



Press Release

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Fiat India Automobiles Private Limited inks MoU with the Government of Maharashtra

~The MoU will facilitate backward integration, increase in capacities for production of cars, engines and transmissions for both captive and non-captive consumption ~

Mumbai, March 24th, 2008: Fiat India Automobiles Private Limited (FIAPL), today signed a Memorandum of Understanding (MoU) with the Government of Maharashtra to enhance the production capacity and for backward integration at its Ranjangaon plant which falls in Taluka Shirur, District Pune. The Government of Maharashtra has taken multiple initiatives to attract more investment in the State and has agreed to provide all the necessary support to the expansion of the project.

Major Highlights:

- **FIAPL's Ranjangaon facility to ramp up its operations to produce upto:**
 1. **2,00,000 cars**
 2. **3,00,000 engines**
 3. **3,00,000 parts and accessories**
- **FIAPL will invest an additional Rs. 2, 341 crores to expand the existing facility over and above the ongoing investment of Rs. 1, 679 crores**
 - **Resulting in total investment of Rs. 4,020 crores**
- **The plant to provide additional direct employment to 1000 persons at full capacity**

Fiat India Automobiles Pvt Ltd, an equal joint venture between Fiat Group Automobiles S.p.A and Tata Motors Limited, is located at Ranjangaon where the company manufactures cars, engines and transmissions both for Fiat and Tata cars. The MoU will be a huge boost to the company as it plans to launch two cars- Linea and Grande Punto later this year which will be manufactured from this facility.

The MoU was signed by Mr. V. K. Jairath, Principal Secretary, Department of Industries, Government of Maharashtra (GoM) and Mr Rajeev Kapoor, CEO, Fiat India Automobiles Private Limited, in the presence of Mr Vilasrao Deshmukh, Hon'ble Chief Minister of Maharashtra, Mr Ashok Chavan, Hon'ble Minister of Industries, GoM, Mr. Johnny Joseph, Chief Secretary, GoM and Mr. Ravi Kant. MD TATA motors Ltd. and Chairman FIAPL.

Mr. Rajeev Kapoor, CEO, Fiat India Automobiles Private Limited said on the occasion, “ The MoU inked with the Govt of Maharashtra is an important step in realising Fiat's expansion plans in India. The MoU will help us meet increased customer demands and simultaneously facilitate backward integration. Fiat as a company has always operated from the State of Maharashtra which has been extremely conducive for our growth. We are sure that same kind of support will be extended to us by the State Government in the future as well.”

Speaking on the occasion, the **Maharashtra Chief Minister Mr. Vilasrao Deshmukh** said, “The Joint Venture between Fiat Group and Tata Motors has contributed immensely to the development of the region in and around Pune by setting up the plant at Ranjangaon. I am happy to note that FIAPL has planned to bring in fresh investment in its existing plant to increase the manufacturing capacity. The State Government is and will always remain committed to the development of the state and the welfare of its people through provision of employment opportunities and growth.”

Minister for Industries, GoM, Mr. Ashok Chavan said, “Fiat was one of the first auto companies to enter India and has been close to the state ever since. Now, with major restructuring and expansion plans, Fiat has again chosen the state as the investment destination. I think this speaks volumes about Maharashtra's potential as a top investment destination.”

Mr. Johnny Joseph, Chief Secretary, Government of Maharashtra expressed his view saying, “ The State Government is committed to attract more investment and regain the top state position in the country once again. This MoU is a step in that direction.”

Mr V K Jairath, Principal Secretary, Department of Industries also added, “ We wish all the success to Fiat India Automobiles Private Limited and committ ourselves to extend whole-hearted support in every possible way to the project and its expansion.”

The MoU will also aid in the production of the 1.3 multijet engine which was recently launched by the company in its product offering the Palio Stile.

About Fiat India Automobiles Pvt Ltd:

Fiat India Automobiles Private Limited (FIAPL) is a 50-50 Industrial Joint Venture between **Fiat Group Automobiles S. p. A., (Fiat)** and **Tata Motors Limited (Tata)** originally incorporated on January 02, 1997. The company employs about 850 employees and is located at Ranjangaon in the Pune District of Maharashtra. The definitive agreement of the Joint Venture was signed in October 11, 2007. The board of directors for this company comprises of five nominees each from Fiat and Tata.

The state-of-the-art facility at Ranjangaon, which is owned by FIAPL is capable of producing 100,000 cars and 200,000 engines, besides aggregates and components. The company plans to increase the production capacity for both car units and engines (and diversify operations through backward integration) in the next few years. Currently manufacturing the Palio Stile 1.1 and 1.6 models, premium Fiat cars such as the Grande Punto and Linea are expected to roll out soon in the B and C segment from the facility within 2008. The facility will also manufacture Fiat's successful 1.3 litre Multijet diesel engines and 1.2 & 1.4 litre Fire gasoline engine and the C549 transmission, evolution for the Indian market of the European C510: start of production of all powertrains is foreseen by second quarter 2008. Apart from Fiat cars, the facility will also produce Tata passenger and next generation cars with investment exceeding € 650 Million. The plant is expected to provide direct and indirect employment to more than 4,000 people.

Fiat, which holds a 50% stake in the Company, also owns and controls five internationally renowned brands:- Fiat Automobiles, Alfa Romeo Automobiles, Lancia Automobiles, Abarth and Fiat Professional, the makers of renowned cars such as the Ferrari, Maserati, Alfa Romeo and Lancia besides the Fiat branded cars.

Tata Motors Limited, the other partner to the Joint Venture, is the largest automobile company in India, with revenues of Rs. 32,426 crores (USD 7.2 billion) in 2006-07. It is the leader in commercial vehicles in every segment and the second largest in the passenger vehicles market with winning products in the compact, mid-size car and utility vehicle segments. The company is the world's fifth largest medium and heavy commercial vehicle manufacturer and the world's second largest medium and heavy bus manufacturer.

For more information, visit: www.fiatautopress.com; www.fiat.com; www.lancia.com;
www.alfaromeo.com; www.abarth.com ; www.fiatprofessional.com

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