



FIAT GROUP AUTOMOBILES AND ZASTAVA SIGN MEMORANDUM OF UNDERSTANDING (MoU)

Fiat Group Automobiles (FGA) and Serbia's Ministry of Economy and Regional Development today announced the signing of a Memorandum of Understanding (MoU) as the basis for the acquisition by FGA of the assets of the Zastava plant at Kragujevac, Serbia, which is located 140 km South-East of Belgrade.

Under the MoU, joint teams are to be set up by FGA and Zastava with the support of the Serbian Ministry of Economy, which will examine the various aspects of the initiative in greater detail. If deemed feasible, the two companies will enter into a definitive agreement in the course of the coming months.

Sergio Marchionne, CEO of Fiat Group and Fiat Group Automobiles, said, "This initiative represents a further step in Fiat Group Automobiles' strategy aimed at supporting its growth and volume aspirations. It follows a number of targeted alliances and partnerships signed with leading carmakers and automotive suppliers over the last four years. Moreover, it demonstrates our confidence and trust in Serbia, its industry, management competence and the skill of its workers, not to forget the Serbian automotive market itself, which we consider an integral extension of our domestic market. 54 years ago, Fiat and Zastava signed an accord for the construction of the factory at Kragujevac where the Fiat Punto is manufactured today. We believe that, together with Zastava, we have played an important role in enhancing the Serbian automotive industry from both the manufacturing as well as the technological point of view. We are proud that many Serbian engineers and technicians have been trained at Fiat in Italy and in Serbia."

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FIAT Group Automobiles designs, produces and sells cars worldwide under the Fiat, Alfa Romeo, Lancia, Fiat Professional (light commercial vehicles) and Abarth brands. One of the pioneer companies in the automobile industry, Fiat has produced more than 95 million passenger cars and light commercial vehicles, including no less than 450 models, since 1899, when the company was founded in Turin, Italy. Some of them have represented milestones in the automotive industry.

www.fiatautopress.com; www.fiat.com; www.lancia.com; www.alfaromeo.com;
www.fiatprofessional.com; www.abarth.it.

Turin-Belgrade, April 30, 2008