

PRESS RELEASE

Iveco launches the New Daily in the Middle East and Africa

Iveco has gathered in Hammamet, Tunisia, its dealer network operating in the Middle East and Africa for the Convention organized for the presentation of the new range of light vehicles.

In addition to the new Daily designed by Giugiaro, which was launched last May in Europe and which has already reached 87 000 orders, the 67 dealers meeting for the first time altogether were presented with a more fundamental version of the vehicle than that sold in Europe although still robust and reliable. These two options allow Iveco to be present on the market with a wide offer for the 3.5 to 6 ton segment. The goal is to be competitive on that market portion, the 5-6 ton segment, which at the moment is controlled by the Asian competitors and which, in terms of share, amounts to 52% of the whole light vehicle segment.

"The reasons for choosing Tunisia as a location are several" - explained Vincenzo Scardigno, Middle East&Africa General Manager – but the main incentive was the satisfaction for the excellent results obtained by Daily in this country, where the market share is close to 50%. This prestigious result is not only the consequence of the product strength, but also of the significant Iveco presence in Tunisia for more than thirty years".

A strategic area

Iveco has worked in this area for many years through a network consisting of 67 dealers, 115 points of sale and 175 work shops.

The company boasts also joint venture assembly plants in Libya and Ethiopia and production under licence in Morocco, Tunisia and Iran; in addition to the representative offices in Egypt, Algeria, Tunisia, Libya, Dubai, Ethiopia, Democratic Republic of Congo and Bahrain.

The vastness and diversity of this area make it nearly impossible to establish one single operating strategy for the whole African and Middle East territory, as it includes the European countries - such as Greece, Cyprus and Malta - the countries with legislation similar to the European one - such as Israel and South Africa - and the area of Maghreb and the Middle East. Inside the whole area there are also countries, like Libya, where Iveco has important interests which led to the implementation of a manufacturing unit.

"Such an articulate reality – adds Scardigno – requires a complex approach, which goes from the comparison between the locally manufactured units and the importers working in these areas, up to the support to the Italian road haulage contractors travelling on these routes. Our goal is to control more and more efficiently these great lines of communication".

A potential market

The market of industrial vehicles in the Middle East and Africa plays a fundamental role and amounts to around 145 thousand units, with a slightly growing overall trend.

In 2006 the light vehicle range (3.5-6 tons) exceeded 54 thousand sold units, while over 42 thousand units of the medium range were sold (6.1-15.99 tons), a clear growth compared to the past (over 16 tons) with nearly 50 thousand units sold.

Inside this market, in 2006 Iveco reached a total amount of 3,000 units sold for the light vehicle range, 1,000 for the medium range and 4,700 for the heavy duty segment.

Despite this, Iveco potential has not been completely exploited yet, even if what is emerging is the great and continuous attention required nowadays to work in and with these markets because of the considerable differences among the local conditions, that means significant differences between each. Moreover, another feature is the local production which is often translated into a mere assembly of the kits supplied by the mother company, a need both to reduce the burden of the high customs on the final product, and to have specific products for each country.

Iveco

Iveco designs, manufactures, and markets a broad range of light, medium and heavy commercial vehicles, off-road trucks, city and intercity buses and coaches as well as special vehicles for applications such as fire fighting, off-road missions, defence and civil protection.

Iveco employs over 24,500 people and runs 27 production units in 16 Countries in the world using excellent technologies developed in 5 research centres. Besides Europe, the company operates in China, Russia, Turkey, Australia, Argentina, Brazil, and South Africa. More than 4,600 service outlets in over 100 Countries guarantee technical support wherever in the world an Iveco vehicle is at work.

Turin, 27th March 2007