

**Transcript from Chrysler Group LLC Chairman and CEO Sergio Marchionne
Interview on Paul W. Smith Show; WJR-AM
Thursday, November 15, 2012**

[Paul W. Smith] ...I need to give some time to the gentlemen who's on the line who has kindly joined us this morning with the big news of the day that's on the front page of all the newspapers that we've been talking about, Chrysler [Group LLC] that's been doing such a great job and doing such good work, planning to invest 238 million more dollars in three Michigan plants and add about 1,250 jobs; and the announcement will be made official later with Detroit mayor Dave Bing, UAW Vice President General Holiefield, and this man, Chrysler CEO, Sergio Marchionne. Sergio, good morning!

[Sergio Marchionne] Good morning, Paul. How are you?

I am fine. I thank you so very much for joining us first thing this morning. I know your travel schedule is brutal. I know you work –

Yeah, I just – I came in at 2:30 this morning so.

I know that it's brutal, and I hope that you accomplished what you were trying to accomplish overseas.

(Laughs) That's a tough question, Paul. I'm not sure.

I know. And I know you're trying, and it's a tough one over there that affects all of us, but especially you and companies that are based there; Fiat for example. Who knew that it would be the resources of Fiat in the beginning that could help you buy Chrysler and now it's Chrysler that's saving Fiat it seems.

Yep, I think that what Chrysler is doing now is providing a huge support to the worldwide activities of Fiat. I think Europe – and we're not the only ones who are in this box, obviously. I mean our dear friends in Detroit, both General Motors and Ford have got their own issues in Europe as we do, and I think we have a tiger by the tail. I think we have to find a way to tame the tiger because it cannot go on at this rate for much longer. But the good thing about Chrysler is that Chrysler is back. As you mentioned in the opening remarks, we're going to be announcing the additional more than a thousand jobs in the Michigan area. We are effectively extending the life of Mack and we're bringing on a third shift in our Warren Truck Plant because of the success of the new Ram 1500, which was named Texas Truck of the Year. So you know, we're hitting a couple of homeruns. We remain as humble as we've always been since we came out of bankruptcy in 2009 but things are looking relatively good right now and so I think it's time to gear up the organization and try and do more.

Hey, good for you, Sergio. I hadn't heard that. He mentioned that the Chrysler named the Texas Truck of the Year with that Ram 1500 pickup truck. Let me tell you something. That is a pickup truck battleground. Everybody eyes Texas. I remember when we were sent out there by another car company because Toyota was trying to break into that market. There was a real battle royal and here we've just learned, because I hadn't

heard this before, that it is now the 2013 Chrysler Ram 1500 pickup truck that gets that award. Congratulations! That's really a big deal.

It is a big deal, and I think we're incredibly proud. I think our people at Ram have done a tremendous job of positioning the truck. The industrial team has created a unique vehicle in this marketplace. I cannot say enough good things about that truck. I think it puts us in a separate class and I invite everybody who hasn't tried the truck to try it out. I think you'll be truly impressed.

There are so many of your products that if people will just give them a try out they'll be so pleasantly surprised with the fit, the finish, the quality, the enthusiastic – the fun in driving the vehicles. It's just truly something, what's happened here with Chrysler, Dodge, and Jeep models. We look forward to more Fiats coming over. We look forward to Alfa Romeo coming over, and I know those are tough putts given what's happening in the European community, which means the world community of the auto industry.

Yeah, but I think our ideas are relatively clear. I think you'll be superbly impressed by the lineup of Alfas that are coming to the U.S. in a relatively short period of time. We have been diligently working on that portfolio together with the development of our Maserati brand and I think you'll – hopefully within 2014 you're going to see some significant inroads made in the premium end of the automobile market in the U.S. I think the brands have an incredible heritage and they'll speak for themselves, but I'm proud of what our design people have done. I think industrially this type of vehicle is in a class of its own. So give us some time.

And so the relatively short period of time would be before the end of 2014?

Yep. You'll start seeing them.

Okay. You know, and it's going to be great to have you standing alongside our mayor, Dave Bing, and our UAW Vice President, General Holiefield. You certainly have understood how important it is for everybody to be together. That means when we all do well, when we all win, we all win, and you show that every day, Sergio.

Yeah, no I think our commitment to this region – when we came out of our horrible times back in 2008 and 2009 I think we came out with a very clear objective of being part of this community. We owe a lot to this country. In particular we owe a lot to the state of Michigan. I think we were born here and I think we need to make sure that our home is properly looked after, too.

Well, you have done that, Sergio, with – here he just arrived a few hours ago, back from Europe for this big press conference a little later this morning with this announcement of about 1,250 new jobs for Michigan, and at the same time you have taken the helm of the United Way (for Southeastern Michigan) as the honorary chairman, and doing a marvelous job with that.

Yep. No, I think that's – I'm delighted with what we're doing there. I think that I've seen a level of participation come back in from the community which is probably unsurpassed, certainly since the crisis, and I mean everybody who's been involved in this process has gone completely out of their way to make sure that it's a success. There are a number of activities

that the United Way is carrying out now in connection with Thanksgiving that's coming up and I'm pleased.

Well listen, I mentioned this to Tom Lewand, president of the Lions the other day. This is a perfect excuse for the guy who never slows down to slow down and enjoy himself. That's you, Sergio. As the Chairman of the United Way, you have to go to the Thanksgiving Day game as the Lions take on the Houston Texans. Even more reason since you just got Truck of the Year in Texas, you should be there and of course the United Way is a big sponsor of the halftime show, which now will be Kid Rock.

Yeah, the problem is that I'm going to be in China that day.

No, no!! Go to the football game!

I know. I'm going to bring a turkey with me.

(Laughs) Don't speak that way about my friend, Gualberto.

(Laughs)

(Laughs) Well, God bless you, God bless, Gualberto and all the hard working men and women of Chrysler. Anything else we need to know? I don't want you to get off the air here and then have some big announcement without me knowing about it.

No, you'll be the first to know. Thank you, Paul.

All right. Well you know, you bring up China, and I hate to go backwards on this but it came up, you know, foolishly as I said to the Romney campaign; I even said it to one of his sons. How ridiculous to imply that just because you were going to be building some more Jeeps in China, which by the way they've been doing for years. I remember the BJ2000. I was there in China and saw it.

Yeah.

But to pretend that that was going to take away from manufacturing in these United States had to irritate the hell out of you.

Yeah, and that's why I think we issued a statement. I think that's the last thing we will ever do, so – and I'm going over for different reasons. It has nothing to do with Jeep. I'm going over to take a look at some ag equipment, agricultural equipment in China.

What?

There you are.

What do you mean agricultural equipment in China?

Yeah, well my part-time job is that I'm involved in Case New Holland so I do some work for them, too. (Laughs)

(Laughs) Oh man, and Freightliner?

No, that's not ours. That belongs to somebody else.

Oh, okay. You've got so many different things going on I can't believe it.

Yeah.

All right, Sergio, congratulations. Man, I can't believe you're not going to be able to make the Thanksgiving game, but congratulations on the hard work you continue to do at United Way, and all your hard-working men and women at Chrysler [Group] LLC. God bless you.

Thank you, Paul.

Thanks for joining us.

Talk to you soon. Thanks.

We'll see you around here and on the road. They also sponsor our broadcasts at the world auto shows including the North American International Auto Show, and that's Sergio Marchionne exclusively here on the Paul W. Smith show at WJR.

[End of interview]