

FIAT INVESTOR DAY  
TURIN APRIL 21 2010



## The 5-year plan

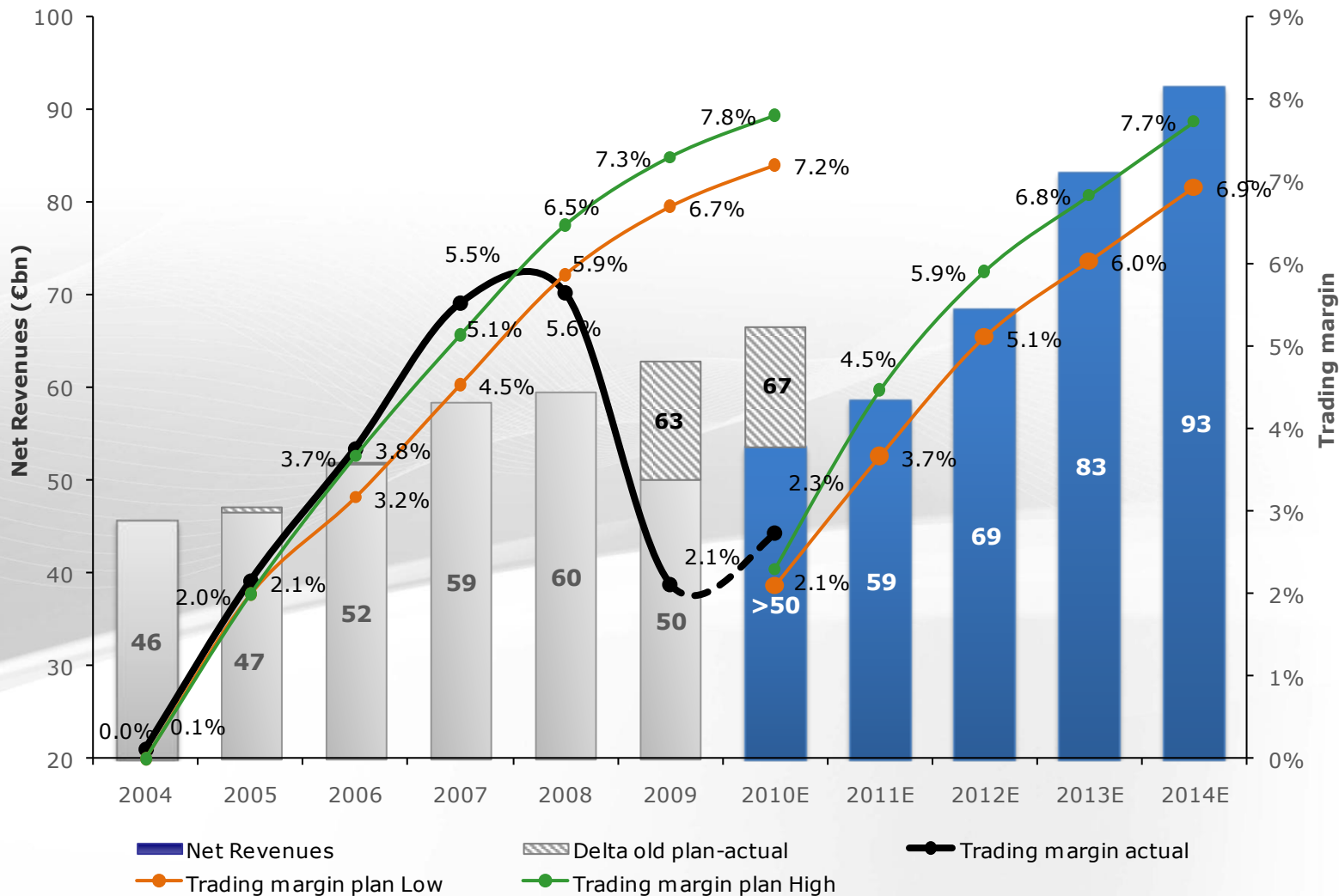
*Sergio Marchionne*



# Performance of the Group over plan periods



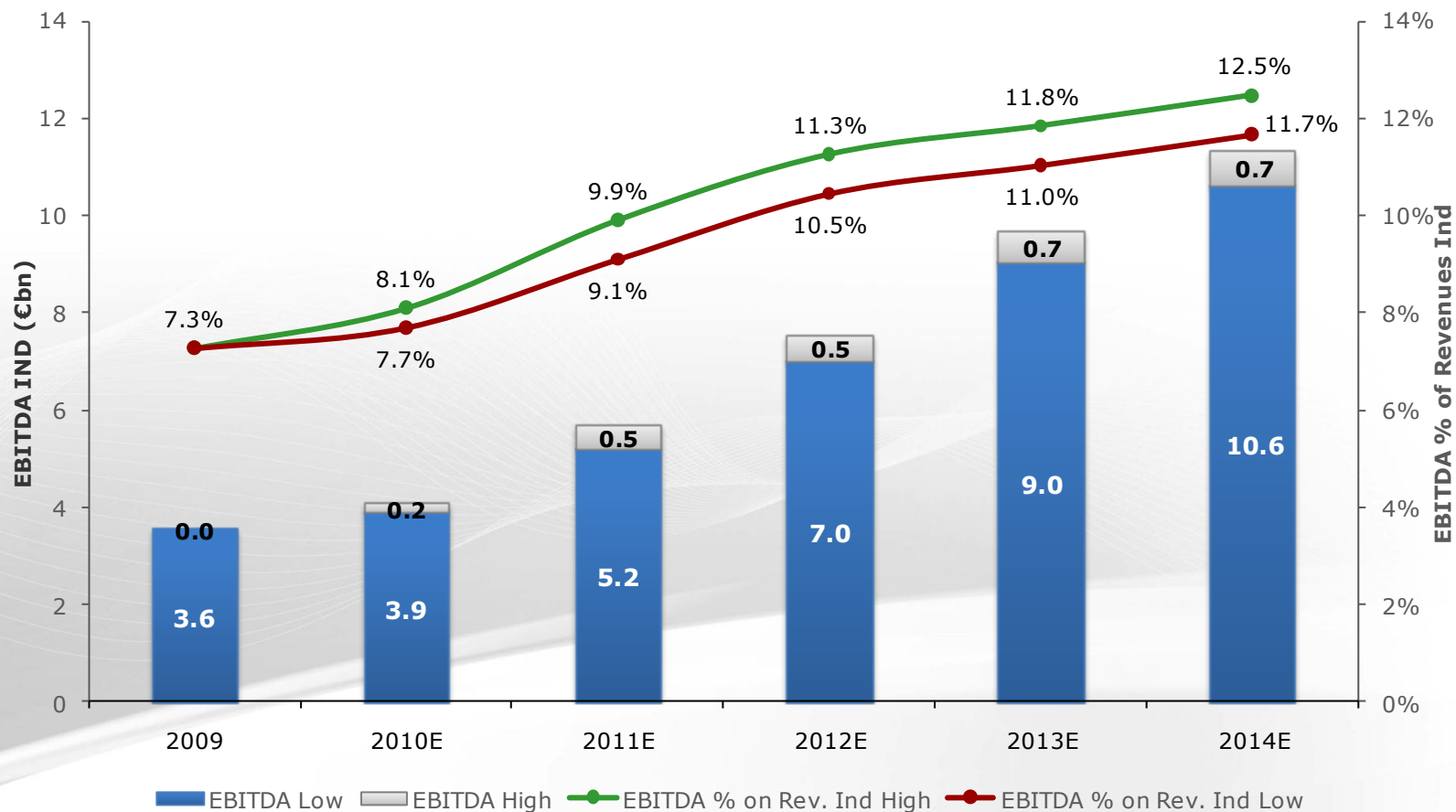
Plan based on a flat €/US\$ parity of 1.30 and €/R\$ of 2.40



- 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  $\pm 10\%$  change (revaluation/depreciation respectively of US\$ and R\$) results in following impacts
  - Revenues  $\pm 4\%$
  - Trading margin  $\pm 0.1\%$

# 2010-14 plan

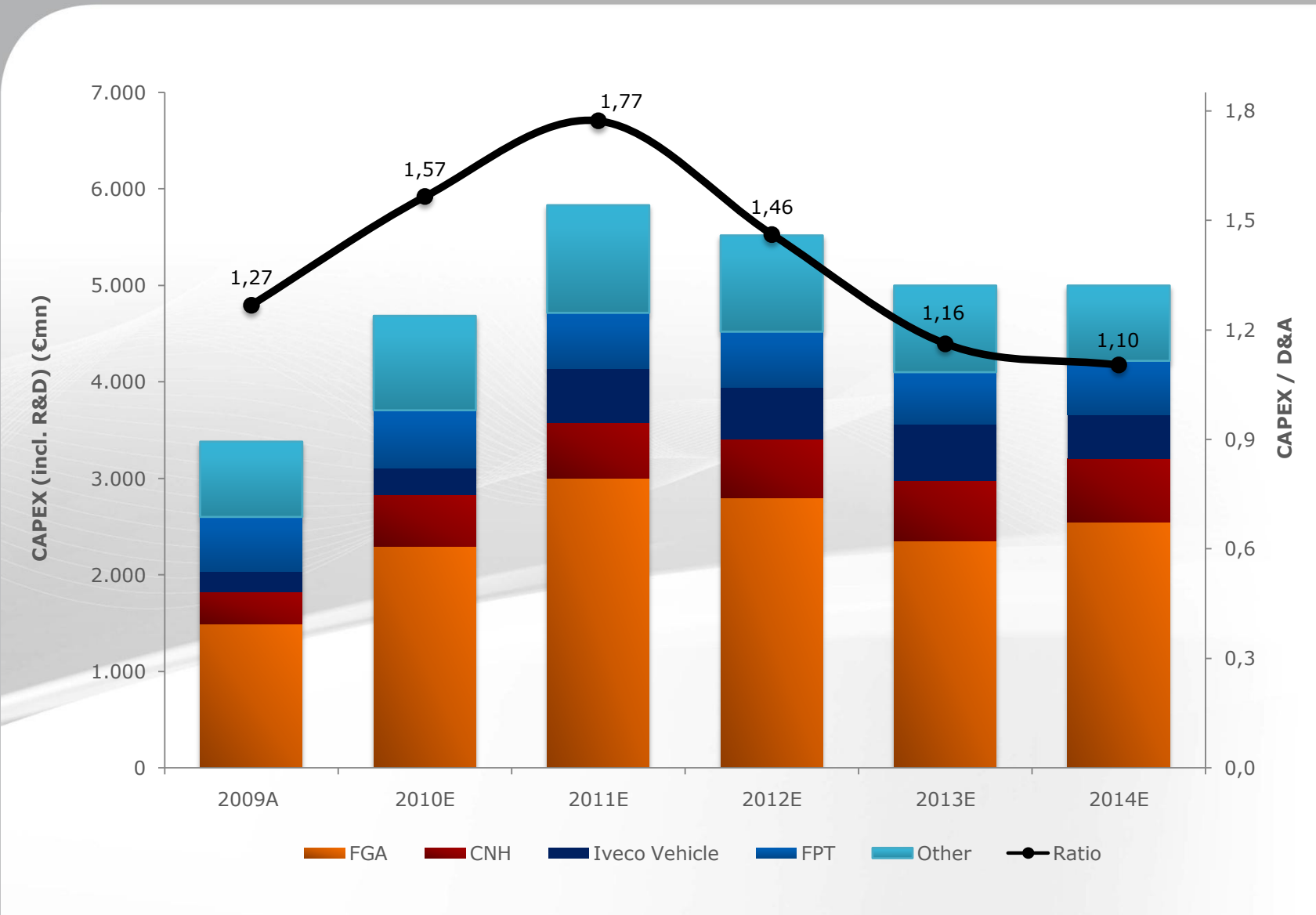
Group Industrial EBITDA (calculated as trading profit + D&A)



**2010-14 cumulative industrial EBITDA in €36.0-38.6bn range**

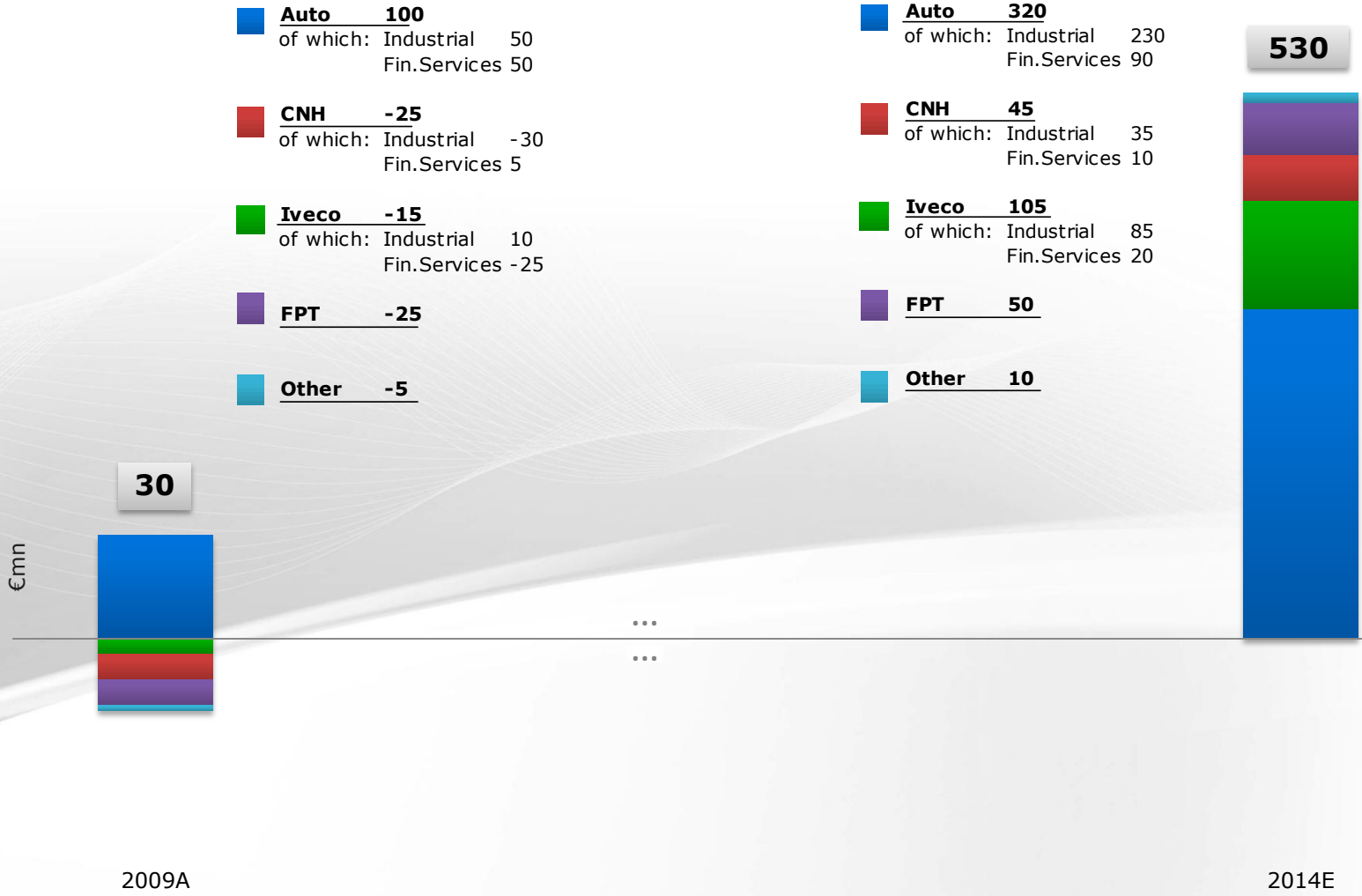
# 2010-14 plan

## Group industrial Capex & Capex/D&A ratio



# 2010-14 plan

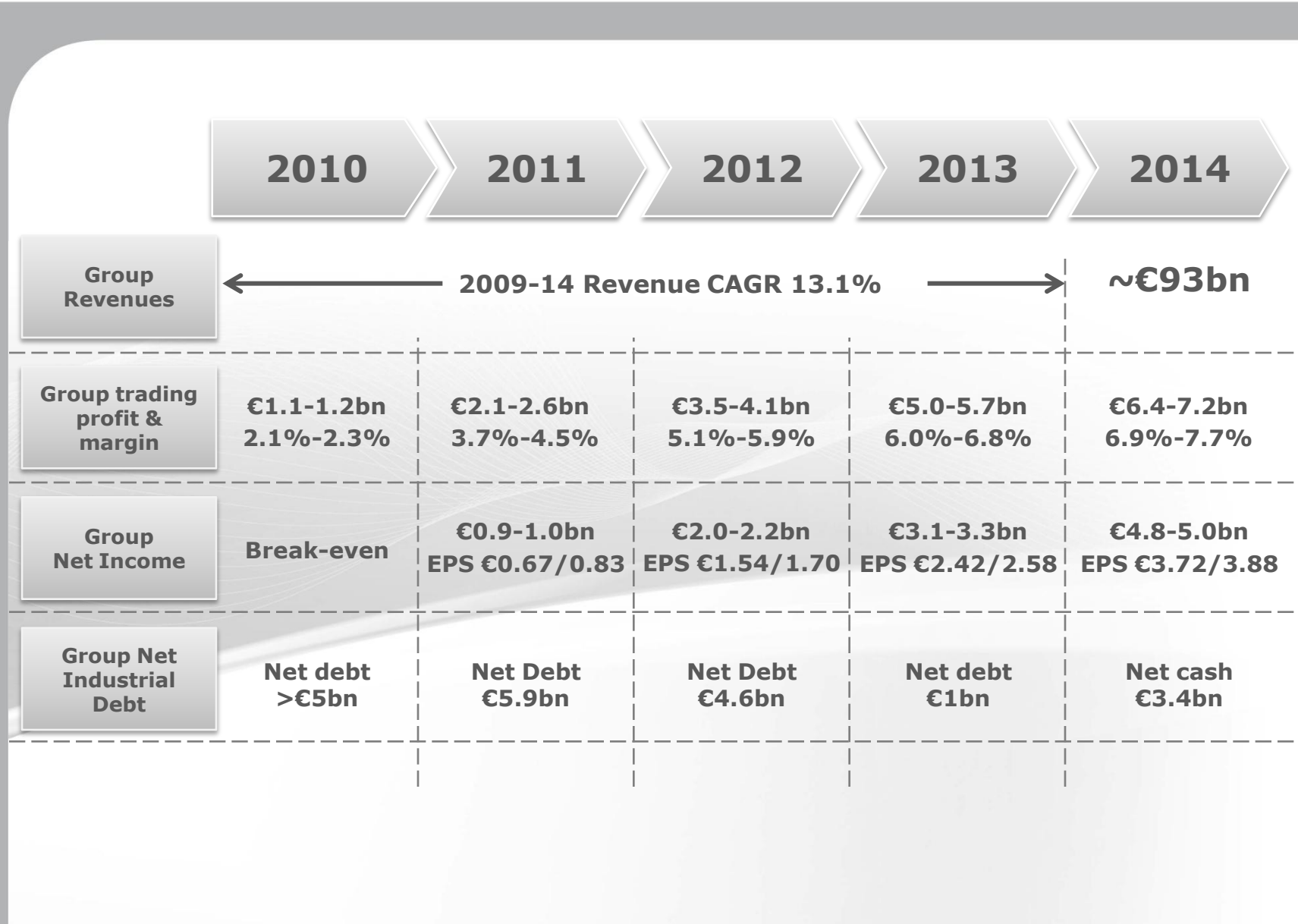
## Investment income





# 2010-14 plan

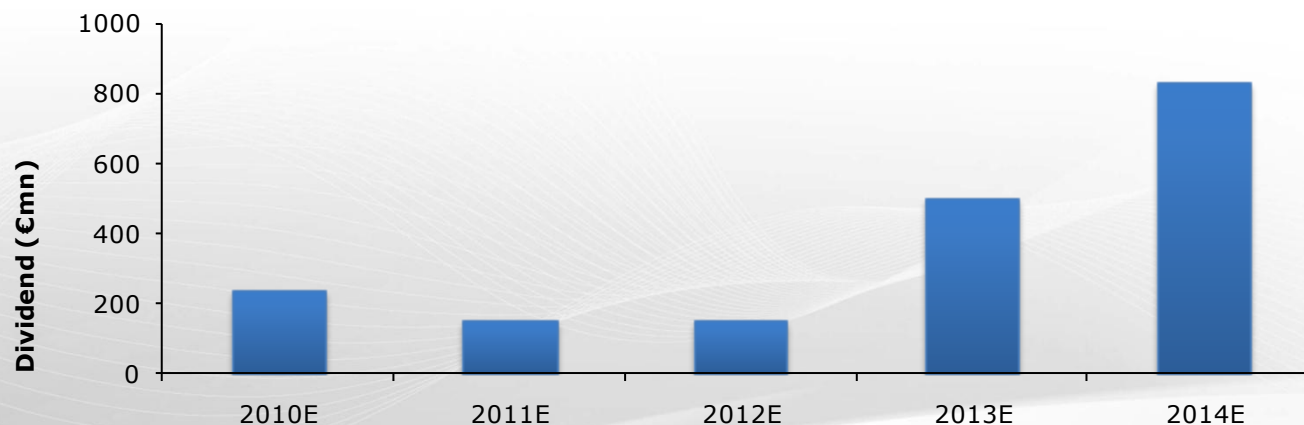
## Financial targets



# 2010-14 Plan – Group dividend policy

(subject to yearly approval by Board of Directors and Shareholders)

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 €237mIn approved during Fiat S.p.A. annual general meeting held on 26 March 2010



# 2010-14 plan

## Industrial cash-flow statement

(€bn)						Cumulative
	2010E	2011E	2012E	2013E	2014E	2010-14
<b>Net Industrial Debt (at beginning)</b>	-4.4	-5.4	-5.9	-4.6	-1.0	-4.4
<b>Industrial EBITDA</b>	4.3	5.5	7.3	9.3	11.0	37.4
Tangible & Intangible Capex	-4.7	-5.8	-5.5	-5.0	-5.0	-26.0
Ch. in working capital, funds & others	0.9	1.5	1.3	1.3	0.7	5.7
Financial Charges and cash Taxes	-1.3	-1.5	-1.6	-1.5	-1.5	-7.4
<b>Net Industrial Cash Flow</b>	<b>-0.8</b>	<b>-0.3</b>	<b>1.5</b>	<b>4.1</b>	<b>5.2</b>	<b>9.7</b>
Dividends paid	-0.2	-0.2	-0.2	-0.5	-0.8	-1.9
<b>Change in Net Industrial Debt</b>	<b>-1.0</b>	<b>-0.5</b>	<b>1.3</b>	<b>3.6</b>	<b>4.4</b>	<b>7.8</b>
<b>Net Industrial Debt (end of period)</b>	<b>-5.4</b>	<b>-5.9</b>	<b>-4.6</b>	<b>-1.0</b>	<b>3.4</b>	<b>3.4</b>

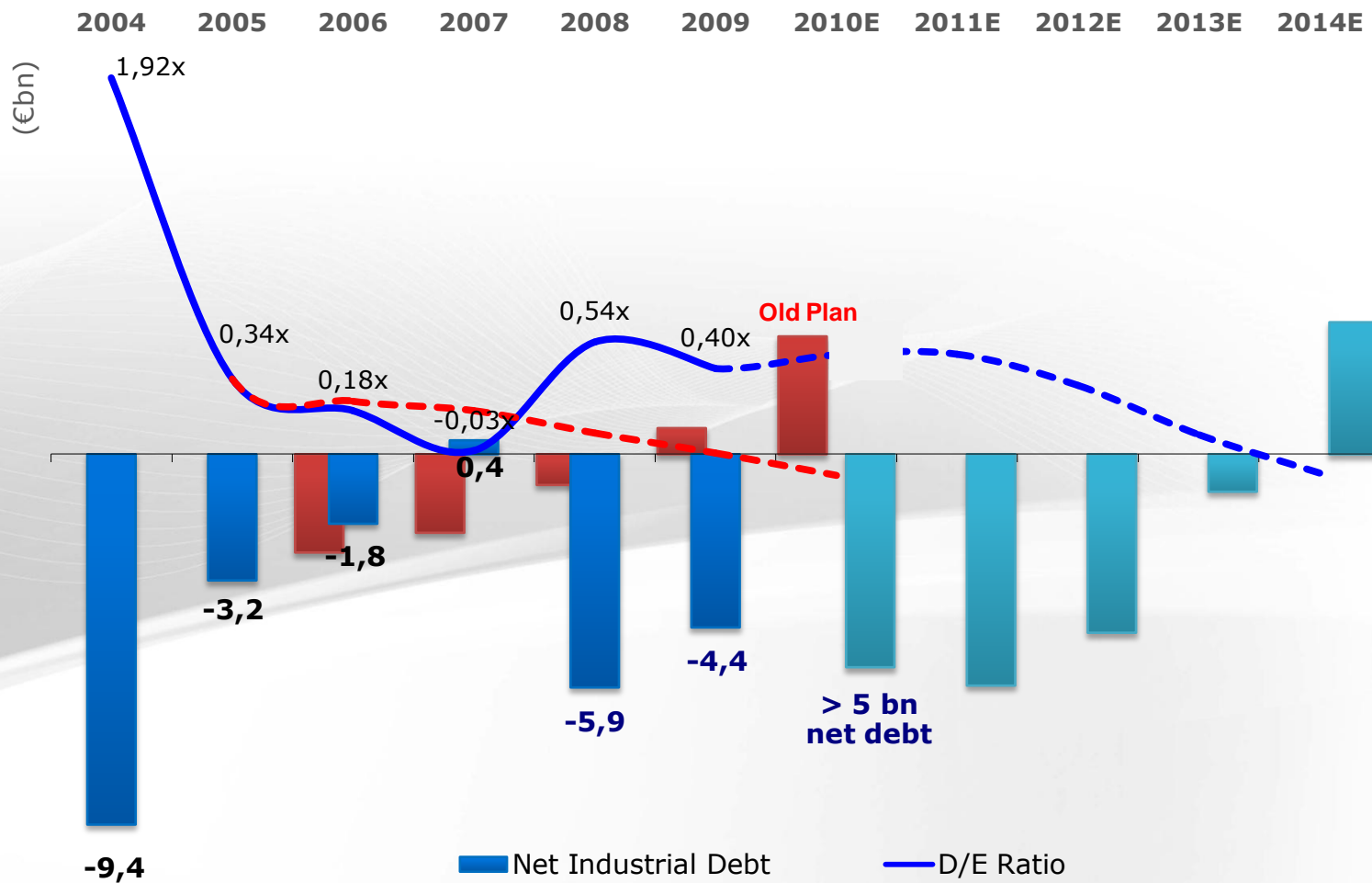
# 2010-14 plan assumptions

## 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



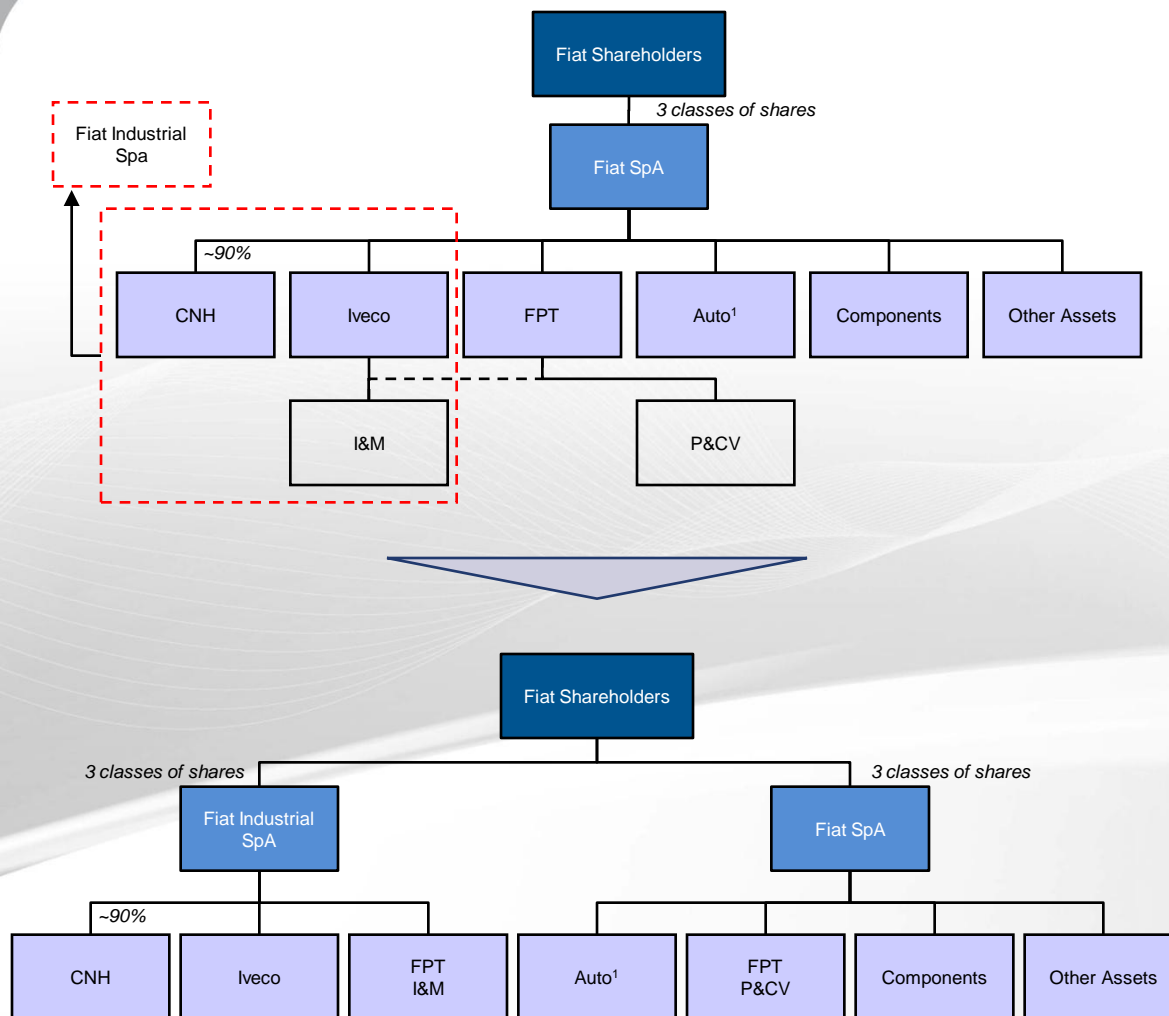
- **Automotive focused Group, with 2 sets of fundamentally different businesses**
  - **Auto:** FGA, Chrysler stake, Ferrari, Maserati, Magneti Marelli, Teksid, Comau and FPT Passenger & Commercial Vehicles
  - (non-Auto) **Industrial:** CNH, Iveco, FPT Industrial & Marine
- **Auto and Industrial substantially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

## 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



€bn	THE "NEW" FIAT*					FIAT INDUSTRIAL				
	2010E	2011E	2012E	2013E	2014E	2010E	2011E	2012E	2013E	2014E
Revenues	>32	37	45	57	64	>19	22	24	27	29
Trading Profit	0.5-0.6	0.9-1.2	1.6-2.0	2.5-2.9	3.2-3.8	~0.6	1.2-1.4	1.9-2.1	2.5-2.8	3.2-3.4
EBITDA Ind	2.9	3.6	4.7	6.0	6.9	1.4	1.9	2.6	3.3	4.1
CAPEX	3.7	4.5	4.2	3.6	3.7	1.0	1.4	1.4	1.4	1.3

\* After demerger

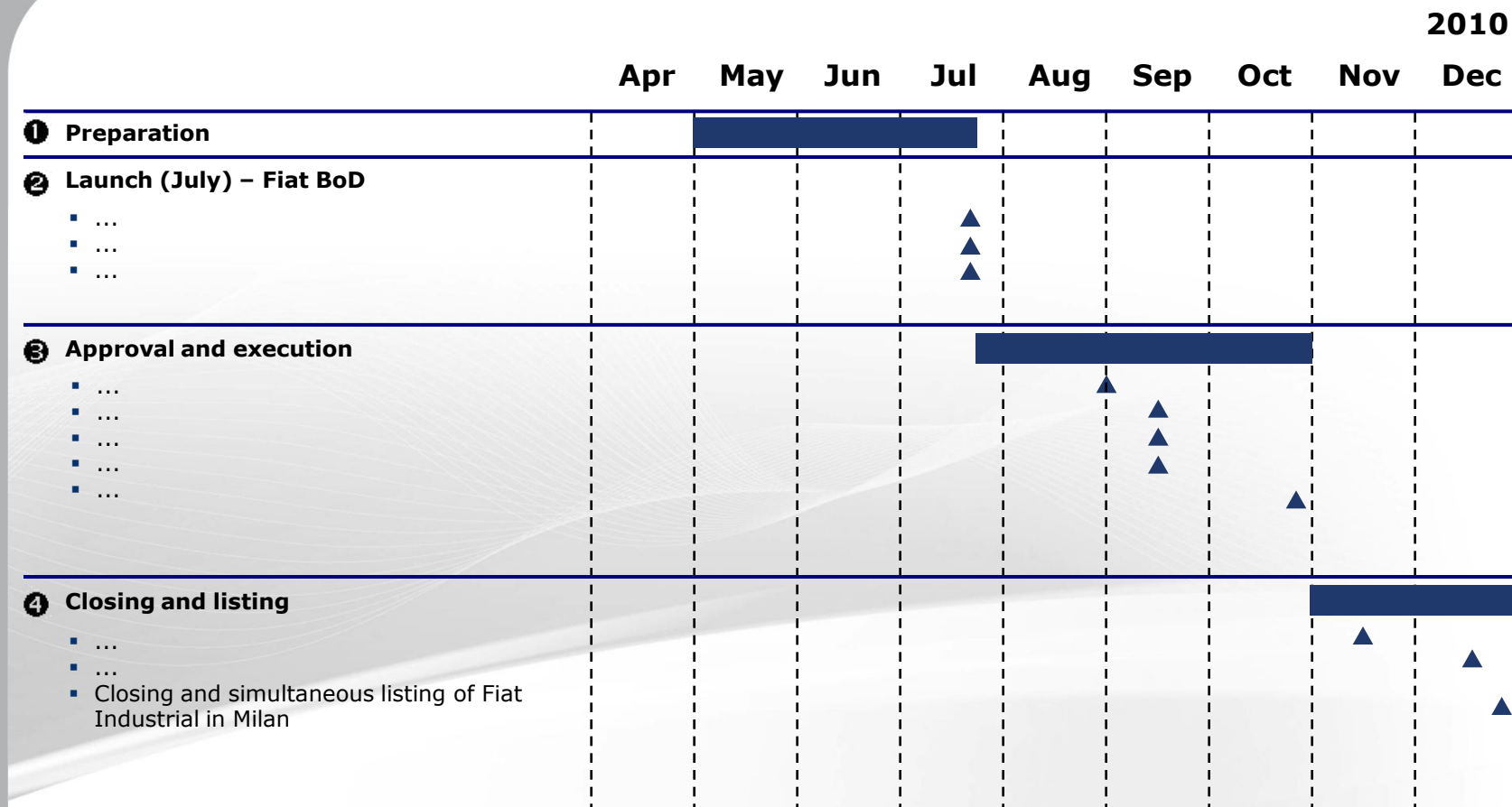


- **Envisaged structure would NOT**
  - trigger any “Recesso right” either for Fiat’s shareholders, or for minority shareholders of Fiat’s subsidiaries
  - result in any adverse treatment of preference/savings shareholders
  - trigger bonds early repayment clauses
  - trigger minority shareholder rights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

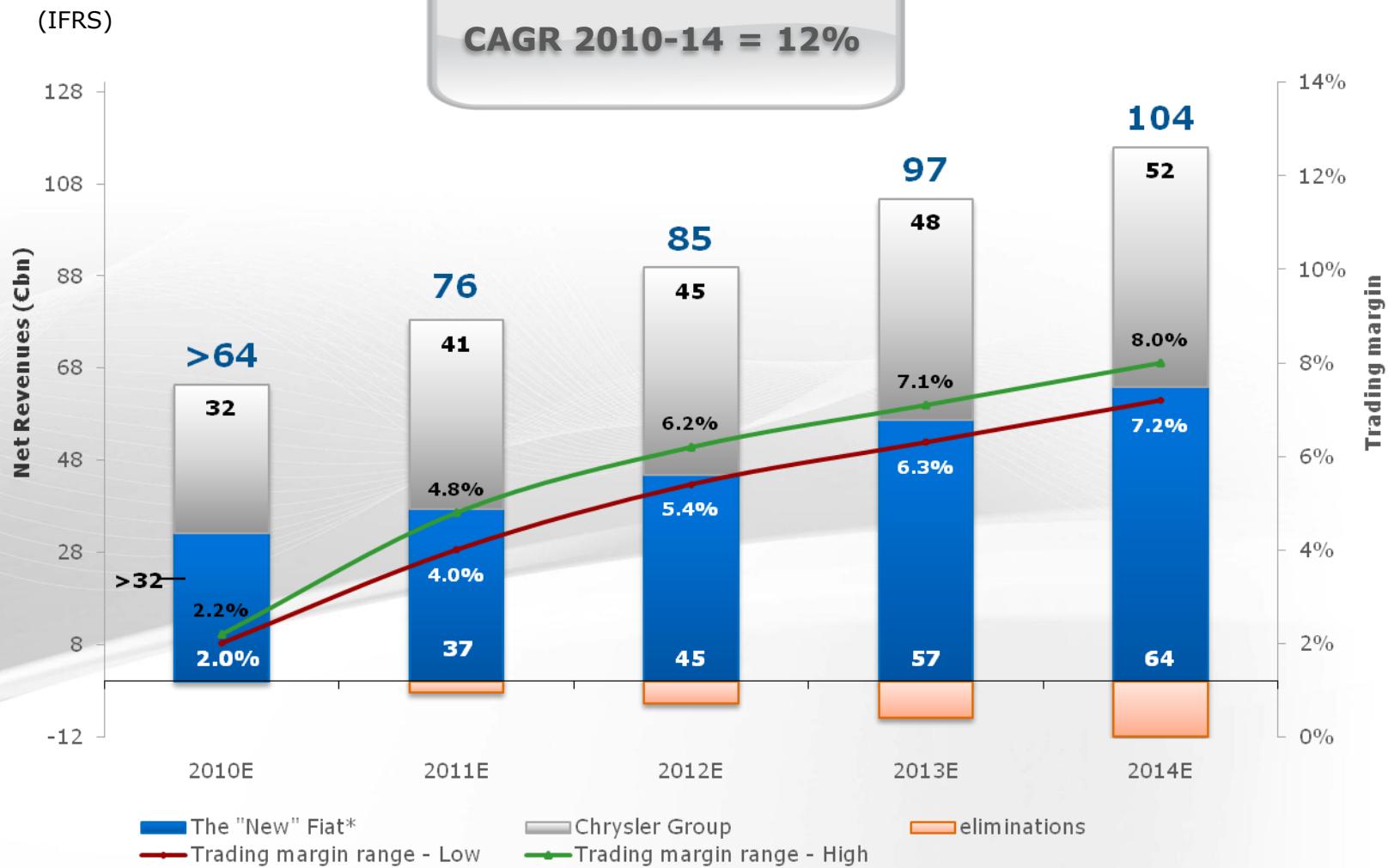
# Transaction process

Envisaged indicative timetable



# 2010-14 Financial targets

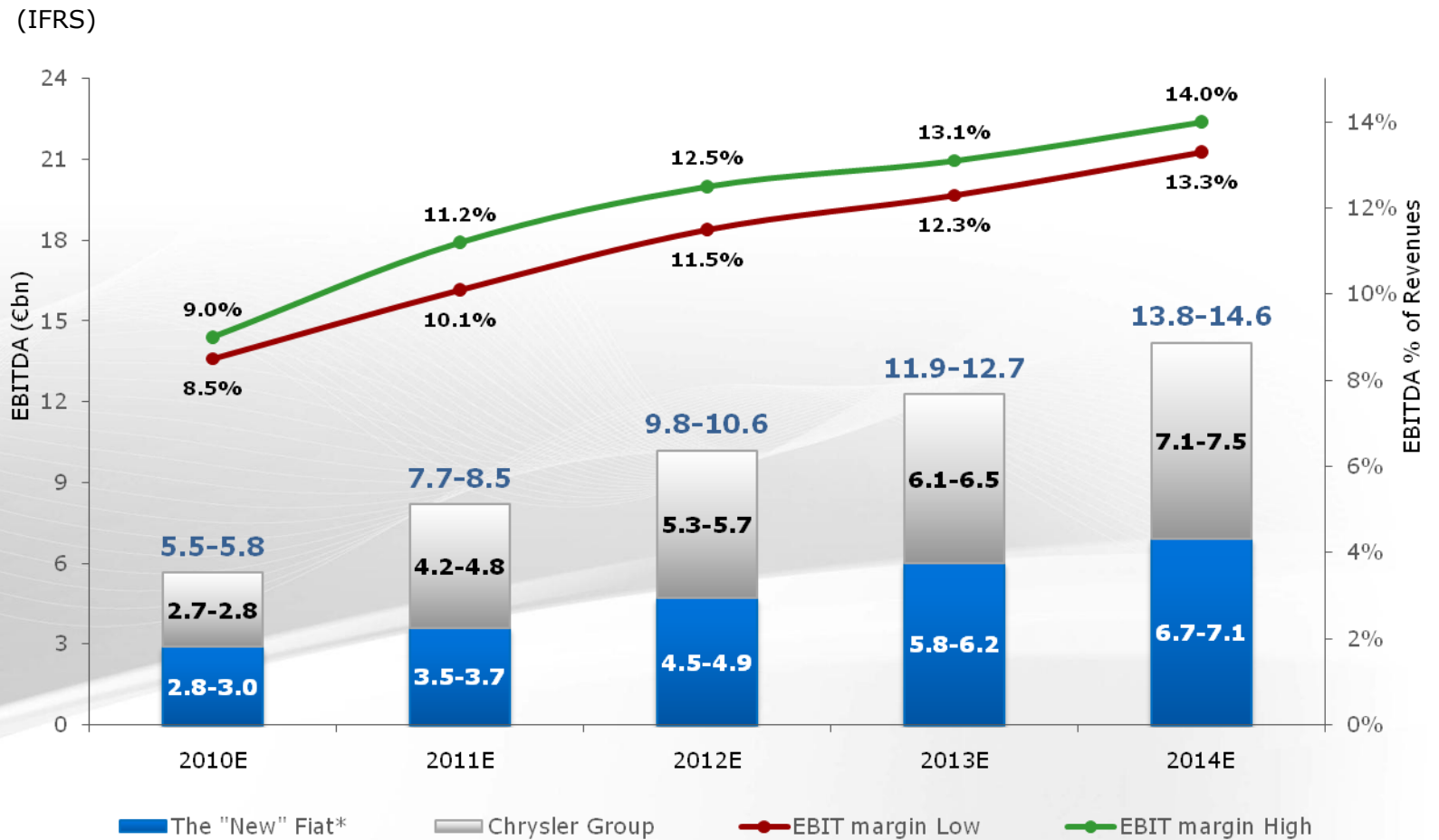
The "New" Fiat\* and Chrysler Group pro-forma



\* After demerger

# 2010-14 EBITDA

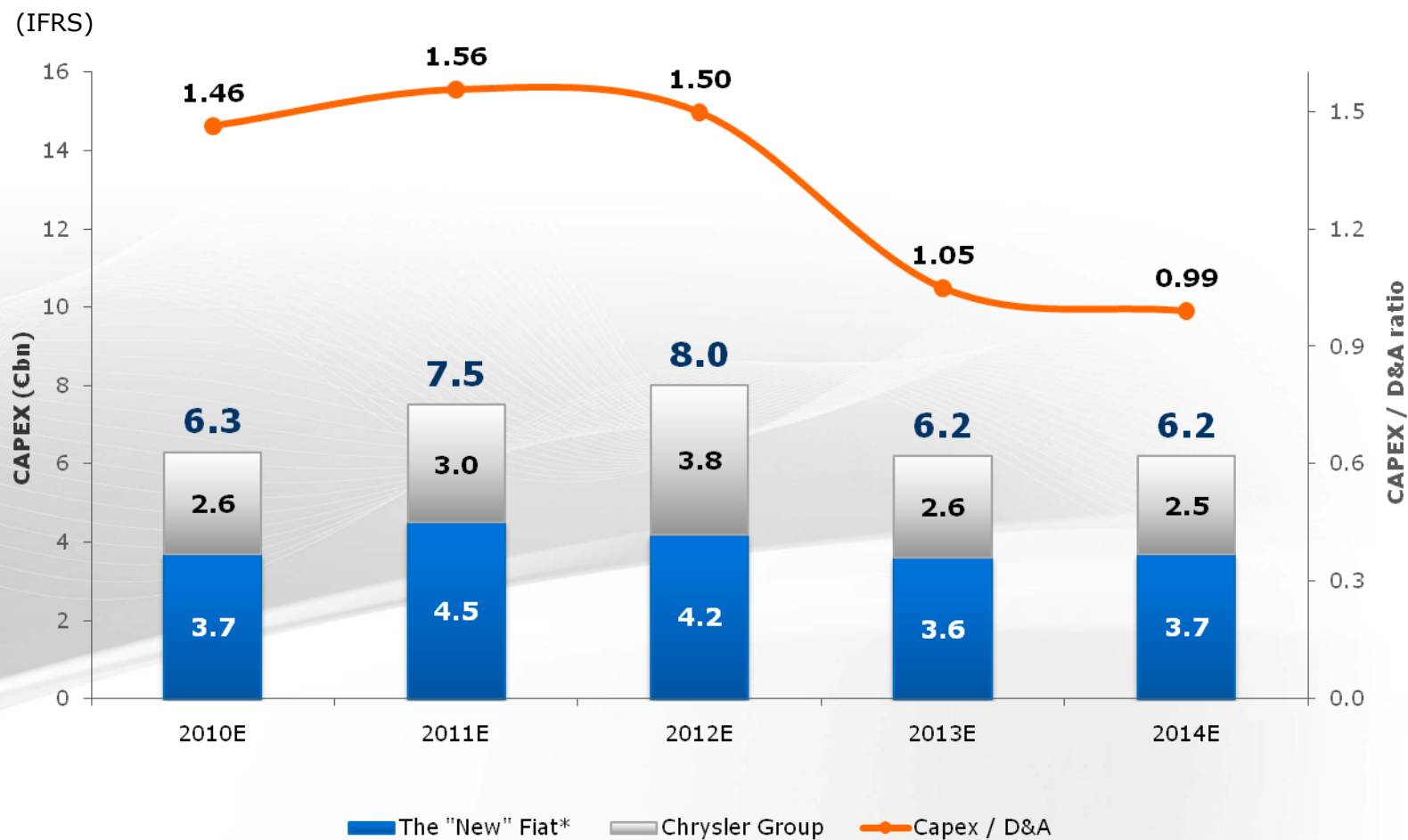
The "New" Fiat\* and Chrysler Group pro-forma



\* After demerger

# 2010-14 Capex & Capex/D&A

The "New" Fiat\* and Chrysler Group pro-forma

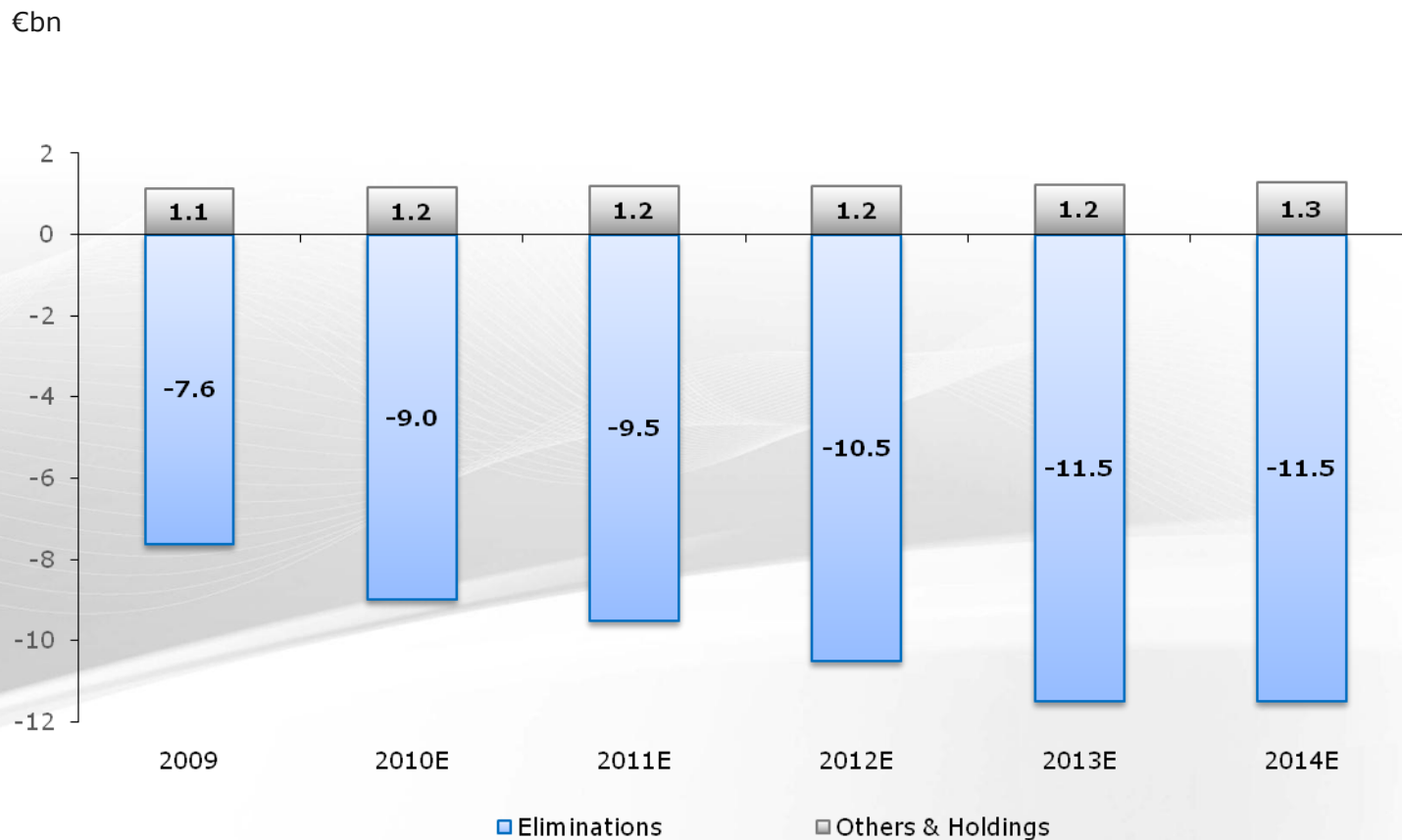


\* After demerger



# 2010-14 Group revenues

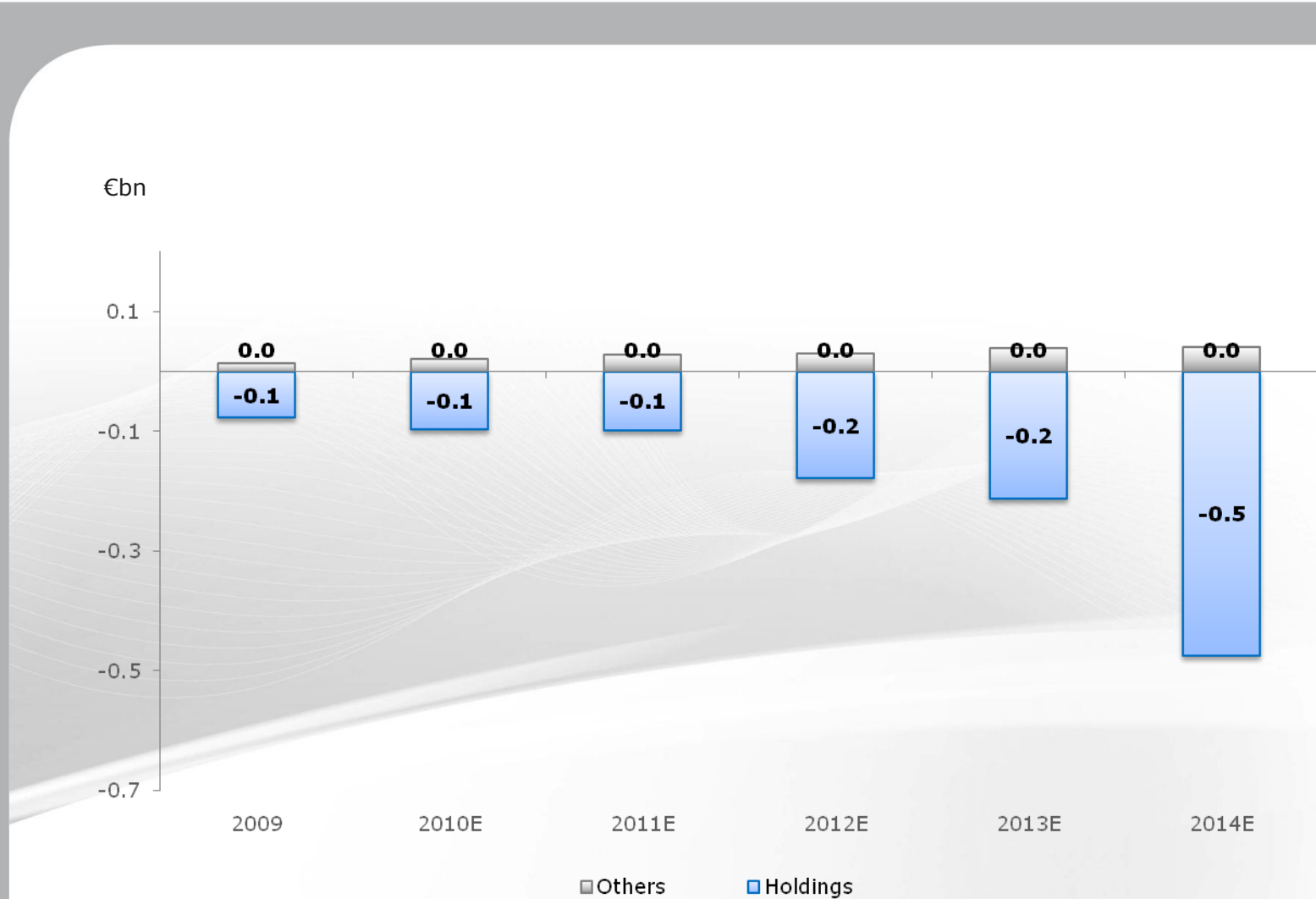
Others, holdings & eliminations





# 2010-14 Group trading profit

Others, holdings & eliminations



# Gross debt

## Industrial/Financial services breakdown

(€bn)

Consolidated Mar. 31, '10		Industrial Activities	Financial Services
20.6	<b>Cash Maturities</b>	18.7	1.9
8.7	Bank Debt	7.0	1.7
10.6	Capital Market*	10.4	0.2
1.3	Other Debt	1.3	0.0
7.5	<b>Securitization and Sale of Receivables (on book)</b>	0.5	7.0
5.4	ABS / Securitization	0.0	5.4
0.4	Warehouse Facilities	0.0	0.4
1.7	Sale of Receivables	0.5	1.2
0.2	Adjust. for Hedge Accounting on Fin. Payables	0.2	0.0
	Intersegment Net Financial Payables/Receivables	(4.6)	4.6
28.3	<b>Gross Debt</b>	14.8	13.5
11.2	<b>Cash &amp; Mktable Securities</b>	9.8	1.4
0.3	Derivatives Fair Value	0.3	0.0
16.8	<b>Net Debt</b>	4.7	12.1

\* Excluding Bond fair value, including interest accruals

# 2010-14 Debt maturity schedule

Consolidated debt



(€bn)

Outstanding Mar. 31, '10		Next 12 M	9 M 2010	2011	2012	2013	2014	Beyond
8.7	Bank Debt	3.7	3.4	2.3	1.6	0.8	0.3	0.3
10.6	Capital Market *	0.5	0.5	2.5	1.5	1.7	1.6	2.8
1.3	Other Debt	0.8	0.8	-	0.1	0.1	-	0.3
<b>20.6</b>	<b>Total Cash Maturities</b>	<b>5.0</b>	<b>4.7</b>	<b>4.8</b>	<b>3.2</b>	<b>2.6</b>	<b>1.9</b>	<b>3.4</b>

<b>11.2</b>	<b>Cash &amp; Mktable Securities</b>
0.6	of which ABS related
3.8	Sale of Receivables (IFRS de-recognition compliant)
2.3	<i>of which receivables sold to financial services JVs (FGA Capital, Iveco Finance Holding Ltd)</i>

\* Excluding Bond fair value, including interest accruals