

# **Mazda, Fiat To Work Together On Convertible**

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TOKYO (AP) — Mazda Motor Corp. and Fiat SpA are working together on developing and manufacturing a roadster, or two-seater convertible, although the automakers will come up with different, distinctly styled models.

The deal with Fiat of Italy, which controls U.S. automaker Chrysler, serves as a perk for a money-losing Mazda, and highlights the Japanese automaker's trademark product — the best-selling roadster of all time.

Both sides said in a release Wednesday they had signed an agreement to work together, but each manufacturer will use its own engine and styling.

They declined to give details, but said their cooperation on Fiat's Alfa Romeo model and a Mazda model will be based on Mazda's "next-generation MX-5 rear-wheel-drive architecture."

Hiroshima-based Mazda has been struggling, racking up four straight years of red ink, after its ties with U.S. automaker Ford Motor Co. weakened.

"Establishing technology and product development alliances is one of Mazda's corporate objectives, and this announcement with Fiat is an important first step in that direction," said Mazda President Takashi Yamanouchi.

Fiat Chief Executive Sergio Marchionne said working with Mazda was part of an effort to grow into "a truly global brand," and deliver "an exciting and stylish roadster in the Alfa Romeo tradition."

Fiat has had a joint venture with Tata in India since 2006. Many automakers have their eyes on the growth potential of Asia amid a lagging European market.

Speculation has been rife that Mazda might need a partner, perhaps one of the emerging Chinese makers, if it hopes to ride out the intense competition in the industry.

For the fiscal year ended March, Mazda's losses ballooned from 60 billion yen to 107 billion yen (\$1.3 billion) as vehicle sales declined across all regions except for North America.

It is planning a return to the black for the fiscal year through March 2013.

Dearborn-based Ford bought 25 percent of Mazda in 1979, raising it to 33.4 percent in 1996. But Ford began cutting ties in 2008, and in 2010 lowered its ownership to 3.5 percent.

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Ford now has a 2 percent stake in Mazda. Mazda and Ford have partnerships in production in China, Thailand and North America.

Mazda does not have flashy green technologies of the bigger Japanese rivals, like Toyota Motor Corp.'s hybrids or Nissan Motor Co.'s electric car. Last year, it said it will stop making its reputed rotary engine in yet another, although symbolic, blow.

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