

**Sergio Marchionne**  
**Paul W. Smith Show – WJR**  
**February 4, 2013**

[Paul W. Smith] ...And the commercials were rather incredible. And in the words of *Forbes* magazine and *Wall Street Journal* and others, including me, Chrysler did it again, sweeping the victory as the most attention-worthy advertiser in the Super Bowl last night with a two-minute anthem style spot that paid homage to rock-ribbed American values. They didn't do it just once as they did in 2011 with their incredible ads, and 2012, they did it twice this time. We'll talk with Sergio Marchionne about that and so much more about his company coming up in just a moment. Right now we're checking the traffic and seeing how you're doing in your vehicles.

[Traffic and weather]

A couple of major surprises. First, Oprah Winfrey.

[Oprah spot/partial commercial]

Tribute to U.S. armed forces from the perspective of a nation of loved ones and citizens who await their return.

[Oprah spot/partial commercial]

Welcoming these troops home.

[Oprah spot/partial commercial]

Because when you're home we're more than a family, we're a nation that is home again. And before that even really sunk in, here comes another Chrysler commercial and this one with the late great Paul Harvey, who we all loved on this radio station and it was my pleasure and privilege to fill in for him from time to time. I almost couldn't believe I was hearing his voice and his tribute, "So God made a farmer."

[Paul Harvey] And on the eighth day, God looked down on his planned paradise and said, "I need a caretaker," so God made a farmer. God said, "I need somebody willing to bet up before dawn, milk cows, work all day in the fields, milk cows again, eat supper, then go to town and stay past midnight at a meeting of the school board," so God made a farmer.

[PWS] That was just unbelievable and again Chrysler was able to ascend above the fray of ordinary Super Bowl advertising as it did with Eminem and "Imported from Detroit", as it did last year's half time spot, Clint Eastwood, only this time, Sergio Marchionne, you did it twice. I am stunned because I was kind of reducing my expectations because I couldn't believe you could do it three times in a row.

**[Sergio Marchionne] Yeah, it wasn't easy, Paul, and as you well know, you and I talked about this before, it's getting tougher and tougher, and I'm really worried now about 2014 because**

—

I would be if I were you.

**Yeah, yeah.**

It's just – it goes over and above what we're expecting and it shows the talent Olivier Francois and your team and your touch, Sergio, even though you give credit to everyone else, to really be able to reach into our hearts and our souls.

**Yeah.**

And you touch upon Americana and I mean it just seems so interesting that a company that is now Italian and American seems to understand the American psyche sometimes better than we do.

**Yeah. Look, the important thing from our standpoint is that we have never been ethnically confused about what Chrysler is. Chrysler is as American as it was when it was founded and it will stay that way forever, I mean as long as we're involved, and I think we need to be very, very careful that we don't start playing this sort of international card and we start impacting on the values that built Chrysler a number of years ago and that are really at the heart of the American culture. Those commercials, by the way, as much as I think they're important for the brands and for the positioning of the group are equally important for the re-grounding of our own people because I think that the message that went out last night was as much intended for the American (dime?) public as it was for the 60,000 people plus that work inside Chrysler. I mean these are the values that guide the house today and you know, we watched the commercial altogether as part of a management team. We actually rented a bar last night and we brought the whole – we brought the management team and their kids to watch this all together because I think this whole question of experiencing the two commercials as a group and as an enlarged family was as important as the message itself. So I'm pleased. I mean I came in out of Europe last night. I flew 9.5 hours to be here for the Super Bowl after a bunch of meetings yesterday morning in Europe and the experience was worth the trip I can tell you.**

I spoke with Gualberto Ranieri that – right after the commercials. I could hear the sound in the bar. You had already left because you were obviously exhausted but you wanted to be there with the team as the commercials were played, and you were, and you can just feel the excitement that is there, the pride that is there in the company, and things are moving along nicely. I saw the other day that Moody's has raised your rating, which is important.

**Yeah, we're beginning to regain our respectability even in the financial markets so the whole thing is actually working out well. We still have a long way to go but I think we've gone miles in almost four years, and I'm pleased.**

You said in Rome yesterday that you feel that the merger of Fiat and Chrysler will completely take place, I guess will be done in 2014. I think the quote is, "We will succeed in doing it, and we and VEBA," the United Auto Workers' pension fund, a Chrysler shareholder, "have different opinions on the value of Chrysler but we will resolve the problem in 2014." Tell me about the differences.

**Well no, when we did this deal back in 2009 we knew fully well that the only objective that VEBA had was to provide funds in the trust to deal with retiree claims, and so there was never any misunderstanding about what their objective was, and we all agreed back then that we would try and bring back Chrysler, and we really satisfied those obligations the best way we could. The market is going to determine the value of the VEBA interest. It's not going to be me. We can have a difference of opinion for a variety of reasons but ultimately the market will set the price. And whenever it sets the price then I think we'll reconcile the differences and move it on from there, but these two organizations need to be connected. The work that we've done over the last four years is way too important and it's way too integral to the way in which the house runs today to break it apart because of different ownership structures. So I think we owe it to the people, we owe it to the business, and hopefully we'll get it done by the end of next year.**

Sergio Marchionne with us on the Paul W. Smith show on WJR. With Fiat in effect owning Chrysler, you did say at the start of our conversation that you have not forgotten – in fact you've reminded us about the heritage of Chrysler, of Jeep, et cetera. People were asking you in Rome then what the new company might be called. You said you hadn't really thought of it but it seems impossible for Chrysler not to always be called Chrysler, and Fiat for that matter to be called Fiat. I don't know that you have to change names, or do you?

**No I don't, and I think it would be a phenomenal mistake if we tried to wipe out that history and the heritage. So we'll find a way to make them live.**

I think that's a good idea. And I'm not going to ask you – I'll say it for the 200,001 times that Alfa Romeo is not for sale to anybody, but do you know if for sure Alfa is coming to Detroit, coming to America this year?

**You'll see the first car, the first Alfa in the U.S. by the end of this year, and then I think you're going to begin to see a series of products being launched. I reviewed them in Turin on Saturday morning; I saw the last version of the car that will follow the Alfa Romeo 4C that will come to the U.S. so we're in good shape.**

And will you sell them out of Fiat dealerships or Chrysler dealerships or standalone stores?

**That's what we're working on right now. I think we owe it to the Chrysler dealers to have a shot at this in terms of carrying the brand, certainly the ones that have made a commitment to Fiat initially invested with view of bringing – of distributing Alfa also in the U.S. So we're going to meet with them probably at the beginning of the second quarter and really come up with a final proposal that will delineate the distribution network in the U.S. But I think, you know, we have the people and I think we have the product and that's the important thing.**

You've made it clear – back to the Fiat folks – dispelling some fears that Fiat might have to shut some plants in Italy. That is not the plan at this point. Things have turned around, Chrysler helping Fiat a great deal, you've had a tremendous year.

Congratulations on the numbers here for Chrysler, which obviously have helped Fiat, and we'll look forward to seeing you. And thanks to your sponsorship again, Sergio, for

the Geneva Motor Show this next month. You're going to be presenting the worlds' most fabulous, most costly car, the new Ferrari.

**Yeah, and I'm going to try and get you into one physically and maybe even financially.**

Physically I'll be happy to sit in one! (Laughs)

**Yeah, I'm going to have to talk to Kim about the financial side of this. I think it may impact on our collective futures.**

(Laughs) You figured that out pretty quick.

**(Laughs) It's a pretty expensive venture but I think it's worth a try. At least you can sit in it for a while.**

(Laughs) I'd like to sit in it.

**That's what I'm going to do.**

I can dream, can't I? I can dream. Anything else, Sergio, we need to know, or anything else going on?

**No, I think we're in good shape, and I just want to thank you for giving us an opportunity to speak to Detroit this morning again. I think it's a good day. Any day after a Super Bowl like yesterday is a good day.**

God bless you for the great job that you are doing at that company and your team, your people doing a marvelous job. It means so much to all of us when one of our car companies does well, and Chrysler will always be one of our car companies. And we're happy to welcome Fiat and Alfa Romeo and Ferrari and Maserati and call them one of our car companies as well.

**Thank you. Be safe.**

We'll talk to you later, Sergio.

**Thanks. Bye-bye.**

Bye-bye. Sergio Marchionne, the head of Chrysler LLC and Fiat. They did it again. It's astounding to me. 7:28, let's check that traffic with Dana.

[End]