



## **Magneti Marelli and China South Industries Group sign a joint venture agreement in China for lighting systems in the automotive sector**

Magneti Marelli, through its Automotive Lighting division, and China South Industries Group Corporation (CSI), through its subsidiary Hubei Huazhong Photoelectric Science and Technology Ltd, have recently signed a 50/50 joint venture agreement for the production of headlamps and rear lamps for motor vehicles in China.

The joint venture, called Hubei Huazhong Magneti Marelli Automotive Lighting Co. Ltd., will be located in Xiaogan (in the Hubei province), approximately 60 km from Wuhan, and will be featuring a production facility which, according to plan, will start production during the first quarter of 2015. At full capacity, the joint venture will be able to manufacture about 5 million pieces a year, with a workforce of over 800 people.

The joint venture will entail a total investment of about € 40 million.

CSI is a major Chinese industrial group (annual turnover of over € 36 Billion), with a large business footprint that ranges from automobiles to motorcycles, from defence to energy; it also includes the company China Changan Automotive Group (CCAG), a strategic partner in some of the most important joint ventures on China's automotive market (Ford, Mazda, Suzuki, PSA, Mitsubishi). Specifically, Huazhong Photoelectric, the CSI subsidiary that has signed the JV agreement with Magneti Marelli Automotive Lighting, is already a supplier of lighting components and systems in the Chinese automotive market.

The new joint venture will offer a complete range of automotive lighting products, spanning a wide technological spectrum: halogen, Xenon and LED headlamps, with adaptive front lighting systems; rear lights with bulb lamp, LEDs and "light guide" technology; solutions for both front and rear fog lamps. Production will be aimed specifically at vehicles manufactured by the China Changan Automotive Group and at automobiles produced by the related joint ventures, in addition to other carmakers operating in China.

The joint venture with CSI further strengthens Magneti Marelli's industrial presence in China in the lighting area, as two large production plants are already operating in Wuhu (since 2005) and in Foshan (inaugurated this past May), in addition to the Shanghai-based headquarters.

*"Magneti Marelli has been operating in China since 1996, and it is currently investing huge amounts of resources to bring all of its key technologies to its Chinese customers and to the various joint ventures set up in that country" – stated Eugenio Razelli, CEO of Magneti Marelli. "In the lighting field, to speed up and maximize this commitment, we are excited to collaborate with such an important partner as CSI. Its strategic position on the market offers us the chance to come in contact with some of the best-selling Chinese automotive brands, with high technological added value and contents, with*

*whom we can share solutions for the technical evolution of lighting products according to safety, sustainability and design parameters”.*

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Magneti Marelli has been operating in China since 1996 with production facilities and research centres in Shanghai (headquarters and Powertrain and Lighting areas, in addition to the JV in Jiading with SAGW dedicated to the production of hydraulic components for the Freechoice™ robotized gearbox), Wuhu (Lighting and Powertrain), Guangzhou (Electronic Systems), Hangzhou (JV with Wanxiang Qianchao Company for shock absorbers), Changchun (JV with FUDI for powertrain components), Changsha (Exhausts Systems), and in Hefei (exhaust systems with JAC and Lingdatang)

With an incidence of over € 2 billion in Magneti Marelli's total turnover of € 5.8 billion, approximately 22 million headlamps and 22 million rear lights produced annually, Automotive Lighting represents one of the main areas of Magneti Marelli's business footprint as well as one of the leading players at the global level in the lighting sector. Automotive Lighting features a global presence, with nineteen facilities throughout the world, R&D centres focused on innovation in Europe (Germany and Italy) and fifteen application centres operating in thirteen countries in close contact with the customers: Brazil, Czech Republic, China, France, Germany, Italy, Malaysia, Mexico, Poland, Russia, Spain, Turkey and the U.S.

Some of Automotive Lighting's main innovations in the technological evolution of this sector have been the introduction on the market of the first Xenon headlamps in 1991, the Xenon Dynamic Curve Light in 2003, and the first headlamp with active infrared module in 2005. Kicking off a veritable revolution in lighting technology, in 2008 Automotive Lighting launched the full-LED headlamp in mass production (for the Audi R8), with all lighting functions in LED technology. Then came the world's first headlight to be equipped with an active infrared night vision system and, since 2010, the first full-LED headlamp with adaptive function (for the Mercedes Benz CLS).

The technological evolution resulting from the use of LED and Xenon technologies – with the 35 Watt configuration as well as the new 25 Watt solution, which is highly competitive - has opened up new frontiers in terms of safety, reduced energy consumption and CO<sub>2</sub> emissions, at the same time providing new freedom to design engineers. These are also crucial issues in terms of the competitiveness of the offer on the Chinese market, with special reference to the issue of safety and CO<sub>2</sub> emissions and, consequently, of sustainable mobility in China. Indeed, according to research conducted by Automotive Lighting, an automobile fitted with Xenon technology for the low/high beam functions and LED technology for all the other front and rear lighting functions can potentially save up to 80 Watt and 2 grams of CO<sub>2</sub> emissions per kilometre compared to traditional lighting with halogen lamps.

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