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GOVERNOR ANNOUNCES PARENT COMPANY OF NEW PROCESS GEAR TO INVEST NEARLY \$50 MILLION AND RETAIN UP TO 500 JOBS IN ONONDAGA COUNTY

Magna International to Produce State-of-the-Art Transfer Case in East Syracuse

New York State Governor George E. Pataki today announced that Magna International's Magna Powertrain group, the parent company of New Process Gear located in East Syracuse, will invest nearly \$50 million in new machinery and equipment to build the state-of-the-art transfer case for a next-generation vehicle platform to be used in Sport Utility Vehicles and full-size pick-up trucks and retain up to 500 jobs.

"Magna International's decision to invest in its New Process Gear plant and workforce is tremendous news for the working families of Central New York," Governor Pataki said. "We're committed to fighting for every job using the pro-growth, pro-job policies that help businesses like Magna grow. Whether it's our effective Empire Zone program, cutting taxes, or reducing burdensome regulations, we will continue to use the tools that we know work to create jobs and help Upstate companies achieve success."

Magna Powertrain designs, develops and manufactures engines, transmissions and other drivetrain/powertrain components, including transfer cases and gear boxes, as well as axle modules. The nearly \$50 million investment will be used to upgrade machinery and equipment and related infrastructure improvements necessary to perform the new transfer case work.

Senator John A. DeFrancisco said, "This is welcome news for the many employees at New Process Gear and for our Central New York economy. New Process Gear and its parent company, Magna International, have been a major presence in our community and I commend them for their continued investment in our manufacturing sector. I also applaud Governor Pataki for his support of New York State programs that assist manufacturers such as New Process Gear in their efforts to remain competitive in an increasingly challenging industry."

Assemblywoman Joan Christensen said, "Automobile manufacturing is a highly competitive industry that relies on skilled workers with a strong work ethic. I commend Magna International for its investment commitment to the New Process Gear facility and for recognizing that the hard-working and talented members of the United Auto Workers in Central New York are critical to the production of quality auto-components."

Assemblyman William B. Magnarelli said, "I am pleased that Magana International has chosen its Onondaga County facility to build transfer cases for its next-generation vehicle

platform for SUV's and trucks. The retention of up to 500 jobs and \$50 million in new equipment and technology demonstrate Upstate New York's ability to be a competitor in the international arena. UAW, which represents the New Process Gear employees, provides an excellent worker training program, which I believe is an asset to the success of this partnership."

County Executive Nick Pirro said, "Onondaga County is extremely proud of New Venture Gear and the dedication of its management and employees to the economic growth of our community. Magna Powertrain's investment and the continued commitment of Governor Pataki and the State will help ensure the future growth of manufacturing jobs for our County and its citizens."

Mayor Matthew J. Driscoll said, "This announcement of job creation at New Process Gear will afford City residents greater employment opportunities. We strongly endorse and applaud the efforts through the partnership created by New York State and Magna International. The announcement of their investment in the manufacturing sector will have an economic ripple effect throughout the City and the County."

New Process Gear General Manager Paul Manners said, "We are delighted with the support we have received from the State of New York in this project. Our decision to strengthen our investment in the East Syracuse facility reflects our commitment to our employees and the community. We are very pleased with the assistance we will receive and the benefits that this new transfer case program will generate at our East Syracuse facility."

Metropolitan Development Association (MDA) Chairman and Chancellor Emeritus of Syracuse University Dr. Kenneth A. Shaw said, "Magna's decision demonstrates their confidence in Central New York's greatest asset, its workforce, and is a direct result of the effective collaboration that exists between government and industry. We thank Governor Pataki and Chairman Gargano for their partnership with us, and for their willingness to deliver the meaningful incentives and support that enabled Magna to take this positive action."

Magna International's operating division Magna Powertrain, parent company of New Process Gear, acquired the former New Venture Gear plant in September 2004, and currently employs approximately 3,000 employees. Magna Powertrain has approximately 11,000 employees worldwide in 35 manufacturing operations and 8 product development and engineering centers.

Magna International, headquartered in Aurora, Ontario, Canada, is the world's most diversified Tier 1 automotive suppliers. Magna International designs, develops and manufactures automotive systems, assemblies, modules and components, and engineers and assembles complete vehicles, primarily for sale to original equipment manufacturers of cars and light trucks in North America, Europe, Asia and South America.

Empire State Development Chairman Charles A. Gargano said, “With every job created or retained, New York’s economy and economic future become stronger and brighter. And every time a company commits to locating or growing to our state, it is proof that Governor Pataki is helping to make New York State the place to do business.”

In consideration of its commitment to New York State, New Process Gear will receive a convertible loan and a training grant, and will also be eligible for an Empire Zone Investment Tax Credit. These funds will help New Process Gear purchase machinery and equipment, and make facility upgrades essential to performing the new transfer case work.