



## PRESS RELEASE

### **Magneti Marelli: Memorandum of Understanding for a joint venture in China with Chery**

Magneti Marelli and Chery Automobile Co. Ltd have signed a Memorandum of Understanding for the creation of a joint venture in China aimed at the production of hydraulic components for Magneti Marelli's AMT (Automated Manual Transmission), also known as Selespeed.

According to expectations, the joint venture will be operative by the spring of 2008. Based on the Memorandum of Understanding, Magneti Marelli will hold the majority of the future company's capital. The components manufactured by the new company will be used by Chery for its automobiles equipped with automated transmission, and they will be made available to other car makers as well.

Chery Automobile Co. Ltd is one of the leading Chinese car manufacturers, located in Wuhu. Chery was the first Chinese car maker to adopt Magneti Marelli's Selespeed system (since 2004) to automate transmissions fitted on its automobiles on the market.

"This agreement – stated Eugenio Razelli, Magneti Marelli's CEO – takes on a special strategic relevance since it fits into a market context, the Chinese one, where the automated transmission, in its various technological versions, is starting to become popular and is increasingly requested by the public. In this sense, Magneti Marelli's AMT automated transmission represents a competitive technology thanks to a price-performance ratio that is especially convenient for the Chinese market and to its ability to reduce fuel consumptions and the emission of pollutants and CO<sub>2</sub>".

AMT (Automated Manual Transmission) is in fact an electro-hydraulic automation mechanism for the manual transmission that combines comfort and a reduction in fuel consumption and emissions. It can be fitted on any gearbox, consequently with lower production costs compared to traditional automated transmissions. In addition, as far as the Chinese scenario is concerned, the future Magneti Marelli-Chery joint venture opens up additional opportunities for cost savings, thanks to the possibility to manufacture components locally, using a system that has already been tested in terms of logistics and suppliers.

Launched by Magneti Marelli and derived directly from the world of Formula 1, through a process of continuous technological evolution the AMT-Selespeed

has now reached the “mechatronics” generation, so called because it combines for the first time ever in a single kit the electronic control part and the hydraulic transmission actuation part.

In fact, the AMT is based on an electronic control unit and a hydraulic actuation system that supervise the use of the clutch and the shifting of gears, thus allowing the driver to shift gears without using the clutch, in sequential mode or completely in automatic.

Thanks to the electronic optimisation of the shifting, the system can guarantee lower fuel consumption compared to an automobile with manual transmission, and consequently less polluting emissions.

In addition to the application of the AMT- Selespeed on many small and medium-sized automobiles made by various car manufacturers, certain versions of the automated transmission are fitted on some of the highest-performance *supercars* and sports models.

***Magneti Marelli***, a company belonging to the Fiat Group, designs, produces and markets advanced systems and components for motor vehicles. With its 45 production facilities (55 production units), 9 R&D centres and 27 application centres in 16 countries, 25,000 employees and a turnover of 4.5 billion Euros in 2006, the group supplies all the leading car makers in Europe, North and South America and the Far East. The business areas include: Powertrain - Suspensions and Shock absorber systems - Lighting – Electronic Systems – Exhaust Systems– Aftermarket Parts & Services - Motorsport.

**Torino, 6 th September 2007.**