



Magneti Marelli inaugurates a new production line for Pico Eco injectors in Brasil

The company develops innovative leading technology in the Brazilian market

Taking advantage of the Fiat S.p.A global board of executives in Brazil, Magneti Marelli inaugurated a new production line – with a € 10 million investment - in its Hortolândia plant, in São Paulo's countryside, in order to double its *Pico Eco* injectors' production capacity. From this month on, the company will be able to reach a milestone of 6.5 million produced injectors per year.

The *Pico Eco* injectors was specially developed to be applied in bi-fuel engines. It provides better fuel spraying in the moment of injection, improving fuel burn and consumption and decreasing engine emissions. After the Electronic Control Unit (ECU) – the component in charge of fuel management in bi-fuel engines –, this is the second-most technologically driven component developed by the company, and the one that contributes the most to the air-fuel mix inside these new engines.

"We have acquired and set up a new production line in order to meet the increased market demands, which embraced whole-heartedly our latest generation of fuel injectors, launched in early 2009. It is a proof that we must constantly and continuously invest in the evolution and development of flexfuel systems in Brazil ", stated Rogerio Lessa, general manager of the Magneti Marelli Powertrain brazilian business line.

The injector was named *Pico Eco* due to its low environmental impact, as it contributes to reduce fuel consumption by up to 3% and as much as 20% of the emissions in passenger vehicles.

The sustainable appeal of the *Pico Eco* isn't restricted to its application, as its production also follows environmentally friendly standards. The "Warehouse 5", the sector of the Magneti Marelli unit in which it is produced, is the first "*green building*" in Brazilian auto industry. The plant was completely built without the employment of asbestos and has a number of features that make it into a sustainable building when compared to other production plants: an economy of up to 50% in energy consumption, a 20% reduction in water and compressed air consumption, toilet water recycling and solar heating system in the employees' dressing room.

PIONEERING INNOVATION IS IN THE COMPANY'S BRAZILIAN UNITS DNA

Magneti Marelli is present in the Brazilian automotive market since 1978, initially with a share in DFV's carburetors division, operating under the name Wecarbras. Over the years operations have evolved with the development of pioneering technologies and products such as electronic carburetors, ECUs and the first electronic fuel injection system, introducing the Magneti Marelli brand into the country.

The company acquired Brazil's largest and most well-recognized shock absorbers brand - Cofap, also incorporating the exhausts brand Kadron strengthening its main brand and enhancing its portfolio. The damping, suspensions and exhausts systems developed by Magneti Marelli are benchmarks in the domestic market – such as the *U-choose*, an electronically variable shock-absorbing system for vehicle suspensions, the *PowerShock* absorbers and the swaged tube header with integrated catalytic converter – *Closed couple*. Under its Aftermarket business line the company has sold more than five million shock absorbers with Cofap brand, securing an absolute leadership in this particular market, holding the largest distribution chain of the country.

With the release of the *SFS (Software Flexfuel Sensor)* in the early 2000s which powered the country's first flexfuel car the company once again revolutionized the national auto industry. Today the company holds an almost 50% slice of the bi-fuel Brazilian market. Other technologies derived from the *SFS* have also been designed, such as the *ECS (Ethanol Cold System)*, a cold start system which will come into production next year, the *Tetrafuel* and the *Pico Eco* injector. Such innovative developments have earned the company several awards nationally and internationally. Still in the powertrain area, the *Free Choice* derived from Formula 1 race cars, provided a new alternative to automatic and manual transmissions: the automated manual transmission (or robotized gearbox). Currently Magneti Marelli supplies its equipments to the whole Fiat Dualogic line and the Volkswagen I-Motion series, detaining almost 90% of the automatic transmission market in Brazil.

The Italian group has also pioneered by presenting locally-manufactured LED lamps to Brazilian markets equipping the Fiat Idea, currently the only model sporting this technology in the country.

CONSTANT INVESTMENT SUPPORTS PIONEERING TECHNOLOGIES

In order to ensure the continuous development of technological innovations, the company invests heavily in the sector. "Between 15% and 20% of the overall budget for research, adaptation and development of products is aimed at technological innovations: products that aren't requests from specific car makers, but are rather innovative developments by Magneti Marelli itself developed across the board and which can be marketed by any assembler", states Virgilio Cerutti, Chief Executive of Magneti Marelli Group in the Mercosul.

This influx is intended for the company's five research and development centers located in Minas Gerais (Contagem, Itaúna e Lavras) and São Paulo (Amparo, Hortolândia, Mauá, Santo André and São Bernardo).

In Brazil, Magneti Marelli is one of the top three automotive supplier. After Italy, Brazil is Magneti Marelli's second chief market, in terms of revenue and number of employees, besides encompasses all of Marelli Group's business lines.

"Magneti Marelli cultivates a philosophy that promotes local innovation keeping in touch with car makers in order to listen local market's needs and better develop its products

on some key markets. The company invests in the future by investing in engineering.”, states Mr. Eugenio Razelli, CEO of Magneti Marelli.

Some of the company's Brazilian business lines these investments comprise almost 7% of the revenues. Nowadays Magneti Marelli, as a “tier one” supplier, works in the development of new trends, which much like its other successful products, have as a priority the reduction of CO₂ emissions. The reality of the circulating car fleets in large cities which calls for traffic fluidity and the comforts of car infotainment telematics – the combination of electronics, computers and telecommunications which provides several services and features such as entertainment, navigation, diagnostics and warnings—, gave birth to the concept of *Eco Driving* or *Eco Navigation*.

Besides evaluating the driving conditions of the driver this technology can suggest improvements and point out solutions to the flaws it finds which can result in up to a 20% reduction in the emission of CO₂.

As for the hybrid-electric engine area, Magneti Marelli maximizes the experience acquired in Formula 1 with KERS (the Kinetic Energy Recovery System), in systems and components aimed at mass-produced hybrid and electric engines (motor generators, electronic controls systems, inverters, battery control, etc.). Specifically, three prototypes of hybrid-electric engines (electric motor generators plus built-in inverters) have been developed. These engines can deliver power of 60, 120 and 180 kilowatt, respectively, yet feature compact size (approximately 320x240x220 mm) and reduced weight (between 33 and 57 kg).

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MAGNETI MARELLI IN BRAZIL

Magneti Marelli has been present in Brazil since 1978, with about eight thousand employees.

The company has 13 production plants and five Research and Development centers, located in Minas Gerais (Contagem, Itaúna e Lavras) and São Paulo (Amparo, Hortolândia, Mauá, Santo André and São Bernardo), as well as regional sales offices in some of Brazil's major cities (Curitiba, Goiânia, Recife, Rio de Janeiro and Sao Paulo). With its business units in constant expansion, the company constantly displays an increasing growth, and it ended 2010 with a 12% growth compared to the turnover attained in 2009, reaching R\$ 2.4 billion.

MAGNETI MARELLI

Magneti Marelli develops and produces high-tech components and systems for the automotive industry. With 77 manufacturing plants, 11 R&D centers and 26 application centers in 18 countries, 32,000 employees, and revenues of € 5.4 billion in 2010, the Group supplies major automakers in Europe, North and South America and Asia. Its business lines are Powertrain, Lighting, Electronic Systems, Suspension and Shock Absorbers, Exhaust Systems, Aftermarket (parts and services for the aftermarket), Plastic Modules and Components, and Motorsport.