

## **PRESS RELEASE**

### **Magneti Marelli: new plant inaugurated in China**

Magneti Marelli has inaugurated a new production plant in China, inside WEDA (Wuhu Economic Development Area).

The new industrial area will be 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).

The news has been announced during the opening day of the 13<sup>th</sup> Shanghai International Automobile Industry Exhibition 2009, where Magneti Marelli confirms its strategic commitment to the Chinese automotive market (from 1996), presenting its innovative and sustainable technologies for vehicles, such as info-telematics and advanced navigation technologies, high performance/low consumption Xenon and LED Lighting systems and gearbox and powertrain control technologies (i.e.: Freechoice® Automated Manual Transmission and Tetrafuel®)

The facilities are spread out over a total area of 35,000 square meters, 28,000 of which is covered and used for production areas. At full capacity, the plant will have a production capacity of 4 million pieces a year for the lighting and 4.5 million for the powertrain.

The new plant, which replaces an existing structure dating back to 2004 and located just a few kilometres away, satisfies expansion requirements in line with the five-year development plan, ensuring more room for production activities and providing the Lighting area with facilities that are better suited to capacities and business volumes achieved in recent years.

With regards to lighting, production will be aimed at both the local market and at exporting towards other Asian countries (Japan, Korea) and will also concern advanced technologies such as Xenon, LEDs and AFS (Adaptive Front Lighting System). As for the powertrain, the plant will produce components and systems for the Chinese carmakers.

Wuhu's WEDA Economic Development Area represents a strategic location for support to a customer such as Chery and also for its optimal logistical position with respect to customers located in Nanjing (Mazda and Ford), Wuhan (DPCA), Hefei (JAC), Changsa (Zotye) and Shanghai (SAIC Motor, SVW, SGM).

By inaugurating this new and bigger plant in the region of Wuhu, Magneti Marelli further strengthens its presence in China, which dates back to 1996 with production plants and R&D/Engineering centres in Shanghai (for Powertrain products and Exhaust Systems) and in Guangzhou (Electronic

Systems), on top of the above mentioned Automotive Lighting and Powertrain plants in Wuhu.

In 2006, Magneti Marelli moved to a new location in Guangzhou with a larger plant (15,000 m<sup>2</sup>) intended for electronic systems, in order to satisfy rapidly growing demands, while in 2007 the new Automotive Lighting headquarters and Research Centre were inaugurated in Shanghai.

“We have been operating in China since 1996 in the logic of supporting the business of our global customers in strategic areas in the world and the growth of local clients – stated Eugenio Razelli, Magneti Marelli’s C.E.O. “China is a country to which we have dedicated considerable resources and in which we still want to grow: many of our products and technologies can contribute to developing a rapidly growing mobility in a compatible way. In spite of the very serious crisis that the automotive sector is currently going through, this investment represents a strategic and planned choice aimed at the only market in the world that is currently recovering”.

“The new plant will play a strategic role in supplying the growing needs of our Chinese and Asian customers” – stated Luca Biagini, Magneti Marelli’s Country Manager in China. “As far as China is concerned, the recovery and the government’s stimulus measures for the market mainly concern the small-medium sized and environmentally-friendly cars: this represents the natural outlet for Magneti Marelli’s products.

***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.*

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