



## JOINT PRESS RELEASE

### **Fiat Group and GAC Group sign Framework Agreement for production of cars and engines in China**

Fiat Group and Guangzhou Automobile Group Co. Ltd. (GAC Group) today signed a Framework Agreement to establish a 50/50 joint venture for the production of cars and engines for the Chinese market.

The agreement was signed in Rome by Zhang Fangyou, Chairman of GAC Group, and Sergio Marchionne, CEO of Fiat Group, in the presence of the President of the People's Republic of China, Hu Jintao, and the Prime Minister of Italy, Silvio Berlusconi.

Plans call for the construction of a new plant with a more than 700,000 square metre production area and total investment by the joint venture of more than €400 million.

Upon completion of the first phase of development, the joint venture will have production capacity of 140,000 cars and 220,000 engines per year. Plant capacity could subsequently be increased to a maximum of 250,000 cars and 300,000 engines per year.

Production is scheduled to commence in the second half of 2011.

The models produced will be equipped with the latest in engine and transmission technology in response to the Chinese government's requirement to develop fuel-efficient, low emission vehicles.

The first model to be launched will be the C-segment Linea sedan. The first engines will be the Fire 1.4l 120hp and 150hp T-Jet engine.

The plant will be located in Changsha, the capital of Hunan province, a major road and rail hub in the heart of south central China, approximately 600 kilometres north of Guangzhou to which it will be connected within a couple of years by high-speed rail link.

This industrial project is also eligible to receive support from the development plan recently established by the Chinese government to promote new investment in six provinces in central China.

Rome, 6 July 2009



### ***Additional information on Fiat Group and GAC Group***

#### **Fiat Group**

Established in 1899, Fiat is one of the world's major industrial groups. With operations in over 190 countries, the Group has 203 plants, 118 research centers, 633 companies and more than 198,000 employees.

One of the founders of the global automotive industry, right from inception Fiat pursued a two-pronged development strategy: penetration into foreign markets and focus on innovation. This focus on innovation is evidenced by the technical quality of its products and the adoption of cutting-edge industrial and organizational systems.

The Group's business is carried out through several operating Sectors: Fiat Group Automobiles (automobiles), Maserati and Ferrari (luxury sport cars), CNH (agricultural and construction equipment), Iveco (trucks and commercial vehicles), Fiat Powertrain Technologies (engines and transmissions), Magneti Marelli (automotive components), Teksid (engine blocks, cylinder heads and other components), Comau (automated production systems) and Itedi (publishing & communications).

Fiat Group closed 2008 with the best trading profit ever reported, notwithstanding substantially weakened trading conditions in the 4th quarter. The Group achieved revenues of €59.4 billion, up 1.5%.

#### **GAC Group**

As a large state-owned holding enterprise and one of the principal automotive groups in China, GAC's activity in both the international and domestic markets includes the design and manufacture of vehicles and components, sale and distribution of vehicles, car finance, insurance and auto-related services. GAC has an independent and complete organisation for manufacturing, sales and R&D. Currently GAC has invested in tens of renowned subsidiaries including Guangzhou Automobile Group Motor Co., Ltd, Guangqi Honda Automobile Co., Ltd., Gac Toyota Motor Co., Ltd., Honda Motor (China) Co., Ltd., GAC Hino Motors Co., Ltd., Guangzhou Automobile Group bus Co., Ltd, Gac Toyota Engine Co., Ltd., Guangzhou Automobile Group Component Co., Ltd., Guangzhou Automobile Group Business Co., and GAC Automotive Engineering Institute, etc.

GAC delivered over 530,000 cars to customers in 2008 and had RMB 109.9 billion in revenues, ranking first for six consecutive years in terms of the overall efficiency index for industrial enterprises.

Fiat and GAC initiated a major programme of technological collaboration in 2008 with Fiat Group Automobiles and Fiat Powertrain Technologies undertaking to provide technology and support for development of the first vehicle to be produced and sold under the GAC brand.