

PRESS RELEASE

Magneti Marelli: joint venture in China with SAIC

Magneti Marelli and SAIC Motor Corporation Ltd., through its subsidiary Shanghai Automobile Gear Works (SAGW), have signed a joint venture agreement in China aimed at the production of hydraulic components for the AMT (Automated Manual Transmission) made by Magneti Marelli (Freechoice™).

The agreement provides for equal shareholdings by the two companies, Magneti Marelli and SAGW. The joint venture will be located in the area of Shanghai and is set to be operational starting in the second half of 2009. At full speed, the new industrial entity will be able to produce components for about 350,000 gearboxes a year.

These hydraulic components, which will be integrated with the electronic control unit of the Magneti Marelli system, are intended for the Freechoice™ automated transmission applications in China's automotive market. In China, the use of the various types of automatic transmissions (conventional automatic, CVT, Dual-clutch and AMT), already significant today, is expected to grow even further: a market share of about 35% is expected for 2014, (source *Global Insight*).

Magneti Marelli supplies this product throughout the world, to 27 customers in more than 60 different applications.

Freechoice™ is an electro-hydraulic automation mechanism of the manual transmission, managed by an electronic control system, that combines comfort of use with a reduction in both consumptions and emissions. It can be fitted on any kind of gearbox, consequently with lower production costs compared to other types of automatic transmissions. Magneti Marelli's Freechoice™ comes directly from the Formula 1 world, and features adaptable characteristics and performances that have allowed it to be effectively applied on both high-performance sports and top cars and on many small and medium-sized automobiles produced by various carmakers worldwide.

As for the partner to the agreement, SAIC Motor Corporation Ltd. is one of the leading automotive groups in China, also thanks to its joint ventures with GM and Volkswagen, and it is one of the leading carmaker chosen by the Chinese government to develop the automotive market in that country. Magneti Marelli already supplies navigation systems to ROEWE, an important brand owned by SAIC Motor.

The subsidiary Shanghai Automobile Gear Works (SAGW) is instead the main Chinese manufacturer of transmissions for the automotive sector.

“With this joint venture, Magneti Marelli confirms its development plans in the emerging markets” - stated Eugenio Razelli, CEO of Magneti Marelli. “Specifically, after having completed our footprint in the Indian region, this agreement further enhances an already significant presence in China, which dates back to 1996 in the following sectors: powertrain, lighting, electronics systems, exhaust systems. The agreement also confirms Magneti Marelli’s strategy to invest in solutions and systems that are both innovative and competitive in terms of costs for the final customer, like, for example, advanced navigation and green navigation devices, on-board telematic devices (telematic-boxes), powertrain control technologies aimed to the consumptions and emissions reduction, and like the Freechoice™ automated transmission ”

***Magneti Marelli**, a company belonging to the Fiat Group, designs and produces advanced systems and components for the automotive industry. With its 46 production facilities (56 production units), 9 R&D centres and 27 application centres in 18 countries, 28,000 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. The business areas include: Powertrain, Lighting, Electronic Systems, Suspensions and Shock absorber systems, Exhaust Systems, Aftermarket Parts & Services, Plastic Components and Modules, Motorsport*

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