PRESS RELEASE

Magneti Marelli and STMicroelectronics: memorandum of understanding for electronic systems and components for hybrid and electric vehicles

Magneti Marelli and STMicroelectronics have signed a memorandum of understanding that lays the foundations for an agreement in the sector of power electronics modules and components for energy conversion electronic systems (inverter) to be fitted on hybrid and electric vehicles.

The future agreement is geared toward extending to mass-produced vehicles the existing collaboration between Magneti Marelli and STMicroelectronics in Formula 1, and precisely with regards to the energy conversion system (inverter) for the KERS (the Kinetic Energy Recovery System used in Formula 1 racing).

The goal is to develop and produce inverters for hybrid and electric engines in mass-produced vehicles that combine high performance with low cost and compact size, a set of characteristics that is quite difficult to find on today's market.

In hybrid and electronic engines, the inverter covers the strategic role of electronically managing the engine and the battery recharging process.

The agreement is going to be finalized by the end of 2009.

In addition to the common experience on the KERS used in F1, Magneti Marelli and STMicroelectronics will make available, respectively, know-how in electronic precision components and systems developed in cleanroom environment and top-level expertise in semi-conductors, specifically during the assembly and bonding phases. The two companies have already cooperated successfully in the development of components and modules for hi-tech systems in the automotive sector.

"In the perspective of building a strong position as supplier of strategic components and systems for hybrid and electric engines" – stated Eugenio Razelli, Magneti Marelli's C.E.O. – *this memorandum of understanding with STMicroelectronics paves the way toward a second crucial piece of our offer, after our recent agreement with FAAM concerning lithium traction batteries. We are very well acquainted with the industrial and research excellence offered by STMicroelectronics, as we have already joined our efforts during the F1 work on the KERS"*

Carmelo Papa, STMicroelectronics Executive Vice President and General Manager, Industrial and Multisegment Sector, commented: *"STMicrolectronics is particularly excited about the cooperation foreseen with*

the Memorandum of understanding with Magneti Marelli, a company which throughout the years has proven to be one of the most innovative leaders in electronic systems in the automotive field. STMicroelectronics is convinced that its leadership in power electronics for automotive and industrial applications will be key to Magneti Marelli's ambition to extend its leadership to hybrids and electric engines."

Magneti Marelli *designs and produces advanced systems and components for the automotive industry. With its 67 production facilities (80 production units), 10 R&D centres and 28 application centres in 18 countries, 33,000 employees and a turnover of 5.4 billion Euros in 2008, the group supplies all the leading carmakers in Europe, North and South America and the Far East. Its business areas include: Powertrain, Lighting, Electronic Systems, Suspensions and Shock absorber systems, Exhaust Systems, Aftermarket Parts & Services, Plastic Components and Modules, Motorsport. Magneti Marelli is part of Fiat Group.*

STMicroelectronics
STMicroelectronics is a global leader serving customers across the spectrum of electronics applications with innovative semiconductor solutions. ST aims to be the undisputed leader in multimedia convergence and power applications leveraging its vast array of technologies, design expertise and combination of intellectual property portfolio, strategic partnerships and manufacturing strength. In 2008, the Company's net revenues were $9.84 billion. Further information on ST can be found at www.st.com.

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