

Press Release

**SAIC Motor and IVECO plan to expand their cooperation
and to create a domestic leading commercial vehicle manufacturer**

(Shanghai, September 15th, 2009) Recently the Saic Motor Corporation Ltd (hereinafter referred to as SAIC) and IVECO signed a framework agreement to further expand their cooperation. According to this agreement, based on the platform of the current SAIC IVECO Commercial Vehicle Investment Co. Ltd., both sides intend to merge in China their resources and build an integrated commercial vehicle business system, creating a domestically leading and internationally competitive large-scale commercial vehicle company.

To seize the good opportunity of the Chinese commercial vehicle market development, and continuously meet the demands of high-quality and full range commercial vehicles, SAIC and IVECO have planned to extend their cooperation from light buses and heavy-duty trucks to large and medium buses, special vehicles and core components.

Furthermore, the two partners will jointly build a technical center dedicated to the development of the related products, giving rapid response to the users' demands in a rapidly evolving market. At the same time, the existing business functions will be rationalized, integrating resources, and improving the operational efficiency of the system. The agreement is the baseline for the subsequent feasibility study.

Thanks to the continuous strengthening of this cooperation, SAIC and IVECO will rely on advanced technologies and on a richful commercial vehicles product portfolio to satisfy the domestic market needs and to increase their competitiveness as well as their market share.

Background:

In 2006 SAIC Motor, one of the largest Chinese automotive groups, and IVECO, a world leading commercial vehicle manufacturer, started an important cooperation in order to develop the commercial vehicle business in China and meet the local customers' demands.

The milestones of this cooperation are:

- in December 2005, SAIC Motor, IVECO and Chongqing Heavy Vehicle Group Co., Ltd. signed a framework agreement;

- in September 2006, SAIC and IVECO set up a 50-50 joint venture, the SAIC IVECO Commercial Vehicle Investment Co., Ltd.; in the same month, at the presence of the Prime Ministers of China and Italy, SAIC, IVECO and Chongqing Heavy Vehicle Group Co., Ltd. signed their contract in the Great Hall of the People;
- in June 2007, SAIC-IVECO HONGYAN Commercial Vehicle Co., Ltd. and SAIC Fiat Powertrain Hongyan Co. Ltd. were officially established. In December of the same year, with the signing of the all-round cooperation agreement between SAIC and NAC (Nanjing Automobile Group Corporation), NAVECO (Nanjing Iveco Motor Co., Ltd) became another relevant point of the cooperation between SAIC and IVECO, in the field of light commercial vehicles in China.

SAIC Motor Corporation Limited (SAIC Motor)

SAIC Motor Corporation Ltd. (securities code 600104, “SAIC Motor” for short) now is the largest listed vehicle-making corporation in the Chinese A-share stock market.

The main businesses of the corporation include passenger vehicles, commercial vehicles and parts that are closely related with vehicle development, as well as the auto financial business. Though confronted with the quick growth and ferocious competition in the Chinese vehicle market, SAIC Motor always maintains its leading position. From January to June 2009, SAIC Motor sold over 1.22 million vehicles, topping all the other major auto groups in China.

IVECO S.p.A.

IVECO, a company of the Fiat Group, designs, manufactures, and markets a broad range of light, medium and heavy commercial vehicles, off-road trucks, city and intercity buses and coaches as well as special vehicles for applications such as fire fighting, off-road missions, defence and civil protection.

IVECO employs over 27,000 people and runs 27 production units in 16 countries in the world using excellent technologies developed in 6 research centres. Besides Europe, the company operates in China, Russia, Australia and Latin America. More than 6,000 service outlets in over 100 countries guarantee technical support wherever in the world an IVECO vehicle is at work.

In China, IVECO manufactures a full range of commercial vehicles through its joint ventures with its partner SAIC: Naveco, with two plants in Nanjing for the production of light commercial vehicles and minibuses, and Saic-Iveco Hongyan, based in Chongqing for heavy duty trucks.

Iveco has a long history in this country: in 1985 it entered the Chinese market through a technology transfer agreement with NAC (Nanjing Automobile Corporation) for the production of light commercial vehicles; in 1991 the first TurboDaily production line was inaugurated, starting the company's ambitious programme of investments in the Chinese motor industry; finally, in 1996, IVECO established with NAC the joint venture Naveco, which spread the brand throughout China's territory in the following years of operations.

In 2007, IVECO clearly put forward its "China First" development strategy and, through its cooperation with SAIC, became the first international commercial vehicle manufacturer with a full range of commercial vehicles in China.