Product Development

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Chrysler Group LLC 2010-14 Business Plan

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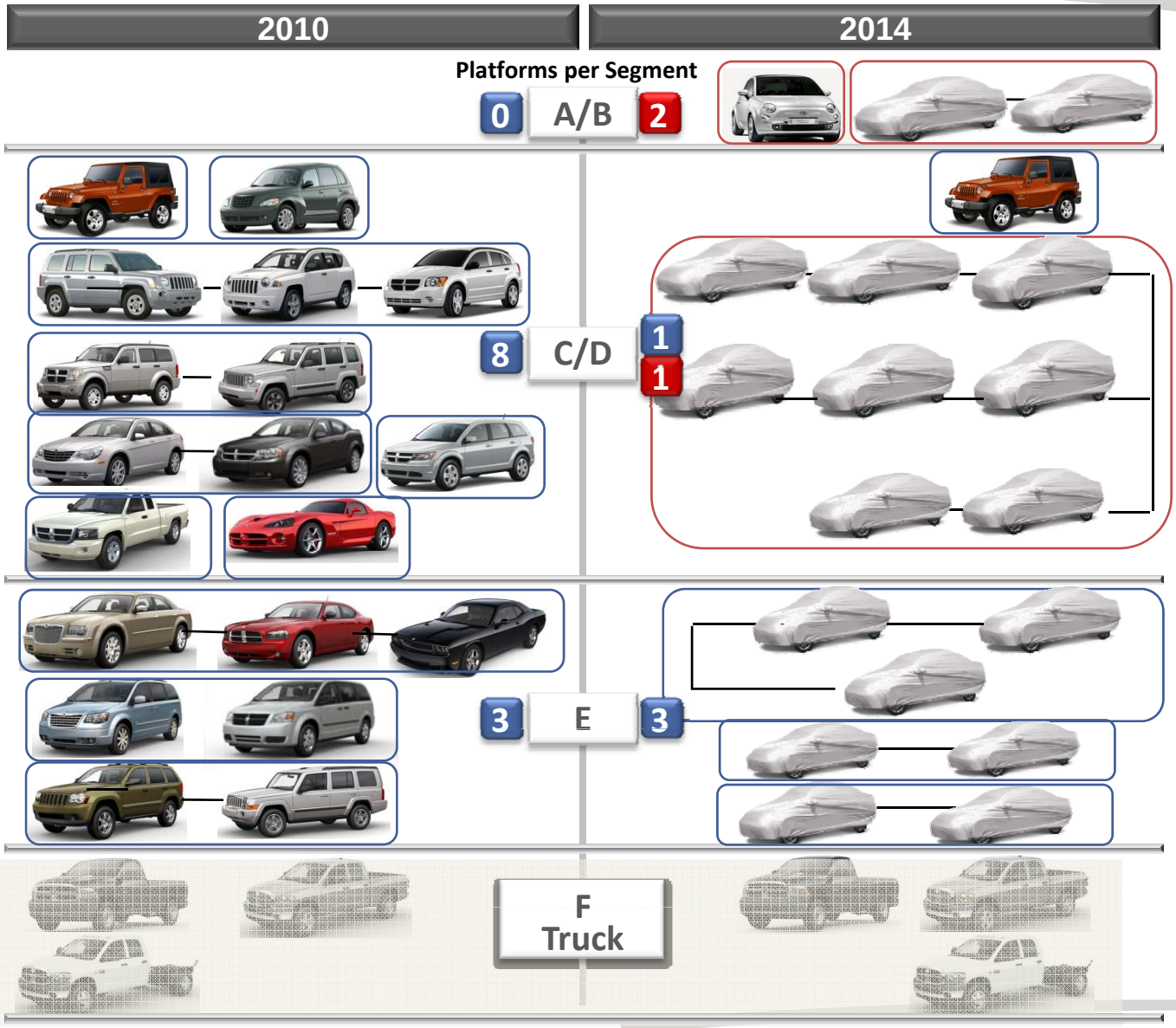
Product development priorities

1. Align organization to Fiat Group for maximization of communication
2. Align resources to support Chrysler's 5-year business plan
3. Maximize use of common platforms, systems, and components through sharing with Fiat Group and expansion of Chrysler usage profile
4. Maximize fuel economy by reducing vehicle weight and optimizing aerodynamics
5. Deliver technologies to meet demanding customer expectations in fuel economy, infotainment and connectivity
6. Enhance speed to market using Fiat Group timing benchmarks, virtual tools, and component commonization
7. Implement advanced powertrain systems across vehicle platforms

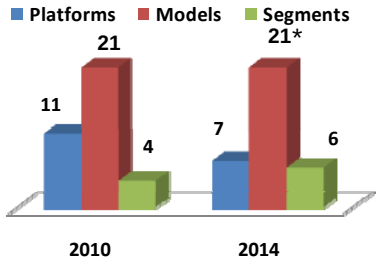
Reaching additional segments through platform sharing with Fiat Group



Chrysler Platform Fiat Group Platform

Highlights:

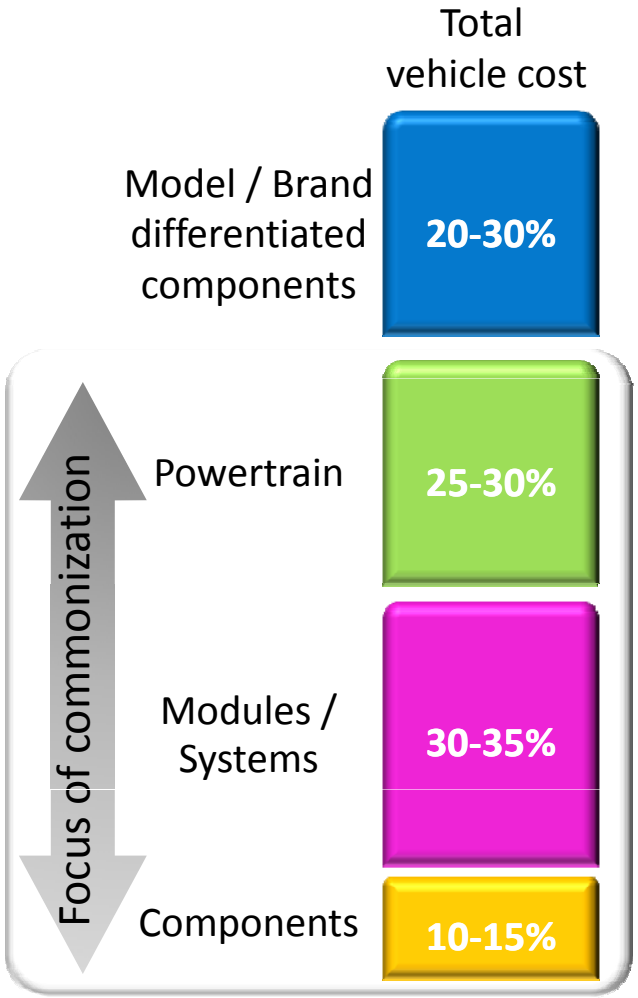
- Future car models (21)*
- New segments enabled by Fiat (2)
- Shared platforms with Fiat (3)
- Platforms consolidated (4)
- Development efficiency improves as resources focused on fewer, high volume platforms

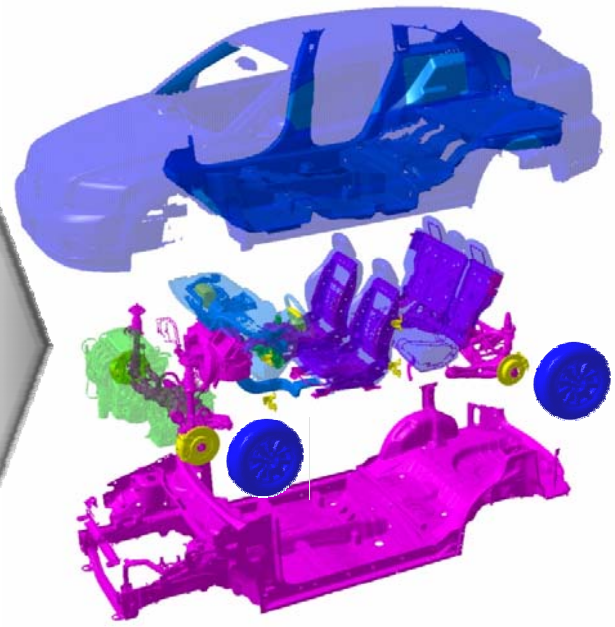


Year	Average models per platform	Average volume per platform
2010	1.9	125,000
2014	3.0	305,000
Change	58%	144%

*Count includes Chrysler engineered models excluding full size trucks

Commonization will accelerate through sharing with Fiat Group





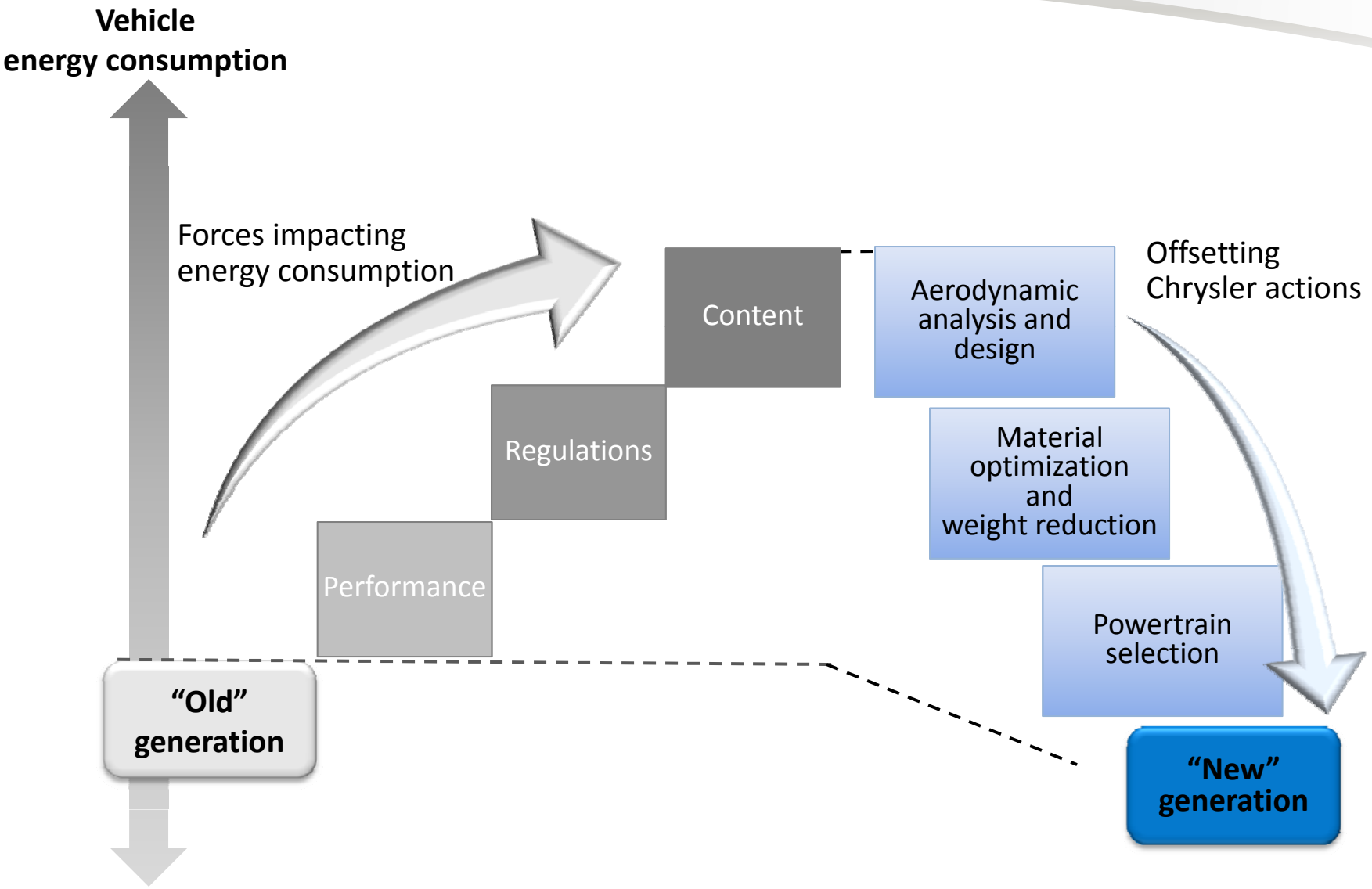
Increased…

- Shared parts with Fiat Group
- Volumes per part
- Quality
- ER&D capacity

Decreased…

- Investment / Variable cost
- Time-to-market
- Product changes
- Development resources

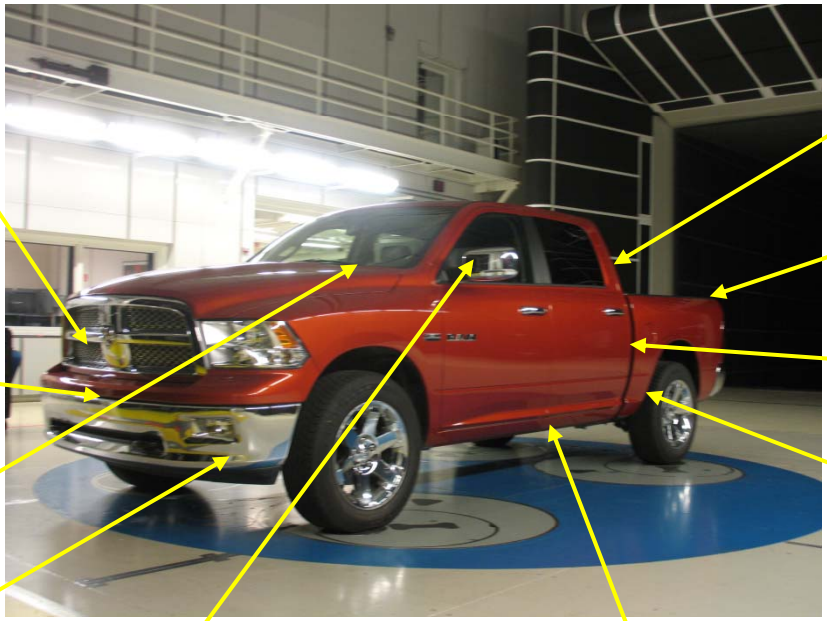
Vehicle energy demand reduction requires weight savings and aerodynamic improvements



Vehicle energy demand reduction process: aerodynamic improvements

Design actions based on aerodynamics

2009 Dodge Ram 1500 4x4 5.7L Crew Cab Pickup



- Rigorous process to deliver best-in-class aerodynamic performance
- On-site world class wind tunnel is a strong enabler
- 11% improvement in Ram aerodynamics delivered 5% increase in fuel economy

Competitive comparison

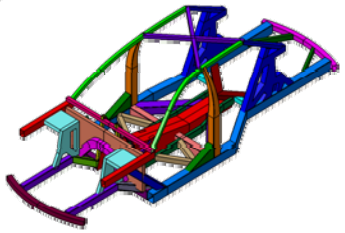
Vehicle	Cd	CdA
Dodge Ram 1500 Crew Cab - Short Box	0.414	15.2
GM Silverado Crew Cab - Short Box	0.435	15.3
Ford F-150 Supercrew - Short Box	0.425	16.0

Result: best-in-class aerodynamics

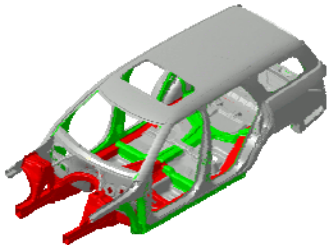
Vehicle energy demand reduction process: weight reduction

Use proprietary, automated computer technology to optimize structure

Packaging volume
Holistic forces: safety, refinement, durability

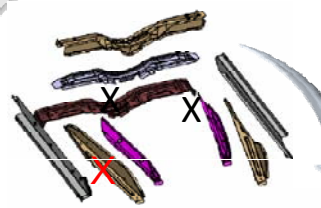


Beam model
Load paths



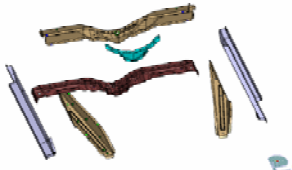
Optimization
Steel gauge and solution development

Implement alternate materials to minimize gauge, eliminate parts, and reduce vehicle weight



Weight Reduction:
- 11 lbs (5.0 kg)
- 27.5% weight saved

New design
- Advanced HS steels combining parts



Previous design
All parts 50ksi High Strength Steel

Ultra High Strength Steel

Steel hood

Weight Reduction:
- 15 lbs (6.8 kg)
- 45% weight saved

Aluminum

Steel

Weight Reduction:
- 8 lbs (3.6 kg)
- 36% weight saved

Magnesium

Optimizing systems across product plan by adding Fiat Group electrical architectures

Current state

Chrysler EE Architecture Plan	2010	2011	2012	2013	2014
C Segment			???	???	???
D Segment				???	???
E Segment - Cars					
E-Segment - Minivans					
Trucks					

Existing EE Architecture (TIPM)
New Powernet Electrical Architecture
EE Architecture Solution TBD

- Powernet developed for E-segment
- C/D Segment solutions not optimal

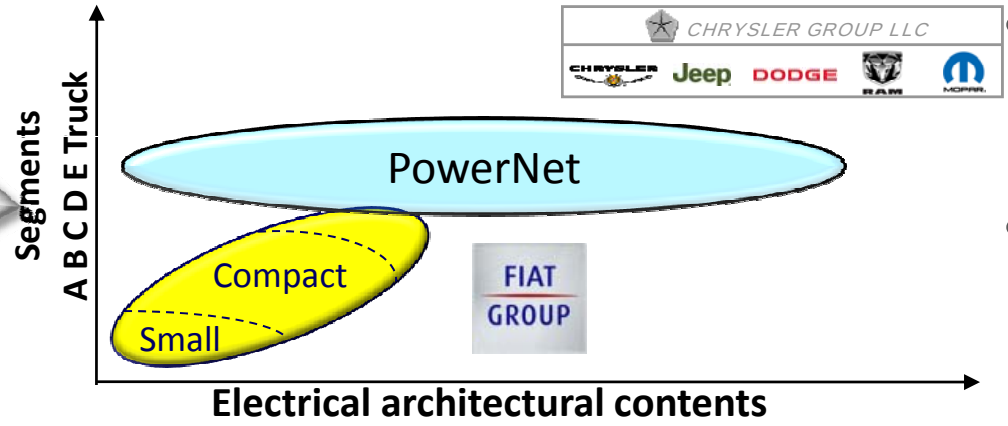
Future state

Chrysler EE Architecture Plan	2010	2011	2012	2013	2014
A/B Segment					
C Segment					
D Segment					
E Segment - Cars					
E-Segment - Minivans					
Trucks					

Existing EE Architecture (TIPM)
New Powernet Electrical Architecture
Fiat Compact Electrical Architecture

- EE architectures are appropriately sized to vehicle segment allowing component and system sharing

Chrysler and Fiat Group electrical architectures



- Use Fiat Group EE architecture optimized for C/D vehicles
- Use Chrysler Powernet EE architecture for E-segment

Common electrical architecture enables customer access to advanced features

Entertained

Feature rich multimedia experience



Connected & Synchronized

Connected to people, places and things that matter most



Secure

Hands on the wheel, eyes on the road



Environment

Socially responsible, environmentally conscious


Easy to Own

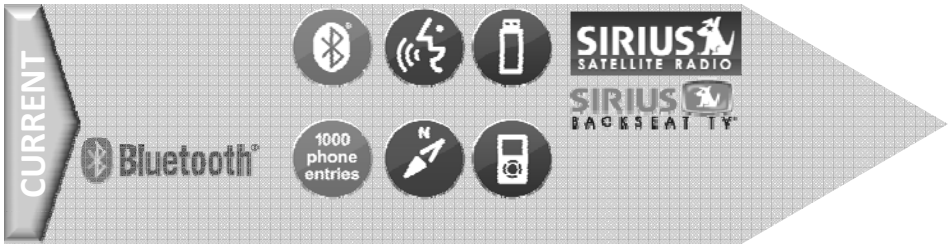
Affordable, easy to use, intuitive

UConnect enables seamless integration of mobile devices and services

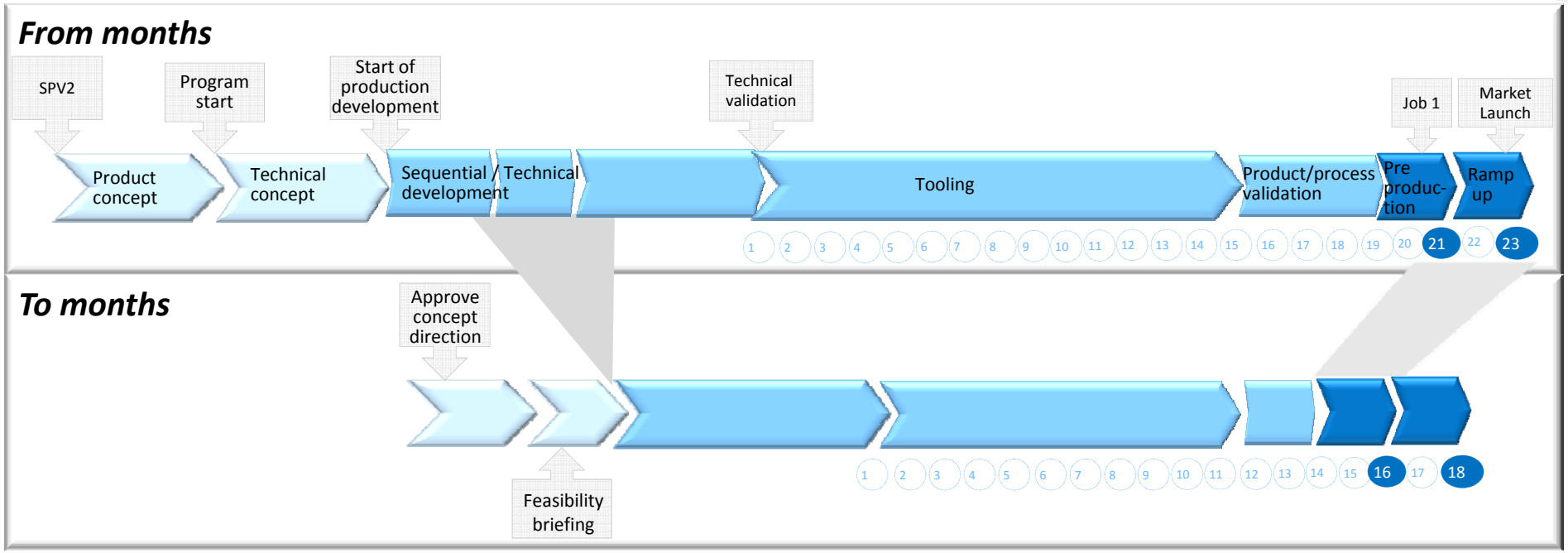
CHRYSLER

uconnect™

phone	navigation	multimedia	web	security	services
Hands-free call Address sync Voice command…	Nav Traffic POI's Geo-fencing Deals…	Sirius TV Music carry-in Download…	Search eMail Social Calendar Files …	Safety security Roadside Door lock / Unlock Locator Tracking Geo-fencing …	Remote updates Remote diagnostic Personal settings …



Shared vehicle architectures and components combined with virtual analysis tools to reduce program lead times



Improving speed-to-market time by incorporating Fiat Group/Chrysler best practices…

Timing improvements

- Product development phase starts later - allows resources to be allocated to other programs
- Product development phase minimized through parallel vs. sequential activities
- Launch vehicles 5 months sooner. Through use of virtual tools and prototype vehicles, S0 build phase is eliminated

Key timing enablers

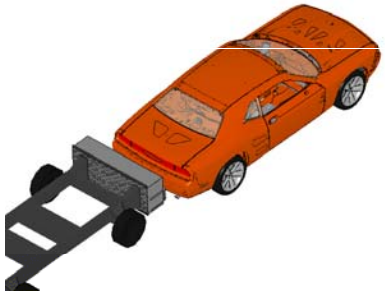
- Enhanced use of virtual tools
- Disciplined design freeze
- Early supplier involvement
- Commonization of components

Execution of our product plan requires expanded use of virtual tools to enhance design efficiency

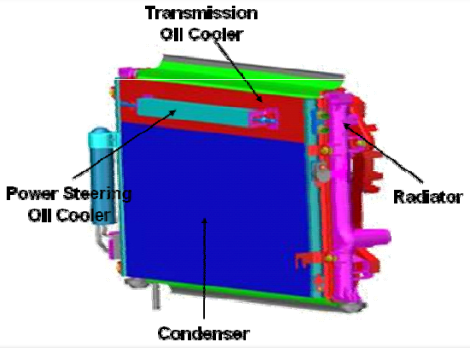
Virtual tool strategy

- Expand use of virtual tools immediately to meet short term product needs
- Trust results of virtual analysis to eliminate redundant physical builds
- Maximize synergies with Fiat Group capability to achieve state-of-the-art capability on new programs – eliminate fully skinned prototypes
- Implement common world-class approach with new C/D segment

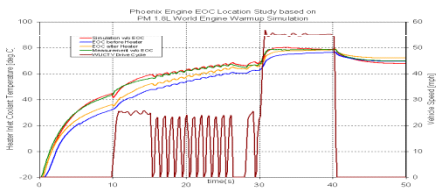
Impact simulation



Cooling module sizing



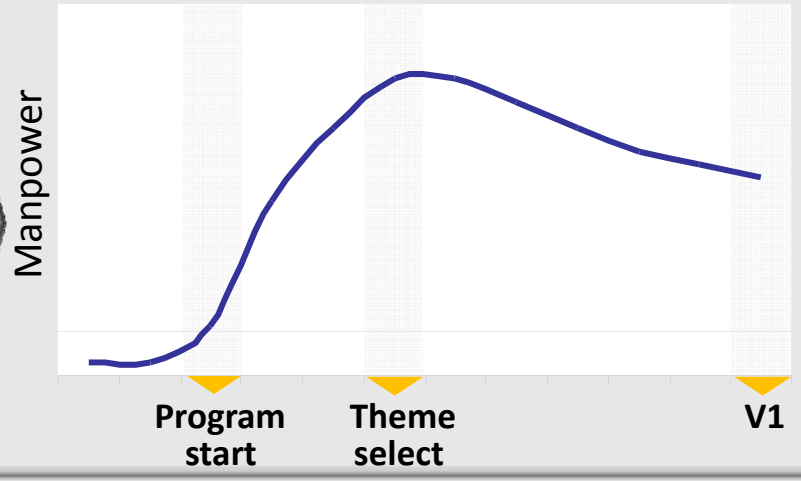
Warm-up simulation



Virtual tools improve speed, reduce cost, and improve quality… but require a resource shift

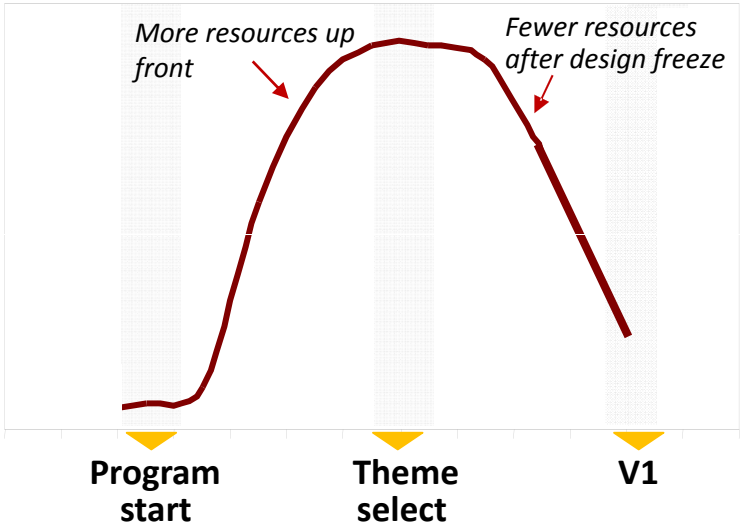
Program timing

CURRENT STATE



- Some virtual analysis
- Physical prototype builds
- Late discovery / product changes
- Less efficient resource use

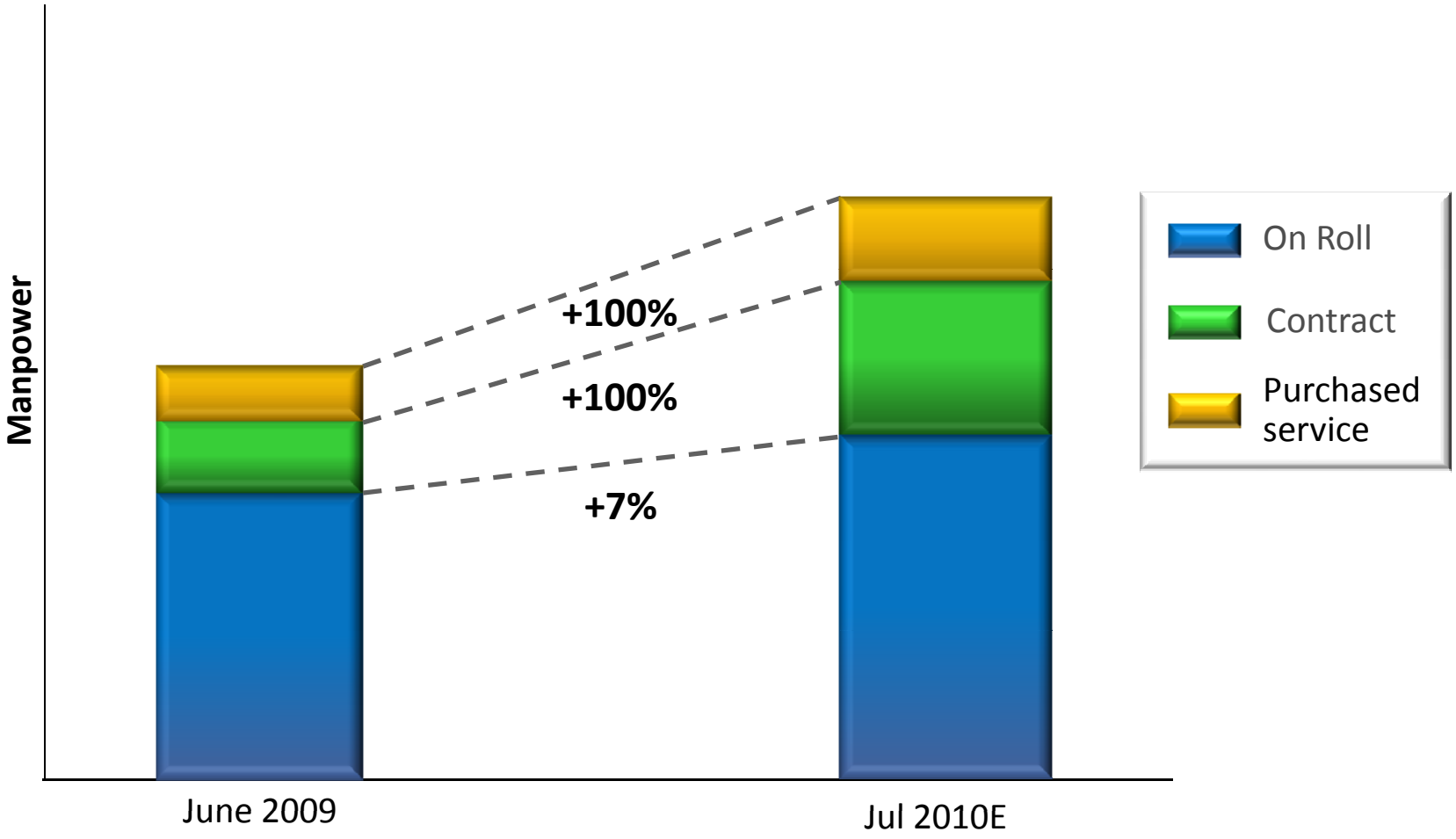
FUTURE STATE



- Thorough virtual development
- Eliminate full skin prototypes
- Early discovery and design solutions
- More resources earlier / efficient resource redeployment

Development needs will be met by flexible resources and selective technical hiring

Chrysler 2009-2010 Engineering Workforce



Note: ex powertrain engineering

Chrysler product development

- Aligned to Fiat Group
- Enhanced resources
- Modern architectures
- Reduced complexity
- Increased efficiency
- Expanded technology
- Faster to market