The 5-year plan

Sergio Marchionne
Performance of the Group over plan periods

Plan based on a flat €/US$ parity of 1.30 and €/R$ of 2.40

Net Revenues (€bn)

Trading margin

Trading margin plan Low
Trading margin plan High
Delta old plan-actual
Net Revenues

Net Revenues

Trading margin actual

Plan based on a flat €/US$ parity of 1.30 and €/R$ of 2.40
All businesses improving operating performance

- Group Net Revenues at €93bn in 2014 (CAGR 2009-14 of 13.1%), FGA growing by 14.2% (CAGR 2009-14)
- 2014 trading profit at ~€6.8bn for a trading margin at ~7%

2014 net income projected at ~€5bn

Cumulative Capex and capitalized R&D for plan period of €26bn to support product portfolio growth (1.38x D&A)

Net cash position of €3.4bn in 2014 after €1.9bn cumulative dividends paid

A ± 10% change (revaluation/depreciation respectively of US$ and R$) results in following impacts

- Revenues ± 4%
- Trading margin ± 0.1%
2010-14 plan
Group Industrial EBITDA (calculated as trading profit + D&A)

2010-14 cumulative industrial EBITDA in €36.0-38.6bn range
2010-14 plan
Group industrial Capex & Capex/D&A ratio

![Graph showing the group industrial Capex and Capex/D&A ratio from 2009A to 2014E. The graph includes data for FGA, CNH, Iveco Vehicle, FPT, Other, and the ratio.](image-url)
### 2010-14 plan
Investment income

<table>
<thead>
<tr>
<th></th>
<th>Auto</th>
<th>CNH</th>
<th>Iveco</th>
<th>FPT</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>100</td>
<td>-25</td>
<td>-15</td>
<td>-25</td>
<td>-5</td>
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<tr>
<td></td>
<td>of which: Industrial 50</td>
<td>of which: Industrial -30</td>
<td>of which: Industrial 10</td>
<td>of which: Industrial 25</td>
<td>of which: Industrial 10</td>
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<tr>
<td></td>
<td>Fin. Services 50</td>
<td>Fin. Services 5</td>
<td>Fin. Services -25</td>
<td>Fin. Services -25</td>
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<thead>
<tr>
<th></th>
<th>30</th>
<th>530</th>
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<tr>
<td></td>
<td>2009A</td>
<td></td>
<td></td>
<td>2014E</td>
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</tbody>
</table>

€mn

- **Auto** 100
  - Industrial 50
  - Fin. Services 50
- **CNH** -25
  - Industrial -30
  - Fin. Services -5
- **Iveco** -15
  - Industrial -5
  - Fin. Services -15
- **FPT** -25
  - Industrial -25
  - Fin. Services -25
- **Other** -5
  - Industrial -5
  - Fin. Services -5

**Total Investment income:**
- **Auto** 320
  - Industrial 230
  - Fin. Services 90
- **CNH** 45
  - Industrial 35
  - Fin. Services 10
- **Iveco** 105
  - Industrial 85
  - Fin. Services 20
- **FPT** 50
  - Industrial 50
  - Fin. Services 50
- **Other** 10
  - Industrial 10
  - Fin. Services 25
2010-14 plan
Financial targets

2009-14 Revenue CAGR 13.1%

<table>
<thead>
<tr>
<th>Year</th>
<th>Group Revenues</th>
<th>Group trading profit &amp; margin</th>
<th>Group Net Income</th>
<th>Group Net Industrial Debt</th>
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</thead>
<tbody>
<tr>
<td>2010</td>
<td>€1.1-1.2bn</td>
<td>€1.1-1.2bn</td>
<td>Break-even</td>
<td>Net debt &gt;€5bn</td>
</tr>
<tr>
<td></td>
<td>2.1%-2.3%</td>
<td>2.1%-2.3%</td>
<td></td>
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<tr>
<td>2011</td>
<td>€2.1-2.6bn</td>
<td>€2.1-2.6bn</td>
<td>€0.9-1.0bn</td>
<td>Net Debt €5.9bn</td>
</tr>
<tr>
<td></td>
<td>3.7%-4.5%</td>
<td>3.7%-4.5%</td>
<td>EPS €0.67/0.83</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>€3.5-4.1bn</td>
<td>€3.5-4.1bn</td>
<td>€2.0-2.2bn</td>
<td>Net Debt €4.6bn</td>
</tr>
<tr>
<td></td>
<td>5.1%-5.9%</td>
<td>5.1%-5.9%</td>
<td>EPS €1.54/1.70</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>€5.0-5.7bn</td>
<td>€5.0-5.7bn</td>
<td>€3.1-3.3bn</td>
<td>Net debt €1bn</td>
</tr>
<tr>
<td></td>
<td>6.0%-6.8%</td>
<td>6.0%-6.8%</td>
<td>EPS €2.42/2.58</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>€6.4-7.2bn</td>
<td>€6.4-7.2bn</td>
<td>€4.8-5.0bn</td>
<td>Net cash €3.4bn</td>
</tr>
<tr>
<td></td>
<td>6.9%-7.7%</td>
<td>6.9%-7.7%</td>
<td>EPS €3.72/3.88</td>
<td></td>
</tr>
<tr>
<td></td>
<td>~€93bn</td>
<td>~€93bn</td>
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</tbody>
</table>
The assumed dividend policy is designed to pay 25% of net income on a 3-years rolling basis, with a minimum payout of €150mn.

€1.9bn* cumulative 2010-14 dividends

(*) of which €237mln approved during Fiat S.p.A. annual general meeting held on 26 March 2010.
### 2010-14 plan

#### Industrial cash-flow statement

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td><strong>Net Industrial Debt (at beginning)</strong></td>
<td>-4.4</td>
<td>-5.4</td>
<td>-5.9</td>
<td>-4.6</td>
<td>-1.0</td>
<td>-4.4</td>
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<tr>
<td><strong>Industrial EBITDA</strong></td>
<td>4.3</td>
<td>5.5</td>
<td>7.3</td>
<td>9.3</td>
<td>11.0</td>
<td>37.4</td>
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<tr>
<td>Tangible &amp; Intangible Capex</td>
<td>-4.7</td>
<td>-5.8</td>
<td>-5.5</td>
<td>-5.0</td>
<td>-5.0</td>
<td>-26.0</td>
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<tr>
<td>Ch. in working capital, funds &amp; others</td>
<td>0.9</td>
<td>1.5</td>
<td>1.3</td>
<td>1.3</td>
<td>0.7</td>
<td>5.7</td>
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<tr>
<td>Financial Charges and cash Taxes</td>
<td>-1.3</td>
<td>-1.5</td>
<td>-1.6</td>
<td>-1.5</td>
<td>-1.5</td>
<td>-7.4</td>
</tr>
<tr>
<td><strong>Net Industrial Cash Flow</strong></td>
<td>-0.8</td>
<td>-0.3</td>
<td>1.5</td>
<td>4.1</td>
<td>5.2</td>
<td>9.7</td>
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<tr>
<td>Dividends paid</td>
<td>-0.2</td>
<td>-0.2</td>
<td>-0.2</td>
<td>-0.5</td>
<td>-0.8</td>
<td>-1.9</td>
</tr>
<tr>
<td><strong>Change in Net Industrial Debt</strong></td>
<td>-1.0</td>
<td>-0.5</td>
<td>1.3</td>
<td>3.6</td>
<td>4.4</td>
<td>7.8</td>
</tr>
<tr>
<td><strong>Net Industrial Debt (end of period)</strong></td>
<td>-5.4</td>
<td>-5.9</td>
<td>-4.6</td>
<td>-1.0</td>
<td>3.4</td>
<td>3.4</td>
</tr>
</tbody>
</table>
2010-14 plan assumptions
Liquidity & liability management objectives

- Liquidity
  - Maintain current strong liquidity levels throughout 2010
  - Starting with 2011, and assuming capital markets normalize and credit profile of Group improves, start reducing cash-on-hand balances, targeting in any case not less than €6bn at each year-end

- Capital Markets
  - Maintain regular access to market, both in Europe and North America

- Bank Debt
  - Maintain both syndicated and bilateral bank facilities

- Securitization and sale of receivables
  - Maintain frequent issuer status in North America with CNH Capital, taking full advantage of improvements in market conditions
  - Continue to develop receivable factoring arrangements on a bilateral basis, particularly for receivables outside the scope of Financial Services JV
2010-14 plan
Net industrial debt & debt-to-equity ratio

![Graph showing net industrial debt and debt-to-equity ratio from 2004 to 2014E.](image)
Fiat’s conglomerate dilemma

- **Automotive focused Group, with 2 sets of fundamentally different businesses**
  - **Auto**: FGA, Chrysler stake, Ferrari, Maserati, Magneti Marelli, Teksid, Comau and FPT Passenger & Commercial Vehicles
  - (non-Auto) **Industrial**: CNH, Iveco, FPT Industrial & Marine

- **Auto and Industrial substantially differ in terms of**
  - earnings cycles
  - volatility
  - capital requirements, and
  - returns on capital employed

- Demerger would:
  - provide strategic and financial clarity
  - enable each business to develop independently as needed, and...
  - ...additionally, unlock valuation potential of capital goods activities
Preliminary transaction overview
Demerger of capital goods companies

- Partial and proportional demerger of industrial activities from Fiat SpA under Italian Law ex Art. 2506 Cod. Civ. (“Scissione parziale proporzionale”)
- Demerged company to be called Fiat Industrial (FI) and to own CNH, Iveco and FPT Industrial & Marine activities
- FI to be created with classes of shares exactly mirroring Fiat’s current structure
- All 3 classes of shares of FI to be listed in Milan simultaneously with demerger completion
- Every Fiat shareholder to own 1 share of Fiat and 1 of FI after demerger and listing

1. Auto includes FGA, Maserati and 85% of Ferrari.
What we get with the demerger

Creation of

- **A global competitive pure play automotive OEM (Fiat)**
  - Improved strategic flexibility to pursue growth / consolidation opportunities
  - Increased visibility and contribution from Chrysler Group upside

- **A global player in the capital goods sector (FI)**
  - Improved strategic flexibility to pursue growth / consolidation opportunities
  - Strategic platform to become a leading capital goods company
### 2010-14 Financial targets
The “New” Fiat* & Fiat Industrial

<table>
<thead>
<tr>
<th>THE &quot;NEW&quot; FIAT*</th>
<th>FIAT INDUSTRIAL</th>
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</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>&gt;32 37 45 57 64</td>
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<tr>
<td>Trading Profit</td>
<td>0.5-06 0.9-1.2 1.6-2.0 2.5-2.9 3.2-3.8</td>
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<tr>
<td>EBITDA Ind</td>
<td>2.9 3.6 4.7 6.0 6.9</td>
</tr>
<tr>
<td>CAPEX</td>
<td>3.7 4.5 4.2 3.6 3.7</td>
</tr>
</tbody>
</table>

* After demerger
Key structural issues with demerger

- **Envisaged structure would NOT**
  - trigger any "Recesso right" either for Fiat’s shareholders, or for minority shareholders of Fiat’s subsidiaries
  - result in any adverse treatment of preference/savings shareholders
  - trigger bonds early repayment clauses
  - trigger minority shareholder rights at CNH

- **The demerger should be neutral from a tax perspective**

- **Shared service agreements to be implemented at completion of the demerger to preserve savings and synergies already achieved**
  - Purchasing
  - WCM programs
  - Diesel technology
  - R&D
  - Administrative and back-office services

- **Some limited intercompany financing between Fiat and FI may be required, to be settled within 12 months subject to refinancing**

**No significant obstacles**
**Transaction process**

Envisaged indicative timetable

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
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<td>1.</td>
<td>Preparation</td>
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<td>2.</td>
<td>Launch (July) – Fiat BoD</td>
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<td>3.</td>
<td>Approval and execution</td>
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<td>4.</td>
<td>Closing and listing</td>
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</tbody>
</table>

- Closing and simultaneous listing of Fiat Industrial in Milan
2010-14 Financial targets
The "New" Fiat* and Chrysler Group pro-forma

CAGR 2010-14 = 12%

Net Revenues (€bn)

Trading margin

* After demerger
2010-14 EBITDA
The “New” Fiat* and Chrysler Group pro-forma

* After demerger
2010-14 Capex & Capex/D&A
The “New” Fiat* and Chrysler Group pro-forma

* After demerger
2010-14 Group revenues
Others, holdings & eliminations

€bn

-12 -10 -8 -6 -4 -2 0 2


-7.6 -9.0 -9.5 -10.5 -11.5 -11.5

Eliminations Others & Holdings
2010-14 Group trading profit
Others, holdings & eliminations

€bn

-0.7
-0.5
-0.3
-0.1
0.0
0.1

2009
2010E
2011E
2012E
2013E
2014E

0.0
-0.1
0.0
-0.1
0.0
-0.2
0.0
-0.2
0.0
-0.5

Others
Holdings
## Gross debt
### Industrial/Financial services breakdown

<table>
<thead>
<tr>
<th>Consolidated Mar. 31, ‘10</th>
<th>Industrial Activities</th>
<th>Financial Services</th>
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<tbody>
<tr>
<td></td>
<td>€bn</td>
<td>€bn</td>
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<tr>
<td>Cash Maturities</td>
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<tr>
<td>20.6</td>
<td>18.7</td>
<td>1.9</td>
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<td>8.7</td>
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<td>10.6</td>
<td>10.4</td>
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<td>1.3</td>
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<td>Securitization and Sale of Receivables (on book)</td>
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<td>7.5</td>
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<td>7.0</td>
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<td>5.4</td>
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<td>0.4</td>
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<td>1.7</td>
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<td>1.2</td>
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<td>Adjust. for Hedge Accounting on Fin. Payables</td>
<td>0.2</td>
<td>0.0</td>
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<tr>
<td>Intersegment Net Financial Payables/Receivables</td>
<td>(4.6)</td>
<td>4.6</td>
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<td>Gross Debt</td>
<td>28.3</td>
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<td>14.8</td>
<td>13.5</td>
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<td>Cash &amp; Mktable Securities</td>
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<td>11.2</td>
<td>9.8</td>
<td>1.4</td>
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<td>Derivatives Fair Value</td>
<td>0.3</td>
<td>0.0</td>
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<tr>
<td>Net Debt</td>
<td>16.8</td>
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<td></td>
<td>4.7</td>
<td>12.1</td>
</tr>
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</table>

* Excluding Bond fair value, including interest accruals
# 2010-14 Debt maturity schedule

## Consolidated debt

<table>
<thead>
<tr>
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<tr>
<td>8.7  Bank Debt</td>
<td>3.7</td>
<td>3.4</td>
<td>2.3</td>
<td>1.6</td>
<td>0.8</td>
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<td>10.6 Capital Market *</td>
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<td>2.5</td>
<td>1.5</td>
<td>1.7</td>
<td>1.6</td>
<td>2.8</td>
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<td>1.3 Other Debt</td>
<td>0.8</td>
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<td>-</td>
<td>0.1</td>
<td>0.1</td>
<td>-</td>
<td>0.3</td>
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<td><strong>20.6 Total Cash Maturities</strong></td>
<td><strong>5.0</strong></td>
<td><strong>4.7</strong></td>
<td><strong>4.8</strong></td>
<td><strong>3.2</strong></td>
<td><strong>2.6</strong></td>
<td><strong>1.9</strong></td>
<td><strong>3.4</strong></td>
</tr>
</tbody>
</table>

## Cash & Mktable Securities

- **0.6** of which ABS related
- **3.8** Sale of Receivables (IFRS de-recognition compliant)
- **2.3** of which receivables sold to financial services JVs (FGA Capital, Iveco Finance Holding Ltd)

* Excluding Bond fair value, including interest accruals