Closing Remarks
from the CEO, Sergio Marchionne
SAFE HARBOR STATEMENT

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Ladies and Gentlemen,

It has been a long and intense day.

I want to start by thanking the people in our organization who have worked incredibly long hours to help the management team make this event possible.

A couple of days ago, I read a published report from one of you in the Financial Community.

Similar to other reports, it speculated on what was to be said here today, and it offered some perspective on our past successes and shortcomings, and provided detailed financial projections and pro-formas. What caught my eye was this phrase at the end of the report…

“Friday’s presentation will be different. But this history is important - as the fact is, Fiat was a totally dysfunctional company before Sergio arrived. He has changed it dramatically. In shape, in regional exposure, in profitability, in culture and in function. But are these changes utterly robust and enduring? Can Marchionne leave such a script or instructions and infuse his DNA into the organization that it will remain a high-performance machine to perpetuity? Who knows - but what we do know is the man who built the modern day FCA claims he will soon be gone.”

First, let’s not get carried away. I still have to complete the quarter, and believe me it’s going to be a tough 2nd quarter, and we need to close out the current 5-year plan.
Nevertheless, I do feel compelled to leave you with reassurance that whatever you think of the progress that has been made at FCA to date, and to the extent you think there is some level of logic and coherence to the 5-year plan we just put in front of you, there is an enduring element.

It is one that most ensures success of the plan going forward, and actually has nothing to do with the industrial, commercial, and financial elements of the business.

It is about our culture and the leadership that lives it.

Two years into my tenure at Fiat that began in 2004, at an analyst presentation in Turin I referenced a piece from the vocalist Bobby McFerrin. His depth and breadth of talent runs far wider and deeper, being one of the most unique and accomplished instrumental vocalists of our time. In fact, you have been listening to his vocal instrumentation and melodies throughout the day.

On the inside cover of one of his CD’s, the following is written:

The most difficult thing for the conductor may not be simply getting through the piece with the orchestra still intact but actually having something to say about the music. The composer of classical music puts splotches of ink on paper to suggest to performers what they must do to recreate the sounds heard by the composer in his or her inner ear. The music always exists – even if it’s not being performed at the moment. Some African musicians, however, whose tradition is an oral one, call notated music “paper music.” To capture sound in notation is an odd, abstract idea for people whose music exists because they keep it in their minds and hearts. Like many of the greatest composers – Bach, Beethoven and Mozart, for example – McFerrin is an accomplished improviser and has the ability to reach that place where the joy of making music overcomes the routine of weekly rehearsals and performances of black shorthand symbols on white paper to attempt to reproduce what they think someone else wanted them to say. Then it’s not just paper music: it is music.
Interestingly, artists totally different like the Beatles never learned to read or write music in traditional notation. Music was a process of discovery for them. They were convinced that learning too much of music theory would have compromised their creativity.

We work in an industry where method and process are foundational. There are standard operating procedures, conventional approaches to the way things have always been done, and even conventional approaches to how to address future technology and disruptors.

While we fully understand that processes and procedures are important, at FCA we are, and will always be, about the music. Our approach will be different. Improvisational. Agile. Open to debate. And fearless, born out of humility. We will always be a culture where mediocrity is never, ever worth the trip.
What you saw today was evidence of this approach throughout the various presentations from some of our leaders who detailed our path over the next 5 years. A relentless emphasis on brands, a responsible and practical approach to electrification and the product portfolio, an acknowledgment of our own perimeter of skills in autonomous technologies, with the humility and openness to partner in ways that conserve capital, yet leave us with full optionality and speed to market. Finally, a financial commitment that ensures FCA management will continue to operate with an “owner” mentality, with clear responsibility to shareholders and stakeholders.

Why are we different and why is it not a temporary or fleeting trait? It is because we are survivors.

The origins of FCA are a group of people from Fiat and Chrysler who faced the most difficult situations in the last ten to fifteen years. They confronted the threat of losing their dignity by losing their work. In some cases, their life’s work, and their family’s work. Survivors remember the courage and resolve to come back from those desperate times, and they apply those same behaviors today.

They pass those traits down, and even though we have employees that have joined our company in the last 5 years, for example, who did not live through the darkest of places, nevertheless, they are reminded and taught through the experiences of the survivors that are distinct to us.
It is this embedded culture, carried by a group of leaders, some of whom you saw today, that survives any single individual at FCA.

Returning back to the analyst comments I referred to earlier. And his question… “Can Marchionne leave a script or instructions”?…

The answer is that there is no script or instructions. Instructions are institutional and temporary.

FCA is a culture of leaders and employees that were born out of adversity and who operate without sheet music.

That is the only way we know.

Thank you all again for coming, and Godspeed to all of us.

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