



Laying the foundation stone at the Fiat plant in Pernambuco

The laying of the foundation stone for the new Fiat plant at the port and industrial district of Suape, in the metropolitan area of Recife, was celebrated today by Brazilian President, Luís Inácio Lula da Silva, and Fiat CEO, Sergio Marchionne.

The ceremony took place today at Pier 5 at the Port of Suape with more than 1,000 guests including local officials and members of the community. Among the guests were Governor Eduardo Campos and the President of Fiat for Latin America, Cledorvino Belini, who commented on the economic and social advantages that this project will bring, including attracting new industries and developing a highly-skilled workforce.

Belini gave details of the project consisting of a 4.4 million square meter plant located approximately 13 kilometers from the Port of Suape. The total amount invested will be BRL 3 billion and by 2014 production capacity will reach 200,000 vehicles per year. The plant will produce new models developed in Brazil for consumers in both Brazil and other Latin American markets. In addition to the manufacturing plant, investment will also include construction of an R&D center and a major training program for employees that will work at the new plant.

This commercial and industrial zone will also house components and systems suppliers, providing significant advantages in terms of logistics and efficiency, optimized by Suape's strategic location which is highly advantageous for the movement of raw materials and finished goods. "This combination of factors will produce competitive advantages for Fiat, particularly in light of the growth expected for the Brazilian auto market, and will transform the region's economic landscape," said Belini. Once fully operational, the industrial zone in Suape will create around 3,500 direct jobs, with positive impacts also for other sectors.

This BRL 3 billion in investment is part of BRL 10 billion that Fiat plans to invest in Brazil between 2011 and 2014, BRL 7 billion of which will be spent to increase production capacity at the Betim plant in Minas Gerais by 150,000 vehicles per annum to 950,000 vehicles p.a., in addition to developing new products and technologies. "Today, Brazil is one of the safest and most promising places to invest," said Marchionne, highlighting that he had expressed this opinion many times and that this fact was now well recognized internationally.

The CEO went on to highlight the importance of Brazil for Fiat. "Particularly over the last two years, when every sector was dealing with an overwhelming crisis, our Brazilian businesses made a significant contribution to the Group." Marchionne then reiterated the Group's intention to sell more than 1 million cars annually in Brazil by



2014 and stated that the link between Fiat and Brazil was much deeper than purely economic and commercial. "We have all grown as part of the Brazilian system. We have shared the difficulties, the challenges and the successes," he added. "What pleases me most is to see and hear that Fiat is considered a local company. And I assure you that nowhere else in the world do we feel at home like we do here in Brazil."

Also attending the ceremony at the Port of Suape were many local officials and business leaders, as well as Fiat dealers for the Northeast Region and managers from the leading components and spare parts suppliers. Guests then enjoyed a performance by the *maracatu* group Leão Dourado, the Orchestra Cidadã Meninos do Coque (one of the City of Recife's most successful social projects) and the musical group from the *Arvore da Vida* project sponsored by Fiat in the community of Jardim Teresópolis, near its plant in Betim. In addition to this symbolic laying of the foundation stone, a time capsule was also presented containing objects and documents to be buried under the foundations of the future plant in commemoration of the date the foundation stone was laid.

For further information, visit: www.fiatpress.com.br

28 December 2010