



PRESS RELEASE

Magneti Marelli opens its new Chinese “headquarters” in Shanghai

Opening of the new offices was held on the occasion of the twentieth anniversary of the presence of Magneti Marelli in China

Today the new headquarters of Magneti Marelli for China were opened with an official ceremony in Shanghai. In addition to hosting the staff, administrative and commercial functions for the activities relating to the Powertrain, Automotive Lighting, Exhaust systems, Suspensions and Aftermarket areas, the new building also includes an important Research and Development center for the Powertrain and Automotive Lighting business areas.

“The investment for these new headquarters - commented Pietro Gorlier, CEO of Magneti Marelli - aims to further strengthen the organisation of Magneti Marelli in China, offering greater flexibility, efficiency and responsiveness in supporting the local development of target technological solutions with market demands and appropriately and attentively meeting the needs of its customers in this crucial area for the automotive market”.

The new management structure is, more precisely, located in Jujin Road in the North East area of Pudong and covers an area of over 22,000 square meters, of which about 6,500 are devoted to the two R&D laboratories. The new headquarters will accommodate around 550 people at the end of 2016, reaching approximately 700 people in 2018. Of these over 350 will be engineers and technicians involved in the activities of the R&D and product development centres.

“Twenty years: it has been a long journey during which Magneti Marelli has grown with Chinese automotive industry, but a future of further prosperity is still to be written” – stated Sylvain Dubois, Chairman of Magneti Marelli China. “Magneti Marelli China is currently accelerating its growth with several new plants in ramp up phase. We are implementing in a decisive way our technology to offer our latest innovations to the Chinese and Asian markets. Our important investment in R&D testifies how much we place customers and innovation at the heart of our Chinese strategy.

The activities of the Powertrain Research and Development Laboratory at the new headquarters in Shanghai will focus on developing strategic solutions and components for the area of hybrid systems, electronics and electromechanical technologies.

In this regard, the interest of the Chinese market in hybrid systems and electric propulsion has been experiencing strong growth for years now, with production volumes of approximately 170,000 hybrid systems in 2015 with an estimated growth of 49% in 2016 (data source IHS March 2016).

In addition to gasoline systems and GDI direct injection systems in particular, electronic control units for engine and transmissions and to intake manifolds, the Powertrain Research and Development activities will also focus on the development of technologies and systems for motorcycles and two wheelers. Completing the picture are also facilities and machinery for

reliability testing and qualitative validation of components, aimed at guaranteeing the highest quality to customers.

The R&D laboratory of Automotive Lighting will instead be engaged in developing and adapting to the Chinese and Asian markets all the front and rear lighting technologies starting from technologically proven, large-scale applied and highly reliable halogen solution. The lighting R&D laboratory will also focus on technological peaks represented by the more advanced applications of LEDs and their distinguishing features in terms of safety, durability, fuel reduction and emissions and design. The 1,500 square meters of surface area will be occupied by research laboratories dedicated to the fields of optics, electronics, thermal simulation as well as to approval testing and product validation.

The new Headquarters of Magneti Marelli in China meet the need to expand the space available to accommodate all the functions and persons needed to manage the company's activities in China that have been steadily expanding since 1996 and particularly in the last decade.

Currently Chinese business for Magneti Marelli is worth over 550 million Euro in 2015 (including also the non-consolidated JVs), employing approximately 3, 500 staff.

The Chinese car market in 2015 recorded production volumes higher than 24 million cars, an increase of 4.5% compared to 2014 (IHS data source March 2016).

Having commenced operations in China in 1996 with the activity related to electronic systems in Guangzhou, Magneti Marelli therefore celebrates a 20-year anniversary of activity in the country and in the Chinese market, with estimated investment of over 300 million Euros in this period of time. The company's activities in China are now located in various areas of the country with 11 production plants: R&D/Engineering in Shanghai (Headquarters, Powertrain in JV with SAGW), Wuhu (Automotive Lighting and Powertrain), Guangzhou (Electronic Systems), Hangzhou (Shock Absorbers in JV with Wanxiang Qianchao Company), Changsha (Exhaust Systems with Fiat/GAC), Changchun (Powertrain in JV with FUDI), Hefei (exhaust systems in JV with JAC and Lingdatang), Foshan (Automotive Lighting), and Xiaogan (Automotive Lighting in JV with CSI).

Milan - Shanghai, 21 April 2016

Magneti Marelli designs and produces advanced systems and components for the automotive industry. With 89 production units, 12 R&D Centres and 30 Application Centres in 19 countries, approximately 40,500 employees and a turnover of 7.3 billion Euro in 2015, the Group supplies all the most important car makers in Europe, North and South America and Asia. Business areas include Electronic Systems, Lighting, Powertrain, Suspensions Systems and Shock Absorbers, Exhaust Systems, Aftermarket Parts & Services, Plastic Components and Modules, and Motorsport. Magneti Marelli is part of FCA.