



PRESS RELEASE

Magneti Marelli inaugurates a new U.S. automotive lighting plant in Pulaski, Tenn.

Dedicated to the production of headlamps and rear lights, the new plant strengthens the presence of Magneti Marelli in the North American market.

Pulaski, Tenn., June 17, 2013 – A new Magneti Marelli Automotive Lighting plant for the production of headlamps and rear lights was inaugurated yesterday in Pulaski, Tenn. This is the first lighting production plant in the United States, further strengthening an already established presence in the NAFTA region, which includes plants in Ciudad Juárez and Tepotzotlán, Mexico, and the R&D Center in Auburn Hills, Mich., with 180 engineers.

Sergio Marchionne, CEO of Fiat S.p.A and Chairman and CEO of Chrysler Group LLC, Tennessee Governor Bill Haslam, U.S. Senator Lamar Alexander, Congressman Marsha Blackburn, Pulaski Mayor Patrick Ford, and the heads of Magneti Marelli, Eugenio Razelli, CEO of Magneti Marelli, James Rosseau, Country Manager for Magneti Marelli North America and Stephane Védie, CEO for Automotive Lighting North America, attended the inauguration ceremony.

The new production unit was built with an investment of approximately \$54 million. The plant currently employs 90 people but Magneti Marelli anticipates that number to reach approximately 850 employees within the next four years.

“Today is particularly significant because it marks the successful completion of an ambitious project, as well as a new beginning and a new life for this plant,” said Marchionne during the inauguration celebration. *“What has been achieved here demonstrates the strong commitment and sense of purpose of everyone involved to create value for the future, and to generate growth and prosperity for this area.”*

“The inauguration of the new plant in Pulaski shows the intention of Magneti Marelli to respond quickly to the growth of this market, while at the same time guaranteeing quality, a technological level of excellence and the satisfaction of our key customers, in a context that is rich in opportunity yet at the same time highly challenging,” said, Magneti Marelli CEO Eugenio Razelli. *“The expansion of our footprint in the NAFTA region further equips us to respond appropriately and adequately to these challenges in an area that is vital for the growth of Lighting and Magneti Marelli as a whole”.*

“I want to congratulate Magneti Marelli for the opening of its new facility and its continued investment in Tennessee,” Tennessee Gov. Bill Haslam said. *“Magneti Marelli chose the Pulaski plant as its first Automotive Lighting facility in the U.S., and I want to thank them for helping bring us another step closer to achieving our goal of becoming the No. 1 location in the Southeast for high quality jobs.”*

The Government of Tennessee supported Magneti Marelli, granting a package of investment incentives. This aspect, along with the proximity to key customers and the ability to build on an industrial presence already active in the business area of shock absorbers, played an important part in the choice of Pulaski as the location for its new automotive lighting plant.

Currently, the industrial area dedicated to lighting covers approximately 161,500 sq. ft. (15,000 sq. m), which will be further extended to just over 213,000 sq. ft. (20,000 sq. m) in 2014. The plant has a production capacity of 2.5 million lighting units a year, which will gradually increase to 5 million in 2016.

The new site has already won orders from Chrysler Group, Mercedes and GM. The first headlights will be produced for Chrysler Group's all-new 2014 Jeep® Cherokee, which mounts halogen, bi-Xenon and LED Day Time Running Light headlamps.

After the recent inauguration of the new Chinese plant in Foshan, in the South of China, the establishment of the plant in Pulaski in the U.S., within the context of a truly global footprint, reiterates the presence of Magneti Marelli Automotive Lighting in markets that are currently the most positive and important for the global automotive industry. In fact, according to IHS data, in 2013 the NAFTA market will exceed the figure of 16 million cars produced, after having already achieved 15.5 million in 2012.

The Pulaski plant will apply cutting edge technology, according to the standards of Magneti Marelli Automotive Lighting, employing the best of halogen, Xenon and LED lighting solutions, in addition to adaptive and smart lighting systems.

The technological evolution resulting from the use of LED and Xenon technologies - with the 35 Watt solution as well as the new highly competitive 25 Watt - has opened up new frontiers in terms of safety, reduced energy consumption and CO₂ emissions, at the same time providing new freedom for design engineers. According to research conducted by Automotive Lighting, an automobile fitted with Xenon technology for the low/high beam functions and LED technology for all the other front and rear lighting functions can potentially save up to 80W and 2 grams of CO₂ emissions per kilometer compared to traditional halogen lighting, and it ensures driving with high safety standards.

This element is also proving to be of interest in the U.S., where the EPA (United States Environmental Protection Agency) has established precise standards in terms of energy efficiency in the transportation sector, indicating strict targets of average "miles per gallon" consumption for fleets of new vehicles.

Automotive Lighting represents one of the main areas of Magneti Marelli's business footprint, covering approximately 35 percent of Magneti Marelli's total turnover of 5.8 billion euros, producing approximately 22 million headlamps and 22 million rear lights annually, as well as being in the top 3 of the leading players at the global level in the lighting sector.

Automotive Lighting maintains a global presence, with twenty-three facilities in fifteen countries in close proximity to its customers, including Brazil, Czech Republic, China, France, Germany, India, Italy, Japan, Malaysia, Mexico, Poland, Russia, Spain, Turkey and the U.S.A. Its R&D centres, focused on innovation, are located in Europe (Germany and Italy) and in the United States.

Some of Automotive Lighting's key innovations in the technical evolution of this sector have been the introduction to the market of the first Xenon headlamps in 1991, the Xenon Dynamic Curve Light in 2003, and the first headlamp with active infrared module

2005. Initiating a veritable revolution in lighting technology, in 2008 Automotive Lighting launched the full-LED headlamp in mass production (for the Audi R8), with all lighting functions in LED technology. It then launched the first headlight worldwide to be equipped with an active infrared night vision system and, since 2010, the first full-LED headlamp with adaptive function (for the Mercedes Benz CLS).

Magneti Marelli has been operating in the NAFTA region since 1976 with a number of industrial plants and with a strategic partnership with Mopar for the distribution of all-makes components in the North American aftermarket.

Magneti Marelli operations in North America include Powertrain, Electronic Systems, Lighting, Exhaust and Suspension Systems, at locations in Auburn Hills, Mich., Sanford, N.C., Pulaski, Tenn., El Paso, Texas in the USA and Juarez, Saltillo and Tepetzotlán in Mexico.

Magneti Marelli designs and produces advanced systems and components for the automotive industry. With its 86 production units, 12 R&D centres and 26 application centres in 19 countries, about 36,900 employees and a turnover of 5.8 billion Euros in 2012, the group supplies all leading carmakers in Europe, North and South America and the Far East.. Its business areas include: Electronic Systems, Lighting; Powertrain, Suspension Systems and Shock Absorbers, Exhaust Systems, Aftermarket Parts & Services, Plastic Components and Modules, Motorsport. Magneti Marelli is part of Fiat Spa.

Pulaski - 17th June 2013