

FCA INVESTOR DAY

OPENING REMARKS

Auburn Hills, May 6, 2014

Good morning everyone and welcome.

“There is a world where people don't just let things happen.

They make them happen.

They don't check their dreams at the door.

They get involved.

They take risks.

They leave their mark.

It is a world where every new day and every new challenge brings the opportunity to craft a better future.

The people who live there never live the same day twice, because they know there is always something that can be done better.

That exceptional world belongs to those people as much as they belong to it.

They bring it to life with their hard work, shape it with their talent and stamp it indelibly with their values.

It may not be a perfect world and it certainly is not easy.

No one sits on the sidelines and the pace can be furious, because these people are passionate - intensely passionate - about what they do.

Those who choose to live there believe that taking responsibility gives deeper meaning to their jobs and their lives.

Welcome to that world.

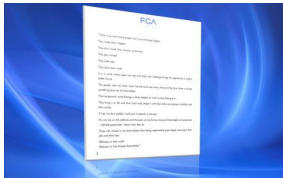
Welcome to Fiat Chrysler Automobiles.”

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Welcome to Fiat Chrysler Automobiles.”*

Those words of welcome are taken from the letter that we have been presenting to new employees at Chrysler for a while now to introduce them to the culture of the company.



Starting today we will use that same letter to welcome everyone joining the FCA Group worldwide.

I felt it was a fitting way to begin, because it gives an idea of the very spirit driving the plan that we are about to present to you today.

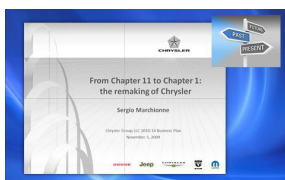
Every one of the numbers, every one of the industrial, commercial and financial targets in the plan embodies the collective ambition of the people who make up this group, the 300,000 men and women who have dedicated their professional capabilities, personal qualities and passion to this exciting and worthwhile project.



* * *

Today is a big day for a number of reasons.

Many of you were here in 2009 when we presented the turnaround plan for Chrysler.



Some of you were also in Turin the following year when we presented our plan to separate the existing activities of Fiat Group into Fiat and the current CNH Industrial, which shortly thereafter began to operate as two distinct and independent groups with the freedom to pursue their own strategic paths.



Those of you who have been around for the last decade will also remember the steps leading up to that moment: the Balocco meeting in the summer of 2004, a time when we were buried in one of the darkest chapters of Fiat's history. And then again in Lingotto in 2006, when having proven we could survive, we set out our strategy for the development of Fiat as an automotive conglomerate.



Today is different.

We stand before you as a global carmaker.

The plans presented back then represented important new chapters for both Chrysler and Fiat.

But today is more than a new chapter.

We are beginning to write a completely new book.



This is the first time that Fiat and Chrysler are presenting themselves and their future plans as a combined entity, as a whole person.

This is the first time that we are presenting ourselves as a single global organization, one that is now the seventh largest automaker in the world.



It is also the first time that you are seeing a united management team, the team that now has the responsibility and privilege of leading our new Group.

Finally for you and for 14,000 employees that drove into our workplace here this morning, it represents the first time that the FCA logo has appeared on one of our world-wide facility entrance signs.



* * *

I have been waiting for this day for a long time.

Every day for the past five years my colleagues and I have been working single-mindedly to make this vision a reality.

Our vision was not only about global cooperation at the industrial level, but even more importantly, about achieving the much more difficult task of cultural integration.



We knew we had a lot of hard work to do to achieve that vision.

I am not talking about the lengthy negotiations with the various stakeholders which ultimately led to the unification of the ownership structure of Fiat and Chrysler in January this year.

Ownership and legal structure aren't the defining factors of a successful integration.



Understanding, trust and mutual respect are.

For the union between Fiat and Chrysler to be successful, these elements needed to exist in actuality before FCA did on paper.

The history of the auto industry is littered with examples of alliances that failed because there was a lack of will to share, because there was a climate of distrust and inequality between partners, each far more concerned with protecting their proprietary technologies than actually building a future together.



In the last five years, Fiat and Chrysler have learned to work together and to trust each other.



They made each other stronger through the sharing of ideas and experiences.

And today they are committing to a common future.

We have transformed differences into strengths, knocked down nationalistic barriers and established a set of common values.

We now share industrial know-how and resources, expansion opportunities and targets, challenges and ambitions.



Our being here today to present what this complex machine of 300,000 people will achieve over the next few years represents the first day of the new life of Fiat Chrysler Automobiles.

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I don't plan to give away any of the details of the plan at this stage but I wanted to give some perspective to what you will hear over the course of today:

- What and who are behind the plan,



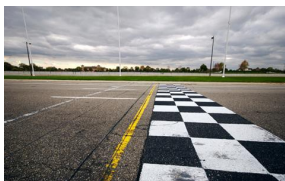
- what issues it addresses,



- how we plan to put it into practice



- and where it will take us.



The process involved passionate debate and deliberation from the leadership team.



It was crafted in an environment where the freedom to think, discuss, and debate is unencumbered.

The details and the ambitions of the plan are not necessarily unanimous and, in some cases, not even based on a majority.

But, because of the open environment we have created, once the direction is set, the team is undivided in purpose.



And this brings me to who and what kind of people are behind forging our future path.

The individuals you will hear from today are an excellent example of the leadership team we have in place at FCA.



Unfortunately, with the limited time available, it just was not possible to have you hear from the entire team.

I hope, however, that you will have the opportunity to meet and talk with some of them over the course of the next couple of days.

I can tell you first-hand that they are a group of exceptional individuals with enormous passion for this worthy project and for the opportunity to build a legacy that can be passed on to those who will come after them in the organization.



Our leadership team is culturally, professionally, intellectually, and behaviorally diverse.

But they have a common thread, the strongest bond possible: it is a team of survivors.



Whether they come from Fiat or Chrysler, they have been to hell and back, they know what it means to feel lost and beyond hope.

Survivors are different people, special people.

They embrace risk, they savor the experience, and they carry the humility of having failed.



As for how we will face the challenges ahead, the answer is by being aware that the world today is extremely flat.



And in a flat world, you can't be secure in your home market if you are not also able to compete in other markets.

On the other hand, the alternatives and opportunities are multiplied.

The team and the enterprise will need to learn to operate globally as one entity.

Meeting this plan will require an operating and cultural integration that reflects the demands of a flat world.

We have already begun to flatten the world for FCA and we are going to speed up and intensify these efforts in the coming months.

I know that a number of questions regarding the future of individual businesses and the Group as a whole have, until today, gone unanswered.



Questions about our commercial and industrial strategies; our plans for individual brands, particularly the revival of Alfa Romeo; how we intend to develop Jeep's global presence, particularly in Asia and Brazil; how we plan to position the Fiat brand both in Europe and internationally.

Questions about our intended strategy and timing to achieve the level of worldwide sales necessary to be a sustainable competitor.



Questions about financial performance, such as when we expect FCA's trading margins to be in line with other major OEMs and what level of resources will be required to implement our plan.

Our objective today is to respond to each of those questions.



Today we will bring all the various pieces of the mosaic together for you.

Up until now, we have been working on laying the necessary foundations to take this project forward.

Now we are ready for the next step.



What you are about to hear is a courageous plan that, in several respects, represents a major break with the traditions of the past.

Many of the targets we have set and the strategic choices we have open to us are the direct result of our ability to now act as a single entity.

You may ask yourself why we set such an ambitious plan - when others don't - and why we personally chose this difficult business that is capital intensive, hyper competitive, cyclical in nature, and enormously complex.



The truth is that we set the plan this way because mediocrity isn't worth the trip. And we know that our FCA culture responds better to purpose and challenge.

We chose the business because we can make a lasting impact on people and generations of people in a far reaching way at a wide range of social/economic class. Much, much farther than most businesses and institutions can ever reach.



Please be open to what you are about to hear.

More than just a business plan, it represents the collective ambitions and determination of the men and women at FCA.



We will begin by presenting our sales targets, product plans and strategic development targets for the plan period by brand first and then by region.



There will then be separate presentations focusing on vehicle architectures and global sourcing, powertrain and financial services.

That will be followed by a review of our first quarter results and the financial targets for the Group up to and including 2018. After a short break we will open up for Q&A for as long as necessary.

You are invited to a dinner at 7.30 p.m. at the Chrysler Museum with our Chairman, John Elkann and the full Group Executive Council.

I'm going to step back for most of the day and let the other members of the management team present various parts of the plan.

I'll be back just before lunch to present our strategy for Ferrari and, in the afternoon session, our development strategies for both NAFTA and the Components businesses.

I'll also be making some closing comments after the Q&A session.

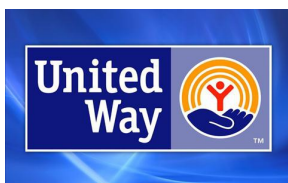
Just a couple of orders of business:

First, each one of you will have found a tablet at your seat to view the presentations.



At the end of the day you are invited to keep the tablet as our gift.

In the event you are unable to keep it due to company policy or for any other reason, please just leave the tablet at your seat at the end of the day and we will donate it to United Way to be used for educational purposes.



Alternatively, you may accept the tablet as a gift and if you choose, you may make a cash donation to United Way.

You will find more instructions and details in the sleeve of the tablet cover.

I have been asked as one of my first official duties to remind you that we are availing ourselves of the safe harbor provisions of applicable law in respect of forward-looking statements we make today. Please read the disclaimer in the first pages of the documentation. This describes the types of forward-looking statements to which you will be subjected today and the various factors that could cause actual results to differ from the expectations and explains why we cannot be legally responsible if they do in fact differ.



I'll hand it over now to our management team, beginning with Mike Manley who will present the plan for the Jeep brand.

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