



MILAN - MARCH 10, 2010

# **FY '09 PIRELLI RESULTS & 2010 OUTLOOK**

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## 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 FY'09 Results review**
- ▶ 2010 Outlook & Targets
- ▶ Pirelli Tyre & Parts
- ▶ Pirelli Real Estate
- ▶ Appendix



# Pirelli FY'09 Key Messages

Strategic Goals	Actions	Results
<ul style="list-style-type: none"> <li>▶ COMPETITIVENESS</li> </ul>	<ul style="list-style-type: none"> <li>▶ We exploited our exposure in emerging markets</li> <li>▶ Vigorous marketing strategy</li> <li>▶ Development of new energy-efficient products</li> <li>▶ Process and product innovation</li> </ul>	<ul style="list-style-type: none"> <li>▶ Consolidated share in all markets, especially in South America</li> <li>▶ Best tyre market performance in the industry</li> <li>▶ 25% Green Performance Revenues</li> <li>▶ 3.3% Tyre R&amp;D costs / revenues</li> </ul>
<ul style="list-style-type: none"> <li>▶ LEANER BUSINESS MODEL</li> </ul>	<ul style="list-style-type: none"> <li>▶ Tyre: effective cost reduction initiatives</li> <li>▶ Real Estate: structure optimisation</li> <li>▶ Holding reorganisation</li> </ul>	<ul style="list-style-type: none"> <li>▶ Cost savings: 200 mln (<i>net of exchange rate</i>)</li> <li>▶ Fixed costs: -29% YoY vs. '09</li> <li>▶ Halved costs starting from '10</li> </ul>
<ul style="list-style-type: none"> <li>▶ THE "PORTFOLIO RESHAPING PLAN"</li> </ul>	<ul style="list-style-type: none"> <li>▶ Focus on core business, creation of the "Tyre &amp; Parts" division</li> <li>▶ Non-strategic financial stakes sold</li> </ul>	<ul style="list-style-type: none"> <li>▶ Greater synergies</li> <li>▶ ~250€/mln resources to be invested in core business</li> </ul>
<ul style="list-style-type: none"> <li>▶ REAL ESTATE BUSINESS TURNAROUND</li> </ul>	<ul style="list-style-type: none"> <li>▶ Refocus, Rebalance, Efficiency</li> </ul>	<ul style="list-style-type: none"> <li>▶ All targets set in May '09 have been achieved</li> </ul>
<ul style="list-style-type: none"> <li>▶ STRONG FINANCIAL POSITION</li> </ul>	<ul style="list-style-type: none"> <li>▶ Accurate working capital management</li> </ul>	<ul style="list-style-type: none"> <li>▶ Net debt / EBITDA ratio of 1.2x</li> </ul>



# Pirelli FY'09 results vs targets

€/bln

	FY'09 Targets (Feb.'09)	FY'09 revised Targets (Nov.'09)	FY'09 Results
<b>Revenues</b> of which "Green Performance"	~ 4.3 25%	> 4.3 25%	<b>4.5</b> 25% (+5 p.p. YoY)
<b>EBIT %</b> After continuous restructuring*	4.5-5.0%	~ 4.5%	<b>4.9%</b>
<b>Capex</b>	0.7 in '09-'11 plan		<b>0.22</b>
<b>NFP</b>	1.0	~ 0.7	<b>0.5</b>

(\*) The 2009-'11 plan announced last February included 30€/mln restructuring costs, that grew to 79.6€/mln during the year.



# Pirelli Key Financial Results

€/mln

	FY'09	FY'08	Δ YoY	4Q'09	4Q'08	Δ YoY	4Q'09 Results Drivers
<b>Revenues</b>	<b>4,462.2</b>	<b>4,660.2</b>	-4.2%	<b>1,154.8</b>	<b>992.2</b>	+16.4%	<ul style="list-style-type: none"> <li>▶ Tyre top line strong rebound (+18.7% yoy) sustained by market share increase in all major countries</li> <li>▶ Profitability improvement:                             <ul style="list-style-type: none"> <li>▶ Tyre: 10% ebit margin before restruct costs. +7.9pp yoy</li> <li>▶ PRE: break-even reached at EBIT+IEP before special effects** (FY target achieved)</li> </ul> </li> <li>▶ Tyres and PRE '09 efficiency programs effectively carried out</li> <li>▶ Sound cash flow generation through Pirelli Tyre working capital management</li> <li>▶ Higher capex due to capacity utilization increase</li> </ul>
Organic growth (*)			-3.3%			+11.7%	
EBITDA before Restruct. Costs Margin	508.1 11.4%	396.1 8.5%		146.9 12.7%	5.1 0.5%		
EBIT before Restruct. Costs Margin	297.0 6.7%	187.4 4.0%		91.9 8.0%	(44.9) n.m.		
<b>Restructuring Costs</b>	<b>(79.6)</b>	(144.2)		<b>(38.3)</b>	(94.9)		
<b>EBIT Margin</b>	<b>217.4</b> 4.9%	<b>43.2</b> 0.9%		<b>53.6</b> 4.6%	<b>(139.8)</b> n.m.		
Devaluation/sale of particip. in listed co.	(17.5)	(267.8)		-	(112.5)		
Results from equity particip. PRE	(45.1)	(168.5)		(8.4)	(168.8)		
Other Results from participations	5.9	69.8		(10.4)	0.1		
Total Net Income	(22.6)	(412.5)		(13.9)	(376.2)		
<b>Net Income post minorities</b>	<b>22.7</b>	<b>(347.5)</b>		<b>4.5</b>	<b>(296.2)</b>		
<b>Net Debt</b>	<b>528.8</b>	<b>-498.9</b> vs. 2008 y.e.		<b>-162.6</b> vs. Sep. 30. 2009			
<b>Capex</b>	<b>225</b>	<b>311</b>		<b>113</b>	<b>94</b>		
<b>Employees</b> (no. as of 31 Dic. 2009)	<b>29,570</b>	<b>-1,486</b> vs 2008 ye.					

(\*) Homogeneous terms variations, excluding exchange rate effects and Venezuela high inflation accounting impact

(\*\*) before restructuring costs and property writedowns/revaluation

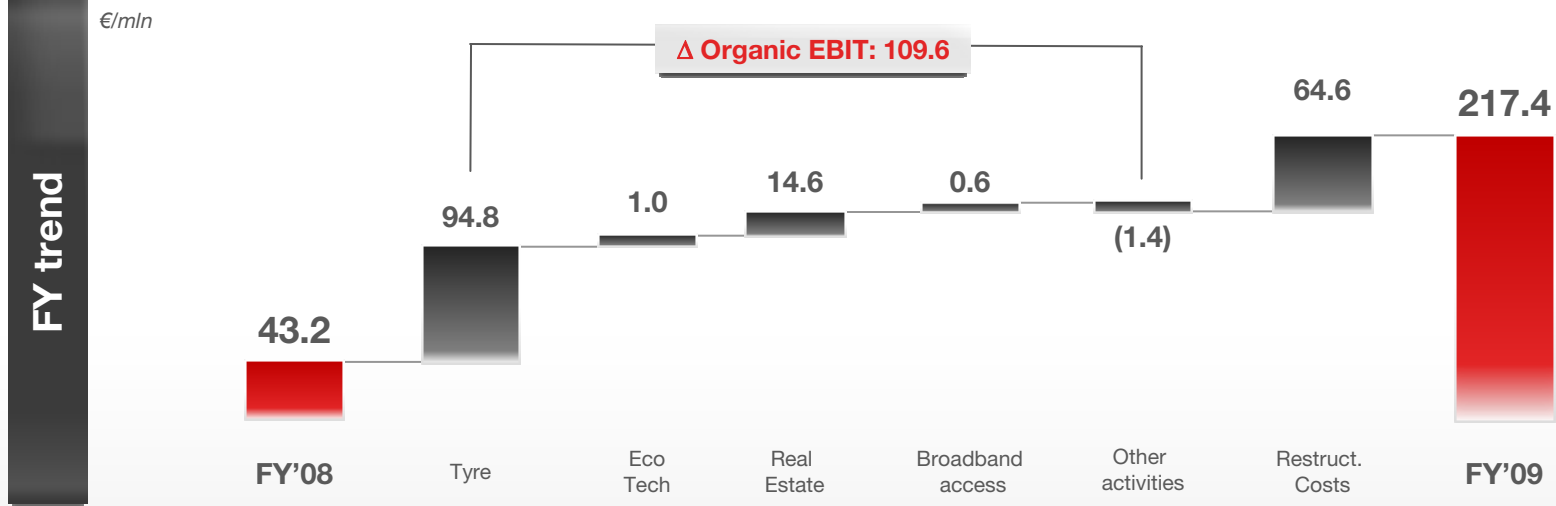
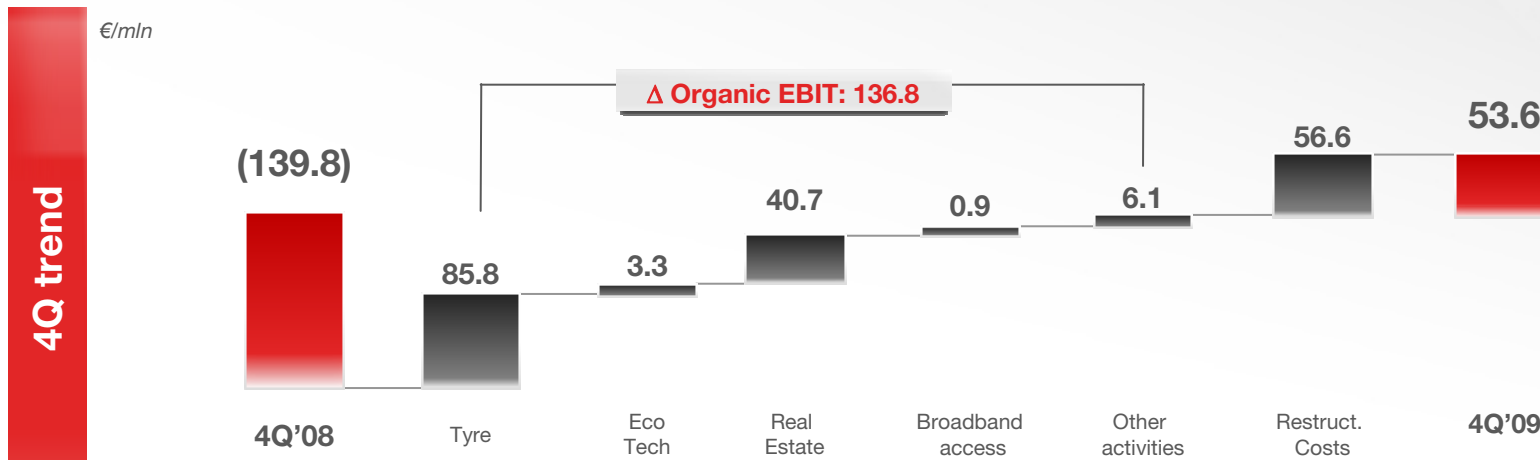


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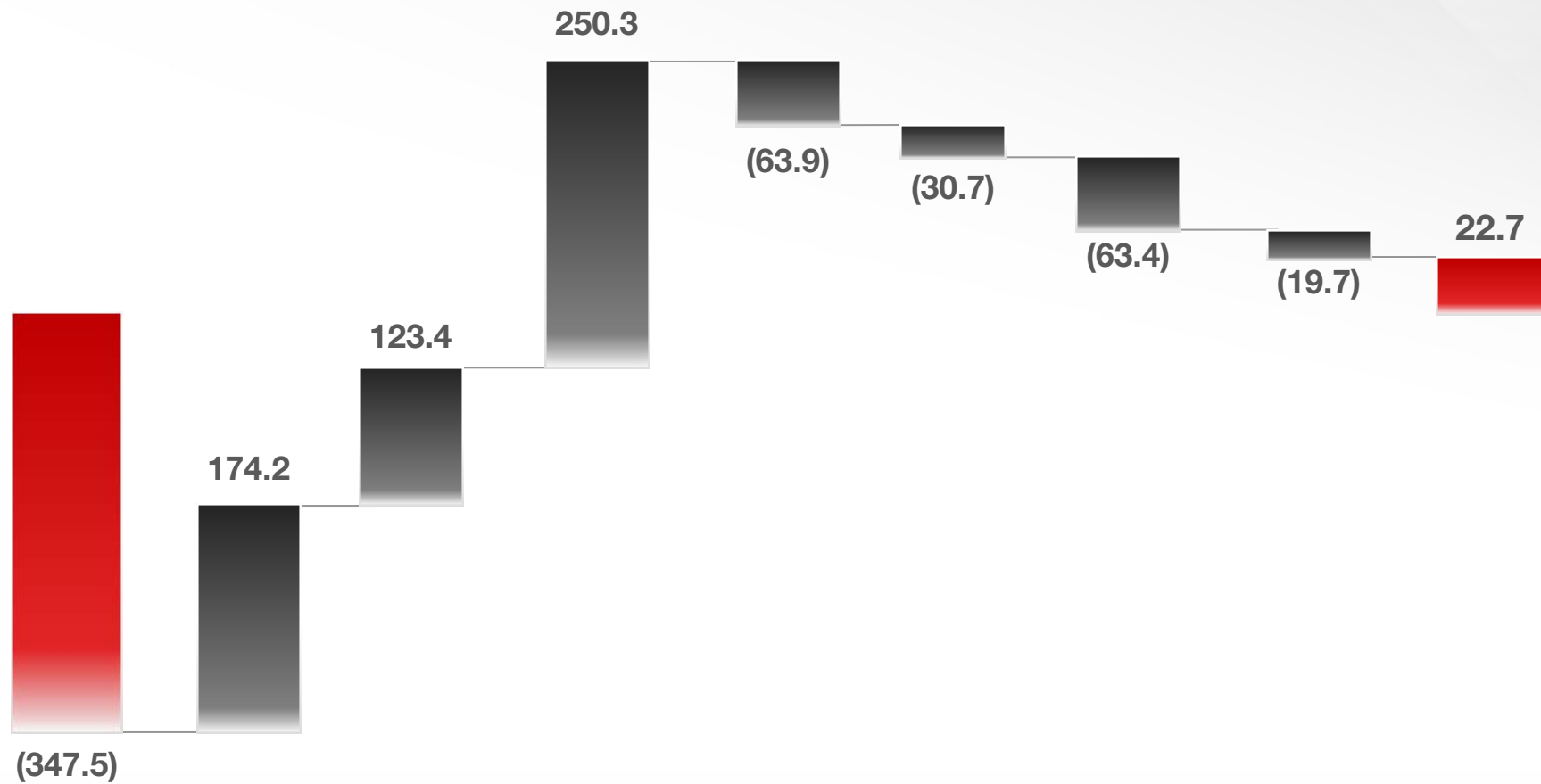
FY '09 PIRELLI RESULTS & 2010 OUTLOOK 5

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# Pirelli EBIT trend



# Pirelli attributable net income FY'09 vs FY'08



FY'08

Δ EBIT

Δ Results from equity particip. PRE

Δ Deval./sale particip. in listed co.

Δ Other results from particip.

Δ financial charges and taxes

Δ discontinued operations

Δ minorities

FY'09





# Dividend Proposal

▶ **Parent Company Net Income:** 112.6 €/mln (vs 189.5 €/mln in 2008)

▶ **Dividend Proposal to be submitted to Pirelli & C. AGM (21 April 2010)**

	DPS	N° of Shares*	Dividends
		<i>mln</i>	<i>€/mln</i>
Ordinary shares	1.45 €/cent	5,229	75.8
Saving shares	4.06 €/cent**	130	5.3
			81.1
			72% of parent company Net Income

## ▶ Dividend Payment Schedule

▶ **Coupon Detachment:** 24 May, 2010

▶ **Dividend Payment:** starting from 27 May, 2010

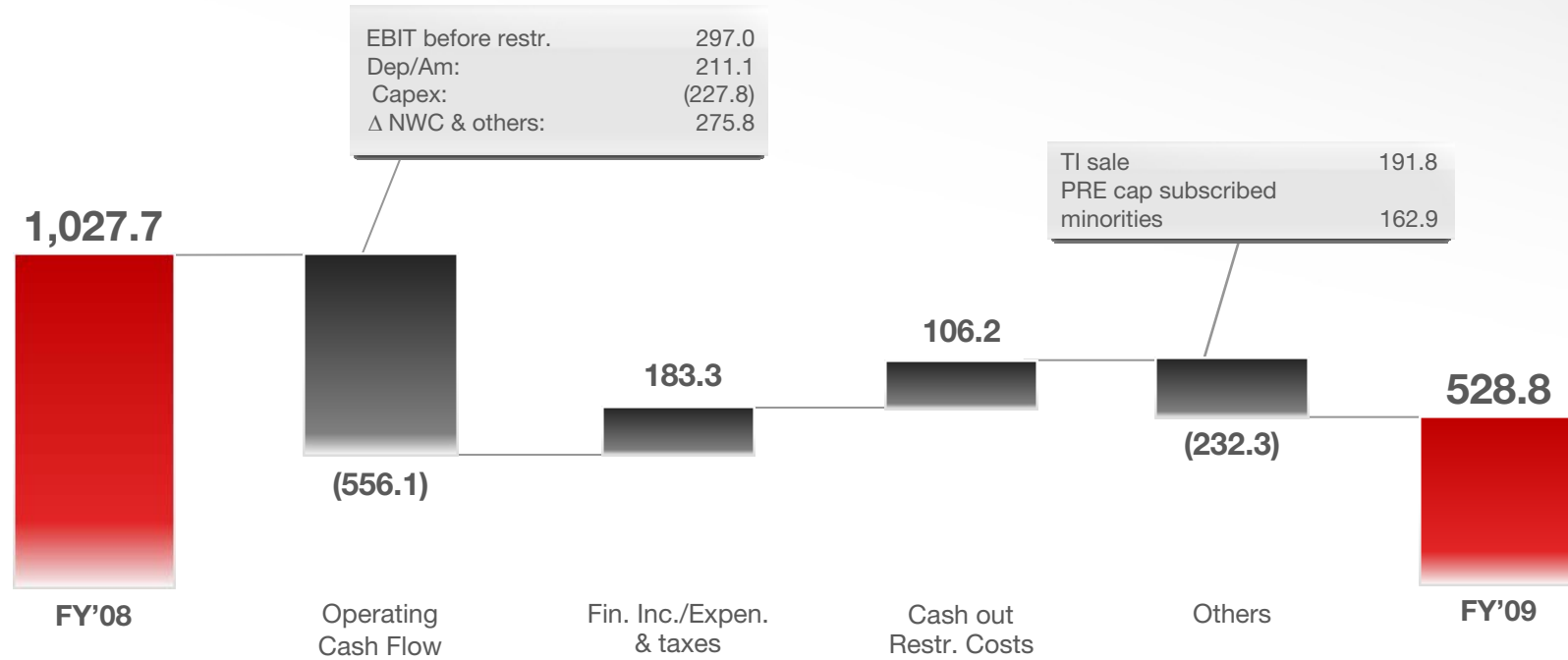
\*Net of treasury shares: 3.9mln ordinary shares and 4.5mln savings shares.

\*\*2.03 /cent for the financial year 2008 and 2.03 /cent for the financial year 2009

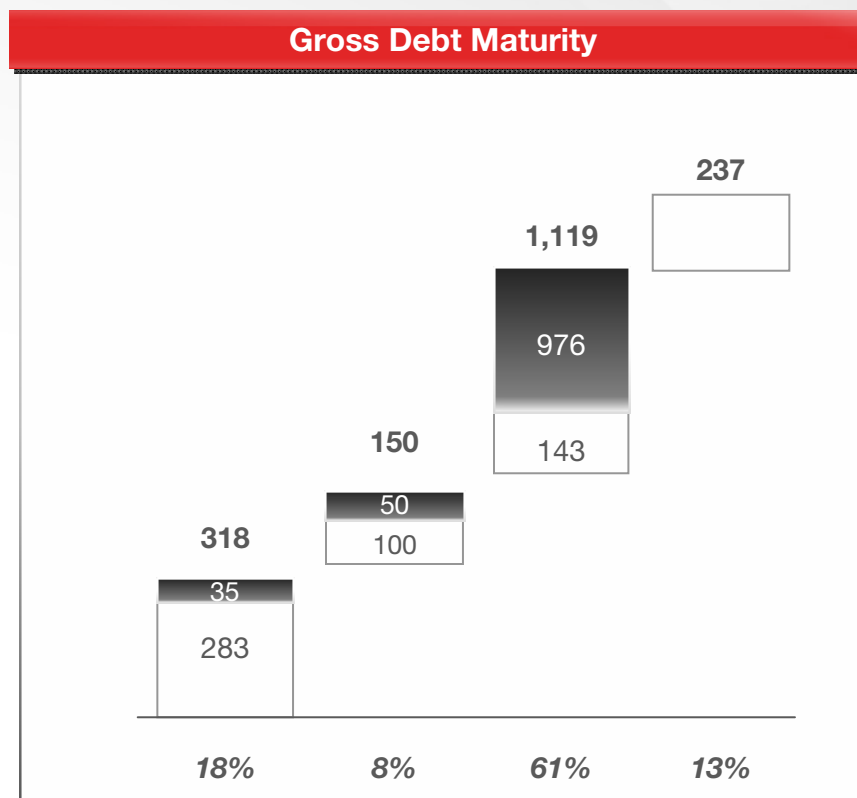
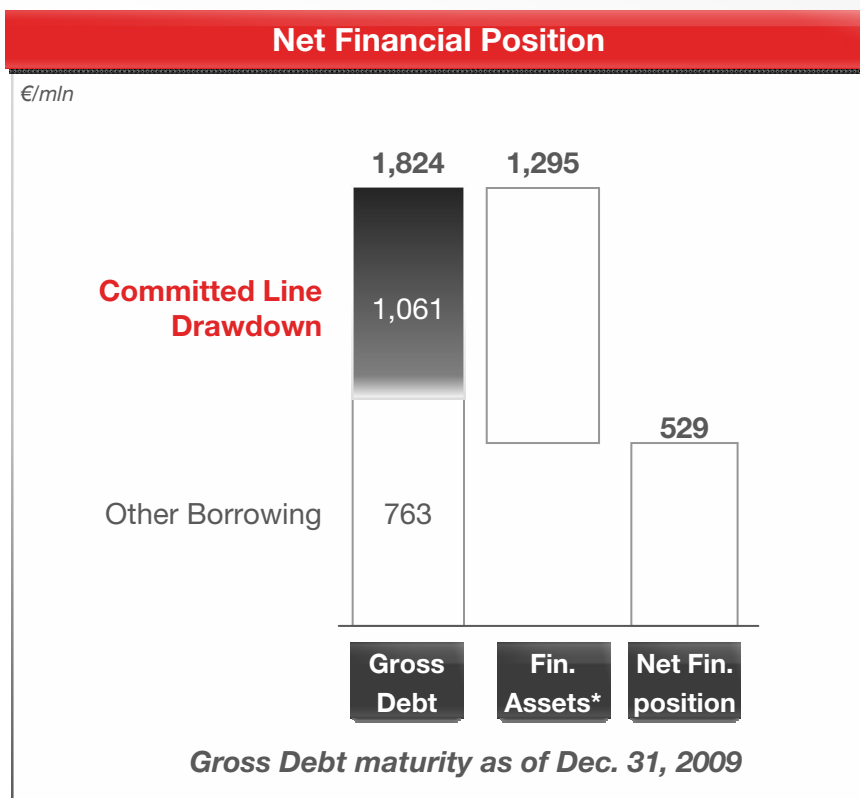


# Pirelli FY'09 net financial position

€/mln



# Pirelli Debt Structure as of December 31, 2009



	FY'09	2010	2011	2012	2013 & beyond
Total Committed Lines Not Drawn	Total 819	-	155	664	



\*Financial receivables, cash and cash equivalents

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- ▶ Pirelli Real Estate
- ▶ Appendix



# 2010 Outlook

Growing with value into a **"pure Tyre company, a frontrunner in Green Performance"**

**Tyre and Parts** .... ready for a new leap forward on a solid ground.

## **Tyre**

- ▶ ongoing growth by business differentiation
- ▶ improvement of our cost competitiveness
- ▶ investments acceleration to build up capacity

## **Filters**

- ▶ exploit domestic & global opportunities deriving from ever stricter anti-pollution regulations

**Synergic business (Ambiente & Pzero):**

- ▶ breakeven .... ready to create new business opportunities and enhance brand value

**Real Estate** .... ready to bring out intrinsic value:

- ▶ consolidate leadership in Italy as a Fund Management Company
- ▶ continue a derisking approach in Germany & Poland
- ▶ refocus on the services platform to increase recurring profitability
- ▶ maintain a strict financial discipline



# Pirelli 2010 - 2011 targets

€/bln

	2009 A	2010 Targets	2011 Targets ('09-'11plan)
<b>Group Revenues</b> of which "Green Performance"	4.5 25%	<b>4.7-4.8</b> <b>33%</b>	4.7-4.8 40%
<b>EBIT %</b> post restructuring	4.9%	<b>6.5-7%</b>	~ 8%
<b>Capex</b>	0.22	>0.3	
<b>NFP</b>	0.5	<b>0.7*</b>	<0.8 before dividends

0.7 in 3Y plan

New 3Y industrial plan (2011-2013) will be announced before 2010 ye

(\* Including the dividends proposal to be submitted to Pirelli & C. AGM of April 21, 2010



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  - ▶ **4Q'09 Results**
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- ▶ **Pirelli Real Estate**
- ▶ **Appendix**



# FY'09 Results: exceeding our targets twice



€/bln

	FY'09 Targets (Feb.'09)	FY'09 revised Targets (Nov.'09)	FY'09 Results
<b>Revenues</b>	3.8	~3.9	<b>4.0</b>
<b>EBIT %</b> After continuous restructuring	6.5/ 7.0%	≥ 7.0%	<b>7.7%</b>
<b>Cost reduction program</b>	0.2		<b>0.2</b>
<b>NFP</b>	1.3*		<b>1.0</b>



(\*) before dividends





## 4Q'09: The best quarter of the year



- ▶ **Strong top line rebound:** +18.7% yoy thanks to market share increase in all major markets (except Russia) and the exposure to high growth markets (50% of our revenues).
  
- ▶ **Double-digit margin on both Consumer and Industrial:** 10% EBIT margin before restructuring costs due to:
  - ▶ positive raw material impact (82 €/mln)
  - ▶ cost efficiencies and higher capacity utilisation
  
- ▶ **Solid cash generation:** 315 €/mln of net operating cash flow in 4Q'09 through:
  - ▶ effective inventory reductions
  - ▶ and tight credit policyWhile increasing significantly investment (over 100€/mln, 50% of FY 2009).



# Pirelli Tyre quarterly performance

€/mln



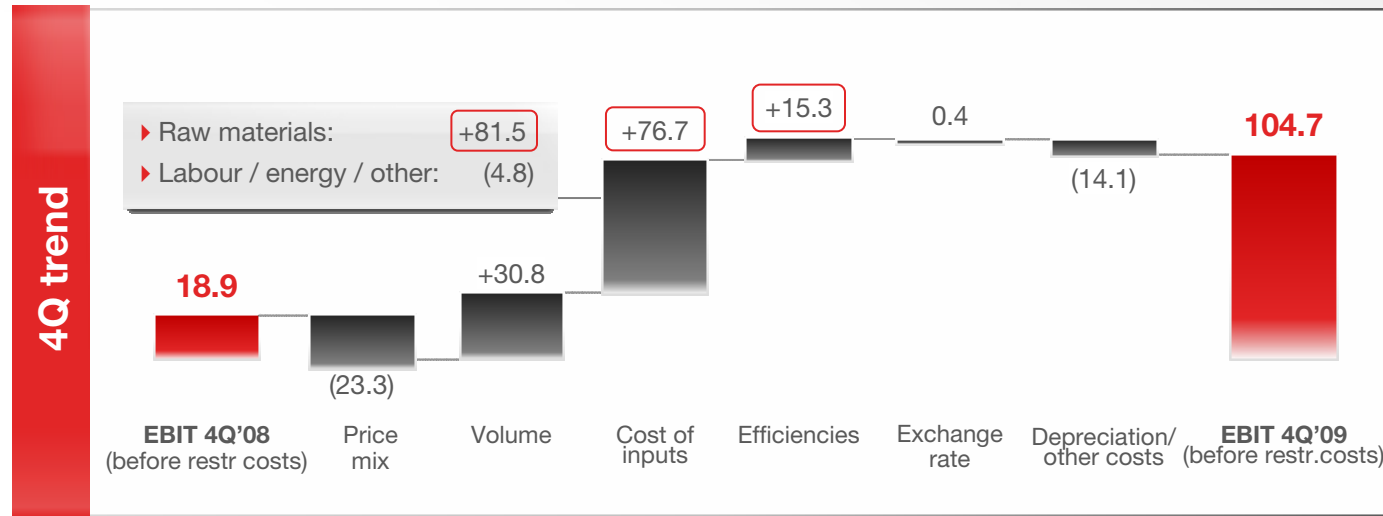
	1Q'09 YoY%		2Q'09 YoY%		3Q'09 YoY%		4Q'09 YoY%		FY'09 YoY%	
<b>Revenues</b>	926.9	-13.9%	989.0	-9.2%	1,042.7	-1.9%	1,034.3	+18.7%	3,992.9	-2.6%
<b>EBITDA</b> (before restruct. costs)	107.8	-28.6%	133.0	-1.8%	142.0	+54.7%	155.2	+146.7%	538.0	+21.9%
margin	11.6%	-2.4 p.p.	13.4%	+1.0 p.p.	13.6%	+5.0 p.p.	15.0%	+7.8 p.p.	13.5%	+2.7 p.p.
<b>EBIT</b> (before restruct. costs)	61.0	-40.7%	85.5	-3.1%	94.3	+131%	104.7	+454.0%	345.5	+37.8%
margin	6.6%	-2.9 p.p.	8.6%	+0.5 p.p.	9.0%	+5.2 p.p.	10.1%	+7.9 p.p.	8.7%	+2.6 p.p.
<b>EBIT</b> (after restruct. costs)	57.5	-42.7%	79.3	-7.5%	85.9	n.m.	85.8	n.m.	308.5	+104.7%
margin	6.2%	-3.1 p.p.	8.0%	+0.1 p.p.	8.2%	+6.9 p.p.	8.3%	n.m.	7.7%	+4.0 p.p.
<b>Net Income</b>	14.6		39.6		36.7		55.7		146.6	

Revenue drivers	1Q'09	2Q'09	3Q'09	4Q'09	FY'09
Δ Price/Mix	+6.9%	+5.6%	+4.7%	-1.7%	+4.2%
Δ Volume	-18.1%	-13.3%	-3.3%	+15.6%	-5.8%
<b>Δ Rev.</b> (before exch. rate impact)	<b>-11.2%</b>	<b>-7.7%</b>	<b>+1.4%</b>	<b>+13.9%</b>	<b>-1.6%</b>
Δ Exch. Rate	-2.7%	-1.5%	-3.3%	+2.0%	-1.6%
High Inflation				+2.8%	+0.6%



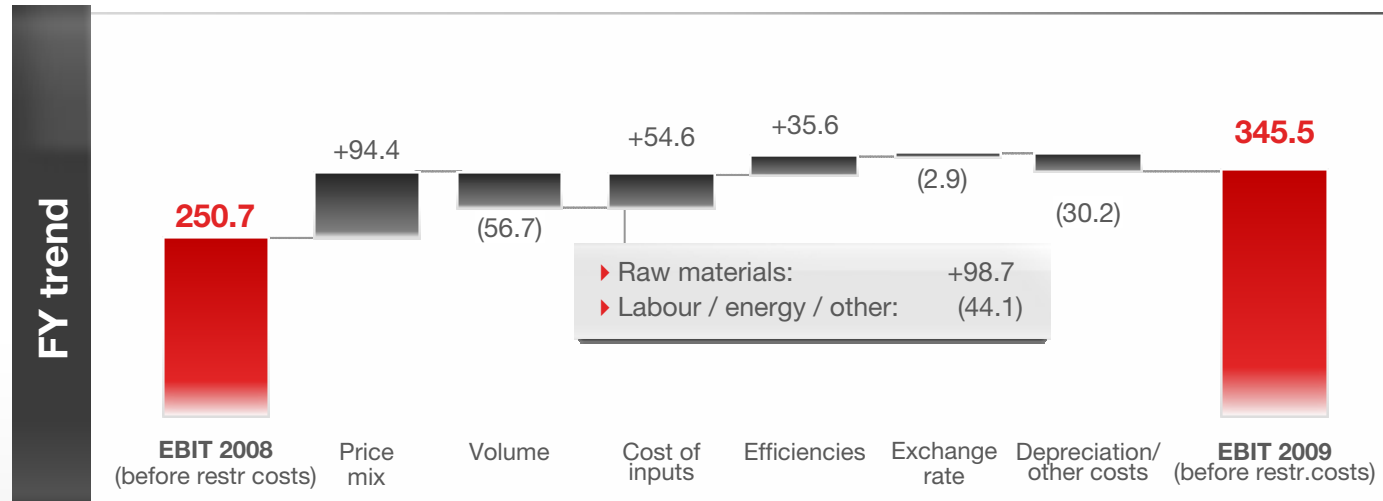
# Pirelli Tyre operating performance

€/mln



▶ **4Q'09 Price/mix trend** reflects a higher comparison base (price/mix +14% in 4Q08) and the increasing OE channel weight in 4Q09 (+4pp yoy)

▶ **4Q'09 Raw materials:** The highest quarterly price spread yoy



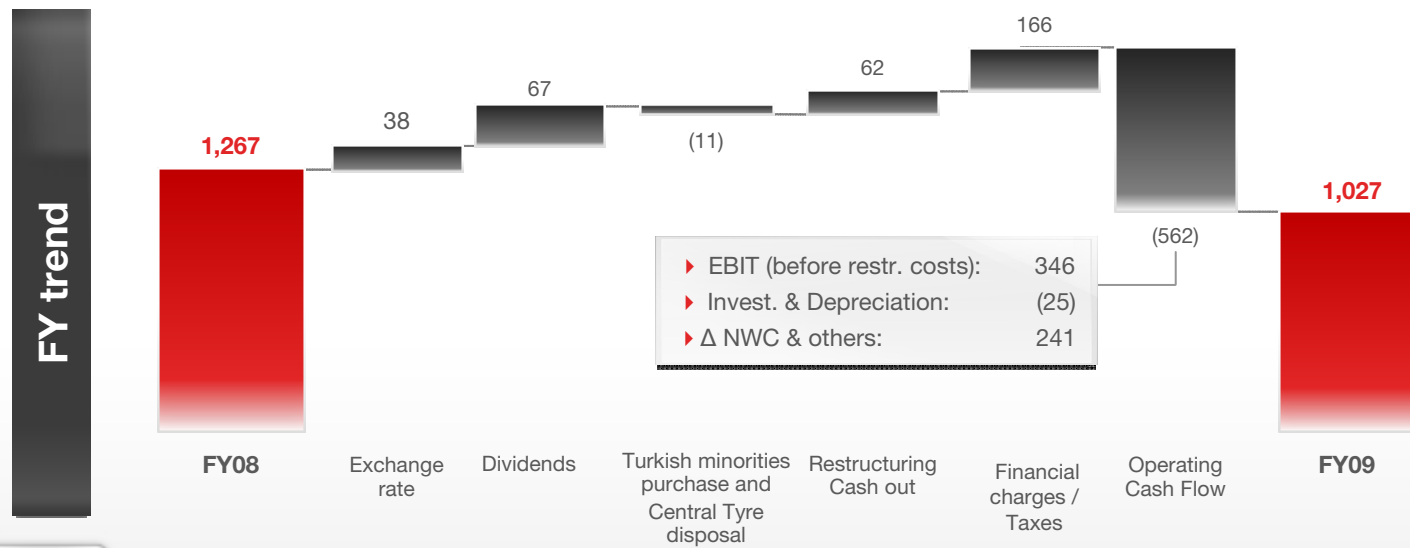
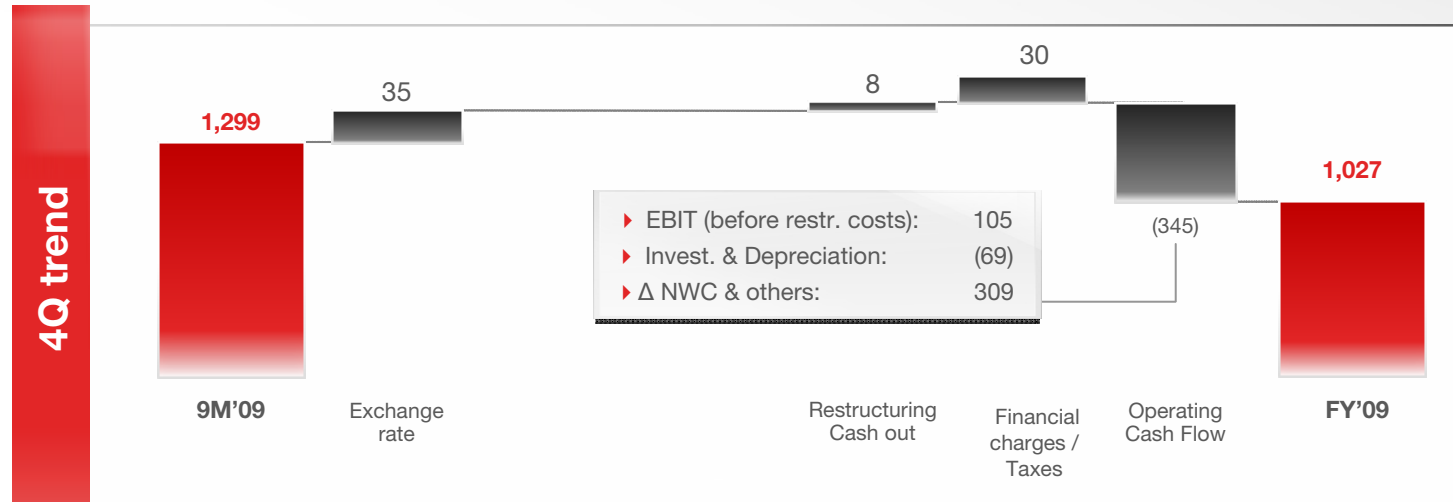
▶ **4Q'09 cost efficiencies** increasing through **higher factory saturation**

▶ **Other Costs** include provisions (12 /mln) for 3Y Senior Management Long Term Incentive Plan



# Pirelli Tyre NFP evolution

€/mln



# Consumer Business: market trends in FY'09

## Market trends

Car tyre shipments. % (yoy)



▶ **OE:** Volume rebound in all major markets in 4Q09. Mercosur is leading the trend

▶ **Replacement:** dealer restocking and improving end-user demand

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



# Consumer Business: Pirelli economics in FY'09

€/mln



	1Q '09 YoY%		2Q '09 YoY%		3Q '09 YoY%		4Q '09 YoY%		FY '09 YoY%	
<b>Revenues</b>	670.5	-10.4%	701.5	-6.0%	736.0	+3.1%	719.8	21.2%	2,827.8	+0.9%
<b>EBITDA</b> (before restruct. costs)	77.4	-28.8%	90.4	+1.1%	100.3	+96.7%	111.6	+240.2%	379.7	+34.7%
<i>margin</i>	11.5%	-3.0 p.p.	12.9%	+0.9 p.p.	13.6%	+6.5 p.p.	15.5%	+10.0 p.p.	13.4%	+3.3 p.p.
<b>EBIT</b> (before restruct.costs)	41.9	-42.2%	54.5	+1.5%	64.1	n.m.	73.2	n.m.	233.7	+68.0%
<i>margin</i>	6.2%	-3.5 p.p.	7.8%	+0.6 p.p.	8.7%	+6.9 p.p.	10.2%	+10.2 p.p.	8.3%	+3.3 p.p.

Highest profitability in 4Q supported by:

- ▶ Winter tyre in Europe
- ▶ Strong sales in South America
- ▶ Lowest input costs vs previous quarters

▶ **Volumes:** Increasing demand in all markets, driven by Winter products and OEM

▶ **Price/mix:** High '08 comparison base (+13.5% in 4Q08) and OE channel higher weight (+4pp yoy)

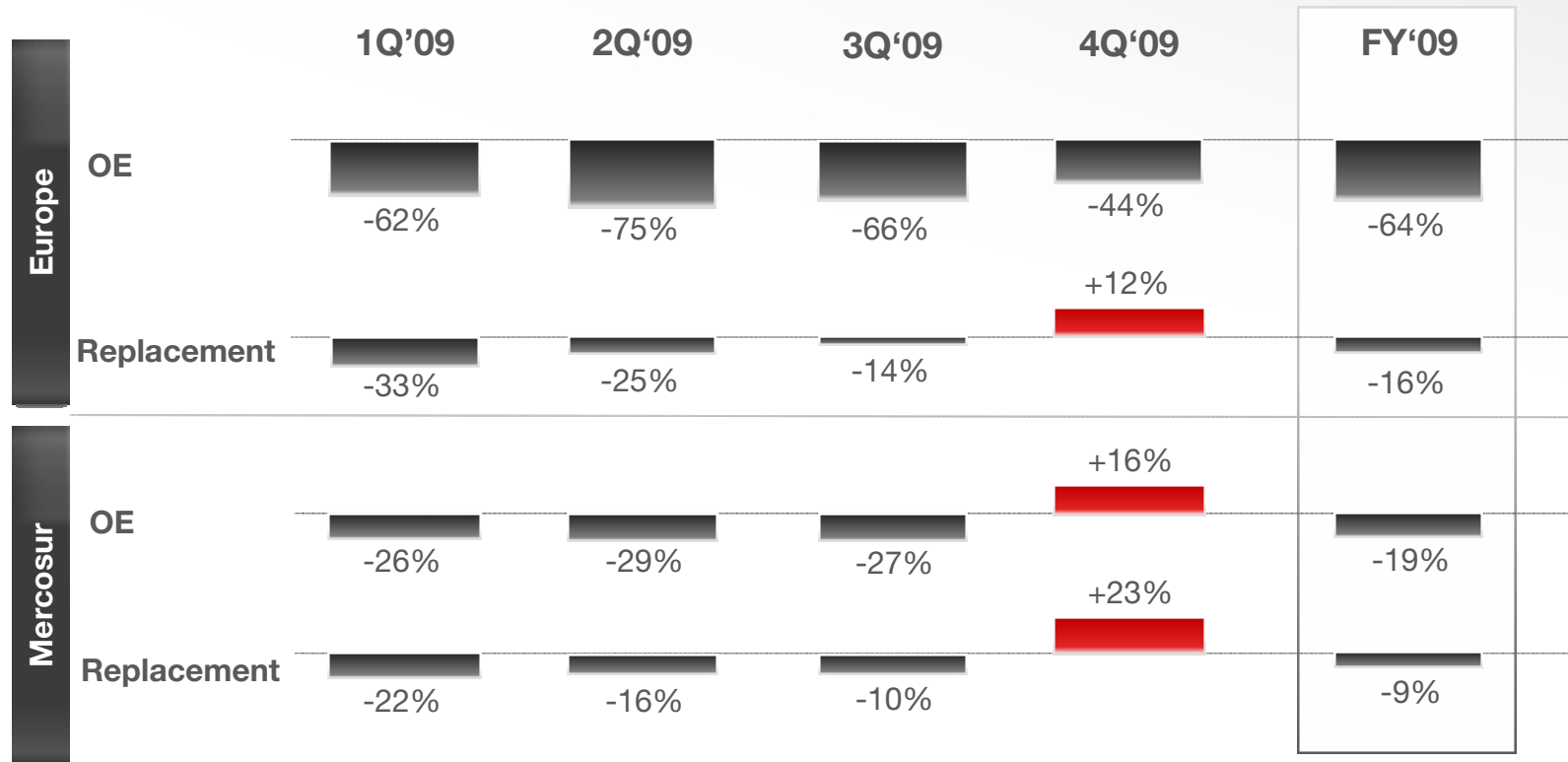
	1Q '09	2Q '09	3Q '09	4Q '09	FY '09
<b>Revenues drivers</b>					
Δ Price/Mix	+6.6%	+5.1%	+3.6%	-0.9%	+3.9%
Δ Volume	-14.7%	-9.8%	+1.7%	+16.4%	-2.7%
<b>Δ Rev.</b> (before exch. rate impact)	<b>-8.1%</b>	<b>-4.7%</b>	<b>+5.3%</b>	<b>+15.5%</b>	<b>+1.2%</b>
Δ Exch. Rate	-2.3%	-1.3%	-2.2%	+2.7%	-0.9%
<b>High Inflation</b>				+3.0%	0.6%



# Industrial Business: market trends in FY'09

## Market trends

Car tyre shipments,



- ▶ **OE:** Mercosur, the first market to recover
- ▶ **Replacement:** Double-digit growth in both Europe and Mercosur (truck freight data are recovering in mature and emerging countries)



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



# Industrial Business: Pirelli economics in FY'09

€/mln



	1Q '09	Δ %	2Q '09	Δ %	3Q '09	Δ %	4Q '09	Δ %	FY '09	Δ %
<b>Revenues</b>	256.4	-22.0%	287.5	-16.3%	306.7	-12.2%	314.5	+13.4%	1,165.1	-10.3%
<b>EBITDA</b> (before restruct. costs)	30.4	-28.1%	42.6	-7.6%	41.7	+2.2%	43.6	+44.9%	158.3	-0.6%
<i>margin</i>	11.9%	-1.0 p.p.	14.8%	+1.4 p.p.	13.6%	+1.9 p.p.	13.9%	+3.0 p.p.	13.6%	+1.3 p.p.
<b>EBIT</b> (before restruct.costs)	19.1	-36.8%	31.0	-10.1%	30.2	+7.5%	31.5	+67.6%	111.8	+0.2%
<i>margin</i>	7.5%	-1.7 p.p.	10.8%	+0.8 p.p.	9.8%	+1.8 p.p.	10.0%	+3.2 p.p.	9.6%	+1.0 p.p.

► **Strong volumes** rebound also driven by fleet restocking and trade

	1Q '09	2Q '09	3Q '09	4Q '09	FY '09
<b>Revenues drivers</b>					
Δ <b>Price/Mix</b>	+7.2%	+6.8%	+7.0%	-3.5%	+5.0%
Δ <b>Volume</b>	-25.7%	-20.9%	-13.4%	+14.0%	-12.6%
Δ <b>Rev.</b> (before exch. rate impact)	<b>-18.5%</b>	<b>-14.1%</b>	<b>-6.4%</b>	<b>+10.5%</b>	<b>-7.6%</b>
Δ <b>Exch. Rate</b>	-3.5%	-2.2%	-5.8%	+0.3%	-3.3%
<b>High Inflation</b>				+2.6%	0.6%

► **Price/mix:** -3.5% in 4Q09 vs. +15.6% in 4Q08





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# Our Strategic Guidelines for 2010



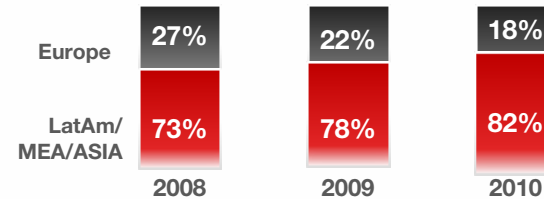
## 1 A different growth strategy by business

### Consumer

- ▶ Pirelli Brand enhancing Premium Segment positioning (>70% of Consumer) in Europe and North America
- ▶ Full exploitation of our potentials in areas of growth (LatAm, China)

### Industrial

- ▶ Further exposure in Emerging Markets to best seize growth opportunities



## 2 Improve our cost competitiveness

### Levers

- ▶ Price/mix improvement
- ▶ Cost efficiency program
- ▶ Production increase in low-cost countries

### Expected Results

- ▶ **contrast raw materials cost increase** (cost headwind ~200€/mln at current natural rubber price >3,000 \$/ton.)
- ▶ >90% of Industrial (87% in '08)
- ▶ >70% for Consumer (61% in '08) } *a year in advance!*  
with one factory closure in 2009 (Spain) and one in 2010 (old Settimo)

## 3 Accelerate Investments to build up capacity: over 300€/mln in 2010

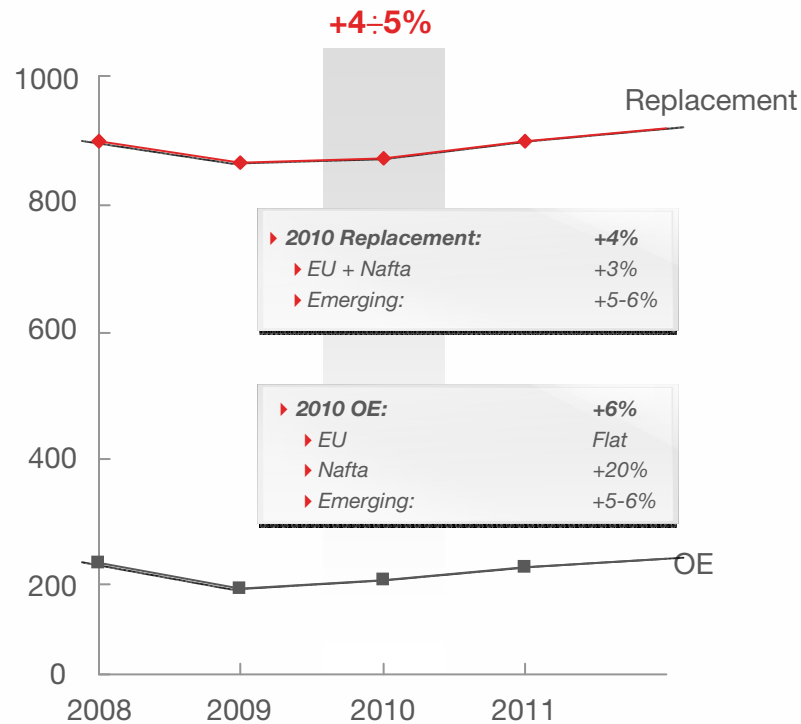


# Our growth strategy in the Consumer market ...



## Market Outlook

Car tires, Mln pieces



## Our Growth Strategy

### North America

- ▶ Keep growing our market share in the Replacement segment: new products, new customers, brand pull

### EMEA

- ▶ More selective and focused on OEMs, while increasing sales in Replacement with Green Performance products and winter re-stocking

### LatAm

- ▶ Consolidate leadership in both OE and Replacement segments

### Asia-Pacific

- ▶ Exploit competitive China source to increase coverage and penetration in major APAC markets; initiate OE in China with European premium transplants

Source: LMC. Pirelli estimates

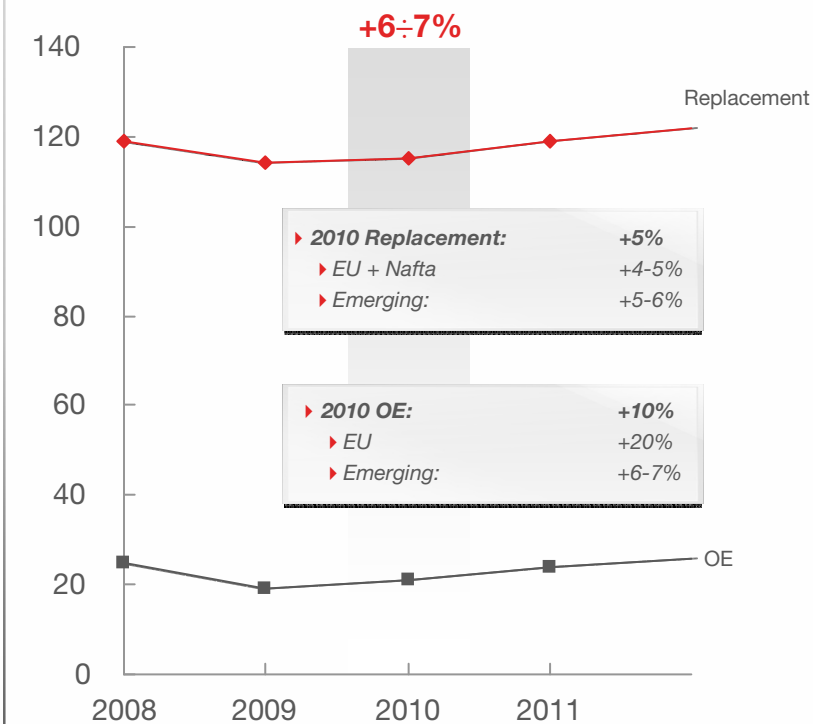


# ... and in the Industrial market



## Market Outlook

Mln pieces. Percent. Radial + truck tires



## Our Growth Strategy

### Emea

- ▶ Consolidate market recovery

### LatAm

- ▶ Consolidate leadership in Mercosur while increasing share in Central America

### Asia

- ▶ Focus on Chinese market due to capacity saturation

### SteelCord

- ▶ Leverage vertical integration and innovation

Source: LMC. Global Insight. Pirelli estimates



# Latin America: present & future leadership



## 2010 market outlook:

- ▶ Consumer: +3% (OE). +6% (Repl)
- ▶ Industrial: +10% (OE). +6% (Repl)

## LEADERSHIP

- ▶ **Regional leadership** with Net Sales of 1.9\$/bln

## BEST RANGE

- ▶ **No.1 local OEM** Strategic supplier
- ▶ **The only full range player:** from 2 wheels tyres to Truck to Agro/OTR

## No.1 BRAND

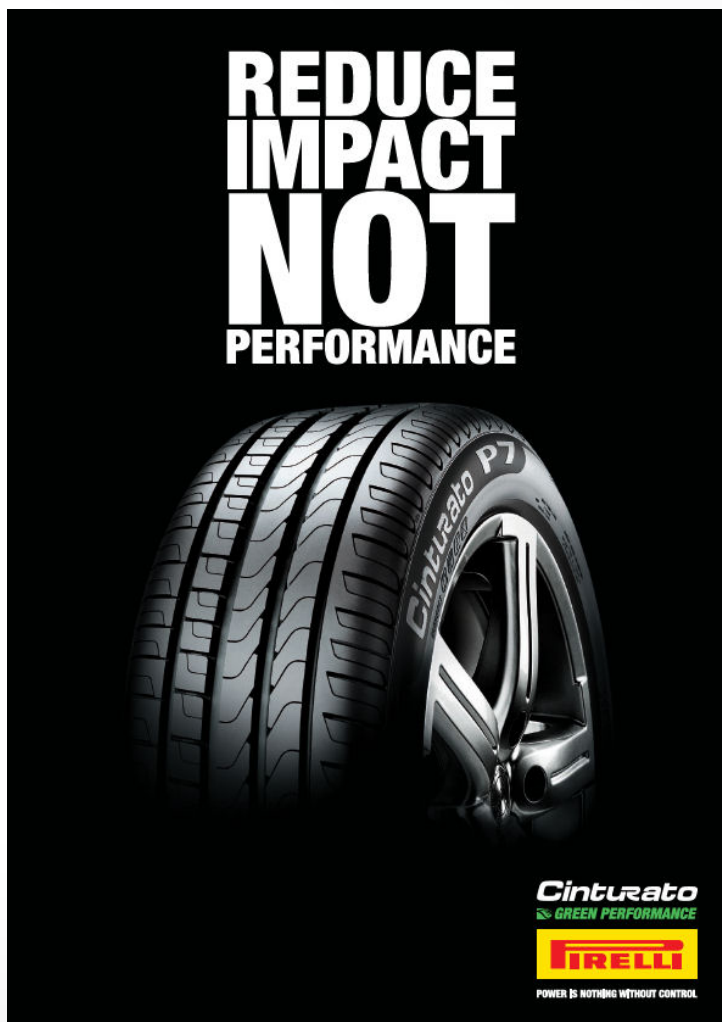
- ▶ **Top of Mind Brand** in Mercosur with **100** yrs of history in Argentina and **80** yrs in Brazil
- ▶ Elected **No.1 brand out of all sectors/brands** in Brazil by male consumers

## OUR MAIN STRENGTHS

- ▶ **Strongest Dealers network** and 1<sup>st</sup> R&D Centre and Proving Ground created in the region
- ▶ **Over 11k** committed and loyal **employees**



# Cinturato: introducing the Green Performance concept



## THE TECHNOLOGY

- ▶ **Distinctive features** offered by new Patented Pirelli Twinscrew compound mixing process, enhancing **LRR** without compromising performance and safety

## THE MARKET

- ▶ 2010 **winner** of the most popular summer tyre tests in Europe (ADAC, OMT, Stiftung Warentest, ...)
- ▶ **Budget and Environment-sensitive consumers**

## THE PRODUCTS

- ▶ New **Cinturato P7**, the green performance tyre for premium cars
- ▶ New **Scorpion Verde**, the green performance tyre for SUV & Crossovers



# Test Summer 2010 – Pirelli on the top



## Cinturato P7

**ADACmotorwelt** 03/2010  
**Pirelli Cinturato P7**  
 Dimension 225/45 R17 W/Y  
**besonders empfehlenswert**  
 17 Sommerreifen im Test  
**ADAC**  
 www.adac.de



“Very balanced tyre; good on wet and dry surfaces; low fuel consumption; the lowest noise”

Very Recommendable

## Cinturato P6

**ADACmotorwelt** 03/2010  
**Pirelli Cinturato P6**  
 Dimension 185/65 R15 H  
**besonders empfehlenswert**  
 19 Sommerreifen im Test  
**ADAC**  
 www.adac.de



“Very balanced summer tyre with very high mark on wet surface; low wear”

Very Recommendable

## Cinturato P7

**Auto ZEITUNG**  
 SEHR EMPFEHLENSWERT



205/55R16 91V

“The Pirelli Cinturato P7 demonstrates that tyres optimized for rolling resistance can also come up with a short wet braking distance and with a sporty driving behaviour.”

Very Recommendable

## Cinturato P7



**GUTE FAHRT**  
 205/55R16 91V

“....Cinturato P7 competes both handling tests with the best results, drives harmonic on a good grip level as well as with a good steering-response like the Conti. But it is also good in wet-braking and in terms of noise”

Good



# '09-'11 Pirelli Tyre Cost reduction program update



## COST REDUCTION PROGRAMS

## 2009 ACHIEVEMENT

## 2010 Target

### Labour

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

### Raw materials

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

### 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**



**200 €/mln** of gross savings in line with **3Y Plan** (net of exchange rates)

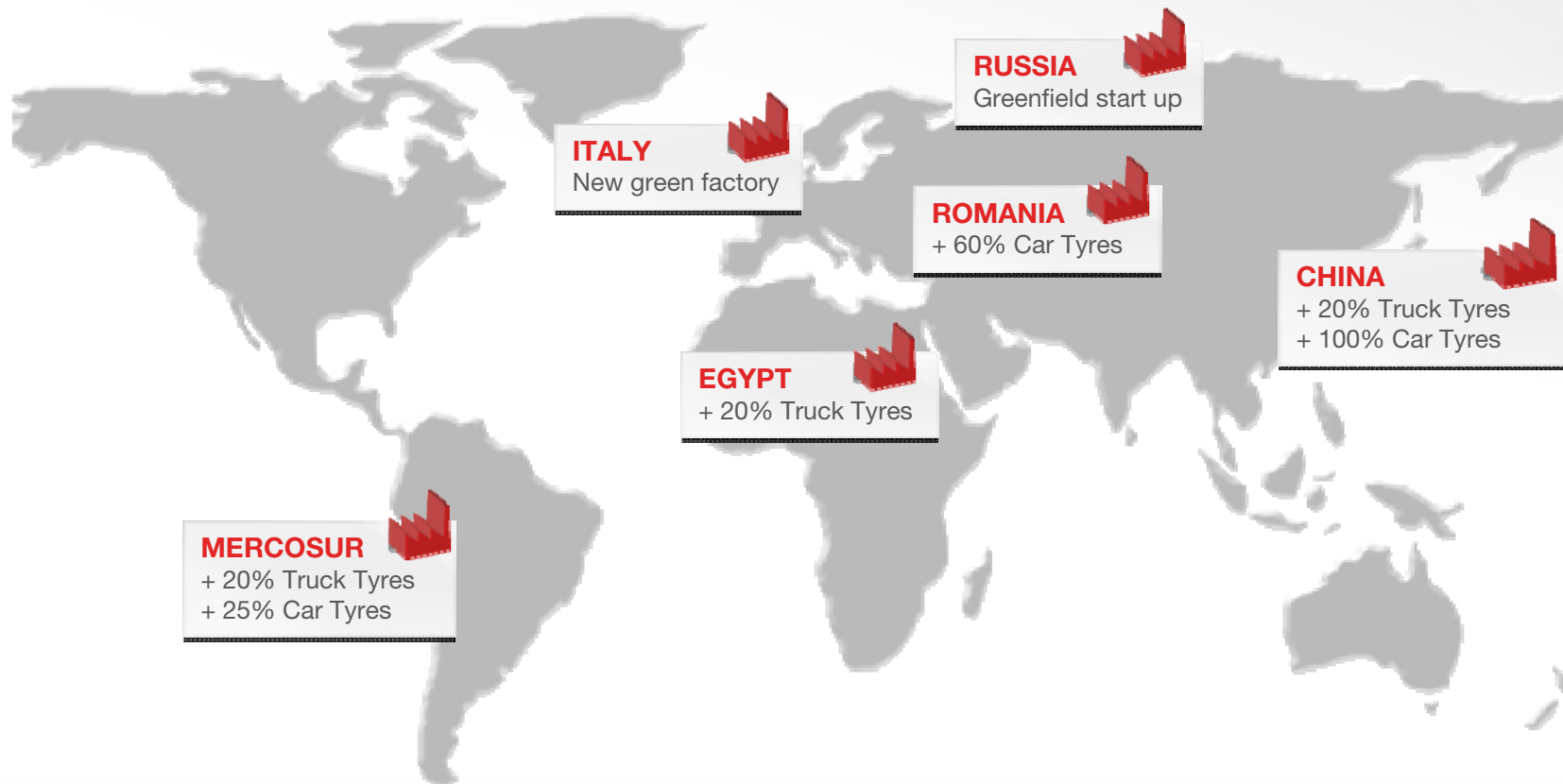
**>60 €/mln** of gross savings (before raw materials price increase) **in line with 3Y Plan**





# An accelerated investment plan: key projects

(capacity increase from 2009 to 2011)



Over 300 €/mln investments in 2010

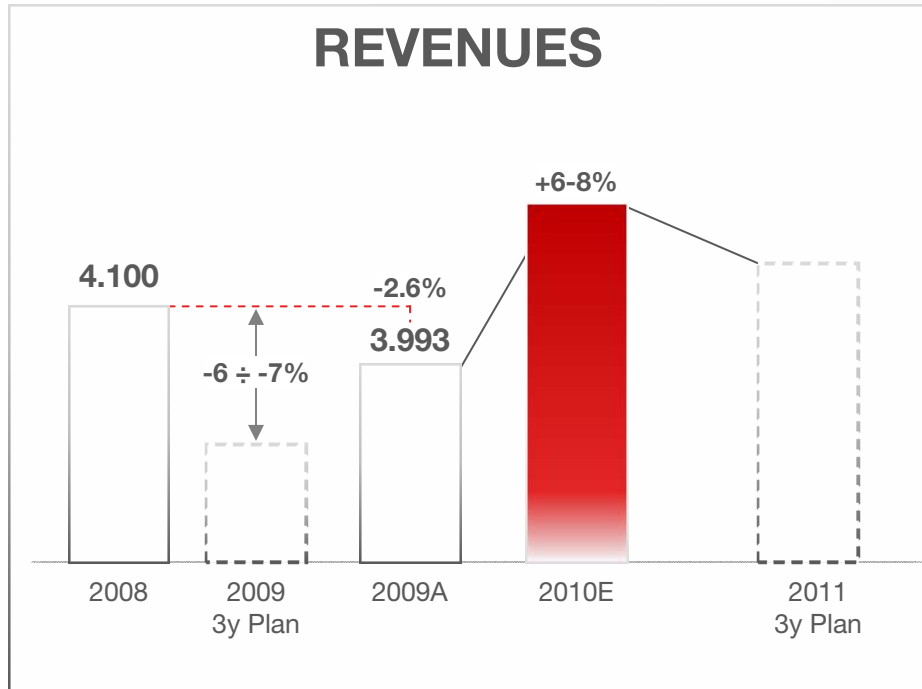


# Pirelli Tyre target 2010



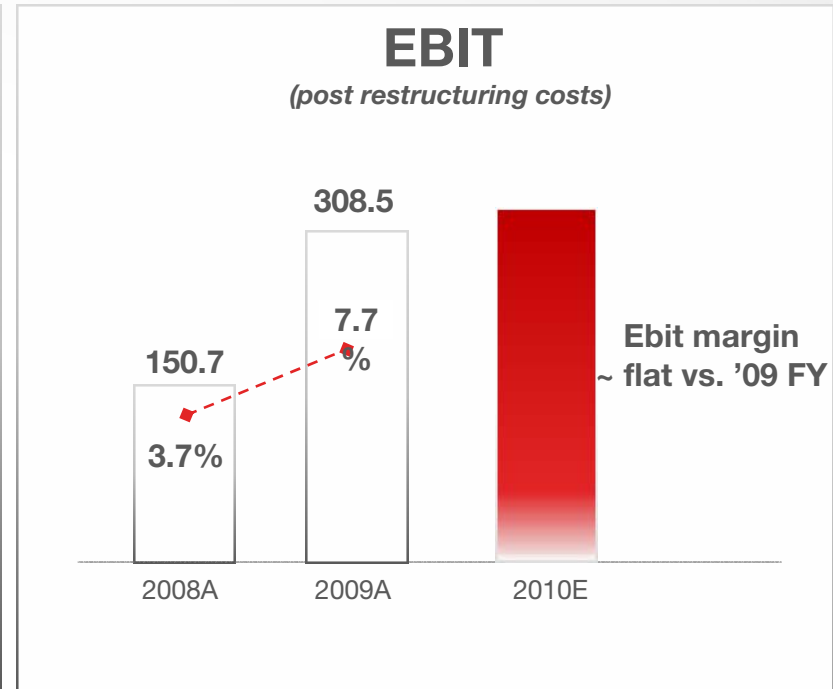
€/mln

## REVENUES



## EBIT

(post restructuring costs)



Note: at current exchange rates



# Pirelli Eco Technology: FY'09 Key Financial Results



€/mln

	1Q '09	YoY	2Q '09	YoY	3Q '09	YoY	4Q '09	YoY	FY '09	YoY
<b>Revenues</b>	<b>14.3</b>	<b>-13.9%</b>	<b>14.0</b>	<b>-16.7%</b>	<b>10.5</b>	<b>-25.5%</b>	<b>17.8</b>	<b>+15.6%</b>	<b>56.6</b>	<b>-10%</b>
<i>of which</i>										
<i>Filters</i>	3.7		4.5		2.7		7.6	280%	18.5	236%
<i>Gecam</i>	10.6		9.5		7.8		10.2	-24%	38.1	-34%
<b>Ebitda</b>	<b>(2.3)</b>		<b>(2.1)</b>		<b>(2.8)</b>		<b>(1.9)</b>	<b>-63%</b>	<b>(9.1)</b>	<b>-18%</b>
<b>Ebit</b>	<b>(2.8)</b>		<b>(2.7)</b>		<b>(3.3)</b>		<b>(2.0)</b>	<b>-62%</b>	<b>(10.8)</b>	<b>-8%</b>
<b>Net income</b>	<b>(3.4)</b>		<b>(3.2)</b>		<b>(4.1)</b>		<b>(3.0)</b>		<b>(13.7)</b>	
<b>NFP</b>	<b>26.8</b>		<b>32.8</b>		<b>42.9</b>		<b>47.2</b>		<b>47.2</b>	

- ▶ Delay in low emission zones and traffic restrictions not supporting 2009 sales
- ▶ Rumanian factory at low capacity utilization throughout the year
- ▶ NFP driven by new Investments and low Working Capital rotation



# Pirelli Eco Technology outlook



- ▶ Conservative 2010 Filters sales plan, while waiting for decision-making process on DPF adoption in Italy, France, Spain
- ▶ Reduced 2010 Gecam sales plan due to additional taxation in Italy and France
- ▶ Improved efficiency from Rumanian factory
- ▶ Investments linked to new Chinese JV set up
- ▶ Overall double digit sales increase targeting 2010 breakeven and positive cash flow generation



# Agenda

- ▶ **Pirelli FY'09 Results review**
- ▶ 2010 Outlook & Targets
- ▶ Pirelli Tyre & Parts
- ▶ **Pirelli Real Estate**
- ▶ Appendix



## 3 Steps Paving the Way for a Turnaround

**REFOCUS**

**REBALANCE**

**EFFICIENCY**

Focus on core business;  
disposal of non-core  
assets

Capital structure rebalance

Structure optimization

- ▶ We are positioning the company to regain market confidence and capture future sustainable growth as proved by 2009 achievements



# 2009 Achievements

## REFOCUS

- ▶ Management change
- ▶ Business model renewal
  - ▶ Strategic partnership with Intesa Sanpaolo in Fund Management (10% SGR stake)
- ▶ Trading & SOHO\* real estate assets disposal of approx. 250 €/mln
- ▶ Non-strategic participations disposal:
  - ▶ 20% UPIM (completed in January 2010)
  - ▶ Italia Turismo (advanced negotiation for disposal)
- ▶ Highstreet\*\* master lease agreement renegotiation
- ▶ Baubecom debt restructuring under negotiation (vacancy significantly reduced to 4.9%)
- ▶ In Poland scouting for partnership

## REBALANCE

- ▶ Gearing from 2.4x (2008) to 0.7x (2009)
- ▶ Capital increase (400 €/mln)
- ▶ New credit facility line (320 €/mln)
- ▶ Reduction of net invested capital through debt restructuring on NPL investment and 20% Credit Servicing disposal
- ▶ Real estate assets disposal in excess of 1 €/bln

## EFFICIENCY

- ▶ Fixed cost saving 68 €/mln
- ▶ Headcount rightsizing from 1,473 of 2008 to 1,097 end of 2009
- ▶ Corporate vehicles reduction to about 240 (280 end 2008)

\*SOHO (Small Office. Home Office)

\*\*Germany



## FY'09 results vs targets

	FY 2008	Targets (26 May'09)	Results
<b>Real Estate Assets Sales</b>	865€/mln	1€/bln	<b>1,031€/mln</b>
<b>EBIT + IEP before special effects*</b>	-59.7€/mln	-25/-35€/mln	<b>-26.1€/mln</b>
<b>Fixed cost savings</b>	-19 /mln	-50€/mln	<b>-68€/mln</b>
<b>NFP (excluding shareholders' loan)</b>	<b>-861.8 /mln</b>	-420 /mln	<b>-445.8 /mln</b>

(\*) before restructuring costs and property writedowns/revaluation





# Consolidated Profit and Loss

€/mln

		Actual December 2009	Actual September 2009	Actual December 2008
Revenues		271.7	199.2	365.1
of which service activities		187.3	137.4	224.3
of which other revenues		84.4	61.8	140.8
EBIT services		(5.7)	(8.4)	(31.9)
Income from equity participations		13.5 <sup>1)</sup>	7.9	1.6
Service platform/G&A	A	7.8	(0.5)	(30.3)
EBIT consolidated investment activities	B	1.2	7.2	14.2
Income from equity participations	C	(35.1)	(36.8)	(43.6)
Shareholders' loans interests		19.5	21.2	23.0
Investments		<b>(14.4)<sup>2)</sup></b>	<b>(8.4)</b>	<b>(6.4)</b>
EBIT incl. income from equity part. and shareholders' loans interests.		<b>(6.6)</b>	<b>(8.9)</b>	<b>(36.7)</b>
Restructuring costs		(23.9)	(13.2)	(44.2)
Property writedowns/revaluations		(31.4)	(11.9)	(135.8)
<b>EBIT incl. inc. from equity part.after restr. costs. writedown/ reval.</b>		<b>(61.9)</b>	<b>(34.0)</b>	<b>(216.7)</b>
Financial charges		(35.1) <sup>3)</sup>	(19.5)	(49.0)
<b>Profit before taxes</b>		<b>(97.0)</b>	<b>(53.5)</b>	<b>(265.7)</b>
Income taxes		(7.8)	(5.2)	(1.9)
<b>Net income before discontinued operations</b>		<b>(104.8)</b>	<b>(58.7)</b>	<b>(267.6)</b>
Discontinued operation		0.0	0.0	74.6
<b>Net income</b>		<b>(104.8)</b>	<b>(58.7)</b>	<b>(193.0)</b>
Minority interests		0.5	0.8	(2.0)
<b>Net income after minority interests</b>		<b>(104.3)</b>	<b>(57.9)</b>	<b>(195.0)</b>
<b>EBIT incl. income from equity part. (A+B+C)</b>		<b>(26.1)</b>	<b>(30.2)</b>	<b>(59.7)</b>

<sup>1)</sup> 2009 service platform income from equity participation includes 13.5 €/mln related to 10 % Pirelli RE SGR and 20% Credit Servicing shares disposal

<sup>2)</sup> 2009 investment result (-14.4 €/mln) includes a loss of 10.5 €/mln in derivatives and impairment of NPLs portfolios (-30.4 €/mln of which -20 €/mln Q4)

<sup>3)</sup> 2009 financial charges (-35.1 €/mln) include Upim / Rinascente result classified as "held for sale" (approx. -9.1 €/mln)



# Segment Report

€/mln

	<i>Italy</i>		<i>Germany</i>		<i>Poland</i>		<i>NPL</i>		<i>G&amp;A</i>		<i>Total</i>		Delta
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	
Service platform	32.0	11.3	1.3	(9.7)	(1.1)	(2.0)	(4.0)	3.7			28.2	3.3	} 7.8 } (30.3)
G&A									(20.5)	(33.5)	(20.5)	(33.5)	
Investment	(3.3)	(18.8)	(2.8)	(14.5)	1.2	21.8	(9.5)	4.3		0.9	(14.4)	(6.4)	
<b>EBIT including SH Loans interests and income from part.</b>	<b>28.7</b>	<b>(7.6)</b>	<b>(1.4)</b>	<b>(24.3)</b>	<b>0.1</b>	<b>19.8</b>	<b>(13.5)</b>	<b>8.0</b>	<b>(20.5)</b>	<b>(32.6)</b>	<b>(6.6)</b>	<b>(36.7)</b>	<b>30.1</b>



## Pirelli RE : Key data as of Dec. 2009

€/mln

	Mkt. Value 100% <sup>1)</sup>	Mkt. Value PRE 26% average	Book Value Quota PRE	UCG Quota PRE <sup>2)</sup>	Net Debt Quota PRE <sup>3)</sup>	LTV <sup>4)</sup>	NAV Quota PRE <sup>5)</sup>	NIC Quota PRE <sup>6)</sup>	IAS 40% <sup>7)</sup>
ITALY	6,753	1,893	1,757	136	1,090	58%	803	613	47%
GERMANY	7,036	1,723	1,693	30	1,369	79%	354	233	53%
POLAND	190	72	57	15	28	39%	44	20	0%
<b>TOTAL REAL ESTATE</b>	<b>13,979</b>	<b>3,688</b>	<b>3,507</b>	<b>181</b>	<b>2,487</b>	<b>67%</b>	<b>1,201</b>	<b>866</b>	<b>49%</b>

1) Participated AUM are assets in which PRE owns a stake

2) UCG= Unrealized Capital Gain is the difference between Market Value and Book Value

3) Net Debt pro Quota: bank loan and cash

4) LTV= Loan to Value is the ratio between Pro quota Net debt and Pro quota Market Value

5) The differences between NAV and UCG + NIC (equal to 154 €/mln) is due to other assets and liabilities not included into calculation of real estate NAV

6) NIC= Net Invested capital

7) Assets under IAS 40 represent assets with long term strategy, booked at Market value

<b>NPL (investment)</b>	<b>104</b>
<b>SERVICES</b>	<b>203</b>
<b>TOTAL PIRELLI RE</b>	<b>1,173</b>

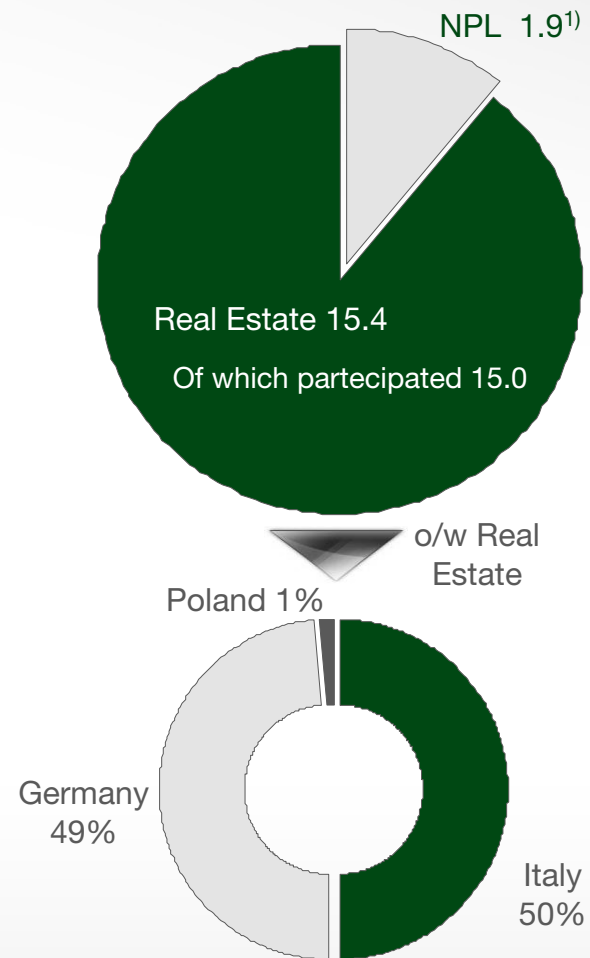
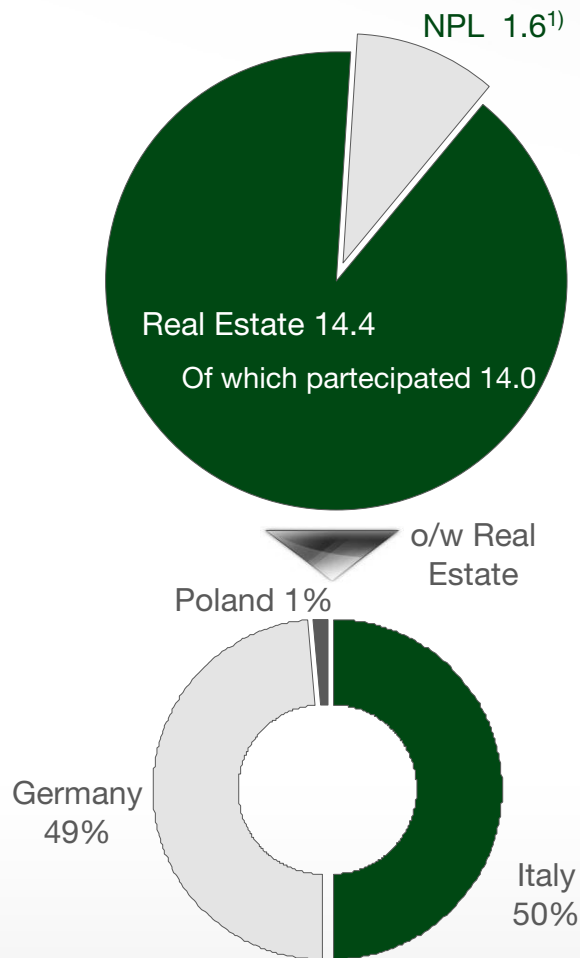


# Asset Allocation by Country (Market Value)

€/bln

Market Value Dec. 2009: 16.0 €/bln

Market Value Dec. 2008: 17.3 €/bln



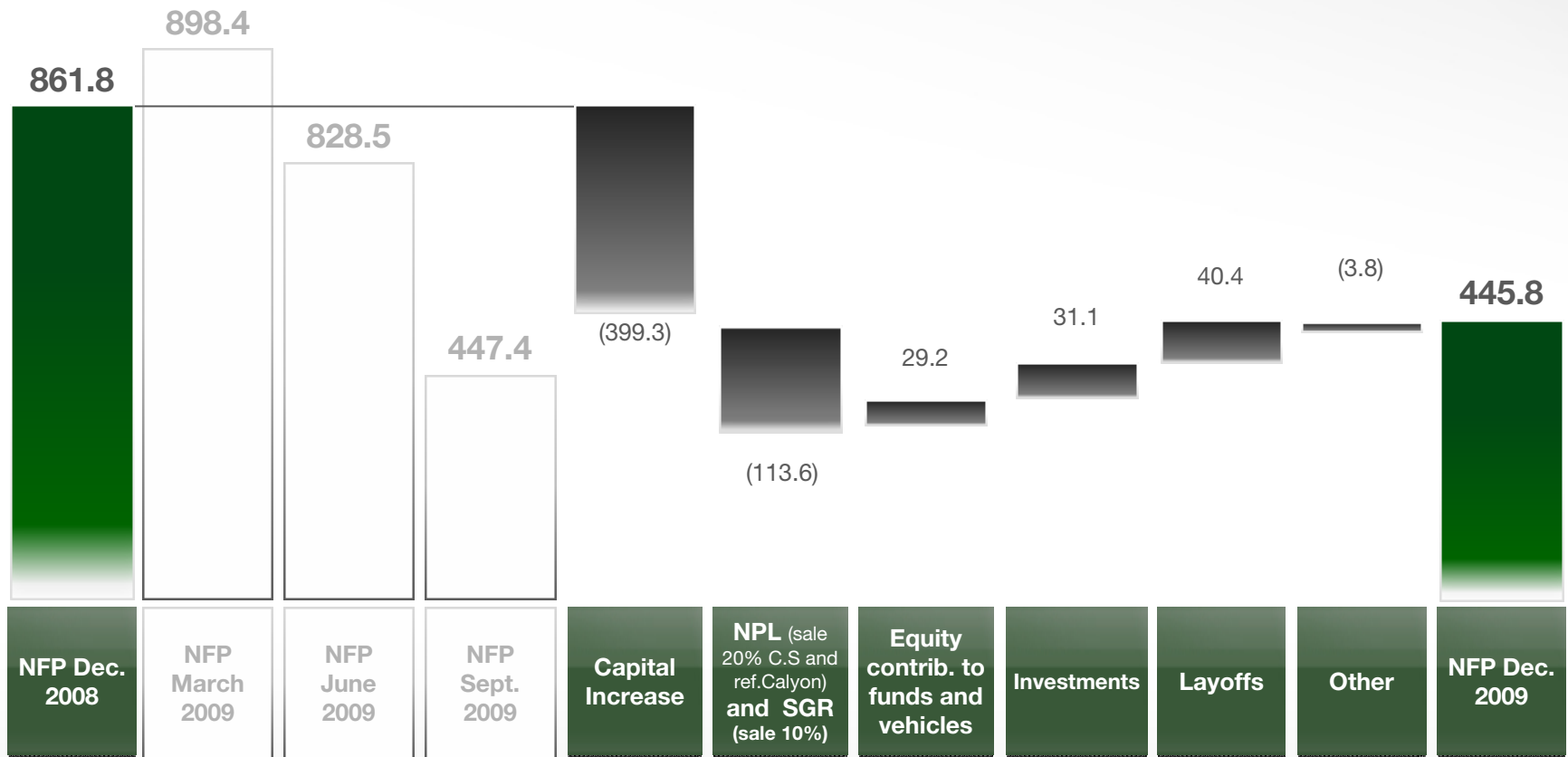
<sup>1)</sup>NPLs portfolio at book value



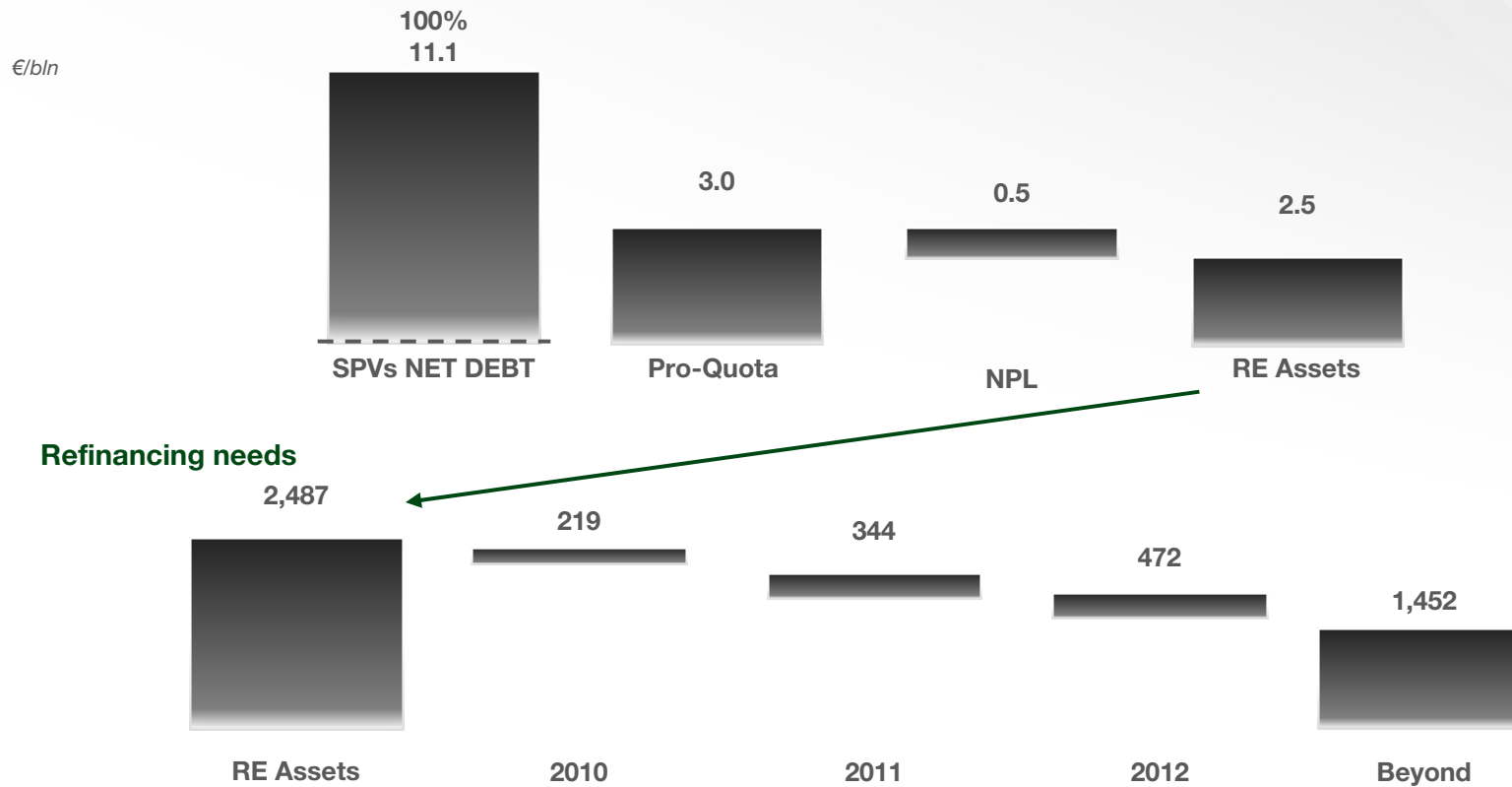
# NFP excl. Shareholders' Loans

€/mln

► As of end of February, Pirelli RE has committed bank lines amounting to 430 €/mln (in addition to the intercompany facility granted by Pirelli & C.) with an average duration of 25 months



# Financial situation of participated vehicles/funds



## Bank Loan characteristics (\*)

- ▶ Average duration ~ 3,6 years (pro-quota PRE 3,4)
- ▶ Average costs of debt 3.7% (pro-quota PRE 3.8% with avg. spread of 158 bps) (\*\*)
- ▶ 83% interest rate risk hedged (pro-quota PRE 79%)
- ▶ Pro-quota recourse guarantees for approx. 45.8€/mln (\*\*\*)

(\*) Excluded NPL and subsidiaries.

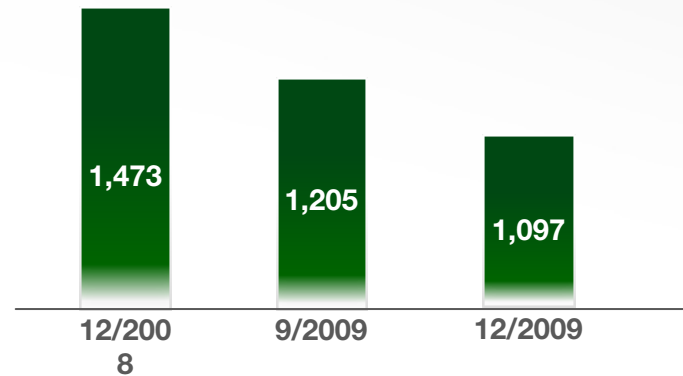
(\*\*) Considering the effect of the recent renegotiation of Highstreet debt, average spread pro-quota PRE would increase to 175 bps

(\*\*\*) Considering finalized position after December 2009 the amount is equal to approx 41.6 /mln

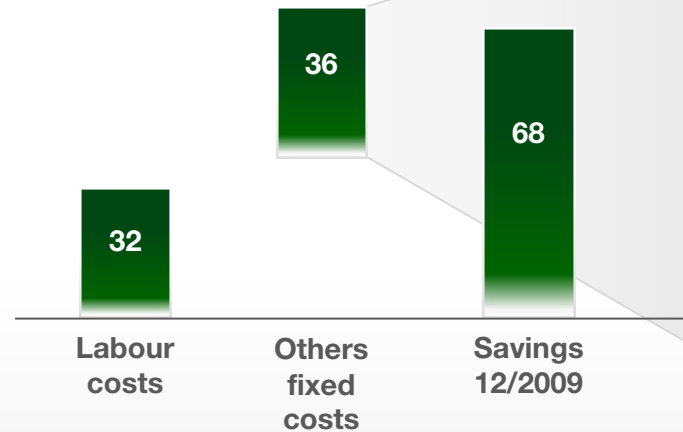
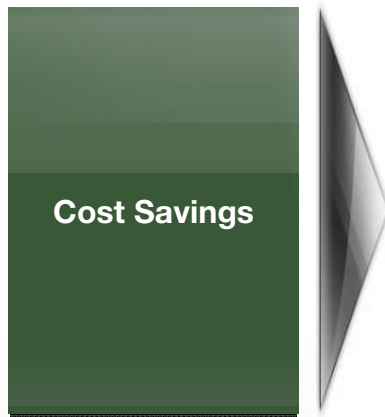


# Update on Headcount and Cost Savings

€/mln



Reduction from 2,956 in 2007 to 1,097 end of 2009



- Consultancy costs +11
- Marketing costs +5
- Travel Expenses +6
- Headquarters +4
- IT +4
- Other +6



# 2010 Strategy by country

## ITALY

- ▶ Portfolio optimization through active asset management
- ▶ Focusing on Fund management (SGR) leveraging on market leadership to exploit both internal and external growth
- ▶ Revamping the overall service proposition to increase third party market share with integrated and value added offers
- ▶ NPLs: return to profitability managing effectively the existing portfolio

## GERMANY

- ▶ On-going derisking / stabilization strategy of both the commercial and residential portfolio
- ▶ For the residential portfolio, we seek partnership/Jv opportunities on the capital markets
- ▶ Services platform: managing existing assets and increasing third party services mandates

## POLAND

- ▶ Continue to develop the residential projects in Warsaw and Gdansk
- ▶ Seeking for partnership for the Services and Asset management platforms





# Economic and Financial Targets for 2010

▶ Real Estate Assets sales	1.3 / 1.5 €/bln	<ul style="list-style-type: none"> <li>▶ Stable AUM with a shift in geographical distribution (increase in Italy and continuous reduction abroad)</li> <li>▶ Co-investments to 22-23%</li> <li>▶ Continued disposal effort of low yield “Soho and Trading” assets (~200 €/mln)</li> </ul>
▶ EBIT Services platform incl. G&A	20 / 30 €/mln	<ul style="list-style-type: none"> <li>▶ Back to profitability at operating level by increasing recurring returns and leveraging on further cost reduction</li> <li>▶ Focus on Fund Management (SGR) exploiting both organic and external growth</li> <li>▶ In NPLs increase credits collection and get services back to profitability</li> </ul>
▶ Fixed Cost Savings	- 25 / - 30 €/mln	▶ 60% effect from actions implemented in 2009
▶ NFP	Substantially stable	▶ Financial discipline



# Year to come: Profit & Loss trend by activities

RESULTS	2008	2009	2010E	2011E
▶ Services Platform	-	=	+	50
▶ Investment	-	-	=/+	60

**Targets confirmed**

- ▶ Continuous focus on management platform turnaround;
- ▶ Lower break-even point thanks to a two-year 95€mIn cost reduction program (approx. 70% already completed in 2009)
- ▶ Commitment to achieve growth, developing third parties management business

- ▶ Positive operating results expected despite high leverage and opportunistic profile of some investments.
- ▶ Continuous focus to rebalance investments through disposals of non cash generating portfolios and non strategic assets.
- ▶ Back to significant profit in 2011 thanks to active asset management and disposal of key real estate assets

*\* Real estate assets are appraised twice a year by external independent values and values may change accordingly*



## Appendix



# Pirelli Group – FY'09 Results

## Profit & Loss and Net Financial Position by Business Unit

€/mln	Pirelli											
	Pirelli Tyre		Eco Technology		Pirelli Real Estate		Broadband Access		Others		Pirelli & C. Cons.	
	FY '09	FY '08	FY '09	FY '08	FY '09	FY '08	FY '09	FY '08	FY '09	FY '08	FY '09	FY '08
<b>Sales</b>	3,992.9	4,100.2	56.6	62.9	271.7	365.1	132.1	124.6	8.9	7.4	4,462.2	4,660.2
Δ%		-2.6%		-10.0%		-25.6%		6.0%				-4.2%
Δ % on organic sales		-1.6%		-10.0%		-25.6%		6.0%				-3.3%
<b>EBITDA before Restruct Costs</b>	538.0	441.2	(9.1)	(11.0)	(5.0)	(17.6)	5.3	4.8	(21.1)	(21.3)	508.1	396.1
<i>of which property writedowns/reval.</i>					(7.9)	(9.3)					(7.9)	(9.3)
<i>% on sales</i>	13.5%	10.8%	n.s.	n.s.			4.0%	3.9%			11.4%	8.5%
<b>EBIT before Restruct Costs</b>	345.5	250.7	(10.8)	(11.8)	(12.4)	(27.0)	4.5	3.9	(29.8)	(28.4)	297.0	187.4
<i>of which property writedowns/reval.</i>					(7.9)	(9.3)					(7.9)	(9.3)
<i>% on sales</i>	8.7%	6.1%					3.4%	3.1%			6.7%	4.0%
Restructuring Costs	(37.0)	(100.0)			(23.9)	(44.2)	(0.5)		(18.2)		(79.6)	(144.2)
<b>EBIT</b>	308.5	150.7	(10.8)	(11.8)	(36.3)	(71.2)	4.0	3.9	(48.0)	(28.4)	217.4	43.2
<i>of which property writedowns/reval.</i>					(7.9)	(9.3)					(7.9)	(9.3)
<i>% on sales</i>	7.7%	3.7%					3.0%	3.1%			4.9%	0.9%
Devaluation/sale of particip.in listed companies									(17.5)	(267.8)	(17.5)	(267.8)
Results from equity partecipations <i>of which property writedowns/reval.</i>	4.2	27.8			(45.1)	(168.5)			1.7	42.0	(39.2)	(98.7)
					(23.5)	(126.5)					(23.5)	(126.5)
<b>EBIT incl. income from equity part.</b>					(26.1)	(59.7)						
Shareholders' loans interests					19.5	23.0					19.5	23.0
<b>EBIT incl. income from equity part. and shareholders' loans interests</b>					(6.6)	(36.7)						
<b>EBIT incl. inc. from equity part.after restr. costs. writedown/ reval.</b>					(61.9)	(216.7)						
Other Financial Income/Charges	(76.1)	(82.8)	(2.5)	(1.6)	(35.1)	(49.0)	0.3	(2.6)	8.5	33.0	(104.9)	(103.0)
Fiscal Charges	(90.0)	(70.1)	(0.4)	0.2	(7.8)	(1.9)	0.3	0.7	0.0	(1.5)	(97.9)	(72.6)
<b>Net income before discount. operat</b>	146.6	25.6	(13.7)	(13.2)	(104.8)	(267.6)	4.6	2.0	(55.3)	(222.7)	(22.6)	(475.9)
<i>% on sales</i>	3.7%	0.6%									n.s.	n.s.
Discontinued Operations						74.6				(11.2)	0.0	63.4
<b>Net income</b>	146.6	25.6	(13.7)	(13.2)	(104.8)	(193.0)	4.6	2.0	(55.3)	(233.9)	(22.6)	(412.5)
<i>% on sales</i>	3.7%	0.6%									n.s.	n.s.
<b>Attributable Net income</b>					(104.5)	(195.0)					22.7	(347.5)
<b>Net Financial Position</b>	1,027.3	1,266.8	47.2	19.0	41.3	289.5	(35.7)	(15.0)	(551.3)	(532.6)	528.8	1,027.7



# Pirelli Group – FY'09 Results

## Profit & Loss and Net Financial Position by Business Unit

€/mln	Pirelli Ambiente		PZero		Others		Total Other	
	FY '09	FY '08	FY '09	FY '08	FY '09	FY '08	FY '09	FY '08
Sales	3.6	5.1	5.0	3.6	0.3	(1.3)	8.9	7.4
Δ%		-29.4%		38.9%				
EBITDA before Restruct Costs	(2.3)	(2.5)	(3.7)	(3.9)	(15.1)	(14.9)	(21.1)	(21.3)
EBIT before Restruct Costs	(2.4)	(2.6)	(3.8)	(3.9)	(23.6)	(21.9)	(29.8)	(28.4)
Restructuring Costs	(1.3)				(16.9)		(18.2)	0.0
EBIT	(3.7)	(2.6)	(3.8)	(3.9)	(40.5)	(21.9)	(48.0)	(28.4)
Devaluation/sale of particip.in listed companies					(17.5)	(267.8)	(17.5)	(267.8)
Results from equity participations	(1.4)	(1.0)			3.1	43.0	1.7	42.0
Financial Income/Charges	(0.2)	0.1	(0.1)	(0.1)	8.8	33.1	8.5	33.1
Fiscal Charges	0.0	(0.1)	0.0	0.0	0.0	(1.5)	0.0	(1.6)
Net income before discont. operat	(5.3)	(3.6)	(3.9)	(4.0)	(46.1)	(215.1)	(55.3)	(222.7)
Discontinued Operations						(11.2)	0.0	(11.2)
Net income	(5.3)	(3.6)	(3.9)	(4.0)	(46.1)	(226.3)	(55.3)	(233.9)
Net Financial Position	44.0	3.0	3.5	1.1	(598.8)	(536.7)	(551.3)	(532.6)



PIRELLI

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PIRELLI

# Pirelli Group – 4Q'09 Results

## Profit & Loss and Net Financial Position by Business Unit

€/mln	Pirelli											
	Pirelli Tyre		Eco Technology		Pirelli Real Estate		Broadband Access		Others		Pirelli & C. Cons.	
	4Q '09	4Q '08	4Q '09	4Q '08	4Q '09	4Q '08	4Q '09	4Q '08	4Q'09	4Q'08	4Q '09	4Q '08
<b>Sales</b>	<b>1,034.3</b>	<b>871.0</b>	<b>17.8</b>	<b>15.4</b>	<b>72.5</b>	<b>68.6</b>	<b>29.0</b>	<b>32.3</b>	<b>1.2</b>	<b>4.9</b>	<b>1,154.8</b>	<b>992.2</b>
Δ%		18.7%		15.6%		5.7%		-10.2%				16.4%
Δ % on organic sales		13.9%		15.6%		5.7%		-10.2%				11.7%
<b>EBITDA before Restruct Costs</b>	<b>155.2</b>	<b>62.9</b>	<b>(1.9)</b>	<b>(5.2)</b>	<b>(5.0)</b>	<b>(44.9)</b>	<b>1.7</b>	<b>1.0</b>	<b>(3.1)</b>	<b>(8.7)</b>	<b>146.9</b>	<b>5.1</b>
<i>of which property writedowns/reval.</i>					(3.7)	(9.0)					(3.7)	(9.0)
<i>% on sales</i>	15.0%	7.2%					5.9%	3.1%			12.7%	0.5%
<b>EBIT before Restruct Costs</b>	<b>104.7</b>	<b>18.9</b>	<b>(2.0)</b>	<b>(5.3)</b>	<b>(7.0)</b>	<b>(47.7)</b>	<b>1.6</b>	<b>0.7</b>	<b>(5.4)</b>	<b>(11.5)</b>	<b>91.9</b>	<b>(44.9)</b>
<i>of which property writedowns/reval.</i>					(3.7)	(9.0)					(3.7)	(9.0)
<i>% on sales</i>	10.1%	2.2%					5.5%	2.2%			8.0%	n.s.
Restructuring Costs	(18.9)	(68.3)	0.0	0.0	(10.7)	(26.6)	(0.5)	0.0	(8.2)	0.0	(38.3)	(94.9)
<b>EBIT</b>	<b>85.8</b>	<b>(49.4)</b>	<b>(2.0)</b>	<b>(5.3)</b>	<b>(17.7)</b>	<b>(74.3)</b>	<b>1.1</b>	<b>0.7</b>	<b>(13.6)</b>	<b>(11.5)</b>	<b>53.6</b>	<b>(139.8)</b>
<i>of which property writedowns/reval.</i>					(3.7)	(9.0)					(3.7)	(9.0)
<i>% on sales</i>	8.3%	n.s.					3.8%	2.2%			4.6%	n.s.
Devaluation/sale of particip.in listed companies									-	(112.5)	-	(112.5)
Results from equity partecipations <i>of which property writedowns/reval.</i>	0.4	0.2	0.0	0.0	(8.4)	(168.8)	0.0	0.0	(10.8)	(0.1)	(18.8)	(168.7)
					(15.8)	(125.4)					(15.8)	(125.4)
<b>EBIT incl. income from equity part.</b>					<b>4.1</b>	<b>(82.1)</b>						
Shareholders' loans interests					(1.8)	(1.1)						
<b>EBIT incl. income from equity part. and shareholders' loans interests</b>					<b>2.3</b>	<b>(83.2)</b>					(1.8)	(1.1)
<b>EBIT incl. inc. from equity part.after restr. costs. writedown/ reval.</b>					<b>(27.9)</b>	<b>(244.2)</b>						
Other Financial Income/Charges	(16.4)	(39.8)	(0.6)	(0.4)	(15.6)	(15.0)	0.2	(1.3)	1.8	12.8	(30.6)	(43.8)
Fiscal Charges	(14.1)	6.3	(0.4)	0.2	(2.6)	6.3	(0.2)	0.3	1.0	5.1	(16.3)	18.3
<b>Net income before discount. operat</b>	<b>55.7</b>	<b>(82.7)</b>	<b>(3.0)</b>	<b>(5.5)</b>	<b>(46.1)</b>	<b>(252.9)</b>	<b>1.1</b>	<b>(0.3)</b>	<b>(21.6)</b>	<b>(106.2)</b>	<b>(13.9)</b>	<b>(447.6)</b>
<i>% on sales</i>	5.4%	n.s.									n.s.	n.s.
Discontinued Operations	0.0	0.0	0.0	0.0	0.0	70.5	0.0	0.0	0.0	0.9	0.0	71.4
<b>Net income</b>	<b>55.7</b>	<b>(82.7)</b>	<b>(3.0)</b>	<b>(5.5)</b>	<b>(46.1)</b>	<b>(182.4)</b>	<b>1.1</b>	<b>(0.3)</b>	<b>(21.6)</b>	<b>(105.3)</b>	<b>(13.9)</b>	<b>(376.2)</b>
<i>% on sales</i>	5.4%	n.s.									n.s.	n.s.
<b>Attributable Net income</b>					<b>(46.4)</b>	<b>(182.1)</b>					<b>4.5</b>	<b>(296.2)</b>
<b>Net Financial Position</b>	<b>1,027.3</b>	<b>1,266.8</b>	<b>47.2</b>	<b>19.0</b>	<b>41.3</b>	<b>289.5</b>	<b>(35.7)</b>	<b>(15.0)</b>	<b>(551.3)</b>	<b>(532.6)</b>	<b>528.8</b>	<b>1,027.7</b>



# Pirelli Group – 9M'09 Results

## Profit & Loss and Net Financial Position by Business Unit

€/mln	Pirelli											
	Pirelli Tyre		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
<b>Sales</b>	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%
<b>EBITDA before Restruct Costs</b>	<b>382.8</b>	<b>378.3</b>	<b>(7.2)</b>	<b>(5.8)</b>	<b>0.0</b>	<b>27.3</b>	<b>3.6</b>	<b>3.8</b>	<b>(18.0)</b>	<b>(12.6)</b>	<b>361.2</b>	<b>391.0</b>
of which property writedowns/reval.					(4.2)	(0.3)					(4.2)	(0.3)
% on sales	12.9%	11.7%					3.5%	4.1%			10.9%	10.7%
<b>EBIT before Restruct Costs</b>	<b>240.8</b>	<b>231.8</b>	<b>(8.8)</b>	<b>(6.5)</b>	<b>(5.4)</b>	<b>20.7</b>	<b>2.9</b>	<b>3.2</b>	<b>(24.4)</b>	<b>(16.9)</b>	<b>205.1</b>	<b>(232.3)</b>
of which property writedowns/reval.					(4.2)	(0.3)					(4.2)	(0.3)
% on sales	8.1%	7.2%					2.8%	3.5%			6.2%	6.3%
Restructuring Costs	(18.1)	(31.7)			(13.2)	(17.6)			(10.0)	0.0	(41.3)	(49.3)
<b>EBIT</b>	<b>222.7</b>	<b>200.1</b>	<b>(8.8)</b>	<b>(6.5)</b>	<b>(18.6)</b>	<b>3.1</b>	<b>2.9</b>	<b>3.2</b>	<b>(34.4)</b>	<b>(16.9)</b>	<b>163.8</b>	<b>183.0</b>
of which property writedowns/reval.					(4.2)	(0.3)					(4.2)	(0.3)
% on sales	7.5%	6.2%									5.0%	5.0%
Devaluation/sale of particip.in listed companies									(17.5)	(155.3)	(17.5)	(155.3)
Results from equity partecipations of which property writedowns/reval.	3.8	27.6			(36.7) (7.7)	(0.3) (1.1)			12.5	(42.1)	(20.4) (7.7)	70.0 (1.1)
<b>EBIT incl. income from equity part.</b>					<b>(30.2)</b>	<b>22.4</b>						
Shareholders' loans interests					21.3	24.1					21.3	24.1
<b>EBIT incl. income from equity part. and shareholders' loans interests</b>					<b>(8.9)</b>	<b>46.5</b>						
<b>EBIT incl. inc. from equity part.after restr. costs. writedown/ reval.</b>					<b>(34.0)</b>	<b>27.5</b>						
Other Financial Income/Charges	(59.7)	(43.0)	(1.9)	(1.2)	(19.5)	(34.0)	0.1	(1.3)	6.7	20.3	(74.3)	(59.2)
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)
<b>Net income before discont. operat</b>	<b>90.9</b>	<b>108.3</b>	<b>(10.7)</b>	<b>(7.7)</b>	<b>(58.7)</b>	<b>(14.7)</b>	<b>3.5</b>	<b>2.3</b>	<b>(33.7)</b>	<b>(116.5)</b>	<b>(8.7)</b>	<b>(28.3)</b>
% on sales	3.1%	3.4%									n.s.	n.s.
Discontinued Operations						4.1				(12.1)	0.0	(8.0)
<b>Net income</b>	<b>90.9</b>	<b>108.3</b>	<b>(10.7)</b>	<b>(7.7)</b>	<b>(58.7)</b>	<b>(10.6)</b>	<b>3.5</b>	<b>2.3</b>	<b>(33.7)</b>	<b>(128.6)</b>	<b>(8.7)</b>	<b>(36.3)</b>
% on sales	3.1%	3.4%									n.s.	n.s.
<b>Attributable Net income</b>					<b>(57.9)</b>	<b>(12.9)</b>					<b>18.2</b>	<b>(51.3)</b>
<b>Net Financial Position</b>	<b>1,298.6</b>	<b>892.4</b>	<b>42.9</b>	<b>12.8</b>	<b>(43.5)</b>	<b>323.8</b>	<b>(17.9)</b>	<b>32.0</b>	<b>(588.7)</b>	<b>(205.3)</b>	<b>691.4</b>	<b>1,055.7</b>



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# Pirelli Balance Sheet

€/mln

	FY '09	FY '08
Fixed Assets	3,596.2	3,686.7
Net Working Capital	203.1	397.1
Net Invested Capital	3,799.3	4,083.8
Equity	2,494.7	2,374.4
Provisions	775.8	681.7
Net Financial Position	528.8	1,027.7
Total Assets	3,799.3	4,083.8
Pirelli & C. attributable Equity	2,175.0	2,171.8
Equity per share	0.405	0.405

## % Net Invested Capital

	31.12.2009	31.12.2008
<b>P.Tyre</b>	<b>65.6%</b>	<b>62.7%</b>
<b>P.Eco Tech.</b>	<b>1.5%</b>	<b>0.8%</b>
<b>P.Real Est.</b>	<b>20.3%</b>	<b>18.9%</b>
<b>PBS</b>	<b>-0.1%</b>	<b>0.4%</b>
<b>Others</b>	<b>12.7%</b>	<b>17.2%</b>





# Pirelli Group Cash Flow

€/mln

	1Q '09	2Q'09	3Q '09	4Q'09	FY'09
EBIT before restructuring costs	50.3	72.0	82.8	91.9	297.0
Depreciation	51.4	52.4	52.3	55.0	211.1
Net investments	(42.9)	(37.4)	(32.0)	(115.5)	(227.8)
Working capital/other variations	(262.8)	96.7	84.4	357.5	275.8
<b>FREE CASH FLOW</b>	<b>(204.0)</b>	<b>183.7</b>	<b>187.5</b>	<b>388.9</b>	<b>556.1</b>
Financial income (expenses)	(20.2)	(19.2)	(13.6)	(32.4)	(85.4)
Tax charges	(26.3)	(19.2)	(36.1)	(16.3)	(97.9)
<b>OPERATING CASH FLOW</b>	<b>(250.5)</b>	<b>145.3</b>	<b>137.8</b>	<b>340.2</b>	<b>372.8</b>
Speed SpA acquisition	-	-	-	-	-
Financial investments/divestitures	37.9	78.1	129.4	(26.3)	<b>219.1</b>
Dividends paid	-	(2.4)	-	-	(2.4)
Cash out for restructuring	(45.8)	(25.1)	(15.7)	(19.6)	(106.2)
PRE Capital increase subscribed by minorities	-	-	167.4	-	167.4
Exchange rate differentials/Others	7.2	(24.6)	(2.7)	(131.7)	(151.8)
<b>NET CASH FLOW</b>	<b>(251.2)</b>	<b>171.3</b>	<b>416.2</b>	<b>162.6</b>	<b>498.9</b>



## Pirelli Group: Net financial position FY'09 by Business

€/mln

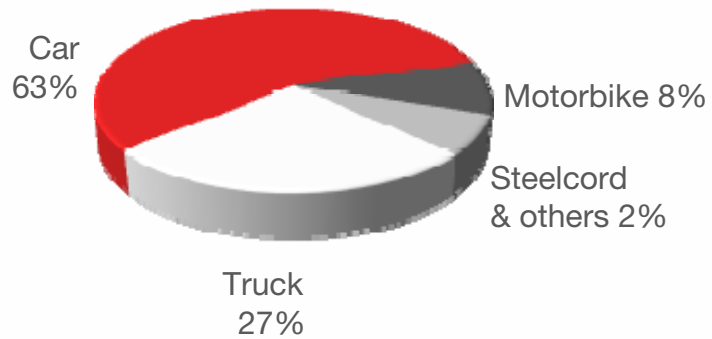
	<b>TYRE</b>	<b>PRE</b>	<b>OTHER BUSINESSES</b>	<b>CORPORATE</b>	<b>PIRELLI GROUP</b>
<b>Gross Debt</b>	1,553	489	101	276	1,824
to Corporate	411	72	73		
<b>Financial receivables</b>	(84)	(415)	(37)	(561)	(502)
<b>Cash and cash equivalents</b>	(442)	(33)	(4)	(314)	(793)
<b>Net Financial Position</b>	<b>1,027</b>	<b>41</b>	<b>60</b>	<b>(599)</b>	<b>529</b>



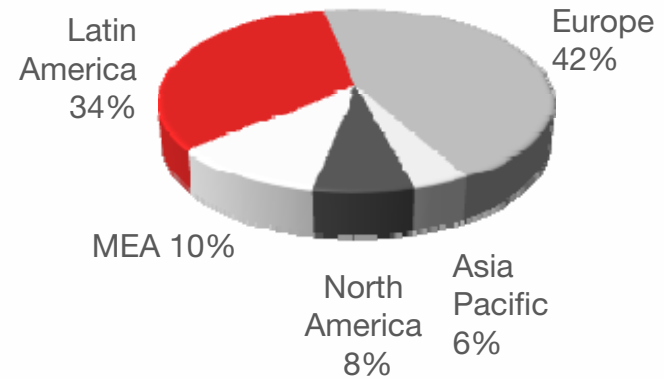
# FY'09 Pirelli Tyre Mix



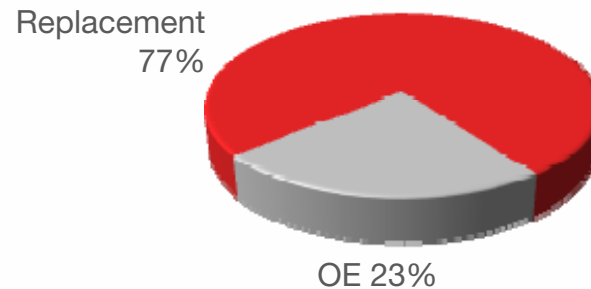
## Sales by segment



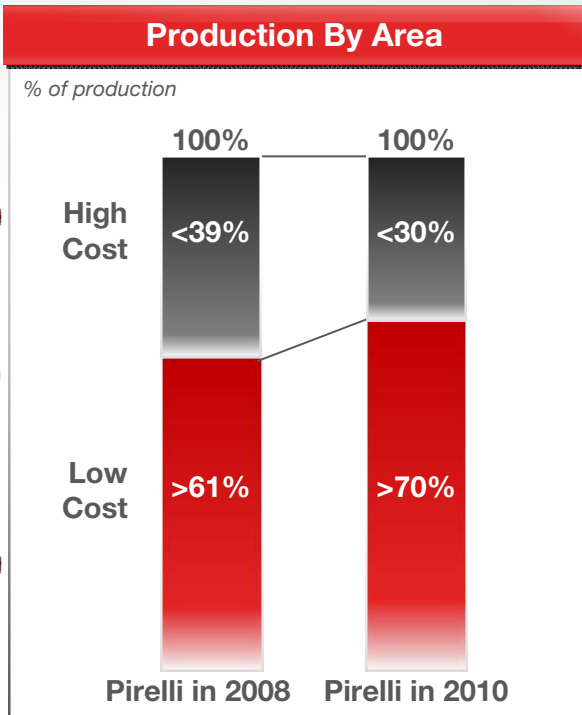
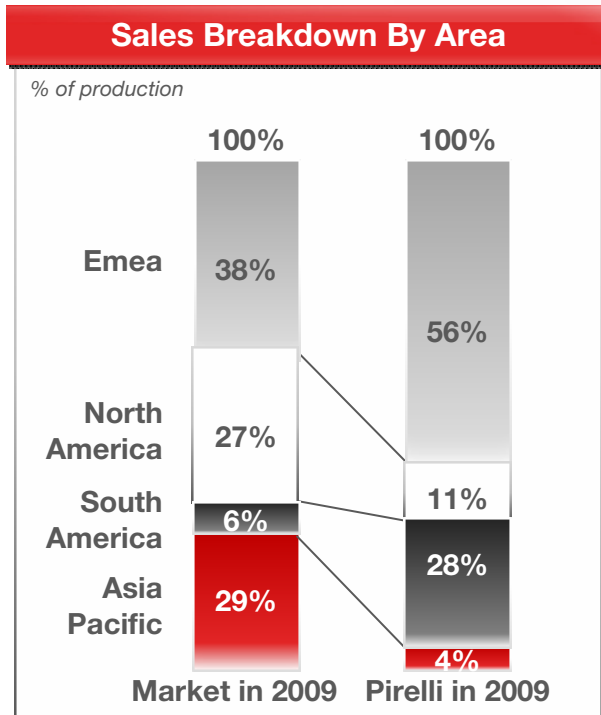
## Sales by region



## Sales by channel



# Pirelli Tyre Selective Positioning in the Consumer Segment



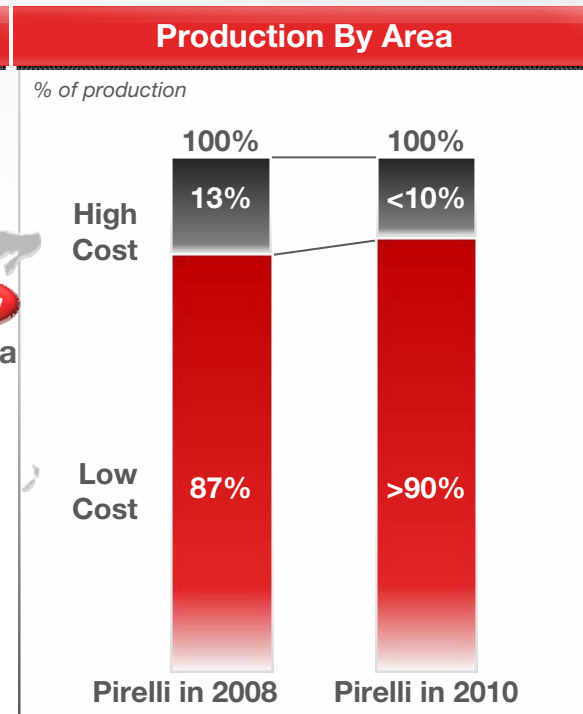
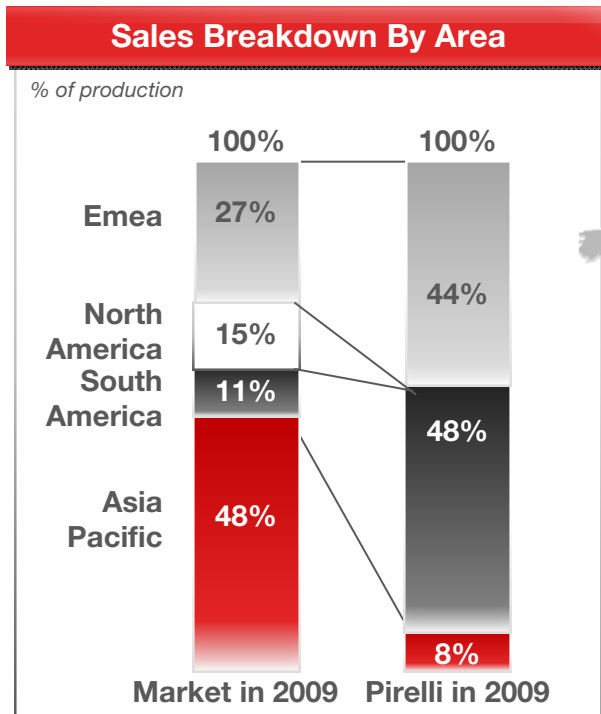
- ▶ **Solid** foothold in **Europe**, in prestige/premium segments
- ▶ **Low exposure** to **North America**
- ▶ **Historical leadership** in **South America**
- ▶ **Growth opportunities** in **Asia-Pacific** markets with new China source
- ▶ **Leading** brand in **Prestige** niche
- ▶ Development partner of **all EU premium** car makers
- ▶ **Leading** supplier to the Automotive Industry in **South America**
- ▶ **Leader** in the **Motorcycle** business with Pirelli and Metzeler Brands
- ▶ **Only high-end, high added value products** in high cost countries
- ▶ Production **Footprint** moving forward



Source: Tire Business Report, Pirelli estimates



# Industrial Segment: a Unique Competitive Position



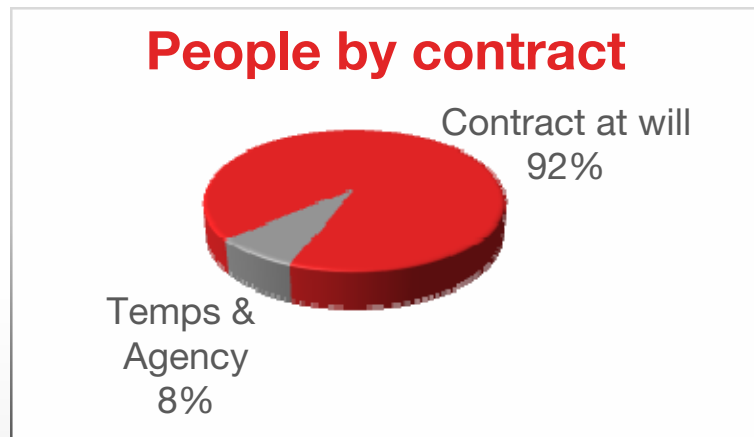
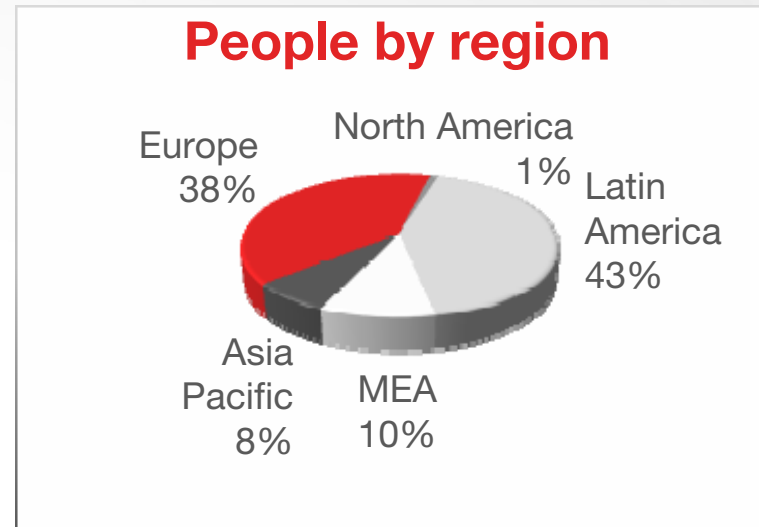
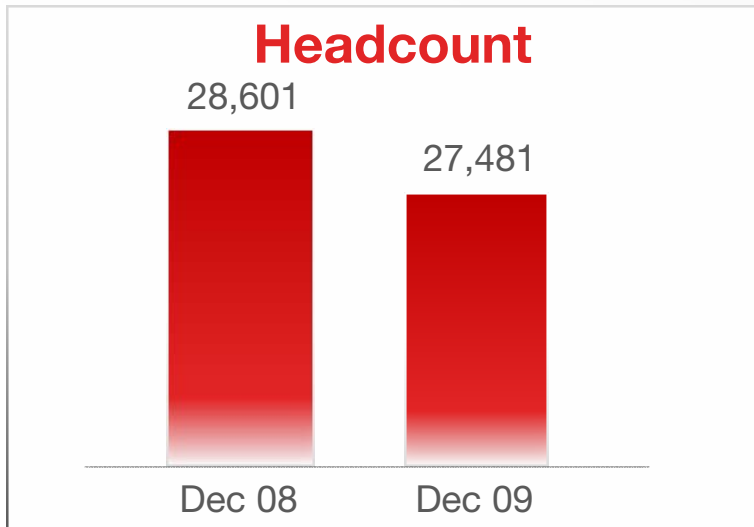
- ▶ Sales focus in **high growth areas**
- ▶ No presence in North America
- ▶ **Leading position** in Pirelli key markets
- ▶ **Proprietary steelcord** technology
- ▶ **Product cost leadership** supported by a low-cost production base



Source: Tyre Business Report, Pirelli estimates



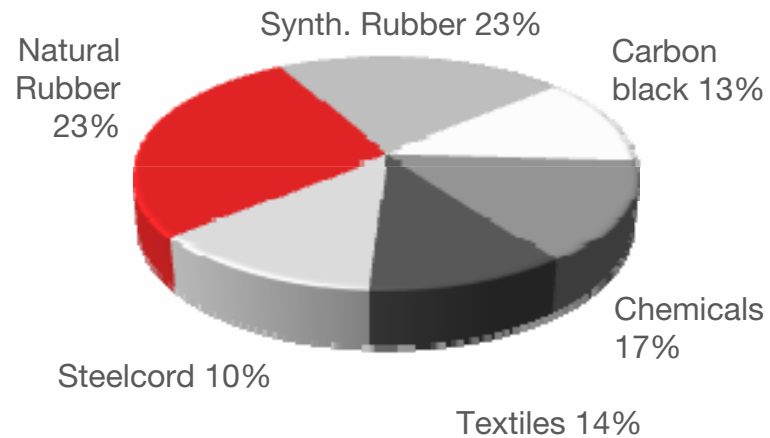
# FY'09 Pirelli Tyre People



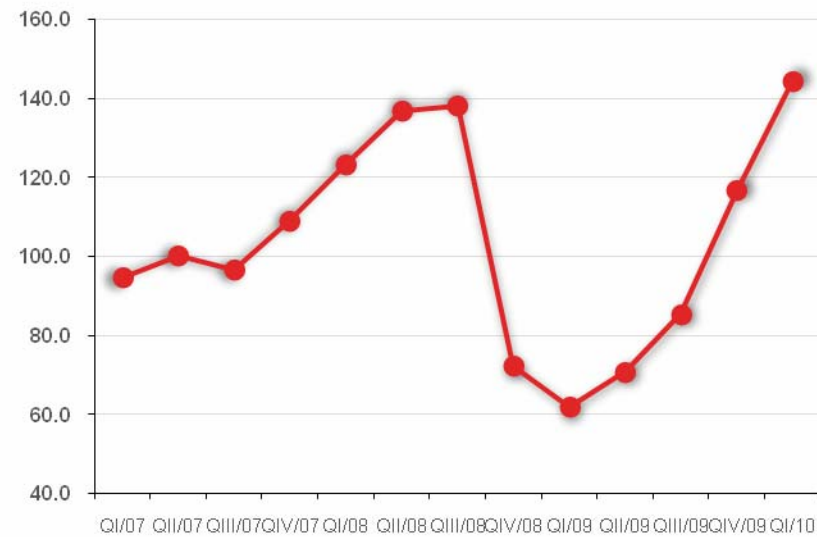
# Raw Materials



## Pirelli Tyre mix



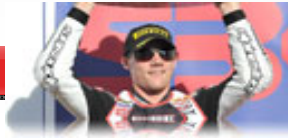
## Natural Rubber price trend



# Recent Pirelli Tyre Highlights



26/10/2009



Ben Spies wins the World Superbike Championship in Portugal (Portimao). Pirelli has been the official supplier since 2003 and Diablo tyres ensure the highest performance standards to all competing teams and riders throughout the season

12/11/2009



In the PZero fashion space of Milan during the 67th EICMA, Pirelli launches Diablo Rosso Corsa, a new top-of-the-range product by Pirelli Moto

November 2009



Pirelli Moto and Ducati strengthen their longstanding partnership with an agreement to fit all models with Pirelli motorcycle tyres beginning in January 2010

3/12/2009



Pirelli and Russian Technologies sign an agreement in Rome for the production of tyres and Steelcord in Russia

January 2010



Pirelli wins first prize as one of 2009' best tyre suppliers in the country. P4 Four Season, the key product confirming Pirelli Tyre' growth in Japan, received the award from the largest tyre retailer in the country, Autobacs

January 2010



Pirelli stars with Mikko Hirvonen and Ford in the 2010 Monte Carlo Rally by winning the race ahead of most IRC teams fitted with competitors' tyres

March 2010

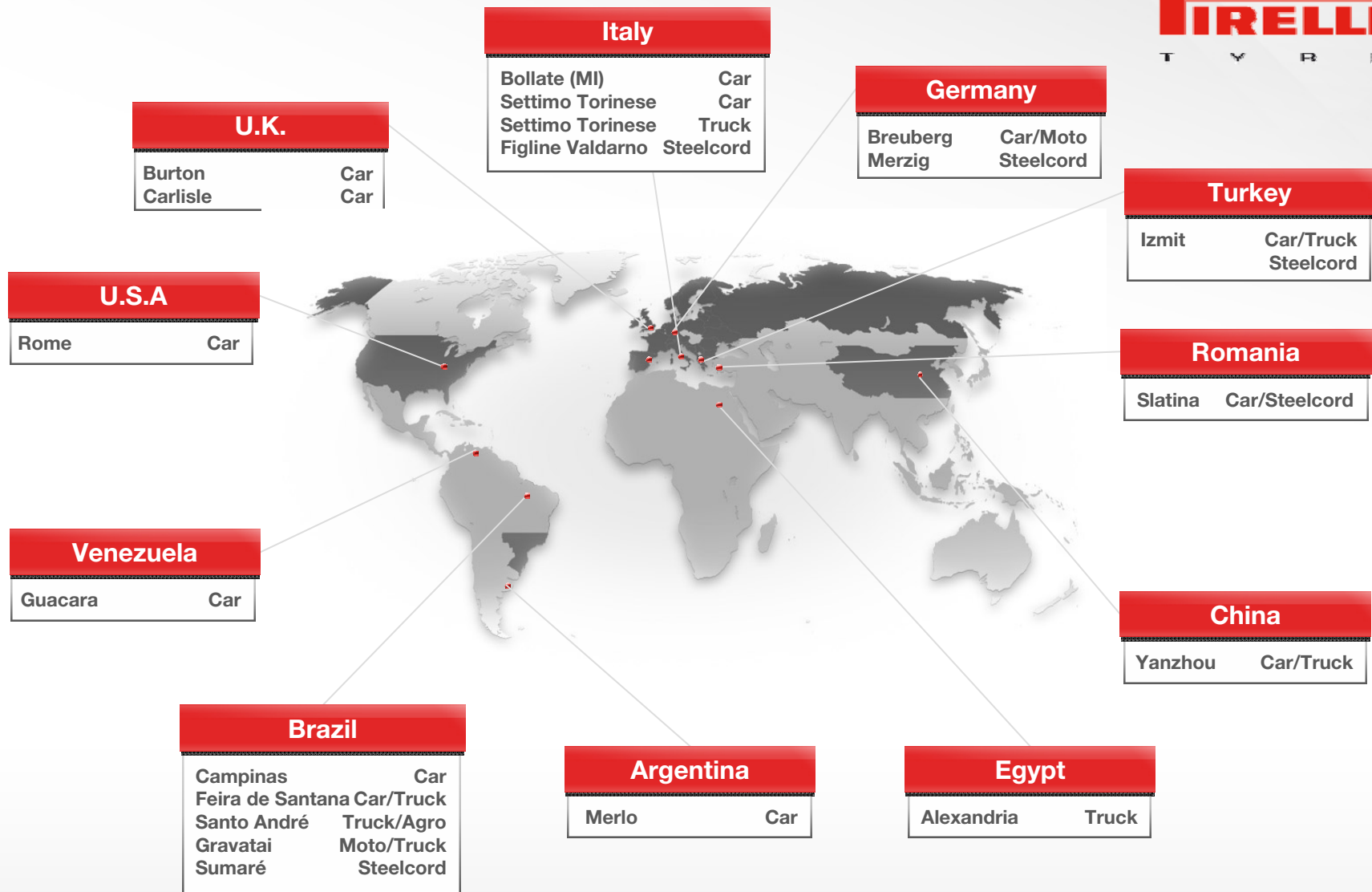


Cinturato P7, 2010 winner of the most popular summer tyre tests in Europe (ADAC, OMT, Stiftung Warentest)





# Pirelli Tyre: 20 factories in 11 Countries (as of Dec.'09)



# Economic Results

## Total Pirelli RE

€/mln

	December 2009	September 2009	December 2008
<b>Services Platform/G&amp;A</b>			
Consolidated revenues	187.3	137.4	224.3
Other (*)	13.4	7.9	1.6
<b>Total Revenues</b>	<b>200.7</b>	<b>145.3</b>	<b>225.9</b>
<b>Services Platform/G&amp;A Result(**)</b>	<b>7.8</b>	<b>(0.5)</b>	<b>(30.3)</b>
<b>Vehicles &amp; Funds</b>			
Result from vehicles & funds	(33.9)	(29.7)	(29.4)
Shareholders' loans interests	19.5	21.3	23.0
<b>Vehicles &amp; Funds Result (**)</b>	<b>(14.4)</b>	<b>(8.4)</b>	<b>(6.4)</b>
<b>Total Result (**)</b>	<b>(6.6)</b>	<b>(8.9)</b>	<b>(36.7)</b>

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

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



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**PIRELLI**

# Economic Results

## Italy

€/mln

	December 2009	September 2009	December 2008
<b>Services Platform</b>			
Consolidated revenues	99.7	73.9	113.6
Other (*)	11.7	6.1	17.0
<b>Total Revenues</b>	<b>111.3</b>	<b>80.0</b>	<b>130.6</b>
<b>Service Platform Result (**)</b>	<b>32.0</b>	<b>19.5</b>	<b>11.3</b>
<b>Vehicles &amp; Funds</b>			
Result from vehicles & funds	(10.8)	(21.0)	(30.4)
Shareholders' loans interests	7.5	5.9	11.6
<b>Vehicles &amp; Funds Result (**)</b>	<b>(3.3)</b>	<b>(15.1)</b>	<b>(18.8)</b>
<b>Total Result (**)</b>	<b>28.7</b>	<b>4.3</b>	<b>(7.6)</b>

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

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



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# Economic Results

## Service Platform Italy

		December 2009	September 2009	December 2008
Fund & AM Fee	Consolidated revenues	43.5	32.1	48.5
	Other (*)	11.7	6.1	17.0
	<b>Total Revenues</b>	<b>55.2</b>	<b>38.2</b>	<b>65.5</b>
	<b>Fund AM Fee Result (**)</b>	<b>26.1</b>	<b>16.4</b>	<b>17.4</b>
<b>Agency</b>				
	Consolidated revenues	27.4	17.9	24.0
	Other (*)			
	<b>Total Revenues</b>	<b>27.4</b>	<b>17.9</b>	<b>24.0</b>
	<b>Agency Result (**)</b>	<b>(1.8)</b>	<b>(3.7)</b>	<b>(13.6)</b>
<b>Property</b>				
	Consolidated revenues	28.8	23.9	41.1
	Other (*)			
	<b>Total Revenues</b>	<b>28.8</b>	<b>23.9</b>	<b>41.1</b>
	<b>Property Result (**)</b>	<b>7.7</b>	<b>6.8</b>	<b>7.5</b>
<b>Services Platform</b>				
	Consolidated revenues	99.7	73.9	113.6
	Other (*)	11.7	6.1	17.0
	<b>Total Revenues</b>	<b>111.3</b>	<b>80.0</b>	<b>130.6</b>
	<b>Result (**)</b>	<b>32.0</b>	<b>19.5</b>	<b>11.3</b>

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

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



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# Economic Results

## Germany

€/mln

	December 2009	September 2009	December 2008
<b>Services Platform</b>			
Consolidated revenues	58.6	44.4	61.1
Other (*)	0.0	0.0	1.4
<b>Total Revenues</b>	<b>58.6</b>	<b>44.4</b>	<b>62.5</b>
<b>Result (**)</b>	<b>1.3</b>	<b>2.2</b>	<b>(9.7)</b>
<b>Vehicles &amp; Funds</b>			
Result from vehicles & funds	(18.6)	(14.9)	(25.5)
Shareholders' loans interests	15.8	12.3	11.1
<b>Result (**)</b>	<b>(2.8)</b>	<b>(2.6)</b>	<b>(14.5)</b>
<b>Total Result (**)</b>	<b>(1.4)</b>	<b>(0.4)</b>	<b>(24.2)</b>

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

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



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# Economic Results

## Service Platform Germany

		December 2009	September 2009	December 2008
Fund & AM Fee	Consolidated revenues	14.2	10.3	15.0
	Other (*)			
	<b>Total Revenues</b>	<b>14.2</b>	<b>10.3</b>	<b>15.0</b>
	<b>Fund AM Fee Result (**)</b>	<b>3.2</b>	<b>3.1</b>	<b>(5.0)</b>
<b>Agency</b>				
	Consolidated revenues	3.9	3.4	4.4
	Other (*)			(0.1)
	<b>Total Revenues</b>	<b>3.9</b>	<b>3.4</b>	<b>4.4</b>
	<b>Agency Result (**)</b>	<b>0.4</b>	<b>0.2</b>	<b>(1.1)</b>
<b>Property</b>				
	Consolidated revenues	26.8	20.2	26.2
	Other (*)			1.4
	<b>Total Revenues</b>	<b>26.8</b>	<b>20.2</b>	<b>27.6</b>
	<b>Property Result (**)</b>	<b>(2.3)</b>	<b>(1.2)</b>	<b>(1.2)</b>
<b>Facility</b>				
	Consolidated revenues	13.6	10.6	15.6
	Other (*)			0.0
	<b>Total Revenues</b>	<b>13.6</b>	<b>10.6</b>	<b>15.6</b>
	<b>Facility Result (**)</b>	<b>0.1</b>	<b>0.1</b>	<b>(2.5)</b>
<b>Services Platform</b>				
	Consolidated revenues	58.6	44.4	61.1
	Other (*)	0.0	0.0	1.4
	<b>Total Revenues</b>	<b>58.6</b>	<b>44.4</b>	<b>62.5</b>
	<b>Result (**)</b>	<b>1.3</b>	<b>2.2</b>	<b>(9.7)</b>

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

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



# Economic Results

## Poland

€/mln

	December 2009	September 2009	December 2008
<b>Services Platform</b>			
Consolidated revenues	5.3	4.0	6.8
Other (*)	0.0	0.0	0.0
<b>Total Revenues</b>	<b>5.3</b>	<b>4.0</b>	<b>6.8</b>
<b>Result (**)</b>	<b>(1.1)</b>	<b>(1.1)</b>	<b>(2.0)</b>
<b>Vehicles &amp; Funds</b>			
Result from vehicles & funds	(1.1)	0.3	20.1
Shareholders' loans interests	2.2	1.7	1.6
<b>Result (**)</b>	<b>1.2</b>	<b>2.0</b>	<b>21.8(***)</b>
<b>Total Poland (**)</b>	<b>0.1</b>	<b>0.9</b>	<b>19.8</b>

(\*) 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, shareholders' loans interest

(\*\*\*) Including of Lucchini sale



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# Economic Results

## Services Platform Poland

		December 2009	September 2009	December 2008	
€/mln	<b>Fund &amp; AM Fee</b>	Consolidated revenues	1,8	1.6	2.8
		Other (*)			
		<b>Total Revenues</b>	<b>1,8</b>	<b>1.6</b>	<b>2.8</b>
		<b>Result (**)</b>	<b>(1.1)</b>	<b>(0.9)</b>	<b>(1.9)</b>
		<b>Agency</b>			
	Consolidated revenues	1.2	0.7	1.3	
	Other (*)				
	<b>Total Revenues</b>	<b>1.2</b>	<b>0.7</b>	<b>1.3</b>	
	<b>Result (**)</b>	<b>0.1</b>	<b>(0.4)</b>	<b>(0.2)</b>	
	<b>Facility</b>				
	Consolidated revenues	2.3	1.7	2.7	
	Other (*)				
	<b>Total Revenues</b>	<b>2.3</b>	<b>1.7</b>	<b>2.7</b>	
	<b>Result (**)</b>	<b>(0.1)</b>	<b>0.2</b>	<b>0.1</b>	
	<b>Services Platform</b>				
Consolidated revenues	5.3	4.0	6.8		
Other (*)	0.0	0.0	0.0		
<b>Total Revenues</b>	<b>5.3</b>	<b>4.0</b>	<b>6.8</b>		
<b>Result (**)</b>	<b>(1.1)</b>	<b>(1.1)</b>	<b>(2.0)</b>		

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

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





# Economic Results

## NPL

€/mln

	December 2009	September 2009	December 2008
<b>Services Platform</b>			
Consolidated revenues	18.8	12.1	34.8
Other (*)	1.8	1.8	0.0
<b>Total Revenues</b>	<b>20.6</b>	<b>14.0</b>	<b>34.8</b>
<b>Result (**)</b>	<b>(4.0)</b>	<b>(5.2)</b>	<b>3.7</b>
<b>Vehicles &amp; Funds</b>			
Result from vehicles & funds	(3.5)	6.0	6.4
Shareholders' loans interests	(6.0)	1.3	(2.1)
<b>Result (**)</b>	<b>(9.5)</b>	<b>7.3</b>	<b>4.3</b>
<b>Total NPL (**)</b>	<b>(13.5)</b>	<b>2.1</b>	<b>8.0</b>

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

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



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# Consolidated Balance Sheet

€/mln

	DECEMBER 2009	DECEMBER 2008
<b>1 Fixed assets</b>	<b>654.0</b>	<b>589.1</b>
<i>of which participations</i>	472.3	405.7
<i>of which goodwill</i>	148.1	137.8
<b>2 Net working capital</b>	<b>114.9</b>	<b>133.1</b>
<b>3 Net invested capital</b>	<b>768.9</b>	<b>722.2</b>
<b>4 Net equity</b>	663.1	366.4
<i>of which group net equity</i>	653.4	361.7
<b>5 Funds</b>	64.5	66.3
<b>6 Net financial position</b>	41.3	289.5
<i>of which shareholders' loan</i>	(404.4)	(572.3)
<b>7 Total sources</b>	<b>768.9</b>	<b>722.2</b>
NFP plus shareholders' loan	445.8	861.8
NIC including shareholders' loan	1,173.4	1,294.5
Gearing	0.67	2.35



# Consolidated Net Cash Flow

€/mln

	Dec-09	Dec-08
<b>Ebit + IEP before restructuring costs. writedowns/revaluations</b>	<b>(26.1)</b>	<b>(59.7)</b>
Depreciation	7.4	9.5
Change in investments <sup>1)</sup>	(101.2)	2.6
Change in other fixed assets	(9.9)	(16.8)
Change in NWC. funds and other	41.7	(2.5)
<b>Free cash flow</b>	<b>(88.1)</b>	<b>(67.0)</b>
Impact from Facility Mgmt disposal		171.2
Restructuring costs	(40.4)	(12.4)
Interest revenues /expenses and income	(22.7)	(6.5)
<b>Cash flow before dividends</b>	<b>(151.1)</b>	<b>85.3</b>
Dividend paid		(85.1)
<b>Net cash flow</b>	<b>(151.1)</b>	<b>0.2</b>
<b>Capital increase</b>	<b>399.3</b>	
<b>Treasury shares purchase/sale</b>		
<b>Total net cash flow</b>	<b>248.2</b>	<b>0.2</b>

<sup>1)</sup> Change in investment is impacted by 114.8 of Shareholders' Loans (SHL) / participation reclassification



# Consolidated income statement 100% YoY trend

€/mln

	Total Real Estate Dec.2009	Total Italy	Total Germany	Total Poland	Total Real Estate Dec.2008	Total Italy	Total Germany	Total Poland
Sales	1,031.4	613.5	380.1	37.8	860.9 <sup>(*)</sup>	566.5	184.6	109.9
Rents	782.8	294.7	487.6	0.4	669.2	336.9	331.8	0.5
capital gain	143.0	66.7	68.3	8.0	171.2	108.3	28.8	34.2
sales fees	(16.0)	(10.7)	(3.9)	(1.5)	(11.5)	(8.2)	(1.5)	(1.8)
other costs	(477.4)	(273.9)	(185.2)	(18.3)	(415.4)	(213.5)	(161.6)	(40.3)
Capitalized Financial Charges	29.0	23.2	0.0	5.8	41.0	29.0	2.2	9.8
Other Capitalized Costs	172.6	122.9	36.3	13.4	139.5	48.8	55.8	34.8
<b>EBITDA</b>	<b>634.0</b>	<b>223.0</b>	<b>403.2</b>	<b>7.8</b>	<b>593.9</b>	<b>301.1</b>	<b>255.6</b>	<b>37.2</b>
Depreciations	(1.9)	(1.7)	(0.1)	(0.1)	(50.5)	(49.3)	(1.1)	(0.1)
Revaluations/Writedown	(316.0)	(45.2)	(268.9)	(2.0)	(598.6)	(198.6)	(396.4)	(3.5)
<b>EBIT</b>	<b>316.3</b>	<b>176.1</b>	<b>134.2</b>	<b>5.9</b>	<b>(55.2)</b>	<b>53.2</b>	<b>(142.0)</b>	<b>33.6</b>
Interest expenses/revenues bank loans	(522.6)	(171.0)	(345.2)	(6.3)	(525.9)	(262.9)	(256.7)	(6.2)
Interest expenses/revenues SHL	(78.5)	(20.6)	(52.4)	(5.6)	(83.6)	(40.7)	(36.8)	(6.1)
Derivatives	(28.0)	(12.3)	(15.8)	0.1	(58.2)	(26.1)	(31.2)	(0.9)
<b>PBT</b>	<b>(312.8)</b>	<b>(27.8)</b>	<b>(279.2)</b>	<b>(5.9)</b>	<b>(722.9)</b>	<b>(276.7)</b>	<b>(466.7)</b>	<b>20.4</b>
Income taxes	29.9	2.8	27.0	0.1	(27.5)	(11.6)	(14.5)	(1.3)
<b>Net Income 100%</b>	<b>(283.0)</b>	<b>(24.9)</b>	<b>(252.2)</b>	<b>(5.8)</b>	<b>(750.4)</b>	<b>(288.3)</b>	<b>(481.2)</b>	<b>19.1</b>
<b>Operating result incl. income from equity part. and writedown/revaluations</b>	<b>(61.7)</b>	<b>(27.1)</b>	<b>(32.8)</b>	<b>(1.9)</b>	<b>(171.6)</b>	<b>(96.4)</b>	<b>(94.0)</b>	<b>18.7</b>
Writedown/Revaluations	(31.4)	(16.4)	(14.2)	(0.8)	(135.8)	(65.9)	(68.5)	(1.4)
<b>Operating result incl. income from equity part. before writedown/revaluations</b>	<b>(30.4)</b>	<b>(10.8)</b>	<b>(18.6)</b>	<b>(1.1)</b>	<b>(35.8)</b>	<b>(30.4)</b>	<b>(25.6)</b>	<b>20.1</b>
interest income from shareholders' loans	25.6	7.5	15.8	2.2	24.3	11.6	11.1	1.6
<b>Operating result incl. income from equity part. and Shareholders' loans</b>	<b>(4.9)</b>	<b>(3.3)</b>	<b>(2.8)</b>	<b>1.2</b>	<b>(11.6)</b>	<b>(18.8)</b>	<b>(14.5)</b>	<b>21.8</b>

(\*) 2008 figures don't include the sale of REOCO (NPLs) for approx. 4 /mln



# Consolidated income statement 100% YoY trend

€/mln

	Total Real Estate Dec.2009	Total Italy	Total Germany	Total Poland	Total Real Estate Dec.2008	Total Italy	Total Germany	Total Poland
Sales	1,031.4	613.5	380.1	37.8	860.9	566.5	184.6	109.9
Rents	782.8	294.7	487.6	0.4	669.2	336.9	331.8	0.5
capital gain	143.0	66.7	68.3	8.0	171.2	108.3	28.8	34.2
sales fees	(16.0)	(10.7)	(3.9)	(1.5)	(11.5)	(8.2)	(1.5)	(1.8)
other costs	(477.4)	(273.9)	(185.2)	(18.3)	(415.4)	(213.5)	(161.6)	(40.3)
Capitalized Financial Charges	29.0	23.2	0.0	5.8	41.0	29.0	2.2	9.8
Other Capitalized Costs	172.6	122.9	36.3	13.4	139.5	48.8	55.8	34.8
<b>EBITDA</b>	<b>634.0</b>	<b>223.0</b>	<b>403.2</b>	<b>7.8</b>	<b>593.9</b>	<b>301.1</b>	<b>255.6</b>	<b>37.2</b>
Depreciations	(1.9)	(1.7)	(0.1)	(0.1)	(50.5)	(49.3)	(1.1)	(0.1)
Revaluations/Writedown	(316.0)	(45.2)	(268.9)	(2.0)	(598.6)	(198.6)	(396.4)	(3.5)
<b>EBIT</b>	<b>316.3</b>	<b>176.1</b>	<b>134.2</b>	<b>5.9</b>	<b>(55.2)</b>	<b>53.2</b>	<b>(142.0)</b>	<b>33.6</b>
Interest expenses/revenues bank loans	(522.6)	(171.0)	(345.2)	(6.3)	(525.9)	(262.9)	(256.7)	(6.2)
Interest expenses/revenues SHL	(78.5)	(20.6)	(52.4)	(5.6)	(83.6)	(40.7)	(36.8)	(6.1)
Derivatives	(28.0)	(12.3)	(15.8)	0.1	(58.2)	(26.1)	(31.2)	(0.9)
<b>PBT</b>	<b>(312.8)</b>	<b>(27.8)</b>	<b>(279.2)</b>	<b>(5.9)</b>	<b>(722.9)</b>	<b>(276.7)</b>	<b>(466.7)</b>	<b>20.4</b>
Income taxes	29.9	2.8	27.0	0.1	(27.5)	(11.6)	(14.5)	(1.3)
<b>Net Income 100%</b>	<b>(283.0)</b>	<b>(24.9)</b>	<b>(252.2)</b>	<b>(5.8)</b>	<b>(750.4)</b>	<b>(288.3)</b>	<b>(481.2)</b>	<b>19.1</b>
<b>Operating result incl. income from equity part. and writedown/revaluations</b>	<b>(61.7)</b>	<b>(27.1)</b>	<b>(32.8)</b>	<b>(1.9)</b>	<b>(171.6)</b>	<b>(96.4)</b>	<b>(94.0)</b>	<b>18.7</b>
Writedown/Revaluations	(31.4)	(16.4)	(14.2)	(0.8)	(135.8)	(65.9)	(68.5)	(1.4)
<b>Operating result incl. income from equity part. before writedown/revaluations</b>	<b>(30.4)</b>	<b>(10.8)</b>	<b>(18.6)</b>	<b>(1.1)</b>	<b>(35.8)</b>	<b>(30.4)</b>	<b>(25.6)</b>	<b>20.1</b>
interest income from shareholders' loans	25.6	7.5	15.8	2.2	24.3	11.6	11.1	1.6
<b>Operating result incl. income from equity part. and Shareholders' loans</b>	<b>(4.9)</b>	<b>(3.3)</b>	<b>(2.8)</b>	<b>1.2</b>	<b>(11.6)</b>	<b>(18.8)</b>	<b>(14.5)</b>	<b>21.8</b>



# Consolidated income statement 100% - December 2009

€/mln

	Total Real Estate Dec.2009	Total Italy	Italy			Total Germany	Germany			Total Poland
			Yeilding	Trading & SOHO	Development		Yeilding commercial	Yeilding residential	Development	
Sales	1,031.4	613.5	288.5	249.0	75.9	380.1	196.9	105.7	77.5	37.8
Rents	782.8	294.7	268.0	21.2	5.5	487.6	287.6	188.3	11.7	0.4
capital gain	143.0	66.7	25.8	21.7	19.4	68.3	32.7	14.5	21.1	8.0
sales fees	(16.0)	(10.7)	(5.0)	(5.5)	(0.2)	(3.9)	(1.0)	(2.8)	0.0	(1.5)
other costs	(477.4)	(273.9)	(155.5)	(30.5)	(87.9)	(185.2)	(74.1)	(80.5)	(30.6)	(18.3)
Capitalized Financial Charges	29.0	23.2	5.9	4.3	13.0	0.0	0.0	0.0	0.0	5.8
Other Capitalized Costs	172.6	122.9	59.8	1.7	61.4	36.3	0.1	10.7	25.5	13.4
<b>EBITDA</b>	<b>634.0</b>	<b>223.0</b>	<b>199.0</b>	<b>12.9</b>	<b>11.2</b>	<b>403.2</b>	<b>245.4</b>	<b>130.2</b>	<b>27.6</b>	<b>7.8</b>
Depreciations	(1.9)	(1.7)	0.0	(0.8)	(0.9)	(0.1)	0.0	(0.1)	0.0	(0.1)
Revaluations/Writedown	(316.0)	(45.2)	61.1	(71.2)	(35.0)	(268.9)	(339.5)	74.6	(4.0)	(2.0)
<b>EBIT</b>	<b>316.3</b>	<b>176.1</b>	<b>260.1</b>	<b>(59.1)</b>	<b>(24.8)</b>	<b>134.2</b>	<b>(94.1)</b>	<b>204.7</b>	<b>23.6</b>	<b>5.9</b>
Interest expenses/revenues bank loans	(522.6)	(171.0)	(109.8)	(35.1)	(26.1)	(345.2)	(207.2)	(131.3)	(6.7)	(6.3)
Interest expenses/revenues SHL	(78.5)	(20.6)	(5.0)	(7.2)	(8.3)	(52.4)	(35.2)	(15.7)	(1.5)	(5.6)
Derivatives	(28.0)	(12.3)	(12.1)	(0.2)	0.0	(15.8)	(5.7)	(10.1)	0.0	0.1
<b>PBT</b>	<b>(312.8)</b>	<b>(27.8)</b>	<b>133.2</b>	<b>(101.7)</b>	<b>(59.2)</b>	<b>(279.2)</b>	<b>(342.2)</b>	<b>47.6</b>	<b>15.4</b>	<b>(5.9)</b>
Income taxes	29.9	2.8	3.4	(1.2)	0.7	27.0	46.7	(11.6)	(8.1)	0.1
<b>Net Income 100%</b>	<b>(283.0)</b>	<b>(24.9)</b>	<b>136.5</b>	<b>(102.9)</b>	<b>(58.5)</b>	<b>(252.2)</b>	<b>(295.5)</b>	<b>35.9</b>	<b>7.3</b>	<b>(5.8)</b>
<b>Operating result incl. income from equity part. and writedown/revaluations</b>	<b>(61.7)</b>	<b>(27.1)</b>	<b>33.6</b>	<b>(40.0)</b>	<b>(20.6)</b>	<b>(32.8)</b>	<b>(44.2)</b>	<b>11.0</b>	<b>0.5</b>	<b>(1.9)</b>
Writedown/Revaluations	(31.4)	(16.4)	23.8	(22.0)	(18.2)	(14.2)	(45.2)	30.0	(2.6)	(0.8)
<b>Operating result incl. income from equity part. before writedown/revaluations</b>	<b>(30.4)</b>	<b>(10.8)</b>	<b>9.8</b>	<b>(18.0)</b>	<b>(2.4)</b>	<b>(18.6)</b>	<b>1.0</b>	<b>(19.0)</b>	<b>3.1</b>	<b>(1.1)</b>
interest income from shareholders' loans	25.6	7.5	1.9	2.6	2.9	15.8	9.5	6.3	0.0	2.2
<b>Operating result incl. income from equity part. and Shareholders' loans</b>	<b>(4.9)</b>	<b>(3.3)</b>	<b>11.7</b>	<b>(15.4)</b>	<b>0.5</b>	<b>(2.8)</b>	<b>10.5</b>	<b>(12.7)</b>	<b>3.1</b>	<b>1.2</b>



# Consolidated income statement 100% - December 2008

€/mln

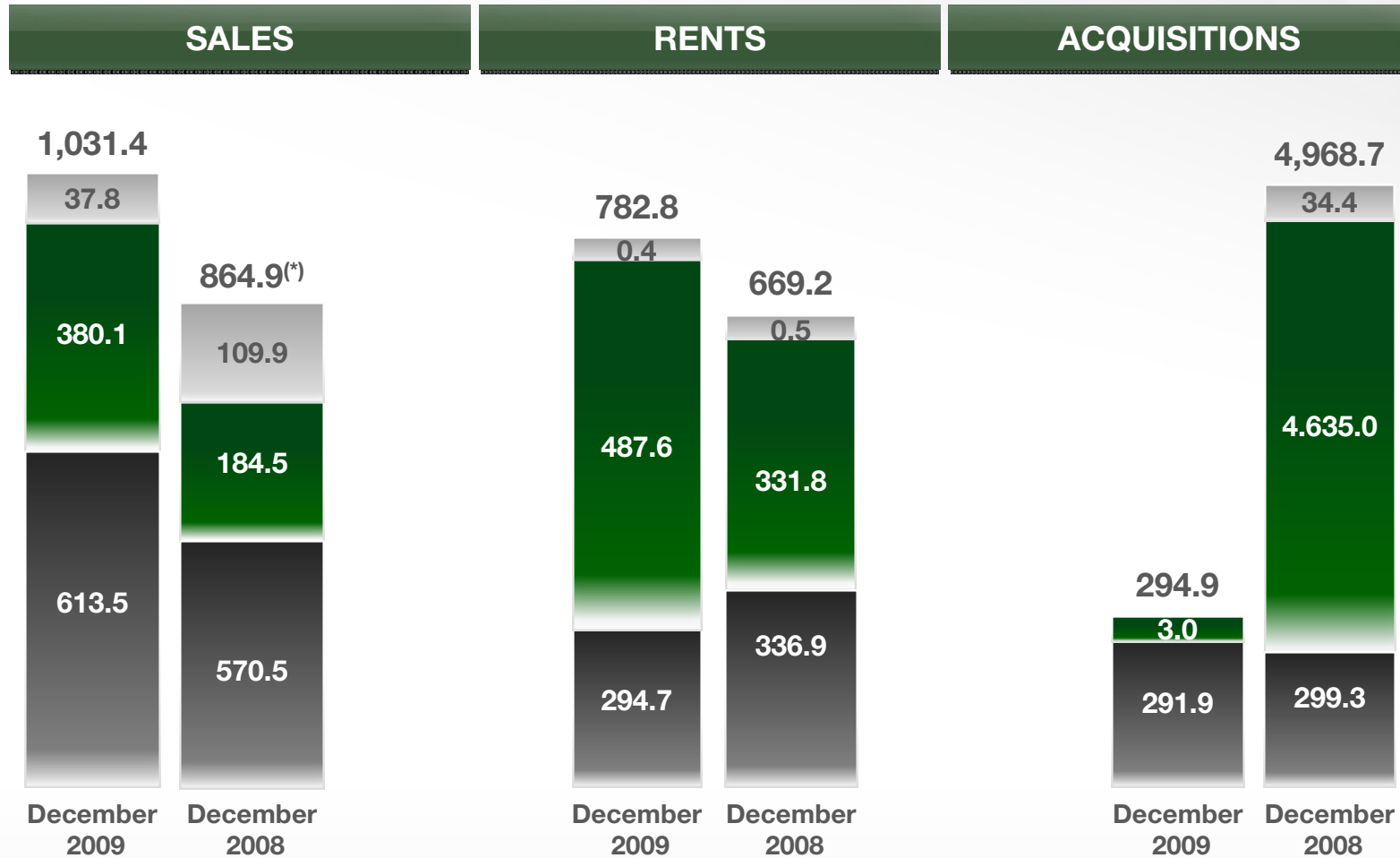
	Total Real Estate	Total Italy	Italy				Total Germany	Germany			Poland
			Yeilding	Trading & SOHO	Development	Non strategic		Yeilding commercial	Yeilding residential	Development	
Sales	860.9 <sup>(*)</sup>	566.5	234.0	189.3	143.1	0.0	184.6	48.9	34.5	101.2	109.9
Rents	669.2	336.9	294.4	26.1	3.4	12.9	331.8	136.4	189.0	6.4	0.5
capital gain	171.2	108.3	30.9	48.8	28.5	0.0	28.8	9.3	5.2	14.2	34.2
sales fees	(11.5)	(8.2)	(3.7)	(3.1)	(1.4)	0.0	(1.5)	(0.2)	(1.3)	(0.1)	(1.8)
other costs	(415.4)	(213.5)	(116.4)	(40.3)	(83.3)	26.5	(161.6)	(16.4)	(117.7)	(27.5)	(40.3)
Capitalized Financial Charges	41.0	29.0	0.6	5.5	22.8	0.0	2.2	0.0	0.0	2.2	9.8
Other Capitalized Costs	139.5	48.8	0.0	(0.9)	49.8	0.0	55.8	0.2	35.1	20.6	34.8
<b>EBITDA</b>	<b>593.9</b>	<b>301.1</b>	<b>205.9</b>	<b>36.0</b>	<b>19.8</b>	<b>39.4</b>	<b>255.6</b>	<b>129.3</b>	<b>110.4</b>	<b>15.9</b>	<b>37.2</b>
Depreciations	(50.5)	(49.3)	0.0	(0.5)	0.0	(48.8)	(1.1)	0.0	(1.1)	0.0	(0.1)
Revaluations/Writedown	(598.6)	(198.6)	(78.1)	(74.6)	(35.9)	(10.0)	(396.4)	(316.8)	(79.6)	0.0	(3.5)
<b>EBIT</b>	<b>(55.2)</b>	<b>53.2</b>	<b>127.8</b>	<b>(39.1)</b>	<b>(16.1)</b>	<b>(19.4)</b>	<b>(142.0)</b>	<b>(187.5)</b>	<b>29.7</b>	<b>15.9</b>	<b>33.6</b>
Interest expenses/revenues bank loans	(525.9)	(262.9)	(155.4)	(53.3)	(36.1)	(18.1)	(256.7)	(113.1)	(136.3)	(7.4)	(6.2)
Interest expenses/revenues SHL	(83.6)	(40.7)	(7.1)	(22.8)	(10.8)	0.0	(36.8)	(13.3)	(23.5)	0.0	(6.1)
Derivatives	(58.2)	(26.1)	(20.2)	(1.6)	(4.3)	0.0	(31.2)	(18.7)	(12.6)	0.0	(0.9)
<b>PBT</b>	<b>(722.9)</b>	<b>(276.7)</b>	<b>(55.0)</b>	<b>(116.9)</b>	<b>(67.3)</b>	<b>(37.5)</b>	<b>(466.7)</b>	<b>(332.5)</b>	<b>(142.7)</b>	<b>8.5</b>	<b>20.4</b>
Income taxes	(27.5)	(11.6)	(1.4)	(6.9)	(3.4)	0.1	(14.5)	(9.0)	(5.5)	0.0	(1.3)
<b>Net Income 100%</b>	<b>(750.4)</b>	<b>(288.3)</b>	<b>(56.4)</b>	<b>(123.8)</b>	<b>(70.7)</b>	<b>(37.4)</b>	<b>(481.2)</b>	<b>(341.5)</b>	<b>(148.2)</b>	<b>8.5</b>	<b>19.1</b>
<b>Operating result incl. Income from equity part. and writedown/revaluation</b>	<b>(171.6)</b>	<b>(96.4)</b>	<b>(19.6)</b>	<b>(40.7)</b>	<b>(29.1)</b>	<b>(6.9)</b>	<b>(94.0)</b>	<b>(43.0)</b>	<b>(53.1)</b>	<b>2.0</b>	<b>18.7</b>
Writedown/Revaluation	(135.8)	(65.9)	(22.4)	(27.1)	(15.5)	(1.0)	(68.5)	(38.8)	(29.7)	0.0	(1.4)
<b>Operating result incl. Income from equity part. before writedown/revaluation</b>	<b>(35.8)</b>	<b>(30.4)</b>	<b>2.8</b>	<b>(13.6)</b>	<b>(13.7)</b>	<b>(5.9)</b>	<b>(25.6)</b>	<b>(4.2)</b>	<b>(23.4)</b>	<b>2.0</b>	<b>20.1</b>
interest income from shareholders' loans	24.3	11.6	3.2	4.3	4.0	0.0	11.1	3.7	7.4	0.0	1.6
<b>Operating result incl. income from equity part. and Shareholders' loans</b>	<b>(11.6)</b>	<b>(18.8)</b>	<b>5.9</b>	<b>(9.3)</b>	<b>(9.6)</b>	<b>(5.9)</b>	<b>(14.5)</b>	<b>(0.5)</b>	<b>(16.0)</b>	<b>2.0</b>	<b>21.8</b>

(\*) 2008 figures don't include the sale of REOCO (NPLs) for approx. 4 /mln



# Real Estate Portfolio: Sales, Rents and Acquisitions by Country

€/mln



Italy Germany Poland

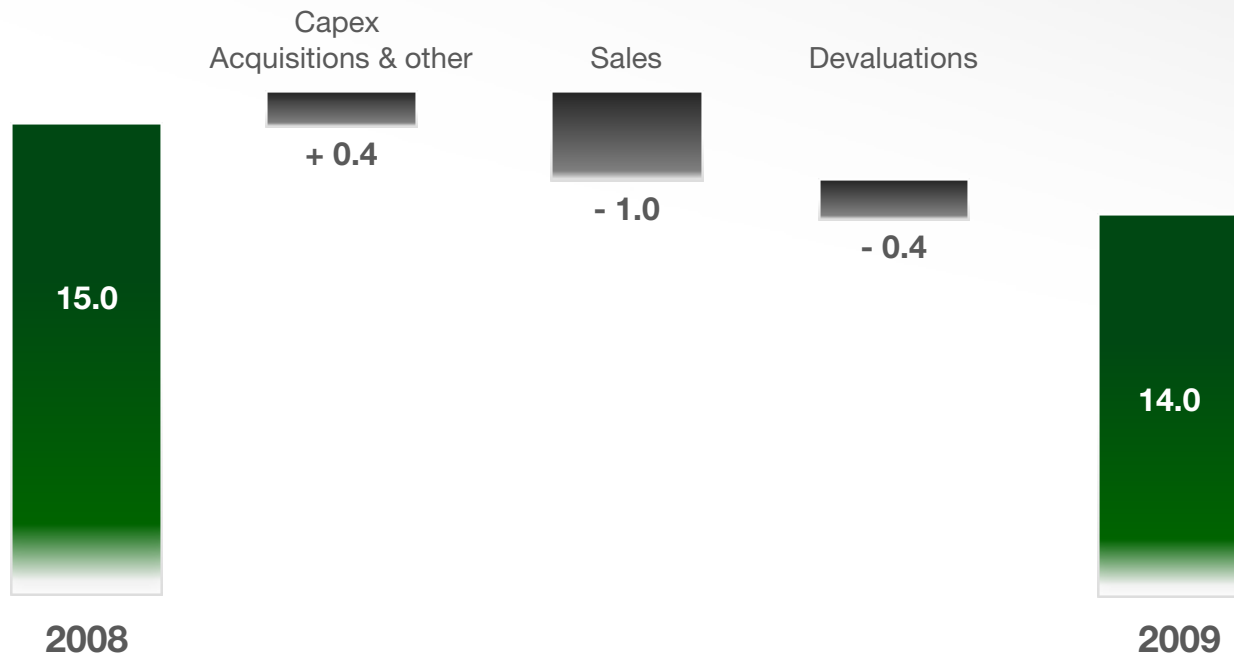
(\*) 2008 figure includes the sale of REOCO (NPLs) for approx. 4 /mln





# AUM Real Estate Evolution “like for like” (Market Value)

€/bln



- ▶ The valuation of the Real Estate portfolio assessed by experts shows a 2.8% decrease on a “like for like” basis vs. the previous year
- ▶ The Italian, German and Polish portfolios mask a -1.9%, -3.3% and -8.7%, respectively.

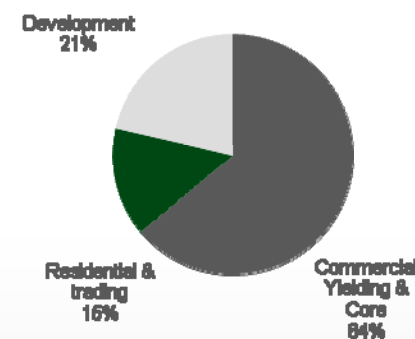


# Italy: Real Estate Portfolio Key Data as of Dec. 2009

€/mln

	Mkt. Value 100% <sup>1)</sup>	Mkt. Value PRE 28% average	BV Quota PRE	UCG Quota PRE	Net Debt Quota PRE	LTV	NAV Quota PRE <sup>2)</sup>	NIC Quota PRE
▶ <b>COMMERCIAL YIELDING &amp; CORE</b>	4,317	1,087	1,043	44	627	58%	460	416
▶ <b>TRADING &amp; SOHO</b>	1,007	351	298	53	204	58%	147	71
▶ <b>DEVELOPMENT</b>	1,429	455	416	39	259	57%	196	126

**Italy**  
 6.8€bIn Participated  
 0.4€bIn Not Participated  
 7.2€bIn AUM



1) Participated AUM

2) NOTE: The difference between NAV and UCG + NIC (54€/mln) is due to other assets and liabilities not included into the calculation of real estate NAV.

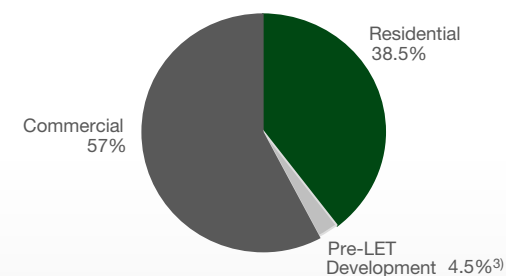


# Germany & Poland: Real Estate Portfolio Key Data as of Dec.09

€/mln

	Mkt. Value 100% <sup>1)</sup>	Mkt. Value PRE 28% average	BV Quota PRE	UCG Quota PRE	Net Debt Quota PRE	LTV	NAV Quota PRE <sup>2)</sup>	NIC Quota PRE
▶ DGAG (Residential)	928	380	372	8	264	69%	116	87
▶ BAUBECON (Residential)	1,566	626	619	7	529	84%	97	42
▶ HIGHSTREET (Commercial)	3,992	483	476	7	423	87%	60	35
▶ Other (Germany)	550	234	226	8	153	65%	81	68
▶ Development (Poland)	182	69	57	11	27	40%	41	20

**Germany and Poland  
AUM 7.2 €/bln**



1) Participated AUM

2) NOTE: The difference between NAV and UCG + NIC (100€/mln) is due to other assets and liabilities not included into the calculation of real estate NAV.

3) Already LET



# Participated Real Estate Assets under Management 100%

	Quota PRE	Passing Rent	Passing Yield	Vacancy	Book Value	Market Value	Net Debt
<i>€/mln</i>							
<b>Commercial Core Italy</b>		<b>90,431.6</b>	<b>5.6%</b>	<b>10.2%</b>	<b>1,620,665.3</b>	<b>1,745,250</b>	<b>1,092,581.6</b>
Fondo TECLA	44.8%	38,838.1	5.5%	9.4%	708,290.0	708,290	481,846.1
Fondo Cloe	18.1%	29,657.9	6.7%	10.7%	442,053.4	546,080	262,341.4
FONDO RETAIL & ENTERTAINMENT	31.6%	21,935.6	4.7%	13.1%	470,321.9	490,880	348,394.1
<b>Commercial Yielding Italy</b>		<b>171,376.9</b>	<b>7.0%</b>	<b>6.7%</b>	<b>2,452,688.5</b>	<b>2,572,163</b>	<b>1,215,297.8</b>
Fondo FIRPS	22.0%	21,290.0	7.1%		298,789.0	303,920	193,834.8
TIGLIO 1	12.9%	13,943.0	7.4%	37.3%	189,574.0	215,820	115,573.6
Fondo Raissa	35.0%	22,216.9	6.8%		329,089.2	334,000	136,135.7
Fondo Olinda	11.3%	35,064.1	6.8%	3.1%	517,197.0	568,160	226,931.3
Dolcetto Tre S.r.l.	33.0%	1,426.0	10.4%		13,675.4	19,930	10,163.4
PROGETTO PERUGIASrl	100.0%	1,586.6	4.8%	1.7%	32,986.8	33,900	
Fondo Armilla	2.3%	16,878.3	7.5%		224,970.0	237,900	134,078.6
FONDO SPAZIO INDUSTRIALE	22.1%	39,963.5	7.2%	2.8%	553,888.0	562,290	266,101.0
FONDO HOSPITALITY & LEASURE	35.0%	9,010.5	8.3%		108,956.7	112,680	79,027.4
ITALIA TURISMO S.p.a.	16.3%	9,998.0	5.4%		183,562.5	183,563	53,452.2
<b>TOTAL Italy</b>		<b>261,808.5</b>	<b>6.4%</b>	<b>7.4%</b>	<b>4,073,353.8</b>	<b>4,317,413</b>	<b>2,307,879.4</b>
<b>Commercial Germany</b>		<b>277,772.4</b>	<b>6.9%</b>	<b>1.1%</b>	<b>4,039,089.9</b>	<b>4,099,275</b>	<b>3,474,364.3</b>
Mistral Properties	35.0%	6,606.2	6.3%	11.5%	104,982.0	106,910	60,185.4
Highstreet	12.1%	271,166.1	6.9%	0.8%	3,934,107.9	3,992,365	3,414,178.9
<b>Residential Yielding Germany</b>		<b>186,919.0</b>	<b>6.8%</b>	<b>4.7%</b>	<b>2,741,124.5</b>	<b>2,784,114</b>	<b>2,186,245.4</b>
DGAG - Residential+Special Properties	40.0%	66,385.5	7.3%	2.4%	908,185.8	928,058	661,152.0
BIB	40.0%	101,851.0	6.6%	4.9%	1,547,445.2	1,566,097	1,322,865.0
Small Deal	49.9%	18,682.6	6.5%	5.0%	285,493.6	289,959	202,228.4
<b>TOTAL Germany</b>		<b>464,691.4</b>	<b>6.9%</b>	<b>3.2%</b>	<b>6,780,214.4</b>	<b>6,883,389</b>	<b>5,660,609.7</b>
<b>TOTAL YIELDING PORTFOLIO</b>		<b>726,499.9</b>	<b>6.7%</b>	<b>4.7%</b>	<b>10,853,568.2</b>	<b>11,200,802</b>	<b>7,968,489.2</b>
<b>Residential Small Office House Office ITA</b>		<b>16,659.8</b>	<b>n.m.</b>	<b>n.m.</b>	<b>864,876.8</b>	<b>1,006,546</b>	<b>614,335.7</b>
<b>Development ITA</b>		<b>2,401.0</b>	<b>n.m.</b>	<b>n.m.</b>	<b>1,323,401.9</b>	<b>1,429,446</b>	<b>915,634.3</b>
<b>Development Germany</b>		<b>6,751.0</b>	<b>n.m.</b>	<b>n.m.</b>	<b>140,881.5</b>	<b>152,740</b>	<b>87,007.7</b>
<b>Development Poland</b>		<b>404.4</b>	<b>n.m.</b>	<b>n.m.</b>	<b>148,439.2</b>	<b>189,557</b>	<b>68,922.5</b>
<b>OTHER PORTFOLIO</b>		<b>26,216.2</b>			<b>2,477,599.4</b>	<b>2,778,289</b>	<b>1,685,900.2</b>
<b>GRAND TOTAL REAL ESTATE</b>		<b>752,716.0</b>			<b>13,331,167.6</b>	<b>13,979,090</b>	<b>9,654,389.4</b>

<sup>1)</sup> Vacancy calculated on units



# Pro-quota Real Estate Assets under Management

€/mln	Quota PRE	Passing Rent Pro-quota	Passing Yield	Vacancy	Book Value Pro-quota	Market Value Pro-quota	Net Debt Pro-quota
<b>Commercial Core Italy</b>		<b>29,699.2</b>	<b>5.4%</b>	<b>9.9%</b>	<b>545,947.3</b>	<b>571,272.5</b>	<b>380,221.5</b>
Fondo TECLA	44.8%	17,399.4	5.5%	9.4%	317,313.9	317,313.9	222,679.6
Fondo Cloe	18.1%	5,368.1	6.7%	10.7%	80,011.7	98,840.5	47,475.9
FONDO RETAIL & ENTERTAINMENT	31.6%	6,931.6	4.7%	13.1%	148,621.7	155,118.1	110,066.0
<b>Commercial Yielding Italy</b>		<b>34,280.3</b>	<b>6.9%</b>	<b>4.5%</b>	<b>496,942.5</b>	<b>515,366.3</b>	<b>246,921.6</b>
Fondo FIRPS	22.0%	4,675.3	7.1%		65,614.1	66,740.8	50,334.3
TIGLIO 1	12.9%	1,797.3	7.4%	37.3%	24,436.1	27,819.2	15,148.4
Fondo Raissa	35.0%	7,775.9	6.8%		115,181.2	116,900.0	47,647.5
Fondo Olinda	11.3%	3,962.2	6.8%	3.1%	58,443.3	64,202.1	25,647.8
Dolcetto Tre S.r.l.	33.0%	470.6	10.4%		4,512.9	6,576.9	3,353.9
PROGETTO PERUGIASrl	100.0%	1,586.6	4.8%	1.7%	32,986.8	33,900.0	
Fondo Armilla	2.3%	388.2	7.5%		5,174.3	5,471.7	3,030.2
FONDO SPAZIO INDUSTRIALE	22.1%	8,839.9	7.2%	2.8%	122,520.0	124,378.5	58,759.3
FONDO HOSPITALITY & LEASURE	35.0%	3,153.7	8.3%		38,134.8	39,438.0	27,659.6
ITALIA TURISMO S.p.a.	16.3%	1,630.7	5.4%		29,939.0	29,939.0	15,340.6
<b>TOTAL Italy</b>		<b>63,979.5</b>	<b>6.1%</b>	<b>6.0%</b>	<b>1,042,889.8</b>	<b>1,086,638.8</b>	<b>627,143.1</b>
<b>Commercial Germany</b>		<b>35,541.8</b>	<b>6.8%</b>	<b>1.7%</b>	<b>520,653.1</b>	<b>528,376.1</b>	<b>448,136.8</b>
Mistral Properties	35.0%	2,730.7	6.1%	11.5%	44,626.0	45,300.0	25,597.7
Highstreet	12.1%	32,811.1	6.9%	0.8%	476,027.1	483,076.1	422,539.1
<b>Residential Yielding Germany</b>		<b>75,559.1</b>	<b>6.8%</b>	<b>4.7%</b>	<b>1,117,486.6</b>		<b>883,889.6</b>
DGAG - Residential+Special Properties	40.0%	26,554.2	7.1%	2.4%	372,265.1	380,213.8	264,460.8
BIB	40.0%	40,740.4	6.6%	4.9%	618,978.1	626,439.0	529,146.0
Small Deal	49.9%	8,264.5	6.5%	5.0%	126,243.4	128,285.0	90,282.8
<b>TOTAL Germany</b>		<b>111,100.9</b>	<b>6.8%</b>	<b>4.2%</b>	<b>1,638,139.6</b>	<b>1,663,313.9</b>	<b>1,332,026.4</b>
<b>TOTAL YIELDING PORTFOLIO</b>		<b>175,080.4</b>	<b>6.5%</b>	<b>4.8%</b>	<b>2,681,029.5</b>	<b>2,749,952.7</b>	<b>1,959,169.5</b>
<b>Residential Small Office House Office ITA</b>		<b>5,634.9</b>	<b>n.m</b>	<b>n.m</b>	<b>297,982.7</b>	<b>350,973.3</b>	<b>204,466.5</b>
<b>Development ITA</b>		<b>600.3</b>			<b>416,461.7</b>	<b>455,492.2</b>	<b>258,824.5</b>
<b>Development Germany</b>		<b>2,163.4</b>			<b>55,198.9</b>	<b>60,107.9</b>	<b>37,005.6</b>
<b>Development Poland</b>		<b>149.3</b>			<b>56,962.3</b>	<b>71,747.7</b>	<b>27,620.4</b>
<b>OTHER PORTFOLIO</b>		<b>8,547.9</b>			<b>826,605.5</b>	<b>938,321.1</b>	<b>527,917.0</b>
<b>GRAND TOTAL REAL ESTATE</b>		<b>183,628.3</b>			<b>3,507,635.0</b>	<b>3,688,273.8</b>	<b>2,487,086.5</b>

<sup>1)</sup> Vacancy calculated on units

