



# Alfa Romeo & Jeep: iconic brands to play globally



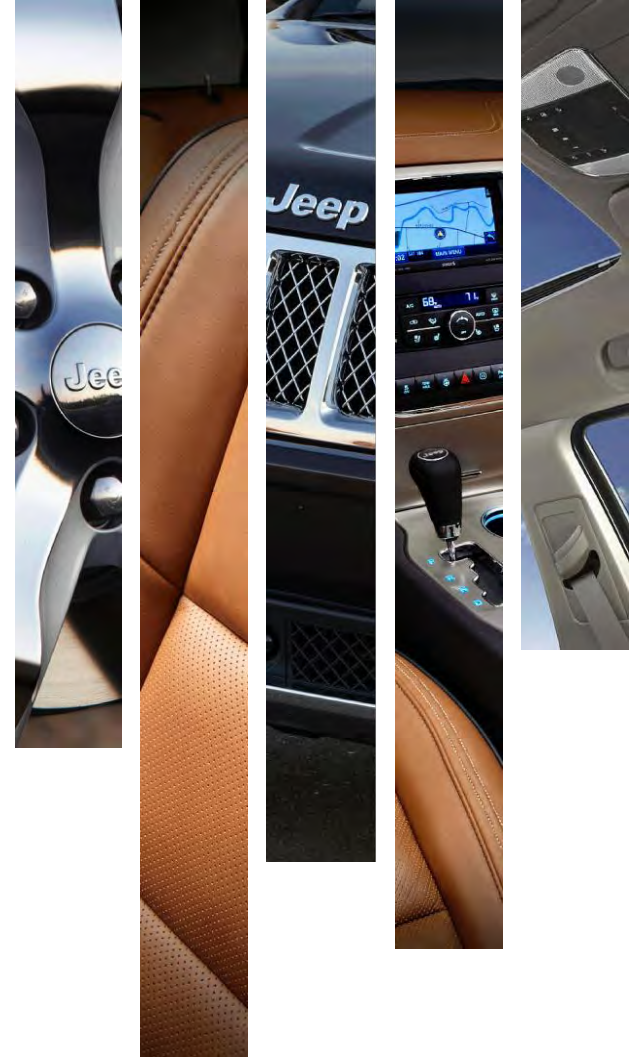
# Safe Harbor Statement

Certain information included in this presentation, including, without limitation, any forecasts included herein, is forward looking and is subject to important risks and uncertainties that could cause actual results to differ materially. The **Group's** businesses include its automotive, automotive-related and other sectors, and its outlook is predominantly based on its interpretation of what it considers to be the key economic factors affecting these businesses. Forward-looking statements with regard to the Group's businesses involve a number of important factors that are subject to change, including, but not limited to: the many interrelated factors that affect consumer confidence and worldwide demand for automotive and automotive-related products; governmental programs; general economic conditions in each of the Group's markets; legislation, particularly that relating to automotive-related issues, the environment, trade and commerce and infrastructure development; actions of competitors in the various industries in which the Group competes; production difficulties, including capacity and supply constraints and excess inventory

levels; labor relations; interest rates and currency exchange rates; political and civil unrest; earthquakes and other risks and uncertainties. Any of the assumptions underlying this presentation or any of the circumstances or data mentioned in this presentation may change. Any forward-looking statements contained in this presentation speak only as of the date of this presentation. Fiat does assume and expressly disclaims any obligation to update these forward-looking statements. Fiat does not assume and expressly disclaims any liability in connection with any inaccuracies in any of these forward-looking statements or in connection with any use by any third party of such forward-looking statements. This presentation does not represent investment advice or a recommendation for the purchase or sale of financial products and/or of any kind of financial services. Finally, this presentation does not represent an investment solicitation in Italy, pursuant to Section 1, letter (t) of Legislative Decree no. 58 of February 24, 1998, as amended, nor does it represent a similar solicitation as contemplated by the laws in any other country or state.

# Jeep®

The evolution of a legend...

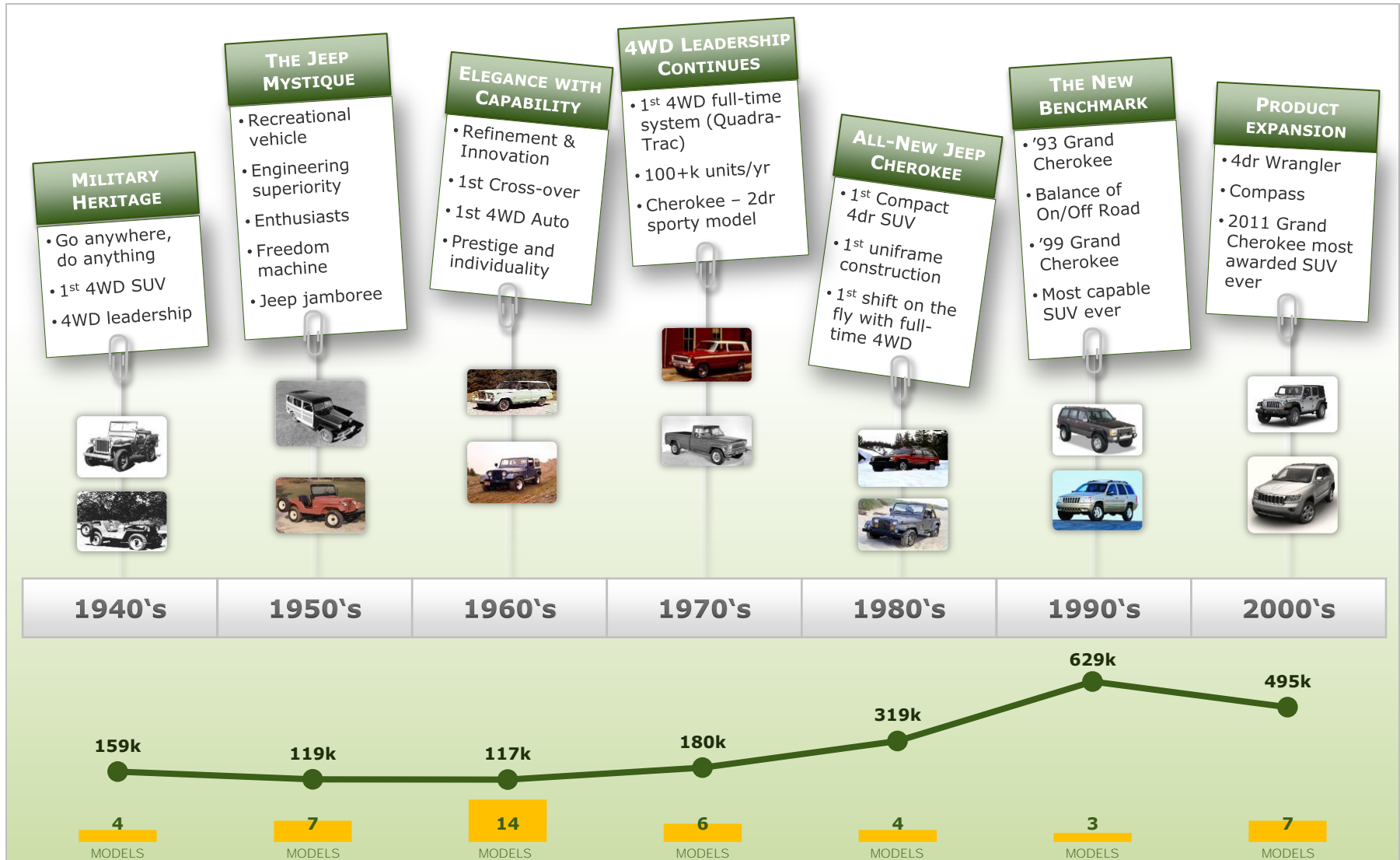


**Michael Manley**

President & CEO Jeep Brand

**FIAT**  
SOCIETÀ PER AZIONI

# Jeep origins and evolution



# The Jeep universe is far reaching



- Over 7 million Jeep vehicles on the road today
- Over 1,500,000 Jeep fans on Facebook
- 100,000 user generated Jeep YouTube videos and over 250,000 users downloaded photos from Flickr
- Over 2,000 Owner Clubs promote the brand on every continent
- Jeep is distributed in over 120 countries



**AUGUST  
2011  
> 1.5M**

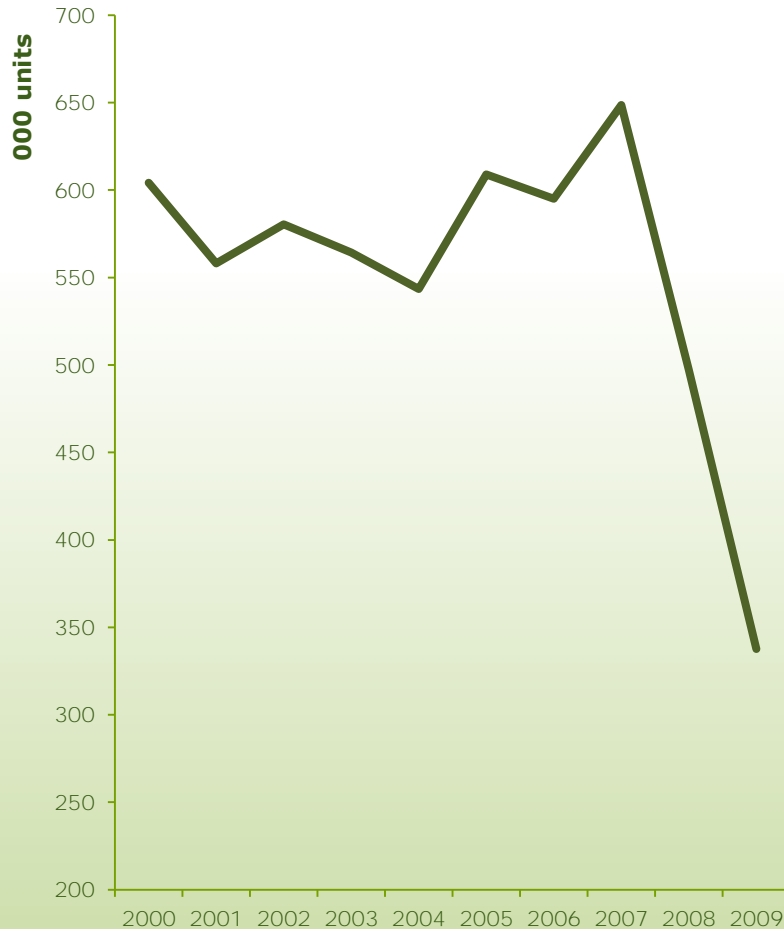


**NOV  
2009  
~300K**

# Recent history – Turbulent times



## Jeep global sales



## Market conditions

- Explosion of competitor models in SUV segment from 54 in 2000 to 111 in 2009
- Evolution of CUV segment
- Consumer demand shifted away from capability, towards on-road dynamics and fuel efficiency

## Brand and product

- Purchase intentions maintained by aggressive retail activity and investment in brand development was minimal
- Poor product lifecycle management
- Lack of consistent focus on brand DNA
- Poor engagement in social marketing

## Understanding the Jeep Brand Promise

### PHYSICAL



You have the power & capability to go



Be stronger, explore and have more adventures

### EMOTIONAL



You are free from the mundane, everyday responsibilities



You are inspired and challenged to do more

#### Core Values:

Unique

Freedom

Adventure

Authenticity

Passion

# Revitalizing an American icon on a global basis

Jeep core customers ... adventurers



*"Jeep is a great example of a brand telling a consistent brand story. It is a story about discovery, about not being fenced in, about the desire to be free. How many cubicle-bound office workers long for this feeling of freedom?"*

*Jeep never tells you 'we are the explorer.' What they do is give you the clues about the brand's core story."*

—Scott Cooper, *Tips & Traps for Marketing Your Business*



## DOERS

- Live and play in a world full of adventure and extraordinary journeys
- They NEED authentic gear to conquer the task at hand



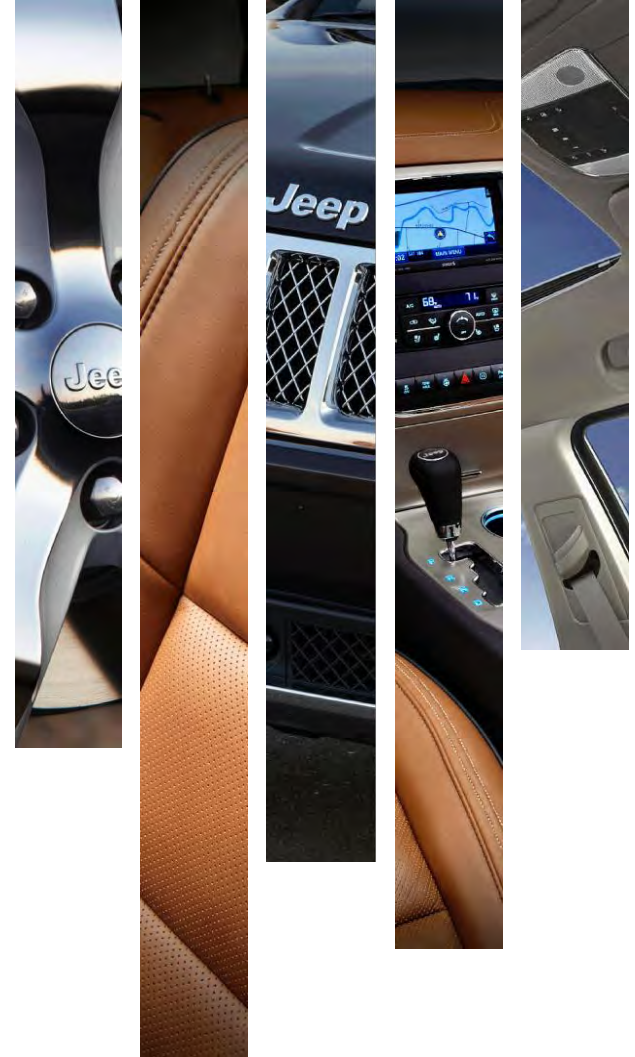
## DREAMERS

- By far the largest group. Time constrained by family and work, they have little time to actively participate in their dream
- They WANT authentic gear with the hope that one day **they'll be able to do more and dream less**



# Jeep®

"Be proud of your Name..."



**FIAT**  
SOCIETÀ PER AZIONI

# Revitalizing an American icon on a global basis



## WRANGLER



Styling

Functionality

Capability

Extreme Off-Road

## OTHER JEEP NAMEPLATES








1. Capability
2. Functionality
3. Dynamics / Fuel economy

### PRODUCT PRIORITIES

1. Dynamics / Fuel economy
2. Functionality
3. Capability

# Revitalizing an American icon on a global basis



	B SEG	C SEG	D SEG	E SEG			
2009		 Compass	 Patriot	 Liberty/Cherokee	 Wrangler	 Grand Cherokee	 Commander
2011 Year-to-date sales vs. 2010		 Compass 	 Patriot 	 Liberty/Cherokee 	 Wrangler 	 Grand Cherokee 	
<b>ALL NAMEPLATES REFRESHED OR RENEWED IN 18 MONTHS</b>							
2014	 B SUV	 C SUV	 D SUV	 Wrangler	 Grand Cherokee	 Grand Wagoneer	

# Revitalizing an American icon on a global basis



## DISTRIBUTION: LEVERAGE FIAT STRENGTH IN EUROPE AND LATIN AMERICA; JOINTLY DEVELOP IN ASIA

2009

### CHRYSLER OWNED

Sales + Marketing

Daimler back office



Global distributors



### INTEGRATED INTO FIAT GROUP STRUCTURE

Sales + Marketing



Jointly develop



Global distributors



EUROPE + LATIN AMERICA



ASIA

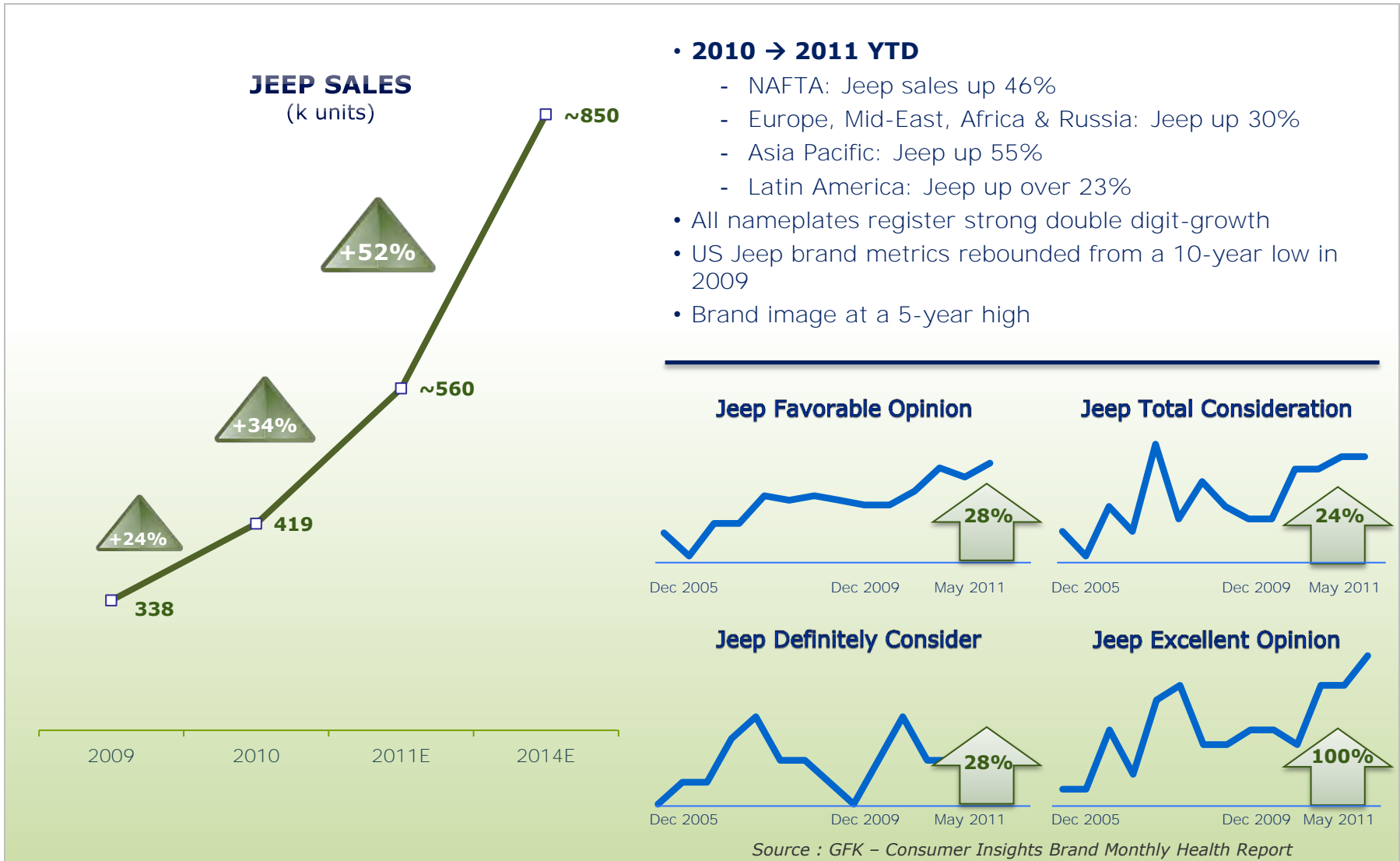


RoW

- Financial Services provided by Daimler Financial
- All back office support services provided by Daimler under service level agreement
- Sales & Marketing operations predominantly located within Daimler Operations

- Financial Services provided by: FGA Capital – Europe  
FIDIS – Latin America  
Fiat partners – RoW
- Significant expansion of dealer networks by ~25%
- Leverage distribution infrastructure & resources
- Integrate parts distribution & logistics

# Sales performance and outlook





# Back to Alfa

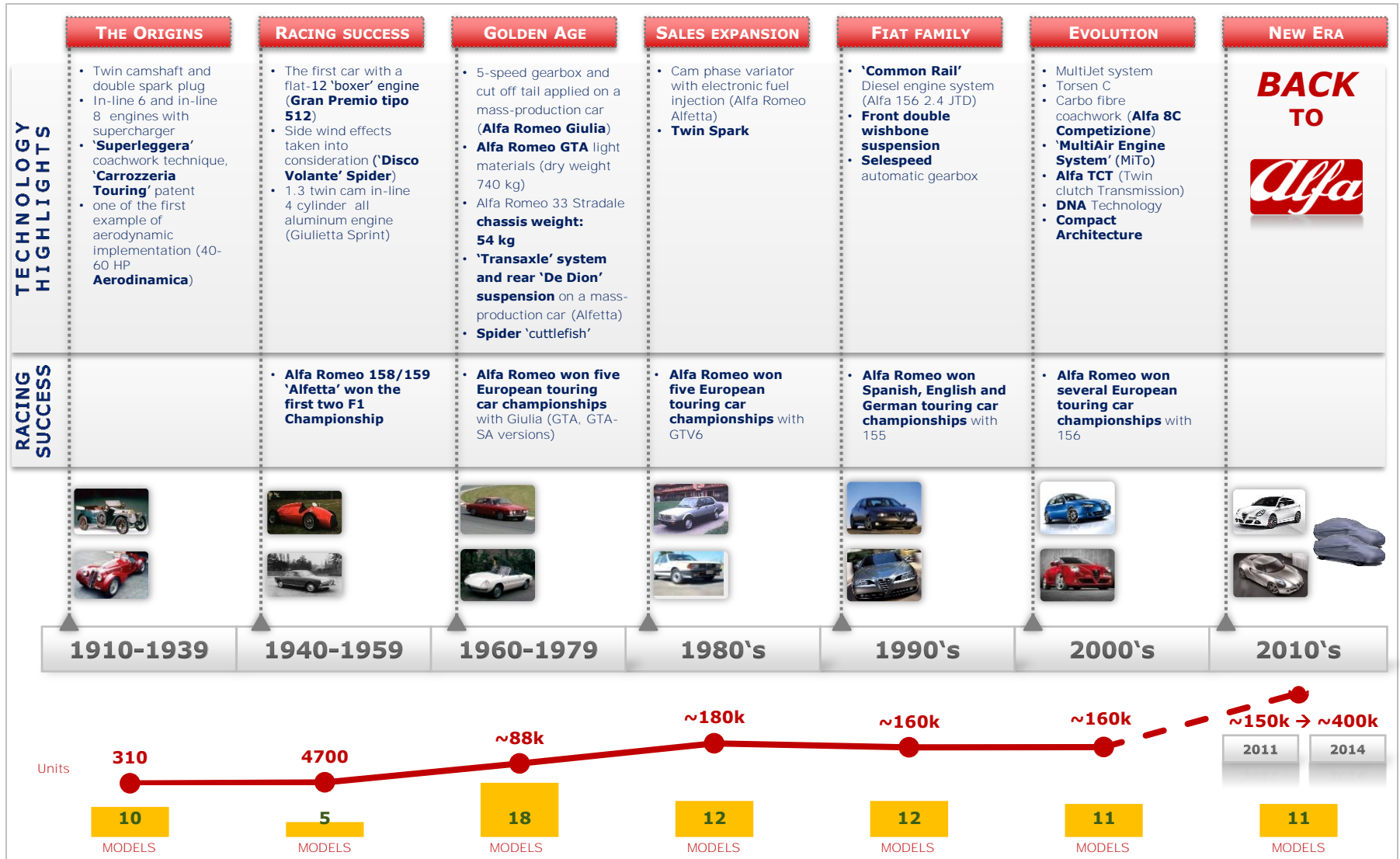
**Harald J. Wester**

Fiat Chief Technical Officer &  
CEO Alfa Romeo





# Alfa Romeo: the heritage



# Alfa Romeo: a global brand

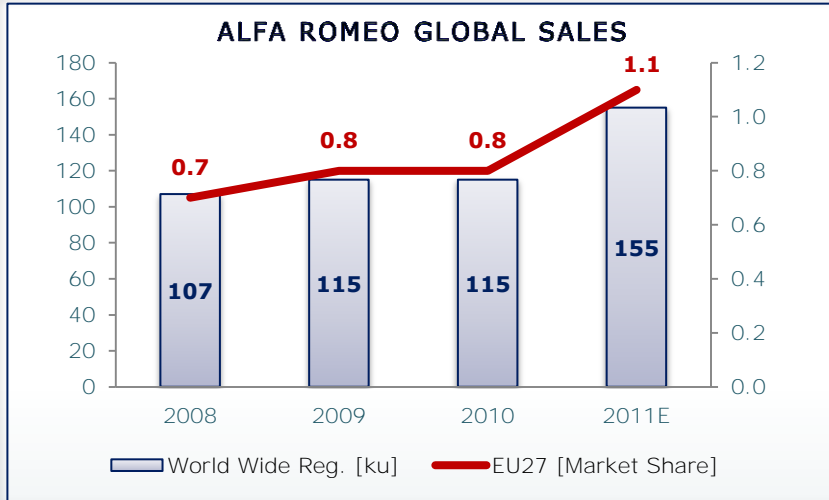
Over 100 owner clubs around the globe





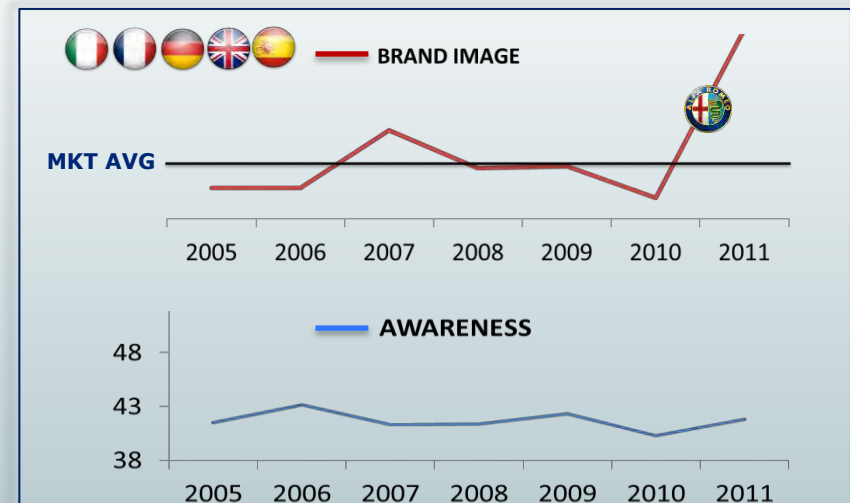
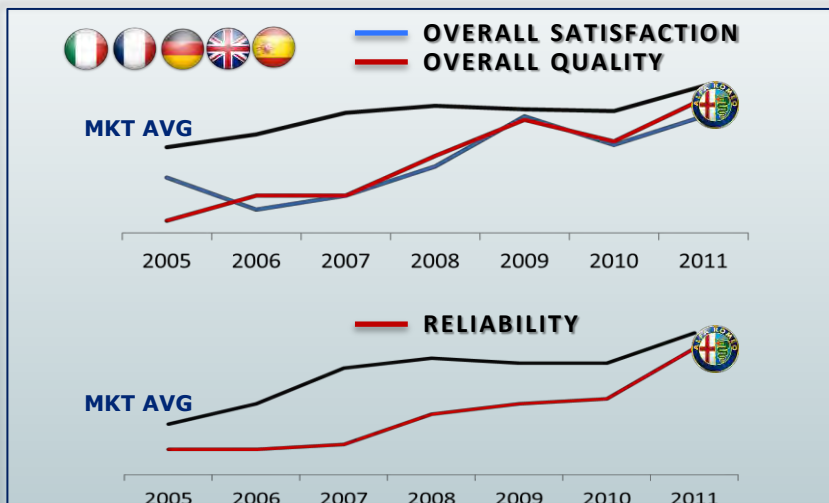


# Brand sales performance



## • 2010 → 2011E

- Europe: volumes up 30%
- RoW: 2x volumes
- Sales growth since launch of the two new models (MiTo, Giulietta)
- 2011 showing significant signs of growth in quality, customer satisfaction and reliability (closing gap vs. market average)
- Strong improvement of image



Source: CAR PARK, New Car Buyer Survey



# Alfa Romeo Giulietta



## Q2 commercial performance

- ~23k orders (100+k since launch in May 2010)
- ~23k shipments fully in line with 90-100k sales target for FY
  - ~90% shipments with high trim level
- Share of 3% in EU27+EFTA in C-segment, the highest level ever for Alfa Romeo

## State-of-the art powertrain offering

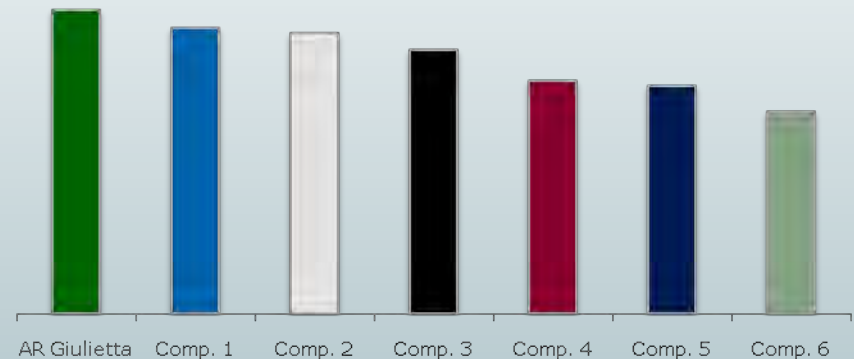
- Fuel-efficient MultiAir technology
- Competitive diesel MultiJet II
- Dry Dual Clutch Transmission "Alfa TCT", available in market starting H2
- Powertrains available across model range with best torque/power ratio compared to emissions

## • Best-in-class features in C-segment...

- Handling & dynamic performance
- Comfort
- Safety
- Quality
- CO<sub>2</sub> emissions in C-segment
  - 121g/Km of CO<sub>2</sub> for 1.4 MultiAir 170hp gas engine coupled with "Alfa TCT"

## • ...making Alfa Romeo Giulietta among best-in-class players in all main EU countries

## Residual value in C-segment (Italy; LTM trend)





# Alfa Romeo MiTo



- A new generation of Alfa Romeo drivers
  - First Alfa Romeo model especially designed for young drivers
  - First Alfa Romeo model styled after 8C Competizione, combining sensuality, technology, efficiency and performance
  - The **world's** sportiest compact car
- Technology Ambassador:
  - First car to introduce Alfa Romeo DNA
  - First car to launch MultiAir Technology
  - Alfa Romeo Active Suspension on 1.4 170hp (unique in segment)
- Highest average power sales mix of B-segment (105hp vs. 88hp), the best performing compact TCT (Twin Clutch Transmission) of 135hp category with best acceleration
- Mito is one of the **"safest"** compact car of its category with 5 stars EuroNCap, 7 airbags (unique in its class), Alfa Safety steering (DST) and Electronic Q2
- One of the most attractive cars in B-segment 3-door, capturing new customers and holding share vs. last year; also preparing to expand its offer with new 0.9 TwinAir gas engine & 1.3 JTD 90g/km diesel engine

## Average age





# Key challenges ahead

## Brand

- Global Alfa Romeo brand awareness to be improved
- Irrational: emotions with poor concrete support
- Consideration & opinion increasing
- Brand equity weakened compared to competition

## Product

- Life cycle management of product was poor
- Product development misaligned to market
- Lack of a consistent focus on brand DNA in portfolio
- Perception of brand focused on style

## Marketing

- Lack of consistency (Brand, Product, Communication)
- Focused on retail offers, distressing the brand

## Alfa Romeo Community

- Strong and loyal customer base (800k Facebook fans)
- Inconsistent customer touch points
- Engagement in social marketing poor
- Alfa Romeo clubs not leveraged for advocacy



# Brand positioning and values

## Brand Positioning

An Italian brand with a strong commitment to advanced technology, performance and style, that will become a global competitor in “near-premium” segments within 3 years

## Brand Promise

Provide advanced cars, that delivers Italian design and a dynamic and active driving experience

### CORE VALUES



#### LIGHT & EFFICIENT

Weight  
Aerodynamic  
Consumption



#### ITALIAN STYLE

Sensuality  
Flowing



#### ADVANCED TECHNOLOGY

Vehicle  
Powertrain



#### DYNAMIC

Performance  
Handling

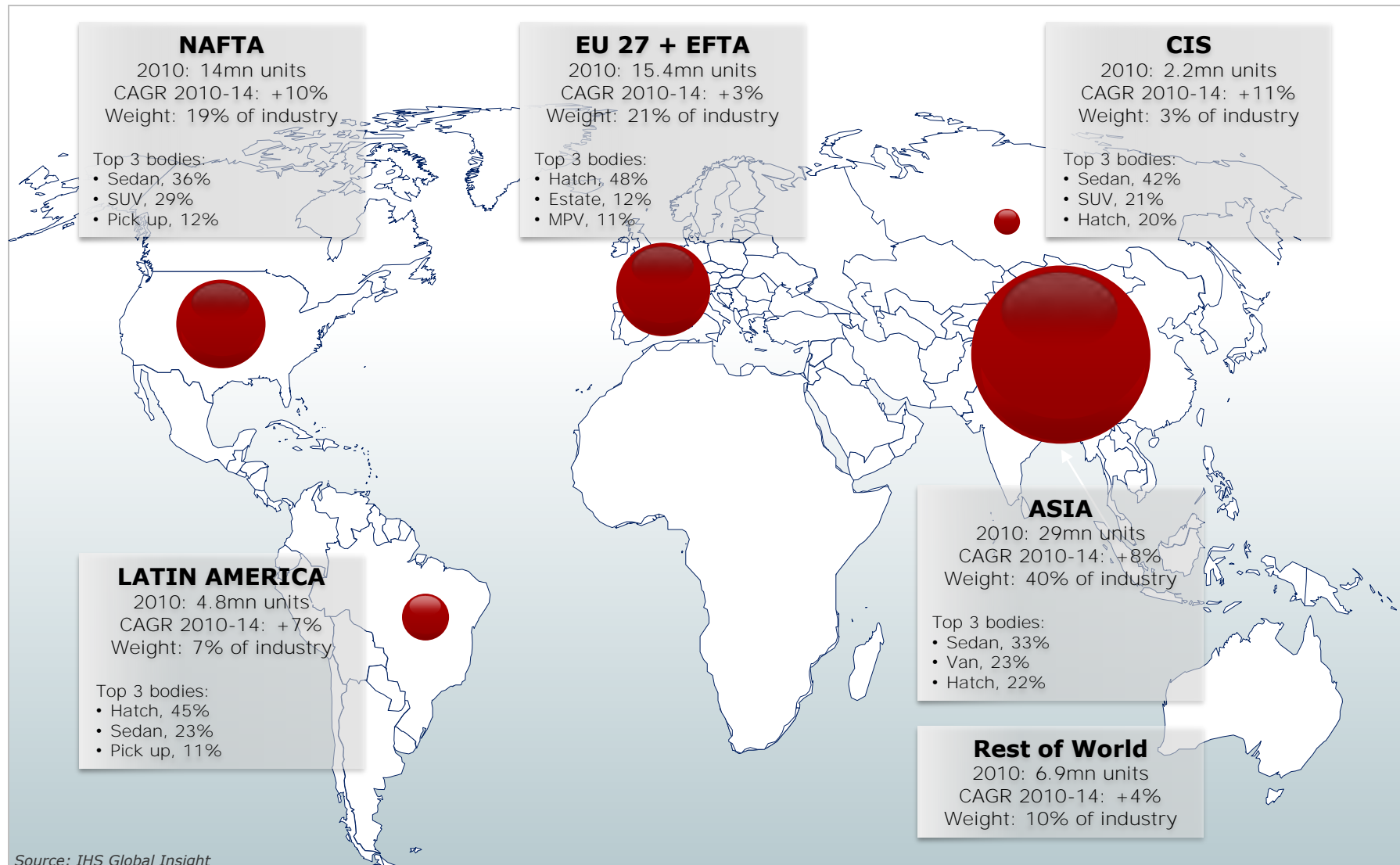


# Brand positioning and values



# Global industry overview

## Passenger cars & LCVs



Source: IHS Global Insight

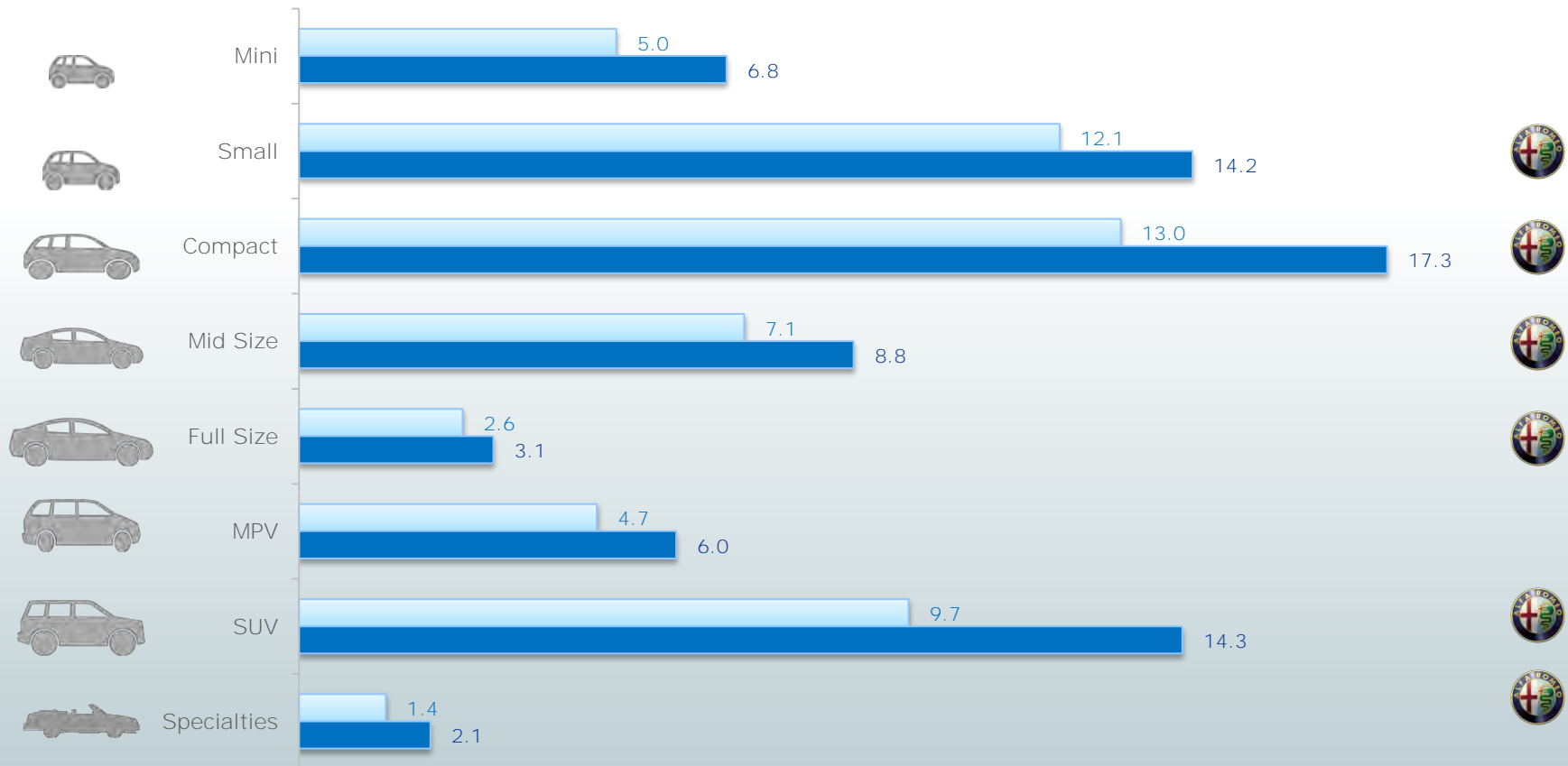
# Global industry overview

## 2010-14 segment trends



Million units

2014 product range to cover **80% of worldwide market**



Source: IHS Global Insight

■ 2010 ■ 2014





# 2010-14 product plan



## 4C UNVEILED AT GENEVA MOTORSHOW

- **Brand "igniter" (technology & performance)**
- A "supercar" taking up brand's sporting tradition, set to reinforce global growth
  - Light weight technology
  - 1<sup>st</sup> Alfa Romeo car re-entering the US market
- A 2-seater also embedding technology & materials derived from 8C Competizione



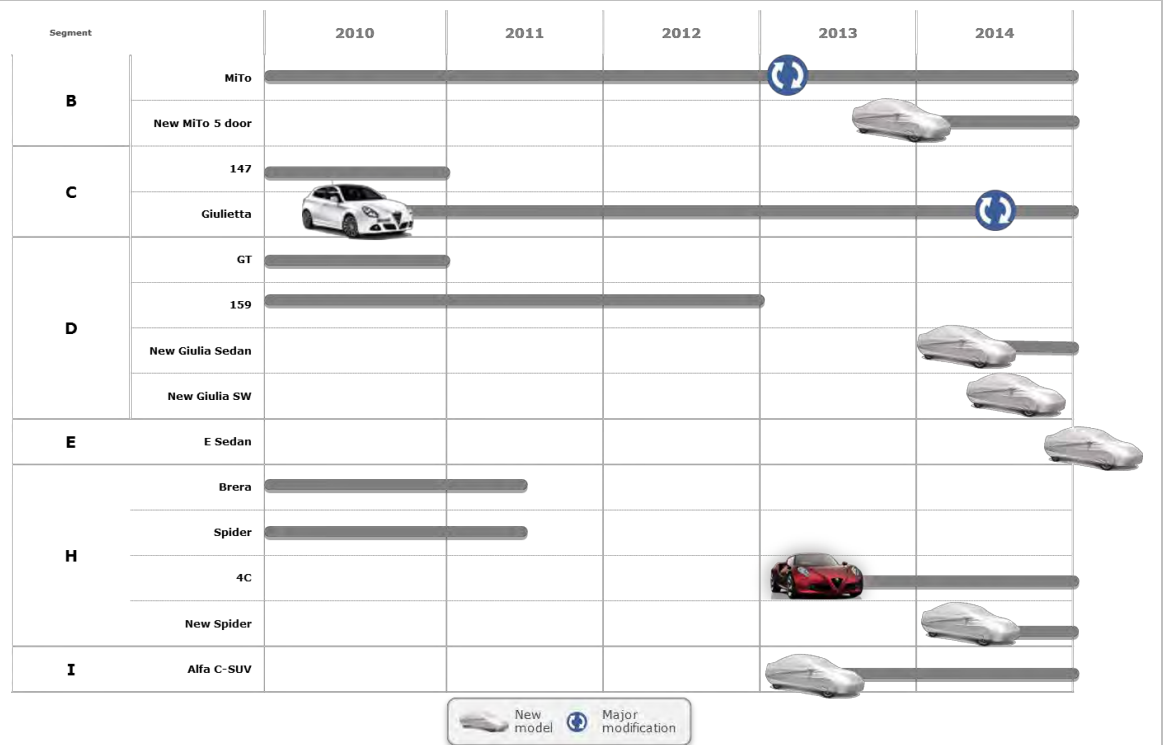
## SUV

- **Brand sales pillar worldwide (growing segment)**
- Full availability of tractions/transmissions
- Typical SUV versatility (roominess, boot,...) with true Alfa Romeo performance (agility, handling)
- Reduced TCO costs (low consumptions/emissions, maintenance, residual value...)



## LARGE SEDAN

- **Brand image and credibility (RWD, V6)**
- AR return in the flagship sedan segment
- Performance, comfort and reduced TCO costs



## GIULIA

- **Brand sales pillar worldwide**
- New generation of Alfa Romeo sedan and sportwagon
- Competitive product combining comfort, versatility and driving pleasure
- Reduced TCO costs (low consumptions/emissions, maintenance, residual value...)



## NEW SPIDER

- **Brand igniter (awareness- & image increase)**
- DNA of the brand (fun to drive, style)
- Light weight (high power/weight ratio)



# The near future

## REGAIN TRACTION IN EUROPE

Through **new and enhanced product offer**

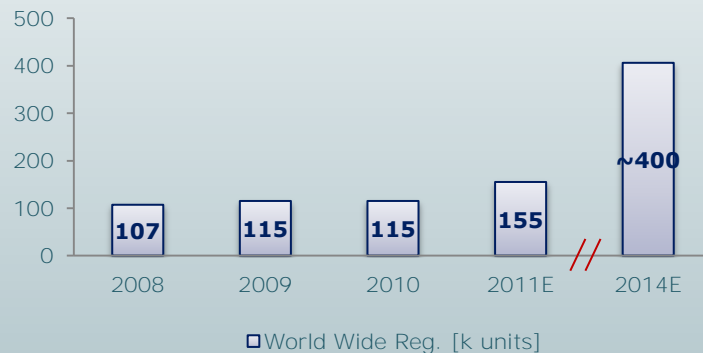
- **Enhancing unique combination** of advanced technology, performance and efficiency
- **Capitalizing on core values**
- **Increasing commercial focus** through a completely renewed dealer network
- **Providing tangible evidence** on rational, TCO and functionality (roominess, ease of use, quality)

## INTERNATIONAL EXPANSION

- Through **network benefits** from integration with Chrysler

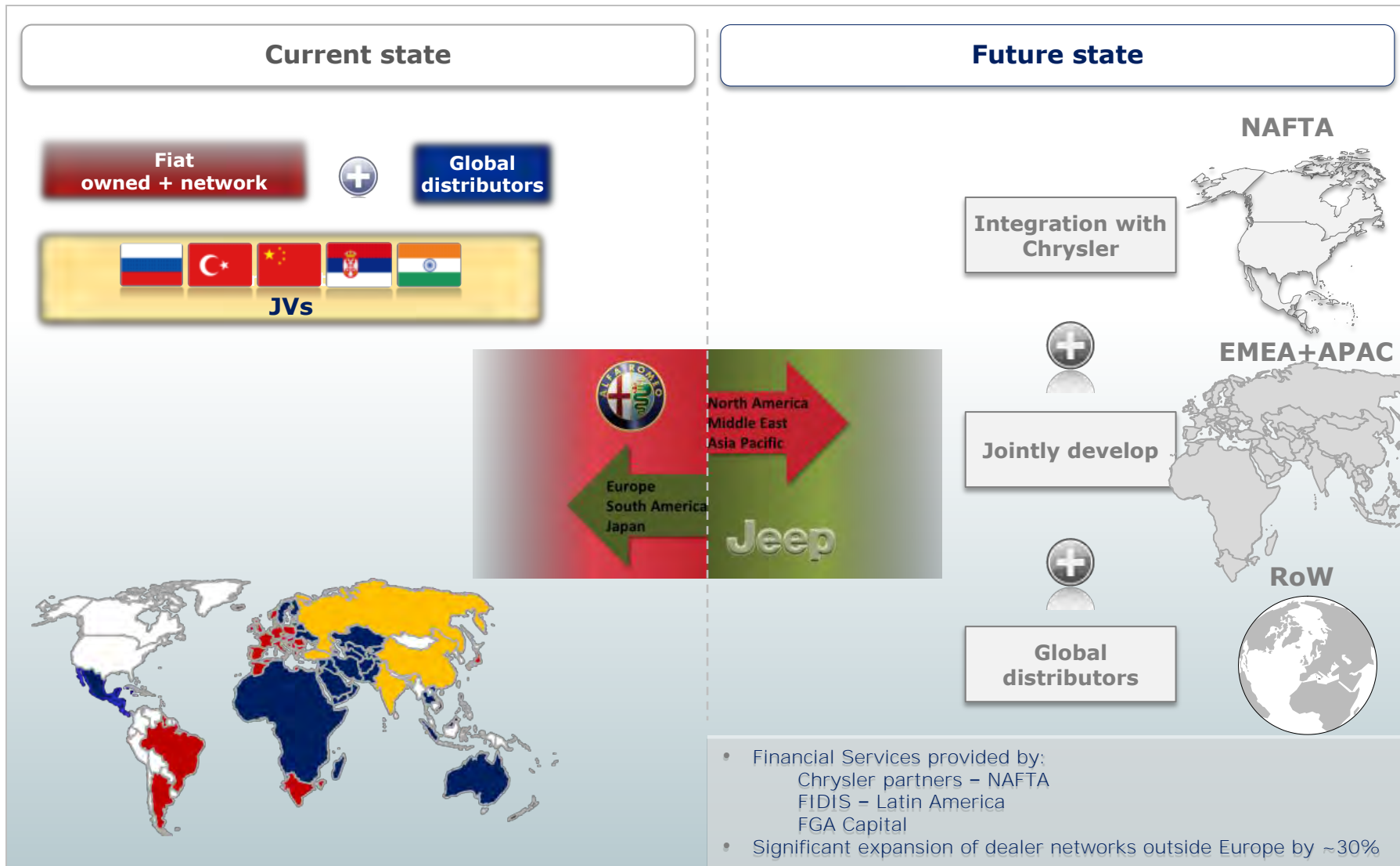


- **New product features** in line with WW market requirements
- Through start of operations of new **JV agreements**



# The near future

Distribution: leverage Chrysler strength in NAFTA; jointly develop in Asia





Fiat & Chrysler:  
sharing same genetics  
underneath

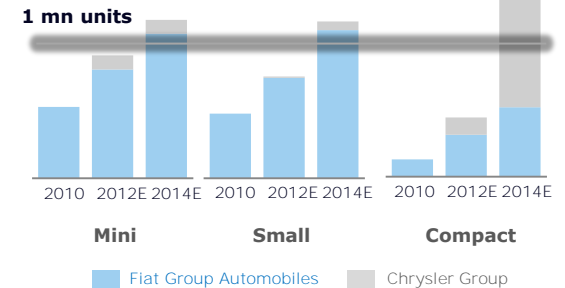


# Complementary integrated architecture and product strategy



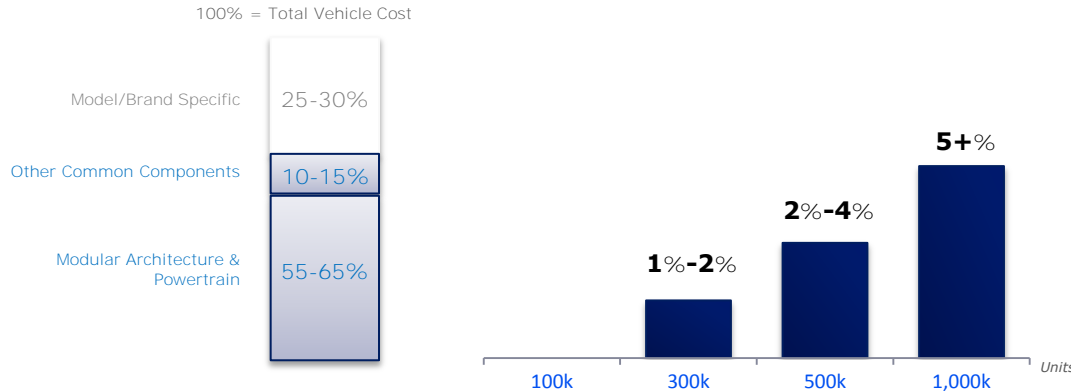
- Clear delineation of responsibilities between Fiat and Chrysler Group
  - Architecture management
  - Product development applications
  - Designated lead plants
- Fiat and Chrysler each to focus on their core strengths
- Maximize architecture convergence and components standardization
- By 2014, Fiat to move from 11 to 5 architectures, Chrysler from 11 to 7 (excl. trucks and specialties)

The 3 main architectures expected to exceed 1mn units each by 2014



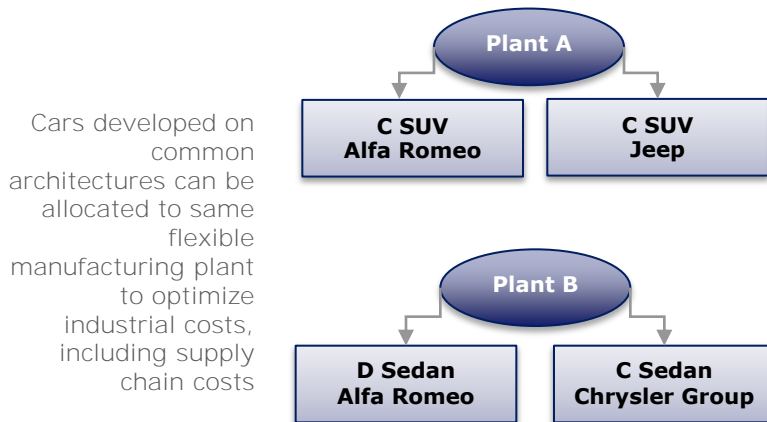
# Architecture convergence & component standardization to yield significant benefits

## Purchasing efficiency range (case study)

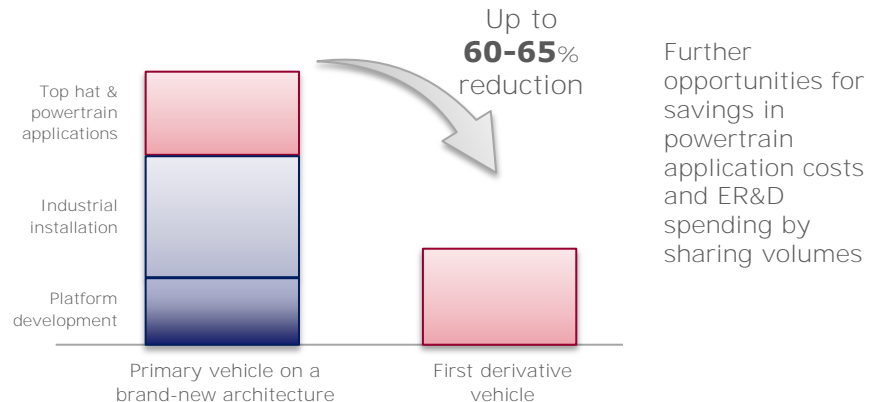


- Reduced investment & development costs
- Shortened time-to-market
- Increased economies of scale
- Improved quality & reliability
- Optimized production capacity utilization & manufacturing flexibility

## Optimal allocation of production (case study)

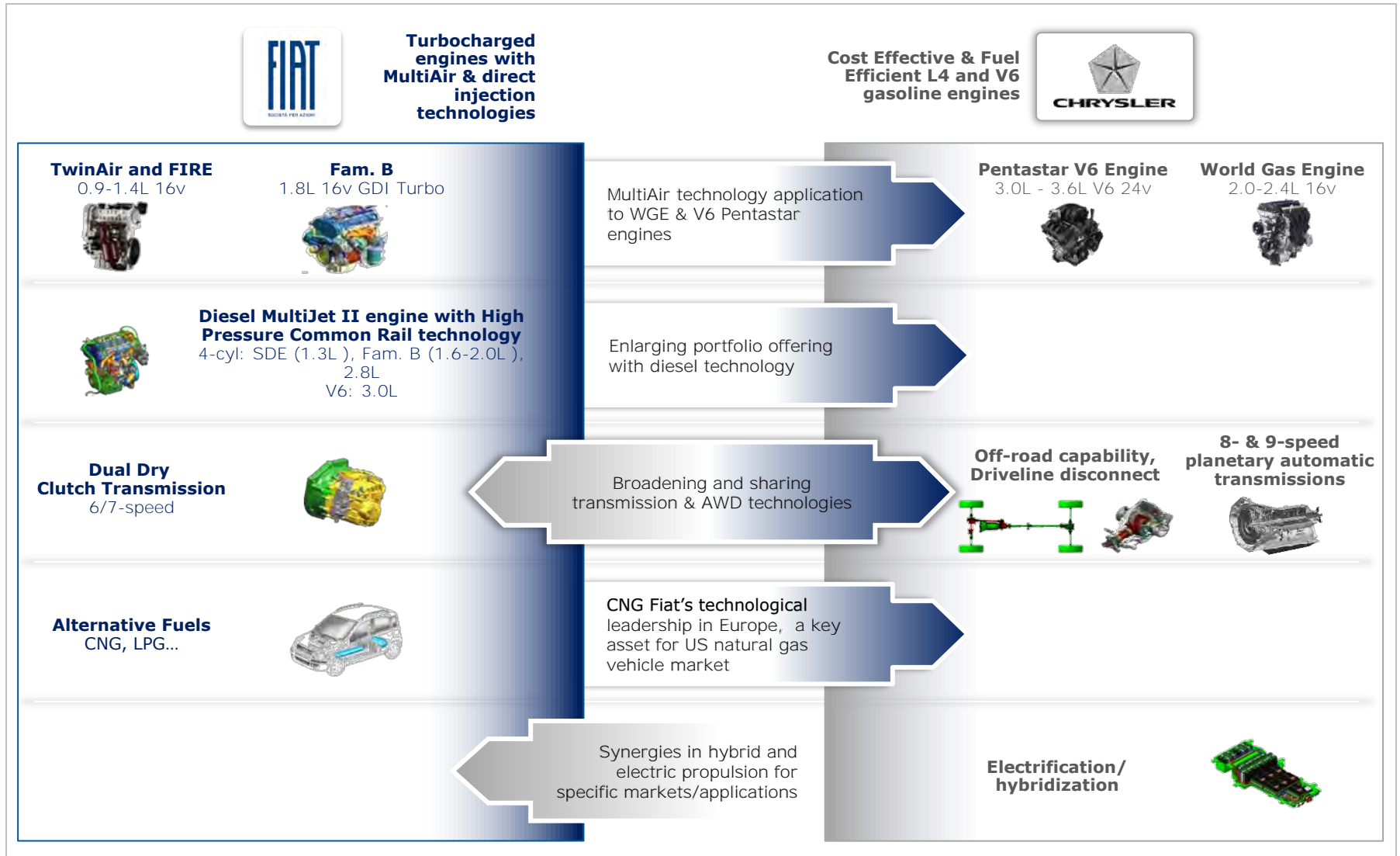


## ER&D and Capex savings (case study)



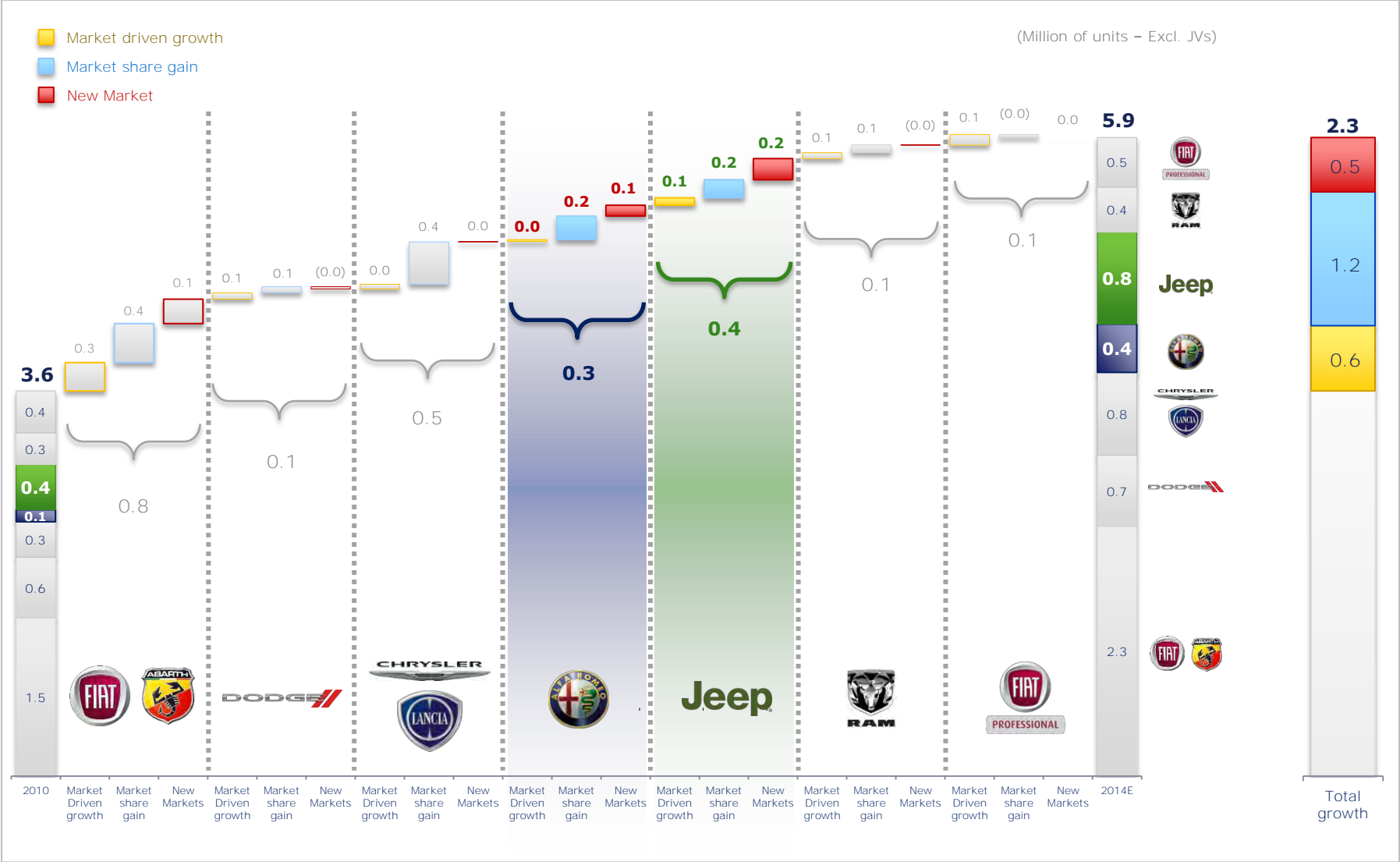
# Fiat & Chrysler technology and know-how sharing

## A win-win combination



# Critical mass, greater geographic diversification

## Fiat & Chrysler combined volumes





# Contacts

## Fiat Investor Relations Team

**Marco Auriemma** ☎ **+39-011-006-3290** **Vice President**

**Alexandra Deschner** ☎ **+39-011-006-2308**

**Paolo Mosole** ☎ **+39-011-006-1064**

**Sara Nicola** ☎ **+39-011-006-2572**

**Maristella Borotto** ☎ **+39-011-006-2709**

**fax: +39-011-006-3796**

**email: [investor.relations@fiatspa.com](mailto:investor.relations@fiatspa.com)**

**website: [www.fiatspa.com](http://www.fiatspa.com)**

