



Fiat

“Avanti e Veloci”



Giuseppe Bonollo
Senior VP Product Portfolio Management

- An all-around effort to place the right products on the market
 - ▶ Each brand on its own; differentiated front-end but common manufacturing, R&D, quality
 - ▶ Quality a prerequisite across the full product range and processes
 - ▶ Strengthening product pipeline while optimizing segment coverage across brands
 - ▶ Better leverage of existing and future architectures
 - Sharing engineering & development costs (agreements with Ford, PSA, Suzuki, ...)
 - Standardization of components
 - ▶ Building on best-in-class emission & fuel efficient powertrain range
 - ▶ From early design to after sales support: delivering a comprehensive package to our customers
 - ▶ Active but cautious approach to next generation propulsion systems

Fiat Grande Punto – Meeting Expectations

- **Solid order book (~160k orders since Sep '05 launch)**
- **Fiat B-Segment best seller in Western Europe in Jan '06 (38 k/units Grande Punto and Punto with 12.3% segment share); positive trend continuing in February**
- **Clear indications of improving residual value**
- **7,000 test drives and 2,400 orders in 10 days in UK**
- **Geographical & version mix**
 - ▶ Increasing weight outside of Italy in '06 (Grande Punto at 57% vs. 38% of Punto)
 - ▶ Medium & upper trim levels at 90% of mix vs. 38%



- **~35k dealer orders since May '05 launch**
- **Fleet sales**
 - ▶ In line with Italian D-Segment average (~50%)
 - ▶ Gradually narrowing the gap vs. D-Segment average in European market
- **Version mix**
 - ▶ Medium and upper trim levels at >90% of sales
- **Italy**
 - ▶ 40% conquer rate from competing products
 - ▶ Residual value ~20% higher than average relevant competitors

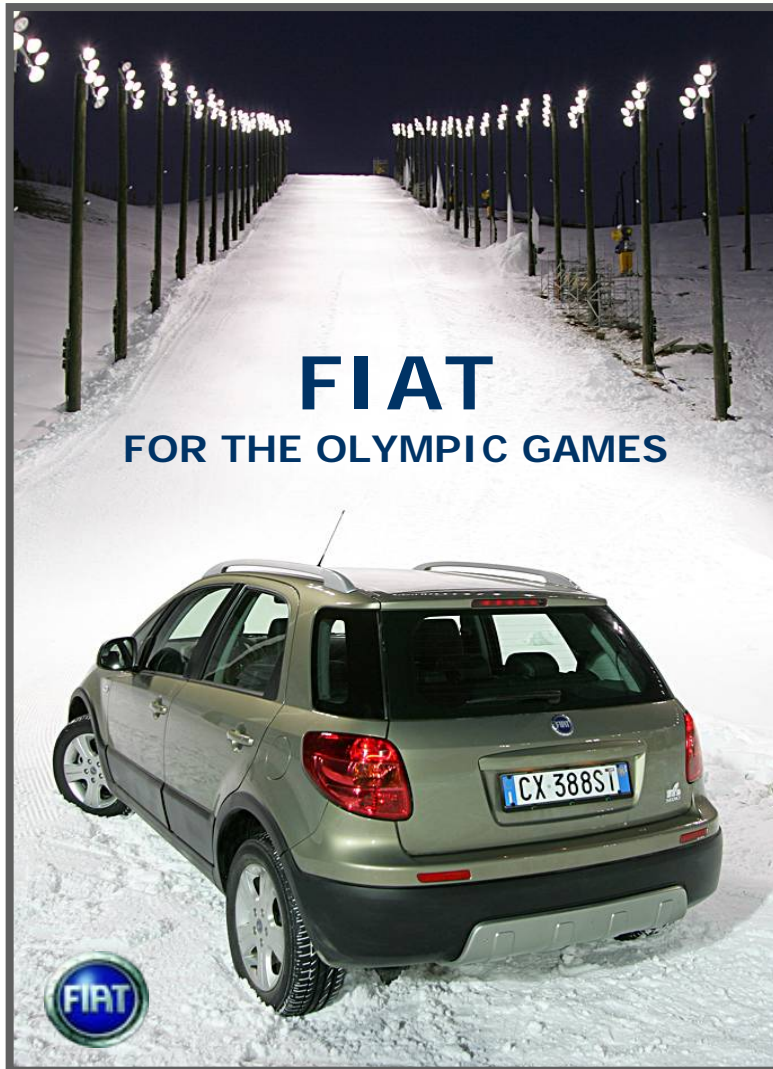


Alfa 159 – Filling up the Range

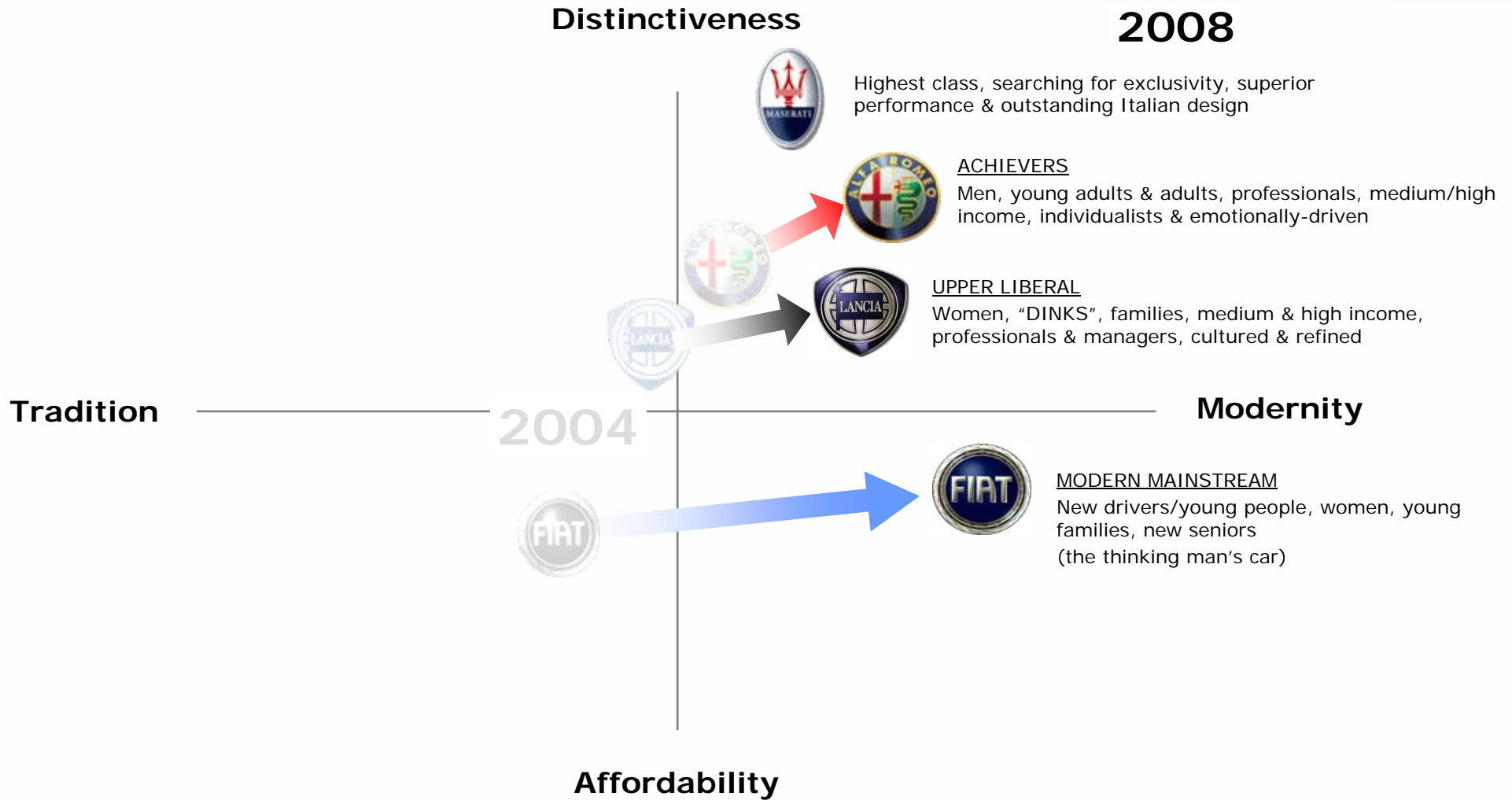
- ~27k dealer orders since Sep '05 launch
- 4k registrations in Western Europe in Jan '06; segment share at 11.0% in Italy and 2.3% in WE
- Adding to powertrain offer
 - ▶ 2.4 JTDM 200 hp 6-speed (Jan '06)
 - ▶ 3.2 V6 JTS 260 hp Q4 6-speed (Jan '06)
 - ▶ Automatic transmission available in Spring 2006
- Residual value in line with relevant competition; up 20% (Italy) and ~10% (Germany, Spain, France) vs. Alfa 156



**Sportwagon
World Première at
Geneva Motorshow**



- **Official car of Torino 2006 XX Winter Olympic Games**
- **Developed jointly with Suzuki, manufactured in Hungary**
- **Midsize SUV adding to Fiat offer in 4WD segment**
- **Model strengths**
 - ▶ Competitive price
 - ▶ Comfort and performance on & off-road
 - ▶ Fuel efficient engines and lower emissions than average relevant competition
- **Full year target: 20k units**
- **3k dealer orders in Italy ahead of commercial launch (March '06)**
















Socio-cultural Map
Source: Fiat Auto analysis based on market surveys

2005-08 Product Range

Expected Production Start-up



New models

	2005	2006	2007	2008	
	 Croma  Sedici	 Grande Punto  Doblò Panorama FL	Future C Segm. Multipla MY	New A Segm. (500) D200 Panda FL Idea FL	Future MPV Minicargo Panorama Grande Punto FL Croma FL
		SUV Ypsilon FL	New C/D segment Specialty Phedra MY Musa FL		
	 159 Sedan  159 Sportwagon	 Brera  Spider	GT FL	Future C Segm.	Future high-end range 159 sedan and SW FL Brera FL Brera Spider FL
	 Doblò Cargo FL Idea Van	Future Scudo Future Ducato Grande Punto Van Strada FL Multipla Van MY	Future C Segm. Van Minicargo Panda Van FL Idea Van FL	Future MPV Van Grande Punto Van FL	

FL = Facelift
MY = Model Year

New Fiat 500 – Renaissance of a Classic

- **Based on Panda architecture; built in Poland**
 - ▶ Sharing engineering & development costs and manufacturing with Ford
 - ▶ 120k units FY target; expected launch in fall '07
- **Youthful and trendy city-car for young and young at heart consumer, fully complementary to Panda**

**The quintessential iconic product to complete
Fiat's line-up**

- **Back to Italian design**

- ▶ Sportiness, sharing family DNA with Grande Punto, ideal C segment size

- **Perceived quality**

- ▶ Excellent quality indicators
- ▶ Materials and interior trims
- ▶ Customization (colors, pack sport, option packs)

- **Roominess**

- ▶ Seating comfortably 5 people, excellent trunk capacity

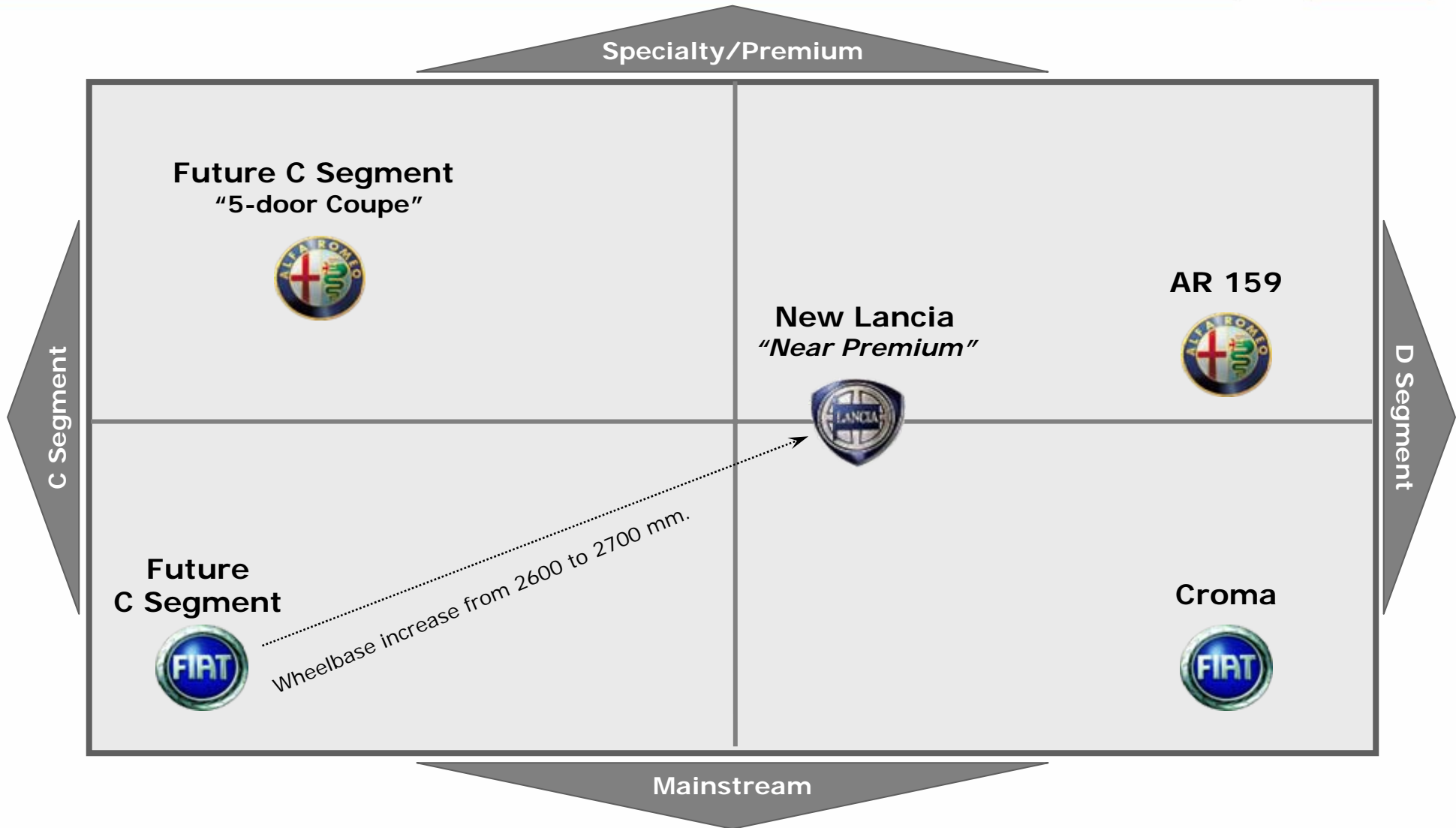
- **Continuing to strive for best-in-class safety**

- ▶ Aiming at 5 EuroNcap stars

- **New powertrain range available**

- ▶ 1.4 turbocharged gas engine
- ▶ New 1.6 diesel engine

Product Range – C & D Segments Positioning Map



Product Range – Expansion of Model Line-up for Lancia



MARKET MAINSTREAM

Core Products

Ypsilon

B Segment

New "C-D" Segment

Derivatives

- **Musa: Facelift**
- **Phedra: MY and 170 hp diesel engine**
- **SUV**
- **RHD versions**

Flagship Products

- **Specialty**
- **Sedan (under study)**

100 Years
of
Automotive
Creations

Product Range – Alfa Romeo/Maserati Re-building High-end Offering Portfolio



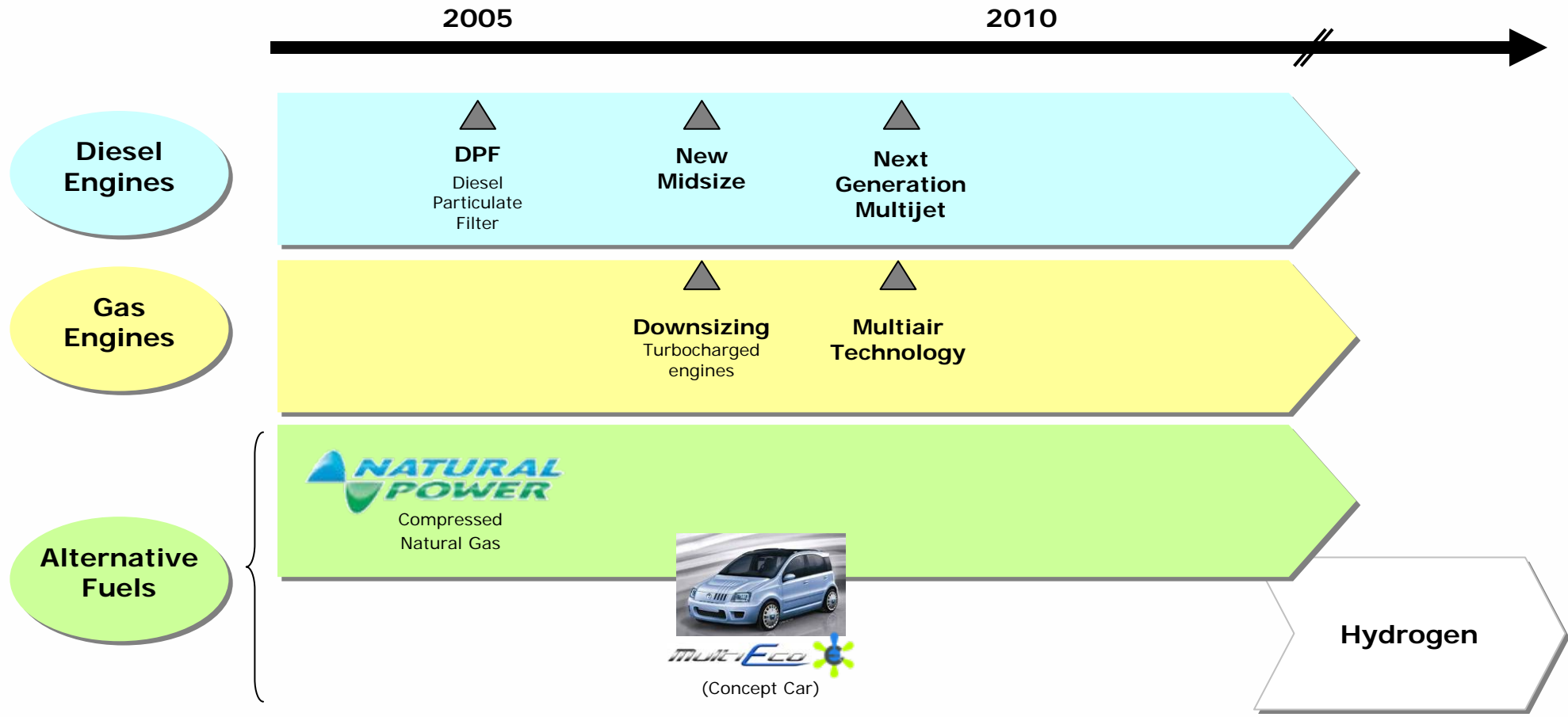
Mid-term

Long-term

	Alfa Romeo specific architecture <ul style="list-style-type: none"> • Transverse engine • Front drive 	Alfa Romeo specific architecture <ul style="list-style-type: none"> • Transverse engine • Front drive & 4WD 	Maserati specific architecture <ul style="list-style-type: none"> • Longitudinal engine • Rear drive
Low-end	Alfa 147		
Premium	Alfa GT		
		Alfa 159	
		Alfa Brera	
		Alfa Spider	
High-end			Alfa Romeo Future High-end
			Maserati Future Coupè
			Maserati Quattroporte

	Alfa Romeo specific architecture <ul style="list-style-type: none"> • Transverse engine • Front drive 	Alfa Romeo specific architecture <ul style="list-style-type: none"> • Transverse engine • Front drive & 4WD 	Joint architecture <ul style="list-style-type: none"> • Longitudinal engine • Rear drive / 4WD
Low-end	Future Alfa C Seg.		
Premium	Alfa GT		
		Alfa 159	
		Alfa Brera	
		Alfa Spider	
High-end			New Alfa Romeo High-end
			New Maserati Coupé
			New Maserati Quattroporte

Powertrain Offering – The Roadmap

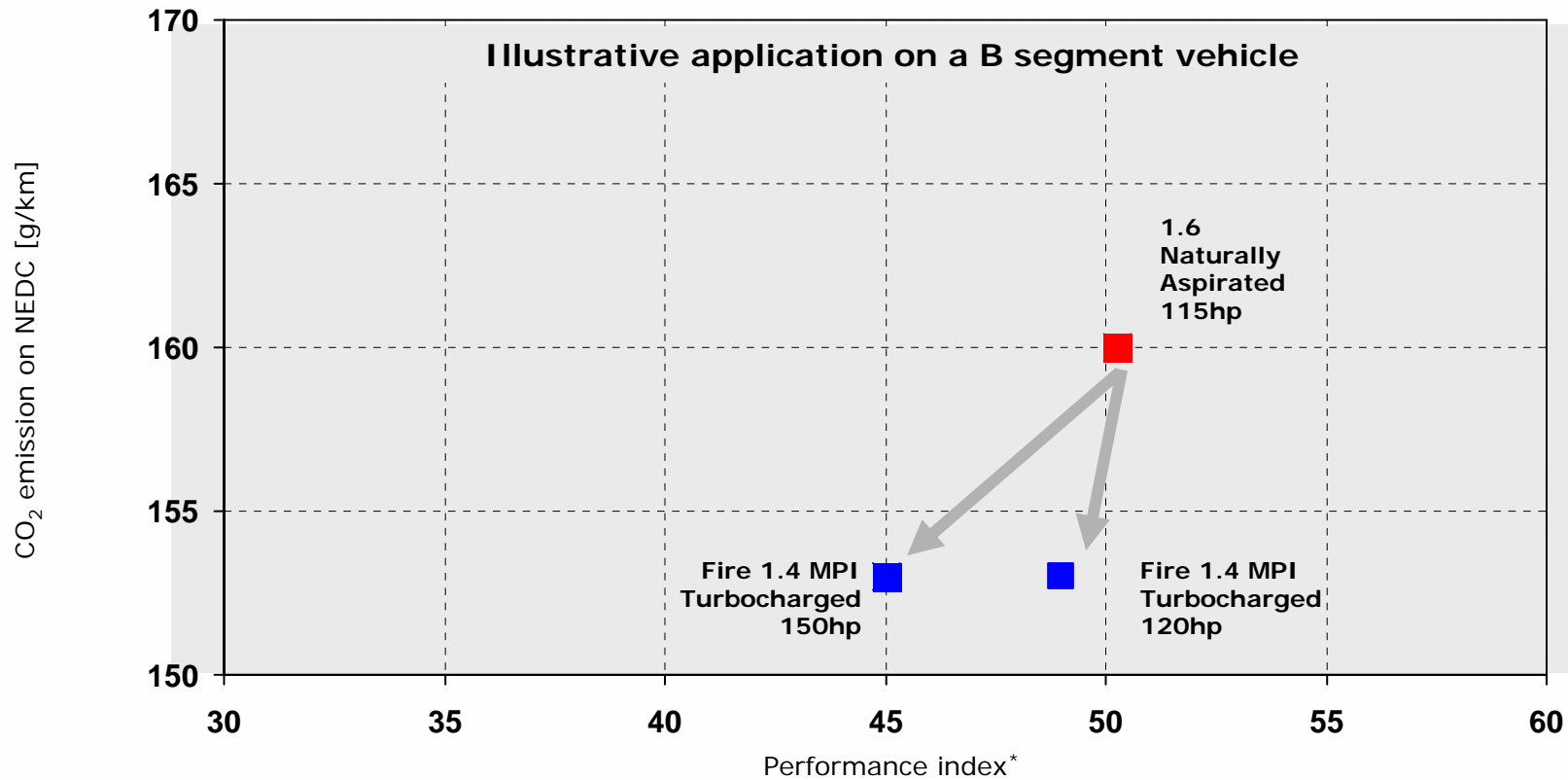


Building on best-in-class emission & fuel efficient powertrain range

- Well positioned in excellence area vs. best competitors, with focus on low-end-torque output and fuel consumption
- Two power levels: 105 hp with waste-gate turbo and 120 hp with VGT
- Euro 5 compliant, with Gen. 2 close coupled DPF and optimized combustion for low NO_x emissions
- ~8% lighter than 1.9 JTD 8v
- Noise & vibration reduced
- First application by end 2007



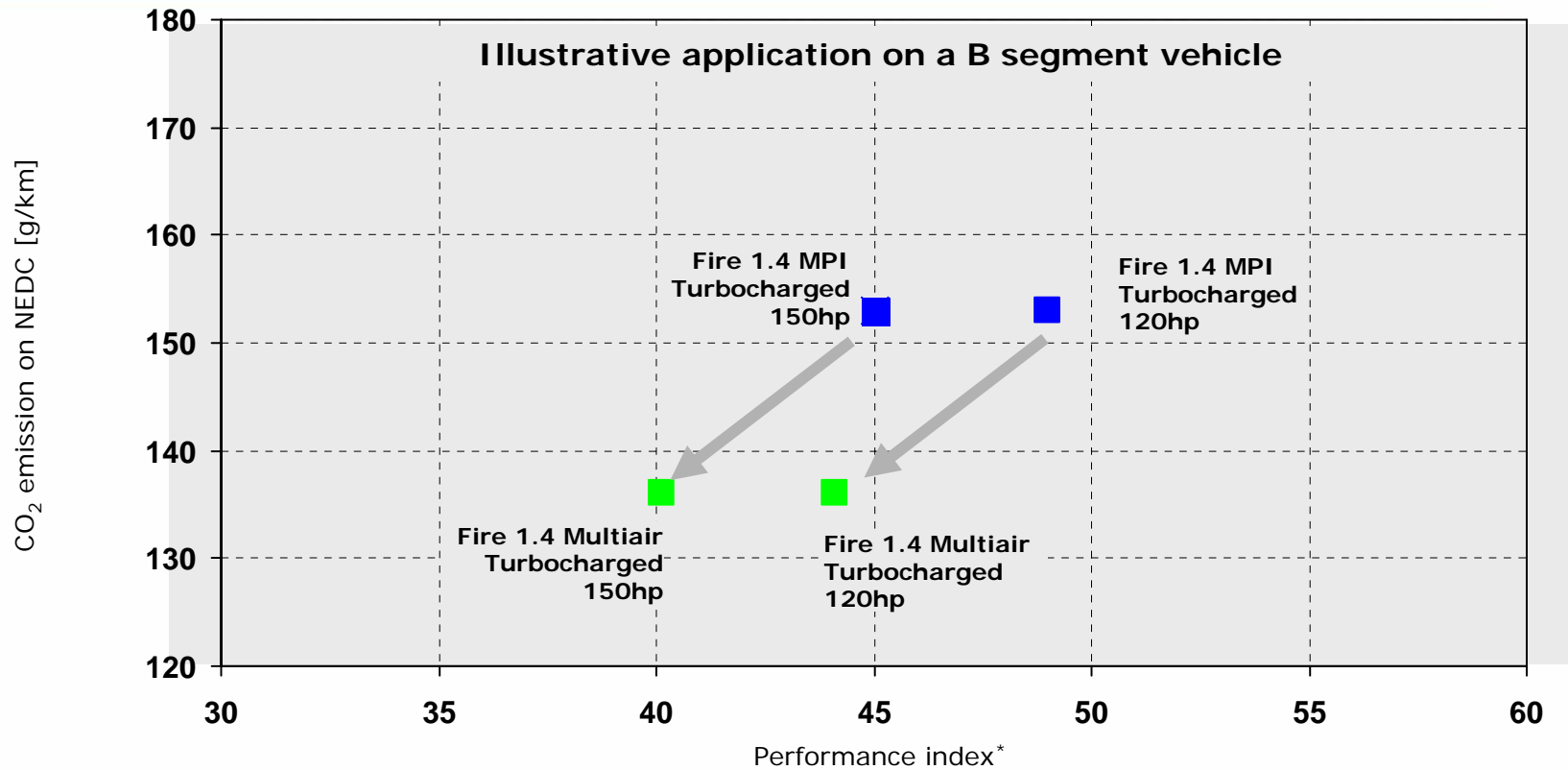
Powertrain – Fire 1.4 16v Turbocharged Gas Engines



- First application by mid 2007
- CO₂ emissions reduced by ~5%
- Performance index improved by 3% (120hp) and 10% (150hp)

* Performance index [s] = 0-100 + 60-100 (IV gear) + 80-120 (V gear) + 3600/max speed

Powertrain – Fire 1.4 16v Multiair



- **First application by mid 2009**
- **Fuel consumption & CO₂ emissions reduced by 10%**
- **Performance index improved by 10%**

* Performance index [s] = 0-100 + 60-100 (IV gear) + 80-120 (V gear) + 3600/max speed

Powertrain & Sustainable Mobility

Fiat Panda CNG Powered (Compressed Natural Gas)

FIAT
GROUP

FIAT



- **A practical, readily available alternative to meet demand for environmentally friendly vehicles (through OEM installations)**
- **Adding to the already rich Panda's line-up**
 - ▶ About 80% reduction of pollutant emissions vs. gas & diesel engines
 - ▶ "No-restriction" driving in urban centers
 - ▶ Over 250 km running range in CNG mode
 - ▶ Lower operating costs (~55% reduction in fuel cost)
 - ▶ No compromise on Panda's distinguishing features (same trunk capacity)
- **Consolidate Fiat leadership in WE CNG market (>60% share in a ~ 35k market in 2005)**

NATURAL
POWER

Powertrain & Sustainable Mobility

Two Steps Forward: Fiat Panda Multi-Eco & Panda Hydrogen

MultiEco 



Concept car for future development

- Fire 1.2 bi-fuel engine and "BAS & MTA" transmission
- Lightened vehicle (chassis, interiors, CNG system): -92 kg (9%) vs. Panda Natural Power
- Optimization of aerodynamics (CX=0.295)
- "Green" tires with minimum rolling resistance
- Possible use of mixture CNG/hydrogen

Panda Hydrogen

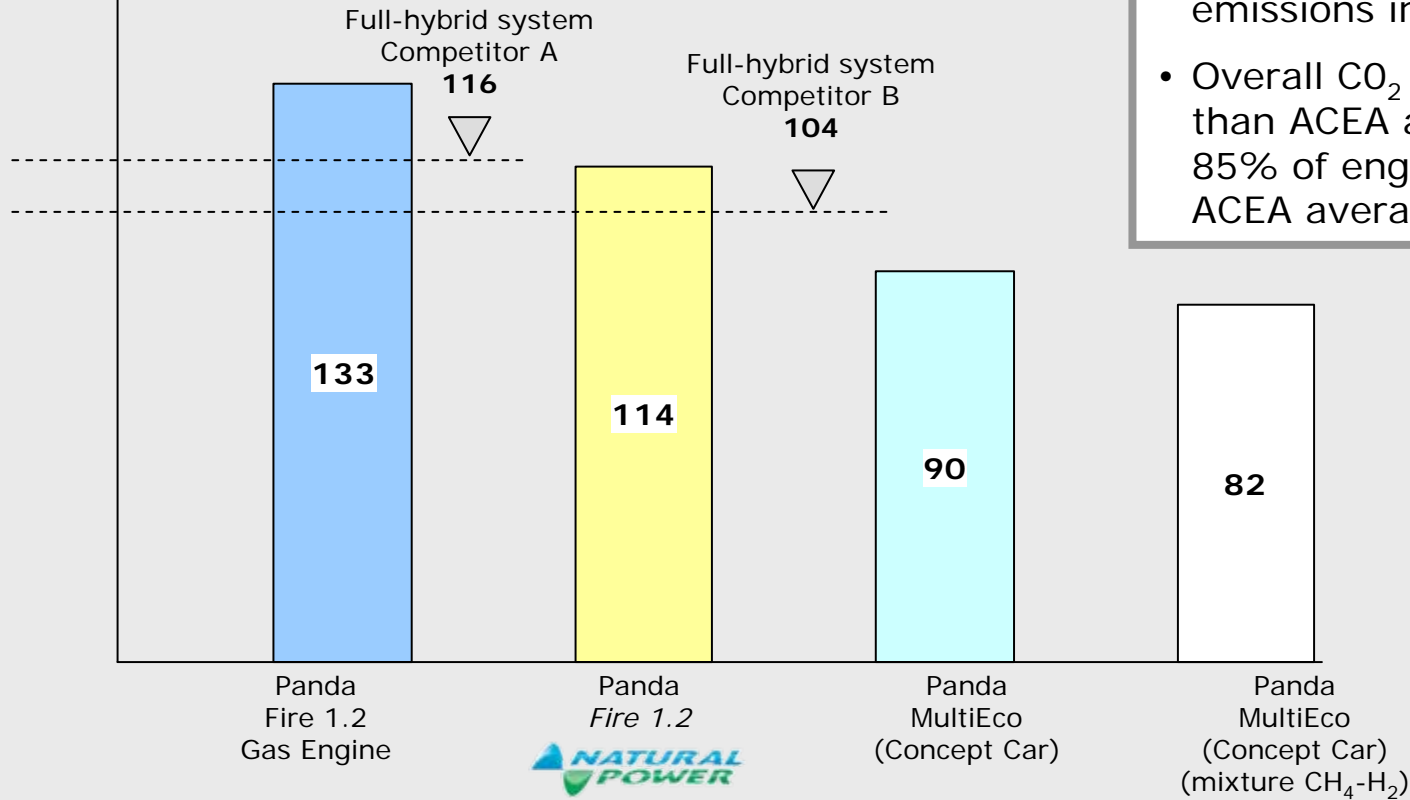


- Playing an active role in developing future technology applications (next 15-20 years)
- Experimental stage with small fleets as a forerunner to wide-ranging demonstration programs promoted and supported by public institutions

Powertrain & Sustainable Mobility

Fuel Consumption

CO₂ [g/km]
NEDC cycle



Fuel and emission efficient engine range

- Ranked among the top-3 carmakers with lowest CO₂ emissions in 2005
- Overall CO₂ emissions ~ 10% lower than ACEA average; more than 85% of engine range better than ACEA average

Safety

Aiming at Excellence in Safety Ratings



Each of the new models launched in 2005 achieved top 5-star EuroNcap rating

159 



Croma



Punto

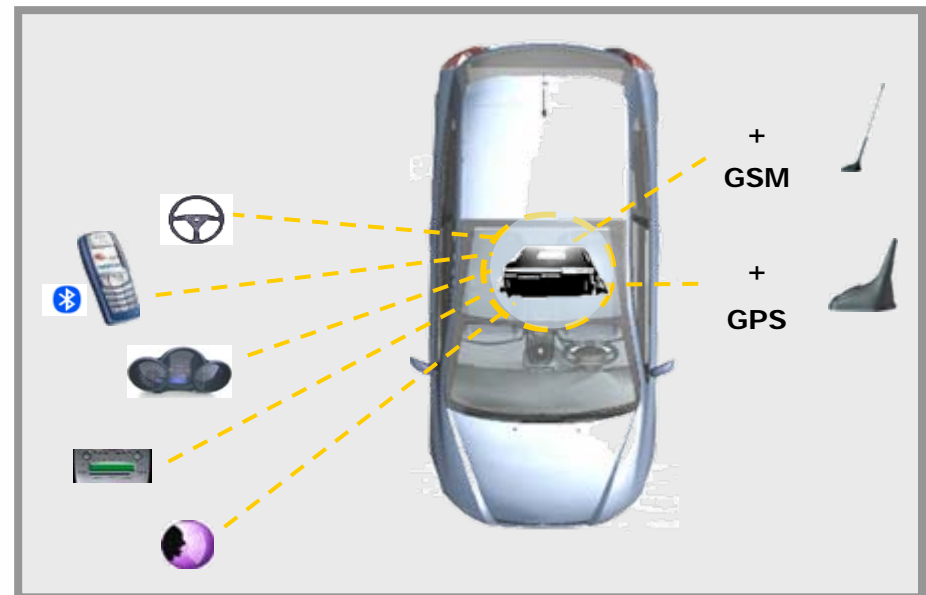


The “Wireless Car”

Blue&Me™ based on Windows Mobile™



- Strategic partnership between Fiat Auto and Microsoft to offer innovative automotive telematics systems, premiered at the 2006 Geneva Motorshow
- An open architecture compatible with the largest number of consumer products (mobile phones, digital media players, PDA and other mobile devices, ...) at competitive price
- Integrated technology to make in-car communication & entertainment better and easier to use
 - ▶ Bluetooth® technology interface
 - ▶ Voice recognition
 - ▶ USB & MP3 media player
 - ▶ On-board & off-board navigation
 - ▶ Telematics services
- Available from mid 2006 on most Fiat, Lancia, Alfa Romeo and LCV models



- Position Customer Care at the center of Fiat value proposition
 - ▶ Raise service level to best-in-class standards
- Head of Customer Care at Management Committee level
 - ▶ Identify, benchmark and streamline all processes (customer support, customer relations, customer marketing)
 - ▶ Assess external service providers (e.g. roadside assistance)
 - ▶ Complete overhaul by end of H1 '06
- First European automaker to provide pan-European toll-free assistance number for each brand
- Reduce costs (courtesy cars, service providers, ...) while raising customer satisfaction to best peer levels

- Gradually rebuilding a coherent product portfolio
 - ▶ Fully differentiated brands
 - ▶ Engineering, styling, marketing and service “package” in sync with customer expectations and brand DNA
- Targeted industrial alliances to share development & risks and to speed up deployment
- An extensive range of fuel-efficient, environmentally friendly powertrains for today...
- ... and a clear will to contribute to tomorrow’s locomotion

With successful new models in key segments, we’re back in the public eye and on the automotive map



Safe Harbor Statement

Certain information included in this document is forward looking and is subject to important risks and uncertainties that could cause actual results to differ materially. The Company's businesses include its automotive, automotive-related and other sectors, and its outlook is predominantly based on its interpretation of what it considers to be the key economic factors affecting these businesses. Forward-looking statements with regard to the Group's businesses involve a number of important factors that are subject to change, including: the many interrelated factors that affect consumer confidence and worldwide demand for automotive and automotive-related products; factors affecting the agricultural business including commodities prices, weather, and governmental farm programs; general economic conditions in each of the Group's markets; legislation, particularly that relating to automotive-related issues, agriculture, the environment, trade and commerce and infrastructure development; actions of competitors in the various industries in which the Group competes; production difficulties, including capacity and supply constraints and excess inventory levels; labor relations; interest rates and currency exchange rates; political and civil unrest; and other risks and uncertainties.

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