

PRESS RELEASE

Magneti Marelli-SAIC Joint Venture in China: Inauguration of the Jiading, Shanghai plant

A new production plant, the result of the joint venture signed in January 2009 between Magneti Marelli and Shanghai Automobile Gear Works (SAGW) – was inaugurated in the industrial automotive district of Jiading, just outside Shanghai.

The joint venture, referred to as SMMP (SAIC Magneti Marelli Powertrain Co. Ltd.) is aimed at the production of hydraulic components for the Magneti Marelli Freechoice™ transmission (or AMT, Automated Manual Transmission).

The inauguration ceremony featured the participation of leading figures such as Confindustria's (Italian Association of Entrepreneurs) President Emma Marcegaglia and Fiat Group's Chairman John Elkann, in addition to the President of Small Industry of Confindustria, Vincenzo Boccia to the leading representatives from the two JV companies, represented by Eugenio Razelli, Magneti Marelli CEO and Chen Zhixin, Executive vicepresident of SAIC Motor and Chairman of SAGW, and the representative from the industrial area of Jiading, Yu Jianghua.

The new plant will produce hydraulic components for approximately 300 thousand Magneti Marelli AMTs (Freechoice™) a year. Covering an area of 10,500 square meters, the plant will employ about 450 workers when operating at full speed and will have its own Research & Development centre.

These hydraulic components, which will be integrated with the electronic control unit of the Magneti Marelli system, are intended for Freechoice™ automated transmission applications on the Chinese automotive market.

Freechoice™ is an electro-hydraulic automation mechanism of the manual transmission managed by an electronic control system that ensures comfort of use, reduced fuel consumption and, consequently, reduced emissions. Freechoice™ can be fitted on all kinds of gearboxes, with lower production costs compared to other types of automatic transmissions.

This technology has already been adopted by 16 international carmakers (6 of which Chinese) for 75 different applications (18 of which Chinese automobile models).

In China, the use of various types of automatic transmissions (“traditional” automatic, CVT, Dual-clutch and AMT), already significant today, is expected to grow even further: a market share of about 33% is expected for 2015 (*source Global Insight*). Specifically, the demand for AMTs on segment B automobiles is expected to reach 250,000 units, about 46,000 units for segment C (*internal source*). This growth is also tied to AMTs being included among those technologies which entitle one to enjoy China’s government incentives (Stimulus Plan) as part of the purchase of eco-friendly cars.

Shanghai Automobile Gear Works (SAGW), the main Chinese manufacturer of transmissions for the automotive sector, is a subsidiary of SAIC Motor Corporation Ltd.. SAIC Motor is the leading manufacturer of passenger vehicles, the largest mini-vehicle maker as well as an automotive maker that has the biggest sales volume in China today. In 2009 SAIC Motor sold over 2,725,000 vehicles, continuing its leading position among the major auto groups in China.

“By inaugurating this new plant– stated Eugenio Razelli, Magneti Marelli’s CEO –we are quickly turning the JV agreement signed a year ago into a reality, and we celebrate our union with a top excellence company like SAIC. This union translates into an industrial initiative aimed at satisfying, on site, the growing demand for a solution – the AMT Freechoice - which very effectively meets the challenges associated with environmental sustainability and affordable mobility. This way, a technology born and bred in Italy and in Europe is applied and finds further success in an extremely interesting and constantly growing market such as China, which in the near future will be setting important trends for the automotive world”

Magneti Marelli designs and produces advanced systems and components for the automotive industry. With its 77 production units, 11 R&D centres and 26 application centres in 18 countries, about 32,000 employees and a turnover of 4.5 billion Euros in 2009, the group supplies all the leading carmakers in Europe, North and South America and the Far East. Its business areas include: Electronic Systems, Lighting, Powertrain,, Suspensions systems, and Shock absorbers Exhaust Systems, Aftermarket Parts & Services, Plastic Components and Modules, Motorsport. Magneti Marelli is part of Fiat Group.

Magneti Marelli presence in China is well established from 1996 with Manufacturing Plants and R&D/Engineering Centers in Shanghai (for Powertrain and Exhaust products), Wuhu (for Automotive Lighting and Powertrain products) and Guangzhou (Electronic Systems). Nowadays over 1000 people are working for Magneti Marelli in China. In 2009, Magneti Marelli in China achieved a turnover of 161 Million Euros (99 million/€ in 2008).

Shanghai hosts the offices of Magneti Marelli China Country Manager Luca Biagini and other staff functions, and an industrial area with two plants: one is devoted to Powertrain (engine and trasmission control systems and components) and the other to Exhaust (complete exhaust systems with hot and cold end). In Shanghai, also Automotive Lighting has an important R&D and commercial presence.

Established in 1996, Marelli Marelli facilities in Guangzhou are dedicated to the Electronic Systems business line. In 2006 Magneti Marelli in Guangzhou have moved to a new site with a

bigger plant (15,000 m²), to meet the fast expanding demands. The Guangzhou site also has its own R&D Center where all applications for the Chinese Market are developed locally with the help of Magneti Marelli centers in Italy and France.

In Wuhu, the business line Automotive Lighting established its own operations with an important plant since 2004, installing production lines to manufacture front and rear lamps for local market and for Europe. In 2009, a new plant, located inside WEDA (Wuhu Economic Development Area), was inaugurated and replaced the existing structure. The Magneti Marelli's new industrial area in Wuhu is dedicated to production activities in the Lighting sector – with production lines for headlamps and rear lamps– and in the Powertrain sector – with the production of engine control components (intake manifolds and throttle bodies).

Jiading, Shanghai, June 3rd 2010.