



**PRESS RELEASE**

**PIRELLI: TRUCK MANUFACTURING IN EGYPT TO INCREASE 50% WITH  
A NEW INVESTMENT OF 65 MILLION DOLLARS**

**ANNOUNCEMENT MADE TO EGYPTIAN AUTHORITIES ON THE OCCASION OF  
INTER-GOVERNMENTAL MEETINGS IN ROME**

**WITH THE NEW INVESTMENT, THE FACTORY IN ALEXANDRIA, EGYPT WILL HAVE  
THE CAPACITY TO PRODUCE 1 MILLION PIECES PER YEAR, BECOMING THE  
LARGEST MANUFACTURING SITE FOR INDUSTRIAL VEHICLE TYRES IN THE  
MIDDLE EAST & AFRICA AREA**

**TOMORROW APPOINTMENT OF ALBERTO PIRELLI AS CO-CHAIRMAN OF THE  
ITALIAN-EGYPTIAN BUSINESS COUNCIL FOR 2008-2009 TO BE RATIFIED**

*Rome, 3 June 2008* - The **Pirelli Group** communicates that it will **increase its manufacturing in Egypt by 50%** thanks to a **new investment of 65 million dollars** to **enlarge production capacity** at its **factory for radial tyres for trucks and buses in Alexandria**. The announcement was made by the Chairman of Pirelli & C. SpA, **Marco Tronchetti Provera**, to Egyptian Trade and Industry Minister, **Mohamed Rashid**, on the occasion of the Italian-Egyptian inter-governmental meeting taking place in Rome.

The new investment will allow the factory in Alexandria to increase its **annual production to 1 million pieces** and become the **largest site for manufacturing radial tyres for industrial vehicles in the MEA** (Middle East and Africa) **area**.

The increase of production capacity in Egypt is part of a **strategy to increase manufacturing presence** in countries characterized by strong market growth and cost competitiveness. This initiative, in addition, **strengthens Pirelli's position in the radial truck tyre segment** following the launch of manufacturing in China in 2005 and the investment in the Gravatai factory in Brazil in 2006. The Pirelli Group also produces tyres for industrial vehicles in Settimo Torinese (Italy), Izmit (Turkey), Feira de Santana and Santo André (Brazil).

The factory in Alexandria is owned by **Alexandria Tyre Company**, a company acquired by the Pirelli Group in 1999. The manufacturing site extends over **300 thousand** square metres and currently employs about **1,000 workers**. Growth of production capacity will be focused on the **most advanced product and process technologies** able to express maximum performance both in terms of the needs of emerging markets and with respect to the requirements of the main customers in Continental Europe.

With the increase of production at the plant in Alexandria, **total investments** made by Pirelli in Egypt since 1999 amount to approximately **300 million** dollars.

Tomorrow, also in the context of the bilateral Italian-Egyptian meetings, the appointment of **Alberto Pirelli** as **Co-Chairman of the Italian-Egyptian Business Council** together with **Alaa Arafa**, Chairman of the Arafa Group, for the 2008-2009 period will be ratified. Alberto Pirelli will succeed Carlo Pesenti, CEO of Italcementi, following the natural end of his two-

year mandate. The Italian-Egyptian Business Council, whose secretariat is managed by ISPI (Istituto per gli Studi di Politica Internazionale), is an organization set up in 2006 in order to **develop economic and trade relations between Italy and Egypt** and to facilitate, widen and strengthen existing collaboration between the two nations. From 2002 to 2006 Alberto Pirelli, as worldwide head of the Truck and Agro Products business unit, was also CEO of Pirelli's Egyptian subsidiary.

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