

Press release

FIAT GROUP AND OJSC-SOLLERS SIGN JOINT VENTURES

Fiat Group and OJSC-Sollers (formerly Severstal-auto) announce today the signature of two master joint ventures agreements for the manufacture and distribution of Fiat passenger cars and the production of Fiat Powertrain Technologies' (FPT) F1A diesel engines, respectively.

The agreements were signed by Sergio Marchionne, CEO of Fiat Group, and Vadim Shvetsov, CEO of OJSC-Sollers, on the sideline of the XII St. Petersburg International Economic Forum.

Fiat Group Automobiles and OJSC-Sollers, who is already assembling the Fiat Ducato light commercial vehicle, have also agreed to increase the output at Tatarstan' facility for the manufacture of up to 50,000 Fiat Linea sedans whose production will start later this year. In addition, the joint-venture, in which Fiat Group Automobiles and OJSC-Sollers will each hold a 50 per cent stake, will be in charge of marketing and sales of all Fiat brand products in Russia.

The new joint-venture will be integrated into the Fiat Group Automobiles international production network and will therefore be provided with full support of its marketing and product strategies, similar to other Fiat international projects and joint-ventures. Fiat Powertrain Technologies (FPT) and OJSC-Sollers will each hold a 50 per cent stake in the second joint-venture that will produce up to 90,000 engines a year, starting from the next winter. The joint-venture will provide engines for the manufacture of the Fiat Ducato, whose assembly has already started in Yelabuga Special Economic Zone in the Republic of Tatarstan, and F1A engines for the production of the UAZ Patriot, an off-roader manufactured by OJSC-Sollers at UAZ production facilities in Ulyanovsk.

The CEO of Fiat Group, Sergio Marchionne, said: " Today represents a two sided cornerstone for Fiat Group Automobiles and FPT: our partnership with OJSC-Sollers starts a key chapter within the framework of a strategic alliance that is already benefitting from the strengths of the two partners in one of the world's fastest growing automotive markets. And second it reinforces Fiat Group's aggressively pursued



strategy of setting up targeted alliances aimed at leveraging Fiat expertise, expanding its geographic reach, filling its product offering and lowering its cost base.” According to Vadim Shvetsov, CEO of OJSC-Sollers, “The establishment of these joint-ventures has become an important step forward in our industrial cooperation with Fiat group which began in 2006. The new joint-ventures will help us to considerably strengthen Fiat positions in Russia and take maximum advantage of the Russian automotive market. I am confident that the local production of F1A engines will increase the competitive advantages of the Fiat Ducato on the Russian market and help to fully satisfy our customers’ needs given the growing demand for diesel engines in Russia.”

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