Our plan leverages the resources of a Global Company.
‘10–14: an unforeseeable journey through the perfect storm, but the ship contained the damage

### Slump in European market demand, with Italy affected at the most

**Eu28+EFTA**
- **PASSENGER CAR AND LCV**
  - @Inv. Day Apr. '10
  - @Inv. Day May '14

**ITALY**
- **PASSENGER CAR AND LCV**

### Product launches

<table>
<thead>
<tr>
<th>Announced @ Inv. Day Apr. '10</th>
<th>Product launches '10-'14</th>
</tr>
</thead>
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</table>

### Manufacturing capacity Utilization @ 2014 (Harbour)

- 100%
- 67%

### Sales forecast @2014 (Million units)

- forecast @ Inv. Day Apr. '10: 2.15
- forecast @ Inv. Day May '14: 0.93

### Network Development (10-14) Points of Sales

- forecast @ Inv. Day Apr. '10: 30%
- POS evolution: (2%)
In Europe difficult trading conditions continued throughout 2013...

Decreasing demand: FY industry down 1.6% (EU28+EFTA, Passenger cars & LCV)

**Market Volumes Decreased for the 6th Year in a Row**

2007-13 Market Trend, Million Units

2013 H2 Represented the End of the Decline: Strong Recovery Signals in UK and Spain, Italy Limiting the Deterioration but Still Suffering the Most

2013 YoY Market Trend

Highly competitive environment: enduring price pressure

**List Price Following Same Pattern of Consumer Price Index in Germany, While Transaction Price Lagging Behind Both in Italy and Germany**

2007-13 Price Trend (A-, B-, C- & D-Segment)

2007 Index = 100
...but FCA in EMEA significantly reduced losses while re-focusing and realigning FIAT Brand

Sustained improvement driven by:
- More favorable mix driven by product portfolio repositioning strategy
- Enhancement of industrial cost efficiencies with 4 plants reaching Gold WCM level
- Optimization of advertising spending by re-channeling resources to 5oo Family
- Continued tight grip on G&A costs
- Decision not to engage further in value destructive price competition improving channels’ mix

Structural shift of FIAT Brand towards upper layer of core segments
- Expanded 5oo Family with 5ooL, Trekking & Living variants, adding to iconic hatchback model (1+M units sold in Europe since launch in 2007)
- 5oo Family now representing 33% of brand sales (20% in 2012)
- Segment leadership in FY 2013 for 5oo (A-Segment, first-time since launch) and 500L (Small-MPV) in EU27+EFTA
- 3 out of 4 Fiat 5oo sold outside Italy
Pillars of the plan

1. Industry
2. Portfolio evolution
3. Dealer network
4. Capacity utilization
Industry trend and forecast
Passengers cars & LCV, Million units

**EMEA**

CAGR 3.4%

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<tbody>
<tr>
<td>Sales</td>
<td>21.1</td>
<td>21.2</td>
<td>22.0</td>
<td>22.9</td>
<td>24.0</td>
<td>25.0</td>
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</table>

**EU28+EFTA**

CAGR 3.2%

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<tbody>
<tr>
<td>Sales</td>
<td>13.8</td>
<td>14.2</td>
<td>14.7</td>
<td>15.2</td>
<td>15.7</td>
<td>16.1</td>
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**Italy**

CAGR 7.1%

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<tbody>
<tr>
<td>Sales</td>
<td>1.4</td>
<td>1.4</td>
<td>1.6</td>
<td>1.8</td>
<td>1.9</td>
<td>2.0</td>
</tr>
</tbody>
</table>

**Other EMEA countries***

CAGR 3.9%

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<tbody>
<tr>
<td>Sales</td>
<td>7.3</td>
<td>7.0</td>
<td>7.3</td>
<td>7.7</td>
<td>8.3</td>
<td>8.9</td>
</tr>
</tbody>
</table>

Source: IHS, April 2014. Iran not included  
* Including: Russia, Eastern Europe, Turkey, Middle East and Africa

EMEA Region
### Industry outlook by segment
#### 2013-18, Passengers cars & LCV (EMEA)

<table>
<thead>
<tr>
<th>Segment</th>
<th>2013 (k units)</th>
<th>2018 (k units)</th>
<th>CAGR '13-'18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mini Cars</td>
<td>1.337</td>
<td>1.497</td>
<td>2.3%</td>
</tr>
<tr>
<td>Small cars</td>
<td>4.468</td>
<td>5.377</td>
<td>3.8%</td>
</tr>
<tr>
<td>Compact Cars</td>
<td>2.129</td>
<td>2.478</td>
<td>1.7%</td>
</tr>
<tr>
<td>Mid &amp; Large Cars</td>
<td>462</td>
<td>514</td>
<td>3.1%</td>
</tr>
<tr>
<td>MPV Small</td>
<td>1.147</td>
<td>1.205</td>
<td>2.1%</td>
</tr>
<tr>
<td>MPV Compact &amp; Large</td>
<td>799</td>
<td>1.495</td>
<td>1.0%</td>
</tr>
<tr>
<td>Small SUV</td>
<td>1.495</td>
<td>1.656</td>
<td>13.3%</td>
</tr>
<tr>
<td>Compact SUV</td>
<td>2.018</td>
<td>1.367</td>
<td>4.0%</td>
</tr>
<tr>
<td>Mid &amp; Large SUV</td>
<td>1.673</td>
<td>1.768</td>
<td>4.1%</td>
</tr>
<tr>
<td>Specialties</td>
<td>193</td>
<td>250</td>
<td>5.3%</td>
</tr>
<tr>
<td>Pick Up</td>
<td>516</td>
<td>561</td>
<td>1.7%</td>
</tr>
<tr>
<td>LCV</td>
<td>2.122</td>
<td>2.523</td>
<td>3.5%</td>
</tr>
<tr>
<td>Others</td>
<td>821</td>
<td>951</td>
<td>3.0%</td>
</tr>
</tbody>
</table>

Source: IHS, April 2014. Iran not included
EMEA Region
Industry trend in terms of Customer: increasing bi-polarity
Passengers cars (EU 28+EFTA)


EMEA Region
A new Brand strategy ready to be rolled-out

Guidelines for a new product portfolio...

• Shift a significant portion toward **higher margin opportunities** exploiting the potential of our **Brands’ Equity** (Alfa Romeo, Jeep, FIAT 500 Family) ...
• ... focusing, at the same time, on a **more accessible offer** to meet **market increased bi-polarity**, maintaining attractiveness on **budget conscious consumers**

...through Brands positioning

• **Alfa Romeo** re-entering and **Jeep** increasing its presence in the Premium battlefield
• **FIAT** brand re-shaping to meet both higher margin objective and budget driven demand
• **FIAT Professional** consolidating as a Profit Pillar
• **Sustain leadership in core segments**: Mini car, LCV and Small MPV.
• **Regain key position** in the **Compact Cars segment**
• **Conquest a primary role through products line expansion** in
  • SUV segments: reinforce presence leveraging Jeep Brand traditional strength
  • CUV and Mid-large cars: enter these segments with a brand new Alfa Romeo line-up, fully respecting its DNA
• **Pick up**, with the launch of a new Global product

Source: IHS, April 2014. Iran not included
Note: numbers may not add due to rounding – including JV EMEA Region
Sales by sub-region
Passengers cars and LCV (EMEA), Million units

Note: numbers may not add due to rounding – Including JV
EMEA Network strategy

Deliver premium-quality customer experience across all brands

Resize dealer network to improve network sustainability still maintaining / expanding market coverage

Focus and upgrade Alfa / Jeep franchise combination

Reorganize network coherently with Lancia becoming an Italy-driven brand
EMEA Dealer network evolution

• Fiat and Alfa decreasing their **number of POS** by ~15% to increase network sustainability
• Jeep to increase the network size by ~ 25%, to sustain volumes ambition

• **Throughput / POS** increased by around 60% on average

• **Market coverage** increased at ~ 90% min for the main Brands
EMEA Manufacturing strategy and job done so far

EMEA target is to Utilize its production base to **fuel WW volume Growth**

- **Supporting** our global premium brands expansion (Maserati, Jeep, Alfa Romeo) and Fiat 500 Family
- **Focusing** existing production capacity in Italy on higher value-added production
- **Supporting** a significant increase in export volumes

Relevant plant actions have already been Kicked-off in Italy

- Production of Maserati Quattroporte and Ghibli in **AGAP plant** with overall investment of around €1B
- **Melfi** investment program of €1+B, including modification to existing production processes to accommodate new modular architecture and produce Fiat 500X and Jeep Renegade
  - Plans for future activities at **Sevel** plant (~€700M over 5 years)
  - Refurbishment of **Mirafiori** plant for production of new models, including a Maserati luxury SUV
All EMEA plants are involved in the investment plan

Vehicle Plants 9
Powertrain Plants 6

Partnerships
(1) PSA GROUP
(2) KOÇ GROUP
(3) FORD GROUP
(4) REPUBLIC OF SERBIA

EMEA Region
Plan’s impact on capacity utilization

**EMEA (capacity utilization)**

- Harbour 2013: 66%
- EMEA centered products: 100%+
- Global Products: 100%+
- Harbour 2018: 53%

**Italy (capacity utilization)**

- Harbour 2013: 53%
- EMEA centered products: 100%+
- Global Products: 100%+
- Harbour 2018: 66%

**The plan will allow EMEA region to reach ~40% of export on total production in 2018**

Harbour definition: 235 days p.a. / 16 hours per day

EMEA Region
A challenging starting point ...

- **European market** slowly coming back, but currently mainly relying on Fleet and with an intense price competition

- Group perceived as mainly dependent on **small models** in the **mass-market**, that need to **move up-market**

- **Dealer Network** to be strengthened to deal with a Premium offering

- **Manufacturing capacity** available to deal with Premium and export volumes
EMEA Industry expected to grow, reaching 25.0M in 2018, with Europe still below pre-crisis level.

FCA Portfolio evolution sales targeting 1.5M units in 2018, driven by 34 new models, increasing market coverage by ~10% and better leveraging industry growth.

FCA Dealer network evolving to improve network sustainability and deliver premium-quality customer experience across all brands.

FCA Capacity utilization exceeding 100% both at Italian and EMEA level.
A comprehensive approach to improve margins

Re-shaping Brands and increasing their equity
- Shift toward higher margin opportunities
- Focus Brands on their core segments to avoid overlaps

Launching a portfolio of market-fitting products
- Allowing a better control on channel-mix
- Positioned to compete in terms of features, avoiding “price-wars”
- Able to meet increasing demand for fuel efficiency

Managing the cost structure
- Devoting capacity to export, to improve fixed costs absorption
- Continued tight grip on G&A costs
A first step forward...
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EMEA Region