



DODGE



Jeep

Sustaining The Momentum

Dieter Zetsche

**President and CEO
Chrysler Group**

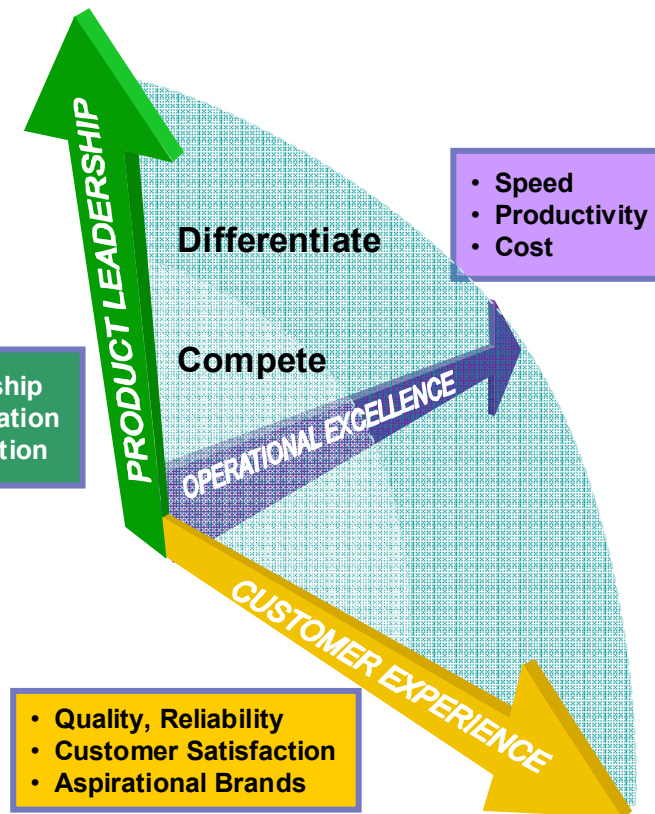
March 22, 2005

Chrysler Group Strategy

Our proposed strategies differentiate in product leadership while delivering world-class performance in the other dimensions by 2007

Establish
Differentiation in
*Product
Leadership*
and Deliver our
Unique Selling
Proposition
through Innovation

- Styling Leadership
- Segment Innovation
- Product Innovation



Achieve World Class
Levels of Performance
in *Customer Experience*
and *Operational
Excellence* by 2007

Adding Additional Flexibility



**Chaining
(Plant to Plant Flex)**

Volume Flexibility

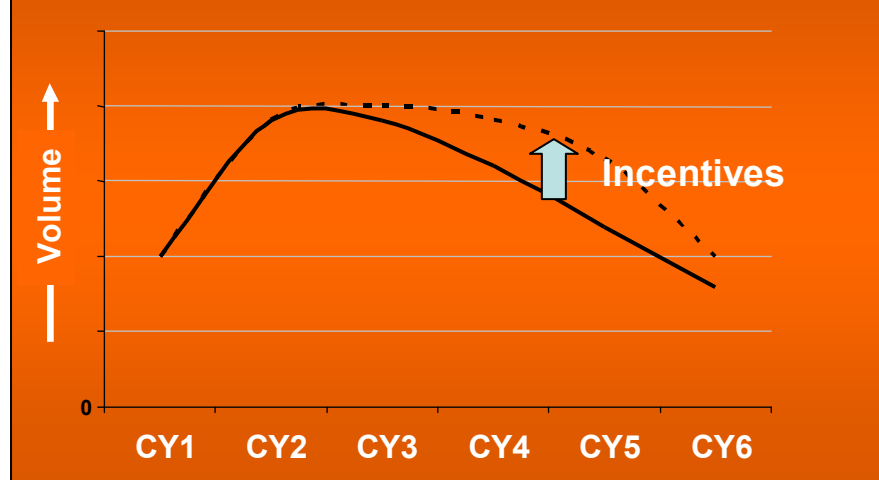
**Architecture /
Platform Flexibility**

Model Flexibility

Chrysler Group Product Lifecycle Actions

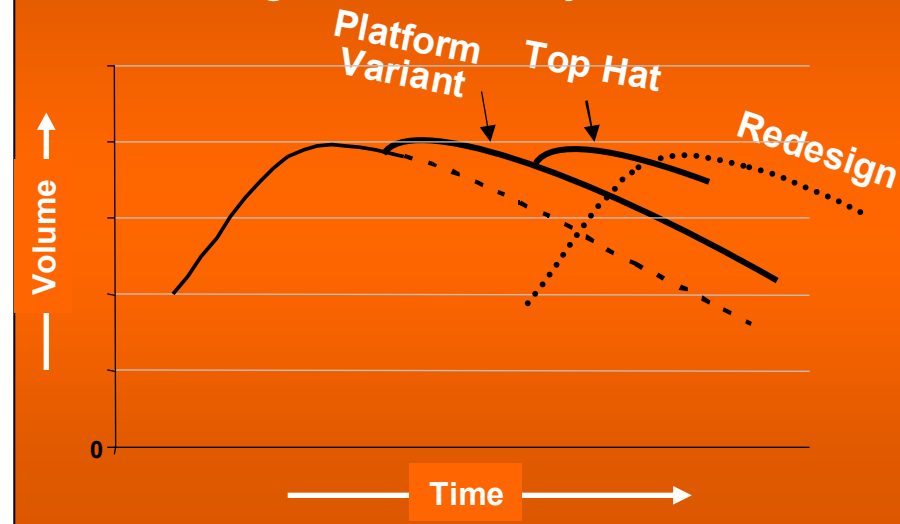
Renew customer interest through vehicle lifecycle actions to minimize traditional volume decay

Traditional Lifecycle for Single Product/Platform

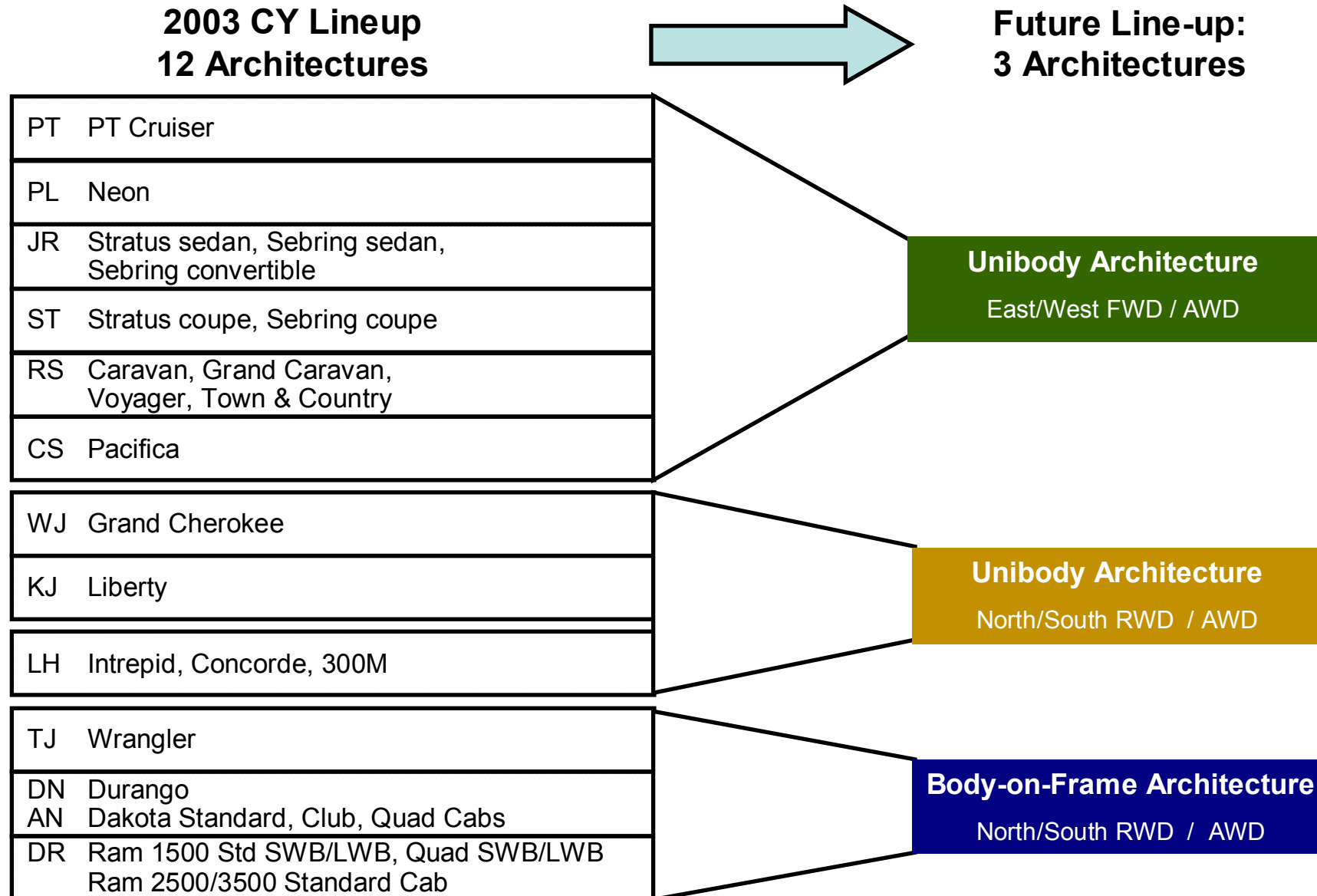


Strategic options depend on competitive environment

Strategic Product Lifecycle Renewal



Product Migration To Basic Architectures



Investing In Innovation

\$506 million investment in Sterling Heights Assembly Plant and Sterling Stamping Plant

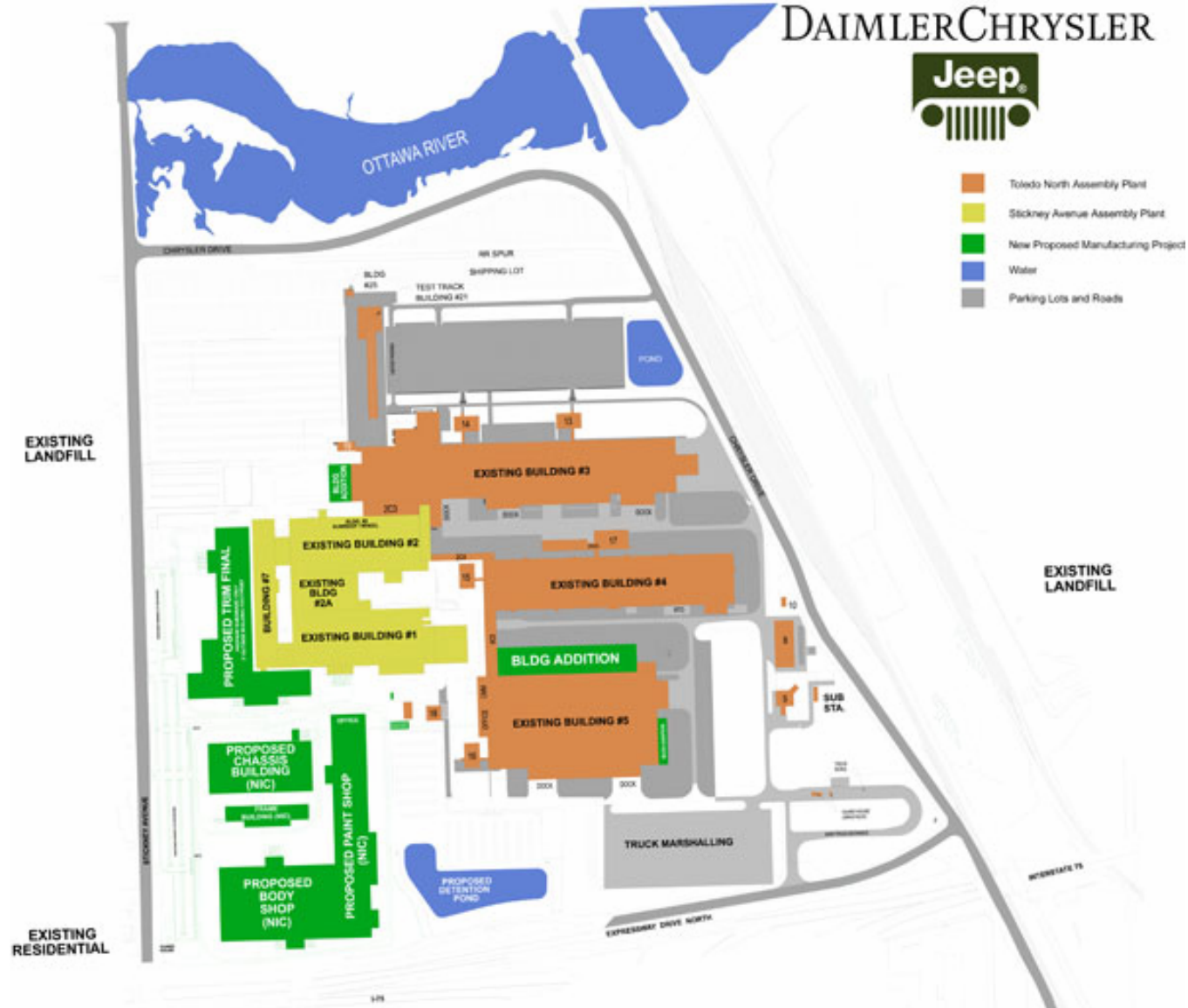
- **SHAP**
 - D-segment Stratus/ Sebring replacements
 - \$278 million – body shop equipment, 620 weld, sealer and material handling robots
 - Modification of paint and final assembly areas
- **SHAP will adopt a modular approach to assembly**

Manufacturing Flexibility



New Business Model for Manufacturing

TOLEDO SUPPLIER PARK EXAMPLE



Flexibility Extends From Process To People

- **New labor agreements prove UAW is ready for transplants**
- **Belvidere labor plan**
 - Work teams
 - Self-designed work stations
 - Minimal and flexible job classifications
 - Extensive employee training
- **Belvidere will have capability to produce multiple vehicles**
 - including Dodge Caliber



Leveraging Our Integrated Procurement And Supply Organization



- **Annual purchases of more than \$100 billion - we are the third largest automotive buyer in the world**
- **We've achieved annual improvements of 5% or more in material costs**
- **We are now measuring suppliers in four dimensions**
 - Quality
 - Technology
 - Delivery
 - Cost
- **Top suppliers are becoming long-term partners in product lifecycles**

Customer Experience – Improving The Dealer Network

West Palm Beach, FL



Orlando, FL



Windsor, Ontario



Chihuahua, México



It All Comes Down To Product



It All Comes Down To Product



“...evokes the vibrant sedans of yesteryear- and steals the show in a highly competitive Car of the Year field.”

- *Motor Trend*, November 2004

“Chrysler has single-handedly reinvented the large, V-8 powered American sedan.”

- *Road & Track Magazine*, January 2005



Chrysler 300C SRT8 And Touring



Dodge Charger



Dodge Ram Mega Cab



2005 NAIAS Concept Vehicles



Jeep Gladiator



Chrysler Firepower



Jeep Hurricane

2005 Concept Vehicles

Dodge Nitro



Dodge Caliber



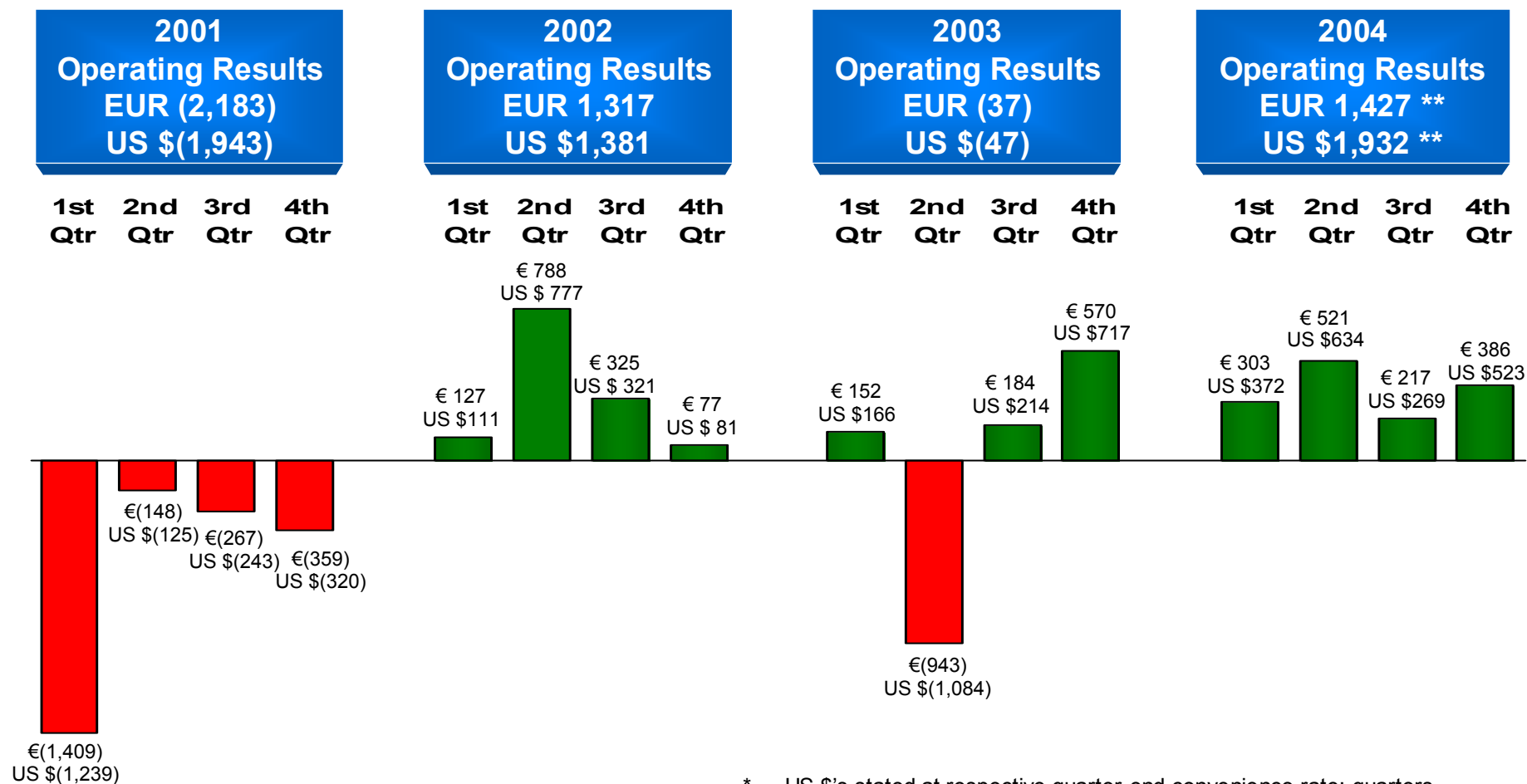
Jeep Commander



Product Driven Success



Euro / US\$ * (Millions)
(2001-2003 excludes one-time effects)



* - US \$'s stated at respective quarter-end convenience rate; quarters do not add to total year due to exchange rate changes.
** - 2004 includes restructuring charges of EUR 284 (US\$384*) million.



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