



PRESS RELEASE

Warburg Pincus and Mahansarias complete buy-out Of Alliance Tire Company

Hadera, Israel, July 12th, 2007: Alliance Tire Company (1992) Ltd. announced today that it has been acquired by Warburg Pincus, the global private equity firm, and Yogesh Mahansaria, former CEO of Balkrishna Tires. Warburg Pincus and the Mahansarias envisage that additional capital will be invested to fund future expansion and development of low-cost sourcing capabilities in India.

Based in Hadera, Israel, Alliance Tire Company has more than 50 years of experience in developing, manufacturing and marketing a wide range of specialty off-highway tires and passenger vehicle tires for customers in over 65 countries. Within the off-highway tire segment, the company's product line includes a wide range of radial and diagonal tires with over 1,000 active SKUs serving the agricultural, forestry, mining and construction industries. A greenfield facility is proposed to be set up in India to augment the existing production in Israel for the manufacture of Specialty Off-Highway Tires.

Joseph Anglister, President, Alliance Tire Company said: "We welcome the new ownership. An investment by a leading international investor such as Warburg Pincus combined with Yogesh Mahansaria's extensive experience in the off-highway tire industry will provide an impetus to our long-term objective of growing Alliance's product library, strengthening our relationship with existing customers and tapping new markets."

Commenting on this investment, Yogesh Mahansaria said: "Alliance is an exceptional company, with a highly respected brand, strong product knowledge, talented employees and significant potential for growth. I am excited to partner with Warburg Pincus, a distinguished firm with a proven track record in supporting entrepreneurs to build successful businesses. Warburg Pincus' extensive global network and flexibility in providing capital for a leveraged cross-border buy-out as well as for funding growth was instrumental in completing this transaction."

Julie Johnson Staples, Head of Communications, Warburg Pincus said: "We have been impressed by Yogesh's deep domain knowledge and passion for entrepreneurship during our association with him. Alliance, with its strong brand, product portfolio, and vast distribution network, provides a unique platform to build a global off-highway tire business. Warburg Pincus is a long-term, value-driven investor and we look forward to working with Yogesh and the company going forward."



About Alliance Tire Company

The Alliance Tire Company employs 950 people, and its annual turnover is over \$160 million. The company has more than 50 years of experience in advanced production and marketing of a wide range of agricultural, multi-purpose and industrial tires for export, and passenger and light truck tires for the local market. Alliance exports to more than 65 countries around the world including markets in Europe, the USA, Japan, and Latin America. For more information please visit www.alliance.co.il

About Warburg Pincus

Warburg Pincus has been a leading private equity investor since 1971. The firm currently has approximately \$20 billion of assets under management having nine offices around the world. Since inception, Warburg Pincus has invested \$26 billion in 570 companies in 30 countries and across a range of sectors, including financial services, information and communication technology, healthcare, consumer, industrial, media and business services, energy and real estate. Warburg Pincus is an experienced partner to entrepreneurs seeking to create and build durable companies with sustainable value. The firm has offices in New York, San Francisco, London, Frankfurt, Hong Kong, Beijing, Shanghai, Tokyo and Mumbai, and an active portfolio of more than 100 companies. For more information please visit www.warburgpincus.com.

For further details:

Marketing Communications
Daphna Rosenbaum
972-4-6240545
daphnar@alliance.co.il
www.alliance.co.il