



## PRESS RELEASE

### **PIRELLI TO INVEST AN ADDITIONAL 250 MILLION EUROS IN ROMANIA IN ORDER TO GROW FURTHER IN EASTERN EUROPEAN MARKETS**

***Pirelli Chairman Tronchetti Provera announced the decision to Romanian Prime Minister Tariceanu in Bucharest. The new investment follows investments of 250 million euros made over the last five years to create an automotive pole with plants for car tyres, steelcord and particulate filters***

*Bucharest, 29 September 2008* - **Pirelli's new industrial pole** in the **automotive** sector in **Romania** is **strategic for the company's future growth** in the emerging markets of **Eastern Europe**, and is set to **grow** further in coming years with **total investments** that will reach approximately **500 million** euros by the end of **2011**.

The **chairman of Pirelli & C. SpA, Marco Tronchetti Provera**, made the announcement to the **Romanian prime minister, Calin Popescu Tariceanu**, during a meeting held today in Bucharest to discuss the Group's activities in the country. Pirelli is **one of the main Italian and international investors** in Romania.

In the last five years, the Group has invested approximately **250 million** euros in Romania to create a **large industrial pole** made up of a **car tyre** factory, which at the end of 2009 will have **annual manufacturing capacity** of about **5 million** units, and a factory for production of **steelcord** (reinforcement material for radial tyres) in the Slatina area. The pole will be completed by the end of 2008 with the start of production of **particulate filters** for new automobiles in the plant in Bumbesti.

The **additional investments** planned from now to the end of 2011, which amount to approximately **250 million** euros, will aim to increase **manufacturing capacity of the plants, significantly improving overall competitiveness of the Group's European industrial structure**. The new project will receive a **contribution from the Romanian government** up to a maximum amount of about **28 million** euros.

The Slatina pole is located in a **strategic position** with respect to the markets of Western and Eastern Europe, and represents a **logistics and commercial hub** for the Pirelli Group for the whole of Eastern Europe, an area which is resisting better than others in the difficult economic climate hitting the automotive sector.

During today's meeting, in addition, Chairman Tronchetti Provera illustrated to Prime Minister Tariceanu the **programs for training and development of personnel** started by Pirelli in its Romanian factories. In the 2006-2008 three-year period, Slatina workers were given an average of about **150 days of professional training** each, with a total investment of more than **500,000** euros. After the start of production at the filter factory in Bumbesti, the **total number of employees** of the Group in Romania will rise to more than **3,000** at normal working capacity.

The meeting between Tronchetti Provera and Tariceanu also covered the numerous **social and cultural activities** started by the Pirelli Group in Romania, from the partnership with the University of Craiova on technological innovation to the project for Italian culture in Slatina, from support for collaboration between Milan's Niguarda hospital and the Slatina hospital to the Inter Campus initiative being set up.

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