



PRESS RELEASE

**PIEDMONT REGION, TURIN PROVINCE,
MUNICIPALITY OF SETTIMO TORINESE, POLITECNICO DI TORINO UNIVERSITY,
AND PIRELLI:**

NEW INDUSTRIAL POLE AT SETTIMO TORINESE: AGREEMENT FOR DEVELOPMENT OF RESEARCH AND INNOVATION PROGRAMS

**Approximately 140 million euros in investments planned by Pirelli for the
Settimo Torinese industrial pole. Up to 27 million euros in contributions for
innovation from the Piedmont Region. New research center on the “Cyber Tyre”
in the Politecnico University Citadel**

**Competitiveness, technology, quality and sustainability to be the main
characteristics of the new facility**

Turin, 22 February 2008 - The **Piedmont Region**, the **Turin Province**, the **Municipality of Settimo Torinese**, the **Politecnico di Torino University** and the **Pirelli Group** today signed a **collaboration agreement for development of programs for research and innovation** in the context of the **plan to build a new Pirelli industrial complex in the territory of Settimo Torinese**.

The agreement, in particular, includes the **introduction of avant-garde technologies at the Settimo Torinese industrial pole** on which Pirelli is focusing its research in the tyre sector. Among these are: **next generation MIRS**, a significant evolution of the robotized process of tyre manufacturing which guarantees quality and uniformity of the product, the **Cyber Tyre**, the future “intelligent” tyre with sensors that will be able to transmit information useful for driving and control of the vehicle, and **TSM**, a new process for mixing materials with high levels of quality and reliability.

An important part of these activities will be realized **in collaboration with the Politecnico di Torino**. In particular, **a research centre on the Cyber Tyre will be set up in the Politecnico Citadel**.

The agreement signed today is an **important step in the relaunch and development of the industrial presence of Pirelli in Settimo Torinese**, begun more than 60 years ago. This includes **creation of a new and more competitive industrial pole for production of car and truck tyres, focused on the use of innovative technologies**.

The new facility, thanks to implementation of the manufacturing technologies described above, will be the **Group’s most advanced in the world**. The **investment planned** by Pirelli amounts to about **140**

million euros. Work is expected to begin, compatibly with completion of Italian authorization procedures and filing of EU authorization procedures, in or after the second quarter of 2008. The Settimo project stems from **fruitful collaboration between local institutions and Pirelli** and is based on four **key elements: competitiveness, technology, quality and sustainability**, which **make it possible to maintain such an industrial presence in Italy**, despite the trend towards greater manufacturing in low-cost countries that characterizes the tyre industry, and an unfavourable macroeconomic context. The project has been **shared with unions**, with whom an agreement was signed in November 2007. It is, therefore, a **systemic initiative**, based on public-private accord, which the **Piedmont Region** will support with an **economic contribution of up to 27 million euros**, mainly targeted to finance the research and innovation activities. The **role of the Municipality of Settimo Torinese** is also **essential**, in order to allow an **adequate urban planning solution** to support the new facility.

The new Pirelli pole at Settimo Torinese will allow for industrial, manufacturing, and cultural synergies to be realized. The possibility to serve the most demanding customer segments will be of fundamental importance. The facility will be **qualified by a significant improvement in traditional processes and by the introduction of new technologies**, with the aim of obtaining a **product mix with greater added value**. The pole's activity will be, in fact, focused on **manufacturing high performance and ultra high performance tyres**.

The industrial pole's focus on quality manufacturing will be accompanied by a **training program** for development of technical, managerial and organizational skills of all personnel. The new manufacturing plant will be **at the forefront from an architectural point of view, and will be endowed with advanced standards in work safety, environmental impact, and energy consumption**, in the context of a program that will involve all the Italian facilities of the Group.

In order to further radicate Pirelli's industrial presence in the area and guarantee better execution of the project, the Group has decided to set up a **operating company, based in Piedmont**, in which **all the activities of the new industrial pole will converge**.

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