

PRESS RELEASE

DRIVING THE TRANSPORT OF THE FUTURE

Brussels, July 12, 2005

Iveco has run the fifth of its Distribution Forums in Brussels, on the 12th of July 2005. Since 2000, these conferences aim at facilitating the dialogue amongst the many stakeholders of the European transport community, primarily between European Institutions and industry players.

This year, the Distribution Forum was titled "Driving the Transport of the Future" and Iveco presented, in partnership with Accenture, Siemens Vdo, and ZF Friedrichshafen AG, its views and commitments for a better transport system in terms of efficiency, environmental and safety impacts.

Top level EU policy makers and corporate leaders engaged in panel discussions with a view to explore issues related to transport rules, industry competitiveness, social sustainability, and more.

James Mackintosh, Motor Industry Editor with the Financial Times, chaired the Distribution Forum 2005. In connection with the Forum's debate, "regulatory controls of emissions and safety are among the biggest challenges European vehicle manufacturers face and every motor industry executive should be aware of the competitive impact the rules will have on their company" James Mackintosh said.

Addressing the Distribution Forum's conclusions, Paolo Monferino, *Iveco's CEO*, stated: "in the present turning point for the European Union, and the hard time the European ideal is having in several national communities – mainly due to a temporary unfavourable set of circumstances -, we at Iveco feel that the single market is a decisive asset we Europeans have achieved through great efforts, and we feel a robust commitment to the European values." However, "statements of intent in themselves do not solve problems, unless they are supported by substantial actions. And we believe that the European single market needs to be sustained through an appropriate political climate and an adequate regulatory framework", Paolo Monferino said.

PANELS INSIGHT

The first panel discussion of the Distribution Forum, "Better Regulation, Better Competitiveness", was focused upon how regulation can enhance competitiveness.

- "Quite often, new regulations are implemented within a short length of time, leaving no lead time for industry to properly schedule technical solutions and investment; in this respect the industry is asking for the establishment of a regulatory roadmap allowing for a more predictable legal framework" said Stefano Sterpone, *Iveco's Sales & Marketing Senior Vice President*.
- "In developing more than 60 type approval separate Directives, the EU has addressed a lengthy list of transport related issues, and today Europe has probably the most advanced legislation in the world" said Paolo Monferino, *Iveco's CEO*. "We at Iveco feel we can help the dialogue between industry and regulatory entities, in order that complying with social values does not necessarily mean clashing with the need for competitiveness and enhanced market potential", Paolo Monferino added.

The second panel discussion, "Environment and Market Challenges – a Common Perspective?" looked into a number of solutions to make environmental issues and market challenges compatible.

- "For Iveco environmental protection is a key value. Thanks to its continuous research and development activities, Iveco designs and produces environment-friendly vehicles, taking into account factors such as fuel consumption, greenhouse gases, exhaust emissions, noise levels, durability, reliability, recycling, materials saving, and energy use. The optimisation of internal combustion processes and the development of innovative after-treatment systems, like the Selective Catalytic Reduction, allowed to reduce NOx emissions by some 86% and PM emissions by some 94%, comparing the Euro 5 limit values with Euro 0. Iveco has started in 2005 the delivery of heavy vehicles already compliant with the 2009 Euro 5 emission standards, well ahead of legislative requirements. But if we look at the European commercial vehicle running park we notice that there is still a huge number of obsolete vehicles in circulation, which are responsible for major part of exhaust gas emissions and poor air quality. The improvement of air quality is therefore fundamentally linked to a modern fleet running the European roads." said Rinaldo Rinolfi, Senior Vice President at Fiat Powertrain Technologies.
- "Natural gas engines can greatly contribute to air quality and they are already available today, but appropriate incentive related policies are necessary for this solution to take off" said Paolo Monferino, Iveco's CEO.

The third panel discussion, "Transport Safety, a Shared Responsibility", outlined how transport policies, technology, and industrial co-operation can improve road safety.

- "Iveco is fully committed to contribute to the improvement of road safety, which represents a major challenge for our industry and for us as European citizens. That's why here at the Autoworld we exhibited some of the innovative safety solutions we adopt on our vehicles" said Javier Colon, Iveco's Global Product & Manufacturing Senior Vice President.
- "The themes we have debated today are unquestionably a priority, no matter whether one looks at them from the point of view of the policy maker, or the industry player. And we have got a clear demonstration that if the commitment to responsibility sharing is there, it is always possible to bring together the two visions and produce a number of possible solutions. An integrated approach joining and exploiting efforts on the side of driving behaviours, infrastructure and vehicle technology is essential to get the ambitious objective to reduce road transport fatalities; on the side of the vehicle, we think that the focus should be on active safety applications and intelligent transport systems " said Paolo Monferino, Iveco's CEO.

Iveco

Iveco is a global company that markets a comprehensive range of vehicles and engines, and is committed to the transport world and to the satisfaction of its customers; it adopts cutting edge technologies and guarantees reliable performance and levels of excellence in the quality of its products and the services it offers customers all over the world. Iveco's strategy is to generate ever-higher profitability by concentrating on the customer and on the market, reinforcing the technological content and competitiveness of its products. Transport safety, Respect for the environment and Productivity on the road are key elements of its policy, together with Technological innovation and Lean enterprise. Iveco manufactures and sells over 160,000 commercial vehicles and 430,000 engines all over the world, achieving total sales of about Euro 9 billion. It operates 49 plants in 19 countries around the world, 15 Research and Development centres, and has a workforce of 31,000 employees and 844 dealers.