

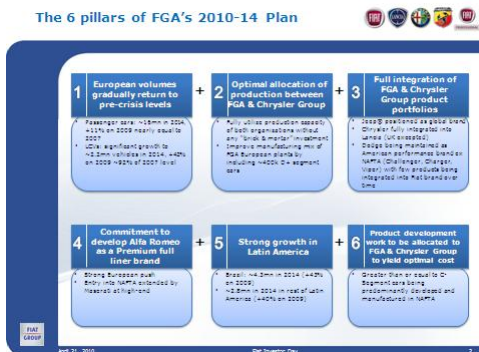
# Fiat Investor Day - 2010-2014 Business Plan

## FIAT GROUP AUTOMOBILES

### Business Plan



Let's now look at the 2010-2014 plan for Fiat Group Automobiles.



Our plan is based on six pillars, which represent six areas for action to permanently remedy the issues I spoke of earlier.

As far as performance in the European market – which we will look at in greater detail shortly – we assume that demand will take at least 4 years to return to normal levels, nearly equal to 2007, both for passenger cars and for light commercial vehicles.

In Brazil, we expect the market to continue its current expansion, reaching around 4.3 million units by 2014.

As you saw a short while ago, Brazil bypassed Italy in 2009 to become FGA's number one market, even if only by a small margin. Its contribution to Group results will continue to be vital.

The same growth trend is expected for the rest of Latin America, where total demand could rise to 2.8 million units per annum.

Another vital element of the plan is the full integration between FGA and Chrysler in terms of product portfolio, new product development and the allocation of production.

This process is already well under way and will be further developed over the plan period in relation to engineering and manufacturing so that significant synergies can be generated and an optimised level of integration between the product offerings of the two groups achieved.

Designs for the product portfolio include Jeep being positioned as a global brand.

The Chrysler and Lancia ranges will be fully integrated in Europe - with the exception of the UK where Lancia is not present and Chrysler will continue to operate.

Dodge will retain a purely American style and identity and will continue to operate as a full-liner brand in the NAFTA region. Outside of the US, only models consistent with the strong American image of the brand, such as the Challenger, Charger and Viper, will be distributed. In addition, some products will be gradually integrated with the Fiat brand in Europe and Brazil.

As for the development of new models, a full integration between the two organizations will begin, with a clear division of responsibilities, and reallocation of specific activities to achieve cost efficiencies.

Compact-segment and larger models will be predominantly developed and produced in the NAFTA region.

The allocation of production between FGA and Chrysler will be based on rationalization and efficiency so that maximum capacity utilisation is achieved for both organizations and the need to establish new plants avoided.

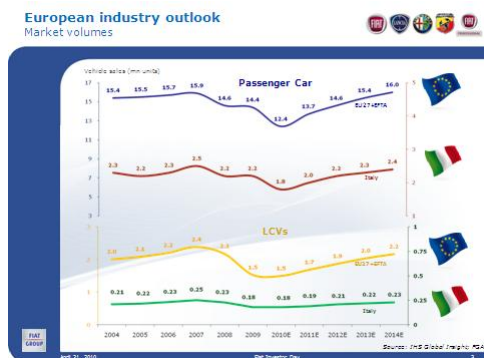
This optimization of the industrial footprint will enable us to eliminate the current operating inefficiencies that are correlated to the current low capacity utilisation.

The current production mix for FGA plants in Europe will be improved with the addition of around 400,000 D-segment or larger vehicles by the end of 2014.

Finally, the central pillars of the plan include a strong and unequivocal commitment to the development of Alfa Romeo.

We believe in the Alfa name and market position and are determined to transform it into a full-liner premium brand.

Plans include Alfa's return to the NAFTA region, where the product range will be complemented at the upper end by Maserati, that as you know already operates in those markets but will expand its presence to also include the luxury E segment.



Here is the projected European market trend over the plan period.

For passenger cars, 2010 will be a particularly difficult period.

In Europe, we expect a contraction in demand in the order of 15%, while in Italy it will exceed 18%.

A gradual, longer-term recovery should occur in subsequent years.

In 2014, the European market could return to the pre-crisis level of around 16 million units, an 11% increase over 2009.

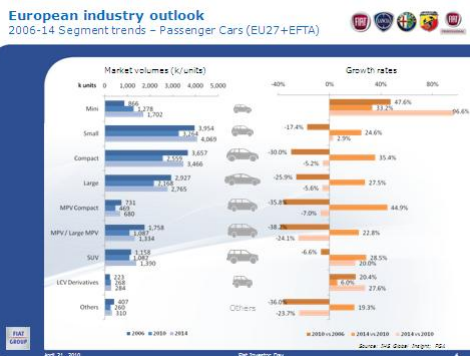
A similar trend is expected for the Italian market, with volumes of around 2.4 million passenger cars in 2014.

This year, demand for light commercial vehicles will remain at the same low levels experienced in 2009.

The trend is expected to reverse beginning next year.

In 2014, registrations in Europe are expected to be strong at 2.2 million vehicles, representing a 42% increase over 2009.

Performance in Italy, expected to be lower than the European average, should in any event be in the order of 28%.



This slide shows the trend for the European market broken down by segment.

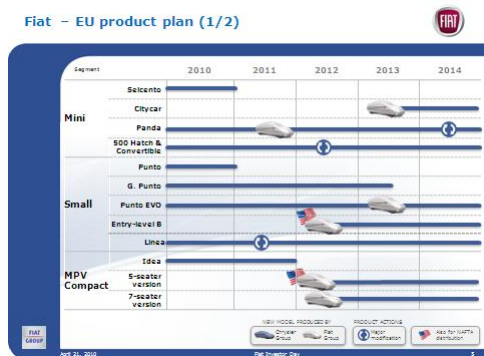
Over the plan period, we expect to see further strong growth in the mini and small segments, that together will account for more than one-third of the market.

This is a segment where FGA already has a significant position that we expect it will continue to hold.

By 2014, the Compact and Large segments will have declined marginally over 2006 levels but increases over expected 2010 volumes will be healthy.

In both of these segments, our position will be notably strengthened by the arrival of new Alfa and Fiat products as well as the introduction of several Chrysler Group models.

Now let's take a look at the product plan for Europe by segment, beginning with the Fiat brand.



During this 5-year period, the launch of 10 new models and 6 refreshes are planned.

Presence in the mini and small segments will be strengthened by the addition of a new model in each of those segments: a new city car to be presented in 2013 and an entry level B-segment model to arrive in 2012 for which export to the NAFTA region is also planned.

Next year will see the commercial launch of the future Panda, a model pivotal to maintaining leadership in the mini segment in Europe. Refresh of this model is planned for 2014.

Both the original and convertible versions of the Cinquecento will also undergo a refresh during 2012.

The Punto Evo, launched in September last year, will be replaced by a completely new version in 2013.

In the Compact MPV segment, two new arrivals are planned for 2012, a 5-seater and a 7-seater. The latter model, in particular, will also be distributed in the NAFTA region.

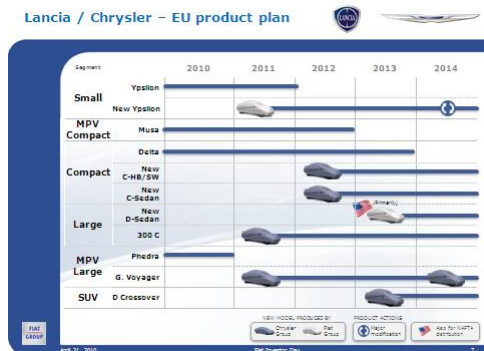


The brand's presence in the Compact segment will be bolstered by the arrival of two new products, a sedan and another model that will be presented to the market in 2012 and 2013, respectively. The sedan will also be distributed in the NAFTA region.

This year we will phase out production of the Croma, Multipla and Ulysse, leaving the way open for other Group brands to compete in the Large sedan and MPV segments.

For SUVs, the Sedici will continue to be in the product line-up for the next two years, but in 2011 a larger SUV - one of the first results of the integration with Chrysler - will be added to the Fiat brand portfolio. I'm talking about a new Crossover, based on the Dodge Journey platform and produced by the Americans.

Rounding out the Fiat product range will be passenger vehicles based on LCV platforms such as the new Doblò, released at the beginning of January, and the Qubo, that will be refreshed in 2012.



The Lancia brand will be most impacted by the Chrysler alliance as the two ranges will be fully integrated into a new full-liner brand.

The plan calls for the launch of 8 new products, of which 6 will be based on high-end Chrysler models and one will be a refresh.

Next year will see the arrival of the future Ypsilon, to be produced in a very spacious 5-door version. For a period, it will be offered alongside the current version.

The brand's greatest focus will be in the medium and large segments.

From 2012, Lancia will have two new Compact models, a sedan and another product which will both be produced by Chrysler.

From next year, the new brand flagship – the 300C – and the Grand Voyager, a large MPV, will already be available. In 2013, they will be joined by a key new Large-segment sedan, that will be primarily produced and distributed for Chrysler in USA.

A final addition to the European range will be the arrival, in 2013, of a new Crossover, produced by Chrysler, that will position the brand in a segment where it has traditionally not been present.



During the plan period, Alfa Romeo will release 7 new models and 2 refreshes.

Alfa began 2010 with the presentation of the new Giulietta to the international press in mid-April and the commercial launch will be next month. The vehicle is key to re-establishing the brand's presence in this segment. The Giulietta is based on the same platform that will be used for future FGA and Chrysler Compact-segment vehicles. It is due to be refreshed in 2014, when it will also be offered in the NAFTA markets.

Particularly important additions to the Alfa line-up will arrive in 2012 with the launch of two Large-segment models: the Giulia sedan and the Giulia station wagon, which for a period will be offered alongside the current 159. The new Giulia will also be distributed in the USA, Canada and Mexico and will pioneer Alfa's return to the North American market.

Alfa will also expand into the SUV segment in two successive steps: the first in 2012, with a medium SUV, and the second in 2014 with a larger SUV. Both models will be produced by the Chrysler Group and will also be offered in the NAFTA markets.

For the small range, the current MiTo will be refreshed in 2012 and the following year it will be joined by a 5-door version, also to be sold in the US.

The range will be completed by the new Spider to be developed on a Chrysler platform and commercial launch is planned for 2013. The location of production has not yet been defined.

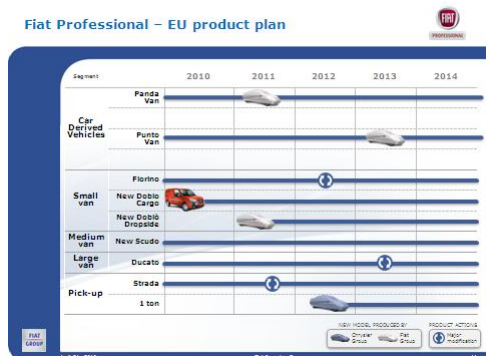


For the Abarth brand, refreshes of the Cinquecento hatchback and Cinquecento cabrio are planned for 2012 and the new Punto Evo is due to arrive in 2013. These will revitalise the product offer and strengthen the brand's image.



Jeep's line-up in Europe will be expanded with 3 new models, produced by Chrysler, and 3 refreshes of existing models.

The new Grand Cherokee is to be launched in 2010 and the future Cherokee and a new D-segment SUV will arrive in 2013.



Moving to light commercial vehicles, Fiat Professional will have 5 new models and 3 product refreshes over the plan.

In the small van segment, sitting alongside the new Doblò Cargo launched this January, will be the new Doblò Dropside that will round out the brand’s range, giving it an extensive portfolio of products to fully respond to demand in this market segment.

Presence in the pick-up segment will also be expanded with the arrival, in 2012, of a one-ton vehicle derived from the RAM range and produced by Chrysler Group. Car-derived models will include the releases of the new Panda and Punto Van in 2011 and 2013 respectively.



I have just given you a rather comprehensive view of our Group's enormous commitment to expanding its commercial offering, entering new market segments, and catering to existing market trends or trends expected to emerge over the near to medium term.

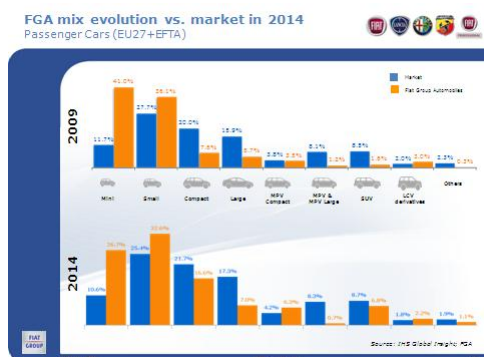
For passenger cars and light commercial vehicles, between new models and refreshes of existing models, we are talking about a total of 51 products over a period of 5 years.

Approximately two thirds of the products will be produced by Fiat Group and the remainder by Chrysler Group.

This product plan represents a significant commitment to invest to ensure our customers choice, quality and leading technology.

It is a commitment to improving our competitive position in Europe.

In order to not reveal our projects to our competitors too early, we have purposely not talked in specifics about our product plan for the Brazilian market – where major new product launches are planned that will bolster our leading position.

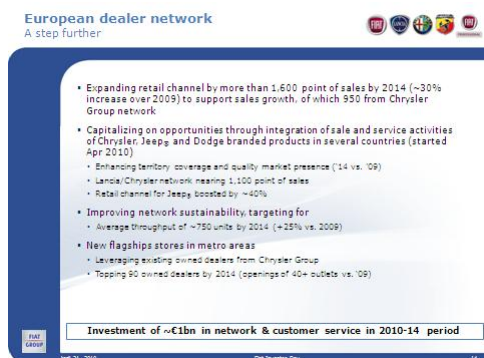


In relation to market segmentation, if we look at FGA's market mix in 2014 it is evident what major improvements we will make.

Our presence in the mini and small segments will continue to be strong - accounting for more than 61% of sales - but our market share will increase significantly in the larger segments.

Last year, for example, only 7.6% of our sales were concentrated in the Compact segment. Within 5 years this segment will more than double to represent 16.6% of the portfolio.

The Large, Compact MPV and SUV segments will also assume greater importance in FGA's product mix, making up more than 20% of the portfolio in aggregate.



The slide is titled "European dealer network" with the subtitle "A step further". It features logos for Fiat, Lancia, Jeep, and Dodge. The main content is a bulleted list of strategic goals:

- Expanding retail channel by more than 1,600 point of sales by 2014 (~30% increase over 2009) to support sales growth, of which 950 from Chrysler Group network
- Capitalizing on opportunities through integration of sale and service activities of Chrysler, Jeep and Dodge branded products in several countries (started Apr 2010)
  - Enhancing territory coverage and quality market presence (+14 vs. '09)
  - Lancia/Chrysler network: reaching 1,100 point of sales
  - Retail channel for Jeep: boosted by ~40%
- Improving network sustainability, targeting for
  - Average throughput of ~750 units by 2014 (+25% vs. 2009)
- New flagships stores in metro areas
  - Leveraging existing owned dealers from Chrysler Group
  - Topping 90 owned dealers by 2014 (openings of 40+ outlets vs. '09)

At the bottom, a box states: "Investment of ~€1bn in network & customer service in 2010-14 period". The slide footer includes the Fiat Group logo, the date "April 21, 2010", and the text "The Director City" and "14".

To support the growth in Group sales, we will increase our European network by approximately 30%.

By also leveraging the existing Chrysler Group dealers, our retail channel will be expanded by more than 1,600 points of sale by year-end 2014.

This month, we have already begun integration with the sales and service activities of Chrysler, Jeep and Dodge in some markets.

This represents a perfect opportunity to leverage synergies offered on the distribution side to improve our geographic and qualitative coverage of the market.

The combined sales networks of Lancia and Chrysler will have more than 1,000 dealerships throughout Europe.

Similarly, the Jeep brand will benefit from an approximate 40% increase in coverage of its network.

This integration will produce obvious benefits for the financial sustainability of our commercial network. The increase in average dealer throughput will be equivalent to around 750 units by the end of the plan period, which, if compared to 2009 levels, represents an approximate 25% increase.

The network plan also includes the opening of new flagship dealers in major metropolitan areas, leveraging the presence of existing Chrysler Group dealers and installing at least a further 40 direct points of sale.

Total investment in developing the network and improving customer services is projected at around €1 billion.



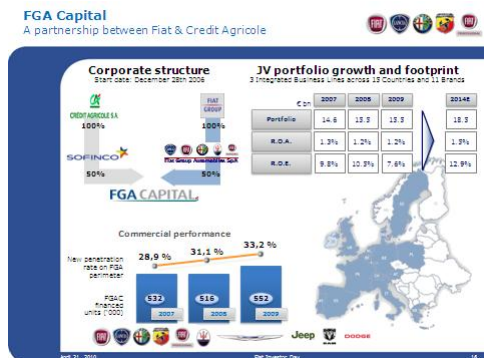
The Parts & Services business is highly profitable and will focus on increasing performance and margin.

The revenue growth projected for the business is based on certain key drivers which will be the object of focus during the plan period:

- improvement in customer loyalty for vehicles less than 5 years old;
- increase share of demand in 3-to-8 year old car park through dedicated products;
- additional specific product offerings.

We will continue to focus on operational excellence in order to enhance brand equity and reduce cost through application of Lean Supply Chain methods and the World Class Logistics programme, which will enable productivity increases of 4% per annum.

In this area, we will also be able to leverage synergies offered through the sharing of best practice with Chrysler.



In the financial services area, FGA Capital, the joint venture with Credit Agricole, provides vital sales support while giving FGA access to the product expertise and funding capacity of a major European financial institution.

Today, one in three cars sold by the Fiat Group in Europe is financed by FGA Capital, which operates in 15 markets and has also begun to manage the financial services activities for the Chrysler network in Europe.

As the figures for the managed portfolio demonstrate, the JV was very successful in managing the business through the economic crisis.

Over the plan period, there will be an increase in the size of the managed portfolio driven by the addition of Chrysler's European activities as well as volume growth for FGA, and efficiency gains that will boost the P&L.



One of the core elements of the plan is the acceleration of our international development.

As a result of the agreements reached in recent years, some very recent, our growth ambitions in several key markets are based on a very solid platform.

In China, the joint venture with Guangzhou Automobile Group will give us the springboard needed to establish a significant industrial and commercial presence in that country. The agreement is for the construction of a new plant with a maximum capacity of 330,000 vehicles.

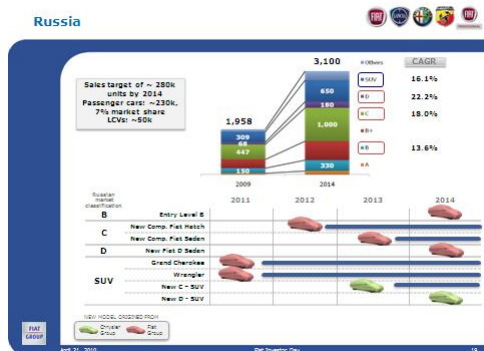
In Russia, the agreement signed with Sollers in February will give us the opportunity to make a significant leap forward in that market. Initial production capacity for the joint venture will be 300,000 vehicles a year, with the potential of being expanded further. At least 10% of vehicles produced will be for the export market.

In India, the joint venture established in 2007 with Tata Motors, one of the main domestic players, opened a door to a crucial market and also offers significant potential for synergies through Tata's extensive commercial network.

Investment by the 3 joint ventures over the plan period will total €3.3 billion. These commitments will not substantially require any financial support from Fiat, but it will give an enormous contribution in terms of technical know-how.

Let's take a look at our development targets in detail beginning with China.



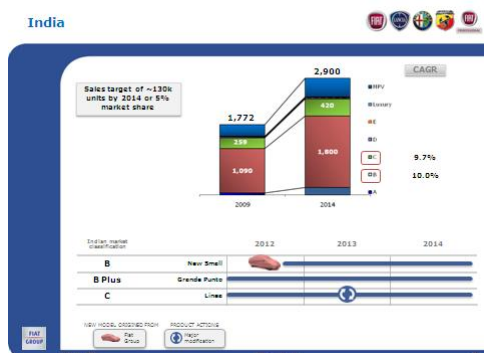


The Russian market represents one of the highest potential markets. After an abrupt drop in 2009, it is expected that there will be a decisive recovery in demand.

Our principal focus will be localised C-wide platform vehicles with other models being added to complete our product offer.

Next year we will launch two Chrysler SUVs and the following year we will enter the largest market segment with Fiat’s new Compact-segment models.

By the end of the plan, Fiat and Chrysler will offer a total of 8 models in the Russian market with targeted sales of 230,000 units and a market share of 7%. In addition to this, we are targeting sales of light commercial vehicles at around 50,000 units.



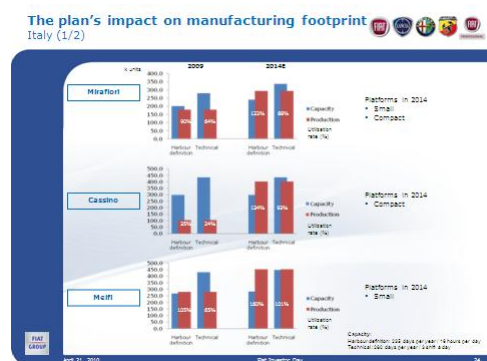
Developing a presence in India is key because, after China, it represents one of the most important developing economies in Asia. The auto market is expected to grow to as high as 3 million units by 2014.

We believe there is significant market potential in the A & B segments, where Fiat is historically strongest.

The current line-up will be complemented by a new small car to be launched in 2012.

In the final year of the plan, we expect our sales could be as high as 130,000 units representing an approximate 5% market share.

This slide and the following slides show the projected change in production volumes in Europe and level of capacity utilisation of our plants compared to 2009 levels.



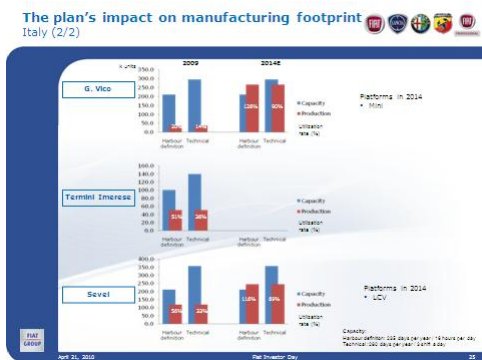
We are not talking about utilisation of the workforce but the level of utilisation of our plants.

The key element to note is that in 2014 all plants will have reached an optimised capacity utilisation level.

Based on the harbour definition, the Mirafiori plant will go from 90 to 122% utilisation. Based on the technical capacity, the increase would be 24 percentage points. To meet the increase in planned production volumes of around 100,000 cars by 2014, no increase in production capacity is required but we do have plan to reconfigure the paint shop to remove the current bottleneck. Mirafiori will be allocated the Small and Compact platforms.

During 2009, the Cassino plant operated at well below capacity with a utilisation rate of 35% based on the harbour method, or 24% using the technical method. In 2014, production volumes will nearly quadruple leading to utilisation rates of 134% and 93% respectively. The models produced will be based on the Compact platform.

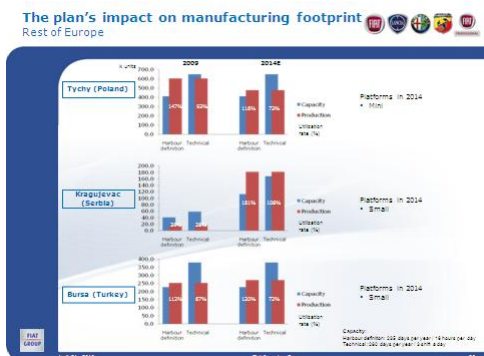
The Melfi plant, which already has the highest utilisation rate of Italian plants, will achieve an optimum level using both methods of measurement. The number of cars produced in 2014, based on the Small platform, will be well over 400,000 units.



The Giambattista Vico plant in Pomigliano d'Arco was the most severely impacted by the crisis and had the lowest utilisation rate in 2009. By the end of 2014, our plan will bring this plant to a 126% utilisation rate under the harbour definition and 90% under the technical definition. The plant will be allocated the Mini platform on which more than 250,000 vehicles will be produced.

For the Termini Imerese plant the plan - as announced - is to stop production by the end of 2011.

Finally is the Sevel plant, that produces light commercial vehicles, which in 2009 operated at about half of capacity. For 2014, the utilisation rate will be 116% and 69%, respectively. Volumes will exceed 240,000 units.



For the Tychy plant in Poland, 2009 was a record year and production was at capacity. The level of production will reduce marginally over the coming years remaining, however, at optimized levels. The Tychy plant will be allocated production of the Mini platform.

A comparison would not make sense for the plant in Kragujevac, Serbia, as our project there is not yet underway. What is of significance, however, is that in 2014 this plant will achieve utilisation rates of 161% and 108%, respectively. Production will be based on the Small platform and volumes will reach about 170,000-180,000 units per year.

There is little to say about the plant in Bursa. It currently has very healthy production levels that will increase looking forward to 2014.

Part of the 5-year plan is focused specifically on Italy.



We have called this "Fabbrica Italia" to underscore the fact that our Group's industrial roots are and will remain in Italy and we intend to strengthen those roots. Apart from being the title of a slide, "Fabbrica Italia" represents Fiat's commitment to strengthening FGA's presence in Italy, transforming it into a strategic base for production, investment and export.

The focus of "Fabbrica Italia" is to gradually increase passenger car production volumes at our Italian plants up to 2014, when they will reach 1,400,000 units.

This is more than double the 650,000 production figure for 2009.

In addition to this will be light commercial vehicle production which is targeted to reach 250,000 units per year in 2014, an increase of 100,000 units over last year's level.

In total, the "Fabbrica Italia" plan is to reach production of 1,650,000 vehicles in Italy in the final year of the plan.

As I illustrated earlier, the project aims to increase capacity utilisation at our Italian plants to an optimised level. This is the only way to ensure a solid future both for Fiat and for its manufacturing base here in Italy.

"Fabbrica Italia" will also have a positive impact on passenger car and light commercial vehicle export volumes.

The target is, by 2014, to produce over one million vehicles in Italy for export, of which approximately 300,000 will be for the U.S. market.

The percentage of exports will therefore increase from 44% in 2009 to 65% in 2014.

The intended level of investment in Italy over the plan period is enormous and will account for two-thirds of Group total investment over plan period of ~€26bn (capex and capitalized R&D spending) plus ~€4bn of expenses R&D.

Our plan for Italy also represents a major opportunity to create employment in Italy.

However, a plant can only function properly if it is able to work a full speed and if there is close collaboration between all interested parties. This holds as true for "Fabbrica Italia" as it does for any industrial concern.

There are certain key elements which are indispensable to the success of the plan, including flexibility for plants and for management of the workforce.

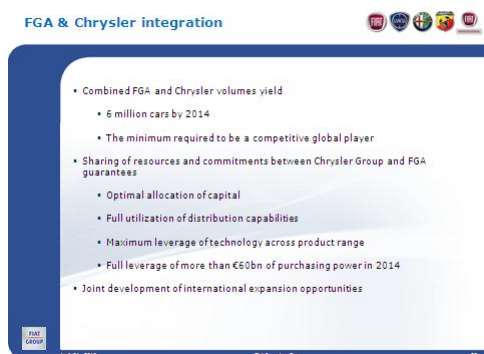
We have to be in a position to respond rapidly and effectively to changes in commercial demand so that precious opportunities are not lost.

The plan represents a unique opportunity for our industrial complex in Italy to take a significant step forward, turning the page and closing with a past that does not reflect the reality of the world today.

To achieve this, discussions need to be opened now with the unions to re-negotiate agreements, either at national or local level, that are no longer adequate to the current requirements and, in fact, would prevent realisation of the plan.

This is one of those occasions that happens only once in a lifetime.

Realisation of the "Fabbrica Italia" plan, which requires that commitments, sacrifices and responsibilities be shared by all parties concerned, is central to ensuring the future of our Italian manufacturing base, making it more efficient and more competitive, and fostering new development.



The presentation of the FGA plan highlighted several areas where the Chrysler partnership offers advantages. Here is a recap.

First is the achievement of adequate critical mass. FGA and Chrysler combined will be able to produce 6 million vehicles by 2014, representing a critical threshold to be a competitive global player in the auto sector.

The second key element relates to the sharing of resources and commitments.

Joining the strengths of the two organisations will enable us to optimise the allocation of capital, fully leverage the potential of the distribution network, multiplying our technological know-how to the full and applying it to the entire product range.

The integration will also offer significant synergies in the purchasing area, that will enable us to increase our purchasing power and to reach an estimated €60 billion in annual purchase value of direct materials in 2014.

Already this year we expect 52% of this figure will represent purchases from shared suppliers and it will gradually increase to 65% by 2014.

Obviously, the principal benefits of the alliance also include the opportunity to reach new markets and accelerate the Group's international development.

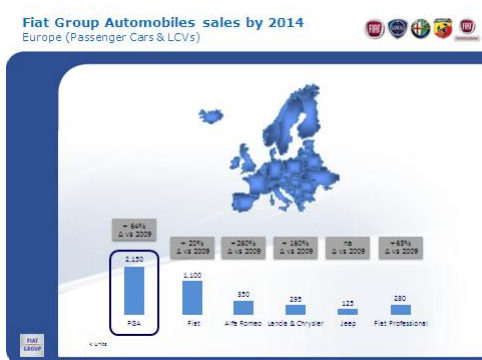


This slide, perhaps more than words, gives an idea of the potential benefits deriving from the partnership with Chrysler.

The synergies being achieved in the principal areas of activity will increase progressively over time and, by 2014, will produce about €1.5 billion in savings.

The areas that will produce the greatest savings are purchasing, where a benefit of almost €760 million is expected, and engineering, that will produce some €600 million of synergies.

Savings on the sale of engines will also be significant, with benefits in the order of €200 million expected.



The European sales target for Fiat Group Automobiles in 2014 is 2,150,000 units, 64% higher than the 2009 level.

More than one-half of this number will be Fiat brand, where an increase in registrations of around 1,100,000 units is expected, a 20% increase on the 2009 figure.

The jump in sales volumes will be most significant for Alfa Romeo and Lancia/Chrysler.

The 2014 target for Alfa is 350,000 units and for Lancia/Chrysler 295,000 units.

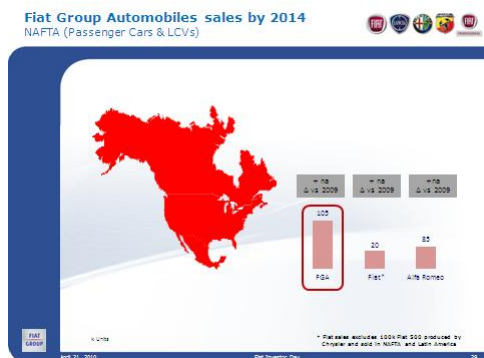
Jeep will contribute some 125,000 vehicles to total volumes.

For Fiat Professional, the target is 280,000 units representing a 65% increase on 2009.



For Latin America, continued expansion of the market will drive further growth in sales.

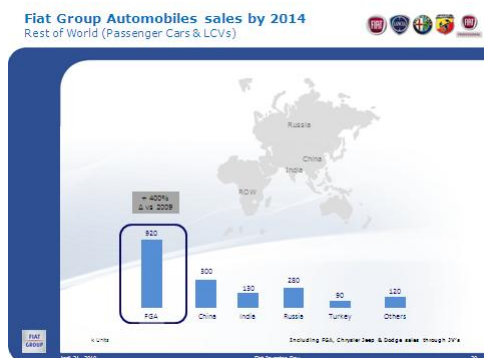
The 2014 sales target for the region is 1,125,000 passenger cars and light commercial vehicles, a 40% increase in line with the expected strong growth in demand.



In the NAFTA region, we plan to sell 105,000 vehicles by 2014.

Of these, 20,000 will be Fiat brand vehicles and 85,000 Alfa Romeo.

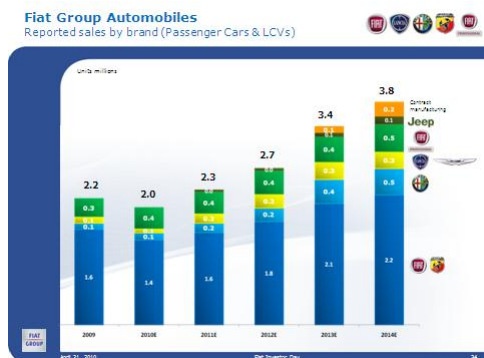
The FGA sales targets for the USA, Canada and Mexico don't take into account the Cinquecento's also produced and sold by Chrysler in Latin America that will account for about 100,000 units.



In the Rest of the World, the target for 2014 is 920,000 passenger cars and light commercial vehicles.

Almost one-third of those sales, or 300,000 units, will be in China.

For the other large markets, business development initiatives already launched target 130,000 units in India, 280,000 in Russia and 90,000 in Turkey.



Taking total sales for all brands, under the 2010-2014 plan FGA will more than double sales volumes worldwide compared with 2009 volumes, reaching 3.8 million units in the final year of the plan, excluding joint ventures.

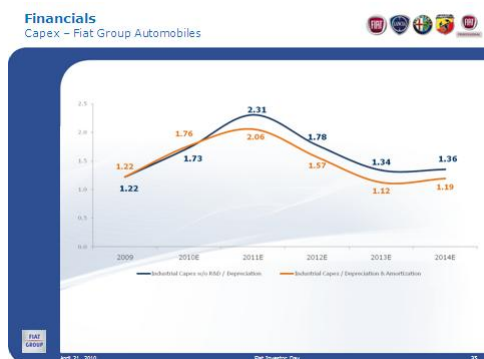
The Fiat brand will go from 1.6 to 2.2 million units.

Alfa Romeo will reach 500,000 units and Lancia/Chrysler 300,000.

For Fiat Professional, the target is 500,000 light commercial vehicles.

Approximately 100,000 units will be Jeep.

The remaining 200,000 vehicles will be produced in Europe for Chrysler.



The industrial CapEx to depreciation ratio shows a trend of “over-investing” as a percentage of depreciation, which will support the growth plans that we have laid out.



FGA's financial targets reflect strong growth of the business for the next few years accompanied by a robust improvement in profitability.

Despite the non-renewal of eco-incentives, particularly in Italy and Germany, 2010 revenues will be in line with 2009 levels.

In subsequent years, as markets recover and the business expands internationally, revenue growth will pick up pace, with a notable shift in gears in 2012, when FGA reaches the €35 billion threshold. From that point on, revenues will reflect the full benefit of business development initiatives, reaching €45 billion in 2013.

The target for the final year of the plan - €51 billion - represents an almost 100% increase on 2009 revenues.

The progressive increase in trading margin reflects the plan's focus on eliminating those handicaps that are weighing down on our business model in Europe, on optimising synergies and on transforming FGA into a best-in-class competitor in terms of operating efficiency.

The target range for trading margin for 2014 is 4.3-5.1%, one of the highest in the sector.



In summary, the 2010-2014 plan for FGA is about becoming a real competitive, global player in combination with Chrysler.

It is about reaching a minimum volume threshold that will guarantee our survival in the jungle of the auto industry.

It is about a serious and concrete commitment to a few primary objectives:

- rebirth of the Alfa Romeo brand
- transformation of the Lancia brand full-liner
- maximum reduction in costs through optimised use of manufacturing infrastructure and allocation of product architectures
- full development of the commercial network through integration with Chrysler
- and maintenance of position as eco-leader in Europe with the lowest level of CO<sub>2</sub> emissions.

The plan that will guide FGA through the next five years reflects the Sector's potential for international growth and our determination to guarantee that it can express itself to the maximum extent possible.