

PRESS RELEASE

A NEW AGREEMENT FOR IVECO IN THE COMMERCIAL VEHICLES SECTOR IN CHINA

Iveco, a member of the Fiat Group, has signed an agreement with the SAIC Motor Corporation, one of the leading Chinese car-makers and the Chongqing Heavy Vehicles Group, to establish a long-term partnership in China in the heavy truck and engine fields. Party Secretary and the Mayor of Chongqing, the highest authorities of the local Government, and the Vice Mayor of Shanghai, participated today in Chongqing at the activities related to the signing ceremony.

The agreement envisages the acquisition of a 67% share in the capital of Chongqing Hongyan Automotive Co. Ltd, which is a subsidiary of the Chongqing Heavy Vehicle Group, on the part of a 50-50 financial joint venture to be set up by Iveco and SAIC Motor (SAIC Iveco Commercial Vehicle Investment Company Ltd.). The Chongqing Heavy Vehicle Group will control the remaining 33%.

The industrial activities covered by the agreement include the manufacture and assembly of heavy commercial vehicles and diesel engines, with Iveco technology.

“Extensive collaboration between Iveco, SAIC Motor and the Chongqing Heavy Vehicle Group,” said Paolo Monferino, Iveco Managing Director, “is a significant step forward in our global development strategy. The agreement bolsters Iveco’s position on the rapidly expanding Chinese market, where we have already been present for many years in the light commercial vehicle sector. We expect the agreement will enable us to create a solid base for the supply of products and services at competitive costs.”

About SAIC Motor Corporation Limited (SAIC Motor)

SAIC Motor Corporation Limited (SAIC Motor), in Shanghai, is the industrial holding company established by SAIC Group, one of the historical four biggest Chinese auto manufacturers, which incorporates all the industrial activities of SAIC in the automotive industry, agricultural equipments, construction equipment, components, distribution and services related to auto industry. SAIC Group, with a consolidated revenues exceeding

97 bln Yuan in year 2004 (close to 10 bln Euro) is the second auto vehicle producer in China (850,000 units in 2004) and the first one in terms of profit. The 50 more companies of SAIC, located in the main industrial districts across China, employ around 56,000 people.

During the last years, FIAT Group and SAIC already started three JV industrial co-operations: Shanghai New Holland, today leader in the 50HP tractor's market in China, Huadong Teksid, the biggest producer of engine blocks in China, and Shanghai Meridian, producing magnesium casting components.

About Chongqing Heavy Vehicle Group Co. Ltd.

Chongqing Heavy Vehicle Group (former Sichuan Automobile Factory), owned by the 33-million inhabitants Chongqing Municipality, through its subsidiary Chongqing Hongyan Automotive, is one of the major producers of medium and heavy duty trucks in China (more then 15,000 per year) and relies on a large distribution network in all China.

About IVECO

Iveco is a Global Company, a member of FIAT Group, with a full range of vehicles and engines committed to the world of transport and customer satisfaction through leading-edge technologies, reliable performance and quality excellence of its products and customer global services. The strategy of Iveco is to generate profitable growth by focusing on customers and markets, strengthening the technological content and competitiveness of our products. Transport Safety, Environmental Care and Productivity on the Road are inherent to its strategy as well as Technological Innovation and Lean Enterprise. With annual sales 9.3 billion euros, Iveco manufactures and markets more than 160,000 (220,000 including associated companies) commercial vehicles worldwide, which makes it one of the world's largest manufacturers in the transport sector. Iveco operates, through joint ventures, licensees and participating investments, in over 100 countries. 793 dealers and more then 3,500 licensees workshop ensure that fit technical skills are readily available wherever in the world an IVECO vehicle is at work.

IVECO is already a well known brand in China, selling from the early nineties its light commercial vehicles all around the country. In 1996 established its first JV productive site in Nanjing where produce in partnership with NAC Group close to 20,000 Daily per year.

Beijing, December 16, 2005

IVECO

I Campioni Iveco entrano in gioco
The Iveco Champions come into play

