8%					0.7%	0.0%			7.1%	2.5%
Restructuring Costs	(8.4)	(26.7)	0.0	0.0	(1.7)	(1.4)	0.0	0.0	(10.0)	0.0	(20.1)	(28.1)
EBIT	85.9	14.1	(3.3)	(2.6)	(0.9)	(0.7)	0.2	0.0	(19.2)	(8.7)	62.7	2.1
% on sales	8.2%	1.3%					0.7%	0.0%			5.4%	0.2%
Devaluation/sale of participations in listed companies									6.7	0.0	6.7	0.0
Other result from participations	0.0	27.3	0.0	0.0	(15.1) *	(16.5) *	0.0	0.0	(0.9)	(0.5)	(16.0) *	10.2 *
EBIT post results from particip. excl. RE deval./reval. & restruct. costs					(7.3)	(15.3)						
EBIT post results from particip.					(16.1)	(17.3)						
Financial Income/Charges	(16.7)	(13.3)	(0.8)	(0.4)	2.9	(2.7)	(0.6)	1.5	1.7	2.3	(13.6)	(12.6)
Fiscal Charges	(32.5)	(21.5)	0.0	0.0	(2.8)	(1.7)	(0.2)	0.6	(0.6)	(3.6)	(36.1)	(26.2)
Net income before discount. operat	36.7	6.6	(4.1)	(3.0)	(16.0)	(21.7)	(0.6)	2.1	(12.3)	(10.5)	3.7	(26.5)
% on sales	3.5%	0.6%									0.3%	n.s.
Discontinued Operations					0.0	(0.3)			0.0	0.0	0.0	(0.3)
Net income	36.7	6.6	(4.1)	(3.0)	(16.0)	(22.0)	(0.6)	2.1	(12.3)	(10.5)	3.7	(26.8)
% on sales	3.5%	0.6%									n.s.	n.s.
Attributable Net income					(15.6)	(21.9)					11.9	(15.1)
Net Financial Position	1,298.6	892.4	42.9	12.8	(43.5)	323.8	(17.9)	32.0	(588.7)	(205.3)	691.4	1,055.7

*of witch property writedowns/revaluations -7.1€/mln in 9M'09 and -0.6€/mln in 9M'08

Pirelli Balance Sheet

€/mln

	9M'09	2008 Actual
Fixed Assets	3,490.0	3,686.4
Net Working Capital	511.0	397.4
Net Invested Capital	4,001.0	4,083.8
Equity	2,570.7	2,374.4
Provisions	738.9	681,7
Net Financial Position	691.4	1,027.7
Total Assets	4,001.0	4,083.8
Pirelli & C. attributable Equity	2,244.9	2,171.8
Equity per share	0.418	0.405

	% Net Invested Capital	
	30.09.2009	31.12.2008
P.Tyre	66.9%	62.7%
P.Eco Tech.	1.2%	0.8%
P.Real Est.	19.4%	18.9%
PBS	0.4%	0.4%
Others	12.1%	17.2%

Pirelli Group Cash Flow

€/mln

	1Q'09	2Q'09	3Q'09	9M'09	9M'08
Operating profit (EBIT)	50.3	72.0	82.8	205.1	232.3
Depreciation	51.4	52.4	52.3	156.1	158.7
Net investments	(42.9)	(37.4)	(32.0)	(112.3)	(217.3)
Working capital/other variations	(262.8)	96.7	(84.4)	(81.7)	(328.3)
FREE CASH FLOW	(204.0)	183.7	(187.5)	167.2	(154.6)
Financial income (expenses)	(20.2)	(19.2)	(13.6)	(53.0)	(35.1)
Taxes charges	(26.3)	(19.2)	(36.1)	(81.6)	(90.9)
OPERATING CASH FLOW	(250.5)	145.3	(137.8)	32.6	(280.6)
Speed SpA acquisition	-	-	-	-	(835.5)
Financial investments/divestitures	37.9	78.1	129.4	245.4	(54.1)
Dividends paid	-	(2.4)	-	(2.4)	(168.0)
Cash out for restructuring	(45.8)	(25.1)	(15.7)	(86.6)	(13.8)
PRE Capital increase subscribed by minorities	-	-	167.4	167.4	-
Exchange rate differentials	7.2	(24.6)	(2.7)	(20.1)	(5.8)
NET CASH FLOW	(251.2)	171.3	416.2	336.3	(1,357.8)

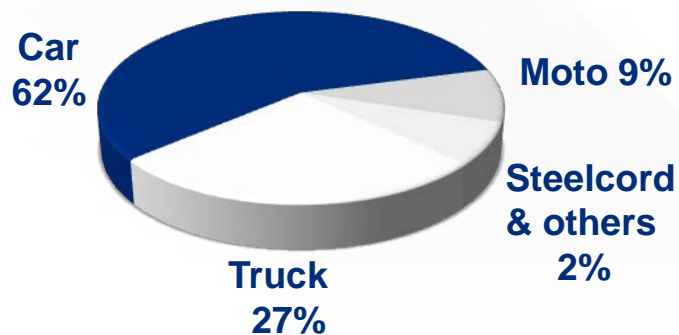
Pirelli Group: Net financial position 9M'09 by Business

€/mln

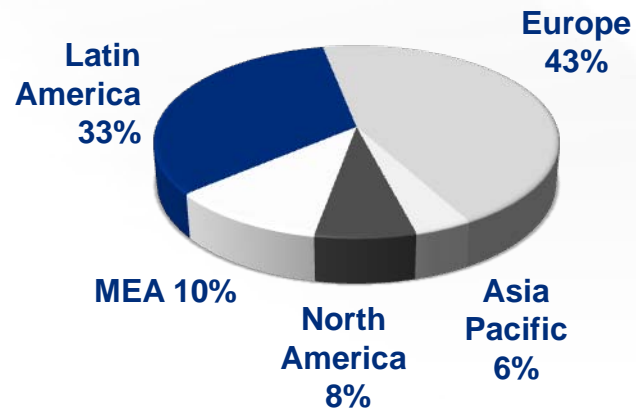
	TYRE	PRE	Other Business	Corporate	Pirelli Group
Gross Debt	1,615	502	62	253	1,842
to Corporate	445	69	61		
Financial receivables	(91)	(506)	(22)	(574)	(603)
Cash and cash equivalents	(225)	(40)	(4)	(279)	(548)
Net Financial Position	1,299	(44)	36	(600)	691

9M'09 Pirelli Tyre Mix

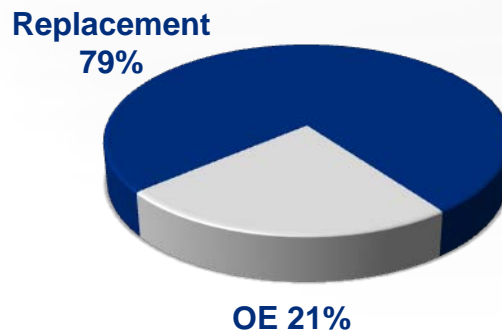
Sales by segment



Sales by region

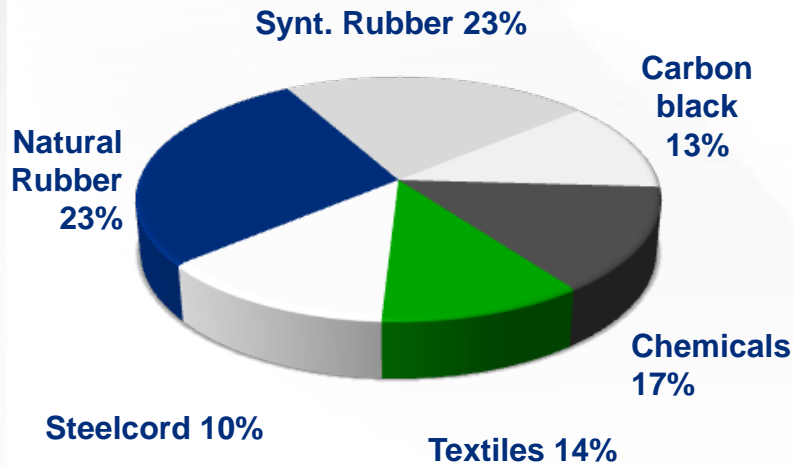


Sales by channel

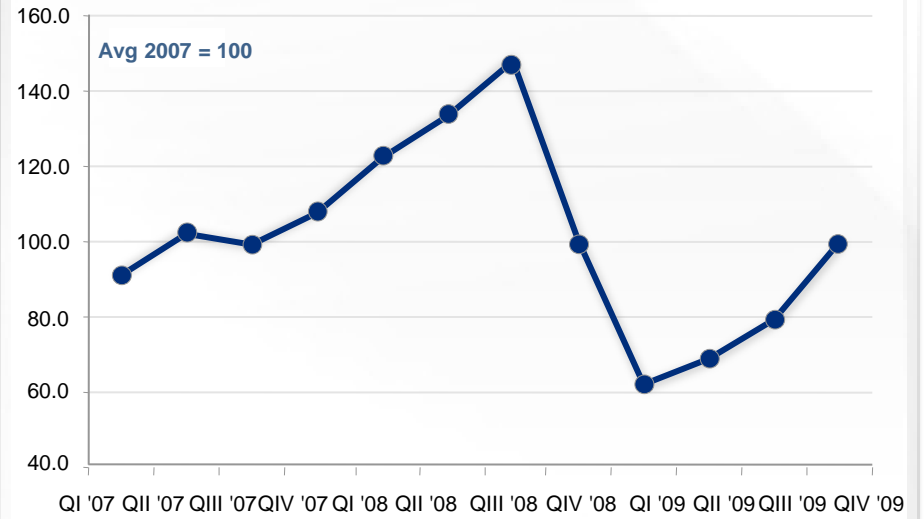


Raw Materials

Pirelli Tyre mix



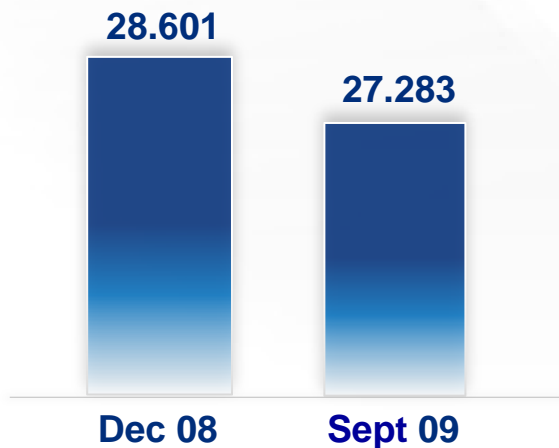
Natural Rubber price trend



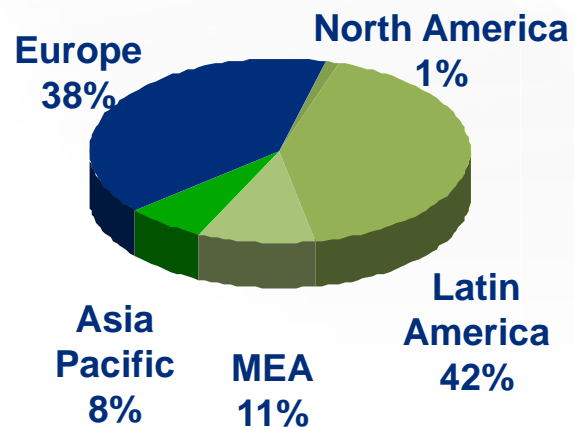
Source: SICOM

9M'09 Pirelli Tyre People

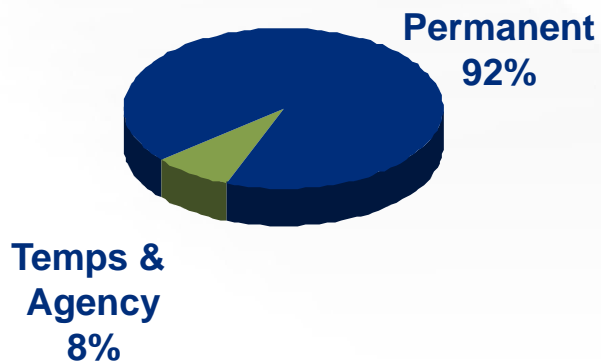
Headcount



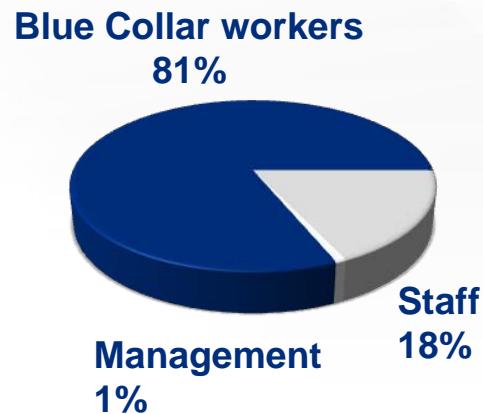
People by region



People by contract



People by cluster



9M'09 Pirelli Tyre factories



Consolidated net cash flow

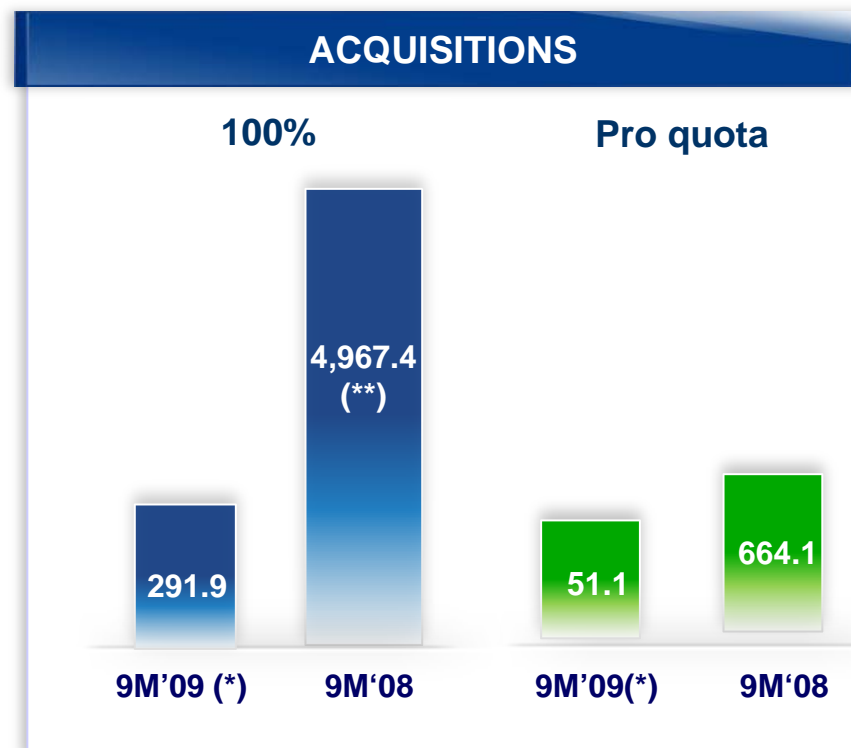
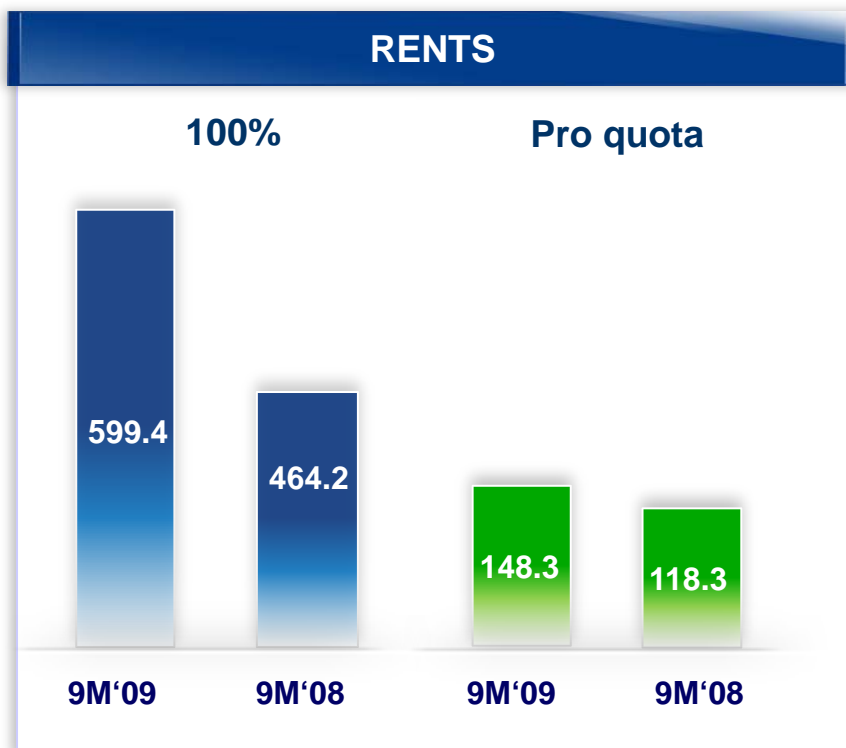
€/mln



	9M'09	9M'08
Ebit before restructuring costs, reval. / deval.	(1.3)	21.0
Depreciation	5.4	6.6
Change in investments	(36.8)	(50.1)
Change in other fixed assets	0.1	(14.8)
Change in NWC, funds and other	(0.9)	(12.0)
Free cash flow	(33.5)	(49.3)
Impact from Facility Mgm disposal	0.0	102.4
Restructuring costs	(31.9)	(8.6)
Interest income /expenses and taxes	(1.0)	6.4
Cash flow before dividends	(66.3)	51.0
Dividend paid	0.0	(85.1)
Net cash flow	(66.3)	(34.1)
Capital increase	399.3	0.0
Treasury shares purchase/sales	0.0	0.0
Total net cash flow	333.0	(34.1)

Rents and sales evolution

€/mln

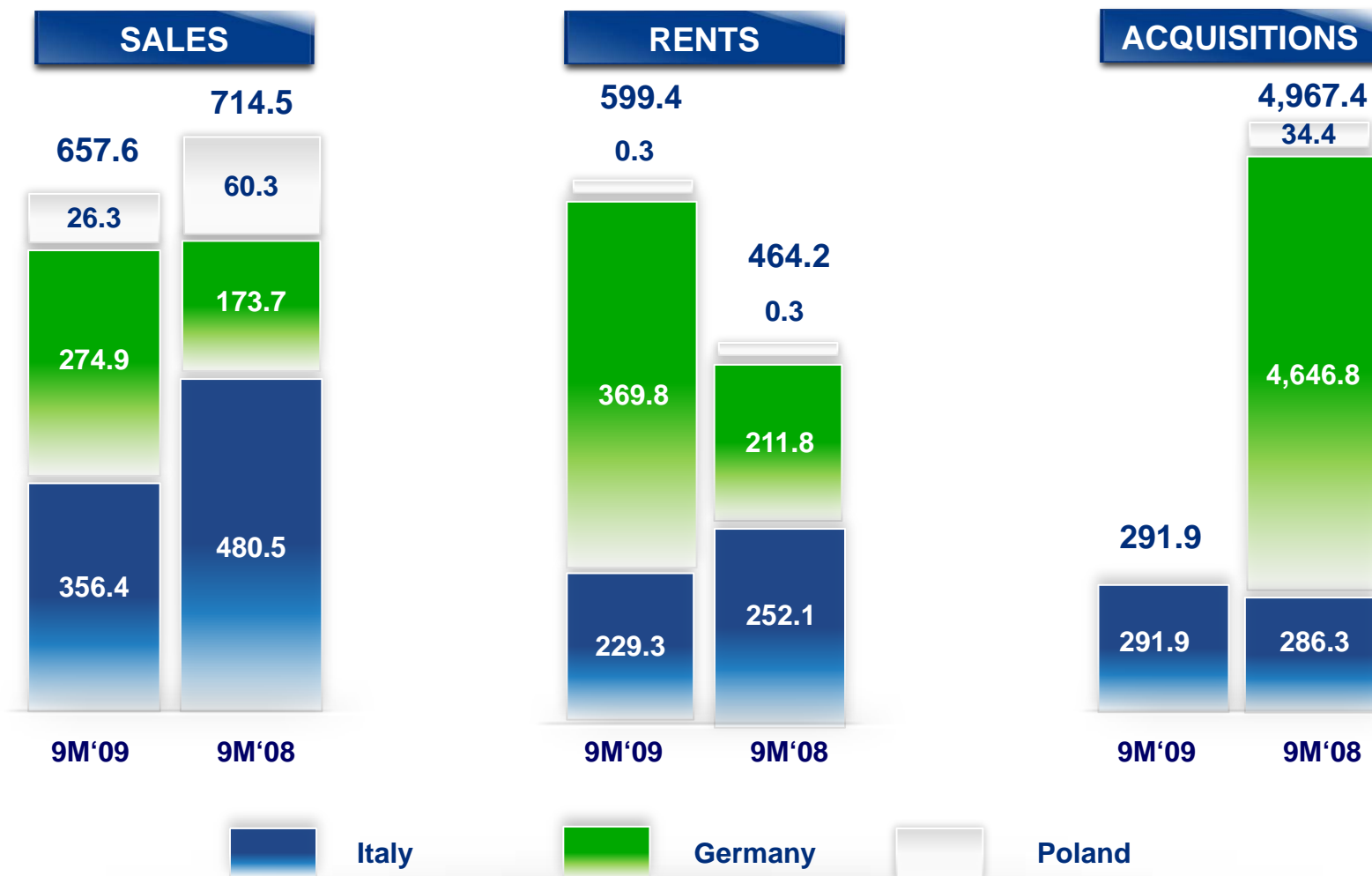


(*) No impacts on consolidated NFP since acquisitions are financed by a financial vehicle

(**) It includes the acquisition of Highstreet for 4,625.0 €/mln, whose management is split in half with Archon.

Real estate portfolio: sales, rents and acquisitions by country

€/mln



Total economic results- total Pirelli RE

(1/2)

€/mln

	9M'09	1H'09	9M'08
Fund & AM Fee			
Consolidated revenues	44.0	29.5	70.1
Other (*)	6.1	0.0	17.0
Total revenues	50.1	29.5	87.1
Result (**)	18.5	8.6	18.0
Agency			
Consolidated revenues	18.5	12.7	22.4
Other (*)	0.0	0.0	(0.1)
Total revenues	18.5	12.7	22.3
Result (**)	(4.7)	(4.0)	(10.9)
Property			
Consolidated revenues	47.6	32.2	50.1
Other (*)	0.0	0.0	0.5
Total revenues	47.6	32.2	50.6
Result (**)	6.4	4.6	4.9
Facility			
Consolidated revenues	12.3	7.2	19.2
Other (*)	0.0	0.0	0.2
Total revenues	12.3	7.2	19.4
Result (**)	0.3	0.2	0.1
Credit servicing			
Consolidated revenues	12.1	8.7	23.3
Other (*)	1.8	2.0	0.0
Total revenues	14.0	10.7	23.3
Result (**)	(5.2)	(2.5)	0.2
Holding			
Consolidated revenues	2.9	4.4	(12.9)
Other (*)	0.0	0.0	(0.0)
Total revenues	2.9	4.4	(12.9)
Result (**)	(15.9)	(10.0)	(17.5)

(*) Includes success fees, promote and capital gain from quota disposals of service companies

(**) 'Result' represents EBIT including income from equity participations before restructuring costs, writedown/ revaluations, including interest income from participations

Total economic results- total Pirelli RE

(2/2)

€/mln



	9M'09	1H'09	9M'08
Service platform & Holding			
Consolidated revenues	137.4	94.7	172.1
Other (*)	7.9	2.0	17.6
Total revenues	145.3	96.7	189.7
Result (**)	(0.5)	(3.2)	(5.2)
Vehicles & funds			
Results from Vehicles & funds	(29.7)	(19.8)	27.6
Of which Real estate	(35.6)	(22.8)	13.2
Of which NPL	6.0	3.0	14.5
Interest income from participations	21.3	13.7	24.1
Result (**)	(8.4)	(6.0)	51.8
Total Result (**)	(8.9)	(9.2)	46.5

(*) Includes success fees, promote and capital gain from quota disposals of service companies

(**) 'Result' represents EBIT including income from equity participations before restructuring costs, writedown/ revaluations, including interest income from participations

Economic results - Italy

€/mln



	9M'09	1H'09	9M'08
Service platform			
Consolidated revenues	73.9	50.1	106.4
Other (*)	6.1	0.0	17.0
Total revenues	80.0	50.1	123.4
Result (**)	19.5	6.7	18.9
Vehicles & funds			
Results from Vehicles & funds	(21.0)	(14.6)	0.6
Interest income from participations	5.9	4.3	8.5
Result (**)	(15.1)	(10.3)	9.2
Total Italy (**)	4.3	(3.6)	28.1

(*) Includes success fees, promote and capital gain from quota disposals of service companies

(**) 'Result' represents EBIT including income from equity participations before restructuring costs, writedown/ revaluations, including interest income from participations

Economic results – service platform - Italy

€/mln



	9M'09	1H'09	9M'08
Fund & AM Fee			
Consolidated revenues	32.1	21.4	57.0
Other (*)	6.1		17.0
Total revenues	38.2	21.4	74.0
Result (**)	16.4	6.0	22.4
Agency			
Consolidated revenues	14.4	10.1	17.9
Other (*)			
Total revenues	14.4	10.1	17.9
Result (**)	(4.5)	(3.9)	(9.9)
Property			
Consolidated revenues	27.4	18.6	31.4
Other (*)			
Total revenues	27.4	18.6	31.4
Result (**)	7.6	4.6	6.4

Service platform			
Consolidated revenues	73.9	50.1	106.4
Other (*)	6.1	0.0	17.0
Total revenues	80.0	50.1	123.4
Result (**)	19.5	6.7	18.9

(*) Includes success fees, promote and capital gain from quota disposals of service companies

(**) 'Result' represents EBIT including income from equity participations before restructuring costs, writedown/ revaluations, including interest income from participations

Economic results – Germany

€/mln



	9M'09	1H'09	9M'08
Service platform			
Consolidated revenues	44.4	28.5	49.3
Other (*)	0.0	0.0	0.6
Total revenues	44.4	28.5	49.9
Result (**)	2.2	2.7	(6.4)
Vehicles & funds			
Results from Vehicles & funds	(14.9)	(8.8)	(4.9)
Interest income from participations	12.3	7.9	7.7
Result (**)	(2.6)	(0.9)	2.8
Total Germany (**)	(0.4)	(1.8)	(3.6)

(*) Includes success fees, promote and capital gain from quota disposals of service companies

(**) 'Result' represents EBIT including income from equity participations before restructuring costs, writedown/ revaluations, including interest income from participations

Economic results – service platform – Germany

€/mln

	9M'09	1H'09	9M'08
Fund & AM Fee			
Consolidated revenues	10.3	7.0	11.0
Other (*)			
Total revenues	10.3	7.0	11.0
Result (**)	3.1	3.1	(2.8)
Agency			
Consolidated revenues	3.4	2.2	3.7
Other (*)			(0.1)
Total revenues	3.4	2.2	3.7
Result (**)	0.2	0.0	(0.9)
Property			
Consolidated revenues	20.2	13.6	18.6
Other (*)			0.5
Total revenues	20.2	13.6	19.1
Result (**)	(1.2)	0.0	(1.6)
Facility			
Consolidated revenues	10.6	5.8	16.0
Other (*)			0.2
Total revenues	10.6	5.8	16.1
Result (**)	0.1	(0.4)	(1.1)

Service platform			
Consolidated revenues	44.4	28.5	49.3
Other (*)	0.0	0.0	0.6
Total revenues	44.4	28.5	49.9
Result (**)	2.2	2.7	(6.4)

(*) Includes success fees, promote and capital gain from quota disposals of service companies

(**) 'Result' represents EBIT including income from equity participations before restructuring costs, writedown/ revaluations, including interest income from participations

Economic results – Poland

€/mln



	9M'09	1H'09	9M'08
Service platform			
Consolidated revenues	4.0	3.1	6.1
Other (*)	0.0	0.0	0.0
Total revenues	4.0	3.1	6.1
Result (**)	(1.1)	(0.1)	(0.4)
Vehicles & funds			
Results from Vehicles & funds	0.3	0.6	17.4
Interest income from participations	1.7	1.1	1.1
Result (**)	2.0	1.7	18.5
Total Poland (**)	0.9	1.6	18.0

(*) Includes success fees, promote and capital gain from quota disposals of service companies

(**) 'Result' represents EBIT including income from equity participations before restructuring costs, writedown/ revaluations, including interest income from participations

Economic results – service platform - Poland

€/mln



	9M'09	1H'09	9M'08
Fund & AM Fee			
Consolidated revenues	1.6	1.1	2.1
Other (*)			
Total revenues	1.6	1.1	2.1
Result (**)	(0.9)	(0.5)	(1.6)
Agency			
Consolidated revenues	0.7	0.5	0.7
Other (*)			
Total revenues	0.7	0.5	0.7
Result (**)	(0.4)	(0.1)	(0.1)
Facility			
Consolidated revenues	1.7	1.5	3.2
Other (*)			
Total revenues	1.7	1.5	3.2
Result (**)	0.2	0.6	1.2

Service platform			
Consolidated revenues	4.0	3.1	6.1
Other (*)	0.0	0.0	0.0
Total revenues	4.0	3.1	6.1
Result (**)	(1.1)	(0.1)	(0.4)

(*) Includes success fees, promote and capital gain from quota disposals of service companies

(**) 'Result' represents EBIT including income from equity participations before restructuring costs, writedown/ revaluations, including interest income from participations

Economic results – Npl

€/mln



	9M'09	1H'09	9M'08
Service platform			
Consolidated revenues	12.1	8.7	23.3
Other (*)	1.8	2.0	0.0
Total revenues	14.0	10.7	23.3
Result (**)	(5.2)	(2.4)	0.2
Vehicles & funds			
Results from Vehicles & funds	6.0	3.0	14.5
Interest income from participations	1.3	0.4	6.3
Result (**)	7.3	3.4	20.8
Total Npl (**)	2.1	1.1	21.0

(*) Includes success fees, promote and capital gain from quota disposals of service companies

(**) 'Result' represents EBIT including income from equity participations before restructuring costs, writedown/ revaluations, including interest income from participations

Participated real estate assets under management – 100%

€/mln

Sep-09	Quota PRE	Passing Rent	Passing Yield	Vacancy	Book Value	Net Financial Position	Of which Net Debt
Commercial Core Italy		86,471.2	5.3%	11.0%	1,618,224.9	1,111,766.5	1,072,140.9
Tecla Fondo Uffici	45.0%	39,489.2	5.5%	9.7%	716,984.2	489,853.2	489,853.2
Fondo Cloe	18.6%	25,075.5	5.9%	13.7%	425,295.5	219,066.3	219,066.3
Fondo Retail & Entertainm	31.6%	21,906.6	4.6%	13.1%	475,945.1	402,847.0	363,221.4
Commercial Yielding Italy		177,141.6	7.0%	6.3%	2,531,220.1	1,388,181.4	1,303,068.9
Fips	22.0%	21,249.0	8.2%	0	259,309.4	206,329.5	193,075.3
Tiglio 1	12.9%	13,978.0	6.8%	37.8%	205,175.0	115,327.1	115,327.1
Raissa	35.0%	23,307.8	6.7%	0	346,649.7	185,856.9	155,812.9
Olinda Fondo Shop	11.8%	38,516.0	6.7%	3.1%	578,870.0	294,738.8	294,738.8
Dolcetto Tre S.r.l.	33.0%	1,426.0	10.4%	0.0%	13,675.4	9,959.9	9,959.9
Progetto Perugia	100.0%	1,618.0	4.9%	1.7%	32,994.8	-	-
Armillia	2.3%	16,790.2	7.5%	0.0%	224,970.0	133,813.6	133,813.6
Spazio Industriale Fondo (Portafoglio)	22.0%	41,246.6	7.2%	2.0%	569,754.6	281,150.9	281,150.9
Fo. Hospitality & Leisure	35.0%	9,012.0	8.3%	0.0%	108,956.3	101,607.5	79,778.3
Italia Turismo	16.3%	9,998.0	5.2%	0.0%	190,865.0	59,397.1	39,412.1
TOTAL Italy		263,612.8	6.4%	7.1%	4,149,445.0	2,499,947.9	2,375,209.8
Commercial Core Germany		109,190.1	6.2%	0.0%	1,774,098.7	1,194,883.3	1,103,463.3
Mistral	35.0%	-	0.0%	0.0%	-	-	-
Highstreet	12.1%	109,190.1	6.2%	0.0%	1,774,098.7	1,194,883.3	1,103,463.3
Commercial Germany		169,315.9	7.0%	1.3%	2,414,459.1	2,607,156.4	2,468,904.3
Highstreet	12.1%	162,143.7	7.1%	1.0%	2,280,869.8	2,524,164.0	2,398,504.4
Mistral	35.0%	7,172.2	5.4%	10.8%	133,589.3	82,992.4	70,399.9
Residential Yielding Germany		188,165.3	6.9%	5.4%	2,740,997.6	2,577,506.5	2,222,609.2
DGAG	40.0%	68,289.3	7.5%	3.3%	905,323.3	805,834.9	692,684.5
BIB	40.0%	101,675.3	6.5%	6.2%	1,557,090.8	1,534,358.6	1,328,055.0
Small Deal	49.9%	18,200.7	6.5%	8.4%	278,583.5	237,312.9	201,869.6
TOTAL Germany		466,671.4	6.7%	3.6%	6,929,555.4	6,379,546.2	5,794,976.8
TOTAL YIELDING PORTFOLIO		730,284.2	6.6%	4.9%	11,079,000.4	8,879,494.1	8,170,186.6
Residential Small Office House Office ITA		19,571.4	n.m.	n.m.	1,035,736.9	890,351.5	742,013.0
Development ITA		2,401.0			1,368,091.4	1,149,292.5	965,109.4
Development Germany		8,121.2			152,456.1	126,377.2	112,006.3
Development Poland		330.4			151,466.6	123,760.6	65,430.6
OTHER PORTFOLIO		30,424.1			2,707,751.1	2,289,781.7	1,884,559.3
GRAND TOTAL		760,708.3			13,786,751.5	11,169,275.9	10,054,745.9

(*) The yields related to the real estate funds managed by SGR are based on the assumption pending the approval by SGR Board of the September 2009 financial statements

Pro-quota real estate assets under management

€/mln

Sep-09	Passing Rent pro-quota	Passing Yield	Vacancy	Book Value pro-quota	Net Financial Position	Of which Net Debt Proquota
Commercial Core Italy	29,356.6	5.3%	10.5%	552,146.5	402,080.8	381,132.8
Tecla Fondo Uffici	17,770.1	5.5%	9.7%	322,842.9	226,802.5	226,802.5
Fondo Cloe	4,664.0	5.9%	13.7%	79,105.0	40,746.3	40,746.3
Fondo Retail & Entertainm	6,922.5	4.6%	13.1%	150,398.7	134,532.0	113,584.0
Commercial Yielding Italy	35,504.5	7.0%	4.1%	510,318.2	291,026.1	267,669.8
Fiprs	4,666.3	8.2%	0	56,944.3	55,353.8	50,153.8
Tiglio 1	1,801.8	6.8%	37.8%	26,447.1	15,474.9	15,474.9
Raissa	8,157.7	6.7%	0	121,327.4	65,049.9	54,533.8
Olinda Fondo Shop	4,544.9	6.7%	3.1%	68,306.7	34,844.0	34,844.0
Dolcetto Tre S.r.l.	470.6	10.4%	0.0%	4,512.9	3,286.8	3,286.8
Progetto Perugia	1,618.0	4.9%	1.7%	32,994.8		
Armilla	386.2	7.5%	0.0%	5,174.3	3,024.2	3,024.2
Spazio Industriale Fondo (Portafoglio)	9,074.3	7.2%	2.0%	125,346.0	62,116.6	62,116.6
Fo. Hospitality & Leisure	3,154.2	8.3%	0.0%	38,134.7	35,562.6	27,922.4
Italia Turismo	1,630.7	5.2%	0.0%	31,130.1	16,313.3	16,313.3
TOTAL Italy	64,861.2	6.1%	5.8%	1,062,464.8	693,107.0	648,802.6
Commercial Core Germany	13,212.0	6.2%	0.0%	214,665.9	212,262.0	187,548.4
Mistral	-	0.0%	0.0%	-	-	-
Highstreet	13,212.0	6.2%	0.0%	214,665.9	212,262.0	187,548.4
Commercial Germany	23,425.3	6.8%	2.6%	345,710.8	312,798.2	286,602.4
Highstreet	19,619.4	7.1%	1.0%	275,985.3	276,688.0	263,961.7
Mistral	3,805.9	5.5%	10.8%	69,725.5	36,110.2	22,640.7
Residential Yielding Germany	76,034.0	6.8%	5.5%	1,116,987.3	1,041,685.3	886,816.7
DGAG	27,315.7	7.4%	3.3%	370,401.9	322,334.0	265,886.0
BIB	40,670.1	6.5%	6.2%	622,836.3	613,743.5	532,570.5
Small Deal	8,048.1	6.5%	8.8%	123,749.1	105,607.9	88,360.2
TOTAL Germany	112,671.2	6.7%	4.9%	1,677,364.0	1,566,745.6	1,360,967.5
TOTAL YIELDING PORTFOLIO	177,532.4	6.5%	5.2%	2,739,828.8	2,259,852.6	2,009,770.1
Residential Small Office House Office ITA	6,387.5	n.m.	n.m.	348,001.5	290,847.5	243,720.2
Development ITA	600.3			436,870.7	371,502.6	298,431.0
Development Germany	3,591.8			66,614.0	55,173.0	42,304.6
Development Poland	123.2			58,202.7	49,569.8	26,199.8
OTHER PORTFOLIO	10,702.7			909,688.9	767,093.0	610,655.6
GRAND TOTAL	188,235.2			3,649,517.7	3,026,945.6	2,620,425.7

(*) The yields related to the real estate funds managed by SGR are based on the assumption pending the approval by SGR Board of the September 2009 financial statements