The AutoAnalysis European Car and Light Commercial Vehicles Production Outlook

Data and Analysis

December 2007

A Quarterly Report compiled by AutoAnalysis Ltd

AutoAnalysis

Fiat Group – Fiat, Alfa Romeo, Lancia, Ferrari and Maserati	
Company background	Italian company; publicly quoted, but still heavily dominated by the Agnelli family. The company has been through a seemingly continuous process of reorganisation and financial restructuring in recent years. The success of these moves seems to have been confirmed by the company's buying back around 10% of its issued share capital in 2006 and another smaller buy-back in 2007. The success of the Grande Punto and the financial control exerted over the new 500 and Bravo programmes have left the automotive operations in a much healthier state than is normally the case at Fiat after a product renewal programme has been completed. The initial reaction to the new 500 has made Fiat even more bullish and its shares have been re-rated as investment grade. Production forecasts for the 500 have been revised upwards on more than one occasion since launch.
Alliances	Fiat has several alliances, but its longest established and most wide-ranging is with PSA. The alliance with PSA covers MPVs and 3 different van programmes. It has recently added Suzuki and Ford to its alliance partners; a few years back the company also intended to produce vehicles jointly with GM, although this plan ended when the Fiat-GM JVs in purchasing and powertrain itself came to an end in 2005. The most recent alliance, announced in September 2005, is with Ford; new small models for both brands will be made by Fiat in Poland. Fiat's model is the 500 (Cinquecento), while Ford's is to replace the Spanish-made, Fiesta-based Ka; it is assumed that the Ka name will be retained. Both models will be made on the Panda platform. Both brands were hoping to make up to 120,000 upa, although the new assembly hall and paint shops being installed at Tychy could well make more than 240,000 vehicles in total. In fact Fiat will make over 150,000 upa within 2 years and has plans to increase the range further, with 200,000 upa not an unreasonable long-term target. In reverse, Fiat uses Suzuki Hungary as a production source for a new small SUV, called Sedici. This vehicle was also due to be supplied to Lancia, for sale as the Lancia Pangea; this vehicle which had been intended to be one or the many new models which are designed to revive the Lancia brand appears to have been quietly dropped – the vehicle appeared in a lot of documents concerned the Fiat group's forward model programmes in 2005-2006, but nothing official has appeared since then and we now believe it will not happen as the Suzuki factory focuses on the Suzuki and Fiat versions. The Sedici has been a greater success than anticipated and having intended to take only around 20,000 upa, Fiat will actually take at least 39,000 from Suzuki in 2007. While this is good news for Fiat, it was not entirely good news for Suzuki in Hungary because initially it could not increase production of the Sedici without reducing production of its own model, the SX4. To meet demand for the SX4 in Europe, Suzuki was going to increase imports from Japan in the interim – recent production figures from Suzuki Hungary suggest that production constraints have eased and additional capacity has been released there. With PSA, it has joint MPV and van production in France (Sevel Nord) and van production alone in Italy (Sevel Sud). During 2005, this was extended further with a manufacturing alliance between Fiat, PSA and Tofas in Turkey to make micro-vans; these will appear during 2008 as the Fiat Fiorino, Citroen Nemo and Peugeot Bipper. Tofas, Fiat's manufacturing partner in Turkey (in which Fiat has a minority stake) also makes the Doblo small van and will make a new sedan for emerging markets – codenamed D200 and called Linea – which has been described as Fiat's attempt at taking on the Logan (despite the fact that the Linea is almost as big as a D segment car). The Linea is actually based on a stretched version of the Grande Punto Moving ahead, Fiat has established a JV in Russia with Severstal; this will involve two Fiat models being produced in Russia from 2007, using parts sourced from Tofas. The first models to be made in Russia have been the Albea and Doblo, followed later by the new D200/Linea sedan from H2/2008 at a rate of up to 50,000 upa; a further agreement regarding Russian assembly of the Ducato van has also been confirmed, making up to 75,000 units per year from kits from the end of 2007. Also during mid-2006, reports emanated from India that Fiat was planning to establish a JV in India with Tata and although details have yet to be confirmed, it is very likely that the Linea will indeed be made in India from 2008. 2007, moreover, has seen confirmation of a JV with Tata in Argentina where Fiat's plant will be used to make a Tata pick-up and SUV for sale under both the Tata and Fiat brands in South America. Interestingly, reports have recently emerged from Russia that AvtoVAZ would like develop its new range with Fiat and was said to be especially interested in acquiring the old Fiat B-platform. However, AvtoVAZ has chosen Renault as its partner and so Fiat will have to widen its search for partners in Russia if it wants more than Severstal can offer.

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	Further afield in China, Fiat's attempts at developing a JV with Nanjing have largely foundered and in June 2006 Fiat announced it wanted to dissolve the partnership which produced only 30,000 vehicles in 2006. Then in July came reports that Fiat would invest as much as $2bn in China in a venture yet to be fully defined. One interesting side story is the news that Chery and Alfa are said to have reached agreement for Chery to assemble 30,000 Alfas from 2009, a move which could in fact allow Alfa to reach its 300,000 upa target. Fiat also agreed to allow Zoyte, a hitherto unknown Chinese assembler, make the Multipla and Lancia Lybra under licence from 2009. These will be assembled from kits supplied from Italy.
Production locations in Europe	Most Fiat production is in Italy, including some at Pininfarina on a contract basis; in addition: o The new Panda is made in Poland, which is where the new 500 and its sister model for Ford are to be made. This plant has been confirmed for an upgrade investment of as much as €400mn, to take capacity there up to 500,000 upa by 2009. o MPVs and vans based on the MPVs are made in Northern France at PSA's Sevel plant in Valenciennes. o Doblo small van made by Tofas in Turkey, which is where the new compact sedan, Linea, for emerging markets and a new microvan for PSA and Fiat will also be made there, extending the PSA alliance referred to above. Parts for the models to be made in Russia under the above-mentioned JV will come from Tofas in Turkey. o The new small Fiat and Lancia SUVs are made by Suzuki in Hungary on a contract basis.
Production locations outside Europe	A network of plants in South America, Asia and Africa make Palio and derivatives; the Palio was Fiat's original attempt at a world car for emerging markets. There are no significant imports of Palio from non-European plants into Europe. No other model in the Fiat line-up can be seen as global in terms of being produced in some, let alone all, major production locations. Fiat now wants to turn the new D200/Linea sedan, which is to be made in Turkey, into a global model for emerging markets (similar to Dacia's Logan); this would be a similar strategy to the plans it laid down for the Palio, but which met with limited success. Ahead of this, plans had been confirmed for another car based on the Palio platform, called Perla, to be made in China by Nanjing; this would have had around 40% Chinese content, but as noted earlier, Fiat has all but dissolved the Nanjing partnership (but another Chinese alliance seems inevitable). Intriguingly, Nanjing has made some effort at acquiring the rights to make the Palio despite the end of the alliance! Fiat also intends to make another cheap car for emerging markets, smaller than the Linea, in a further attempt to make the original idea behind the Palio – a cheap car for emerging markets all around the world – actually work. Fiat has recently invested over $2bn in the Brazilian plant, a clear sign of its long-term significance to the company; and it has also reached a provisional agreement in Iran for the manufacture of up to 250,000 Siena sedans and Strada pick-ups (based on the old Palio platform). Reports in June 2007 also suggested that Fiat would invest further in South America, although exactly which models will be added to the Brazilian and Argentinean plants' line-ups remain to be seen. Late in 2007 came reports that Alfa Romeo would establish a plant in north America as this is the only way it could return to the US market; this seems unlikely before 2010 at the very earliest and this plan could be reversed if there is another swing in the dollar:euro exchange rate.
Globalisation of production	Fiat had tried to set up a global manufacturing network for the Palio programme, but this has not had a major impact on its European operations. There is a new emerging markets car which will start production in 2007 at Tofas in Turkey. This could result in global production volumes of over 250,000. However, given Fiat's history with the Palio, it is well to remain cautious in this regard.
New models	Fiat is now nearing the end of a major model renewal programme, with over 20 new models and derivatives due by 2008 from a programme which started in 2004. The key highlights, either recently released models or those due in the near future, are: o All-new Croma which arrived in mid-2005; this was Fiat's long-awaited return to the large car segment.

Fiat Group – Fiat, Alfa Romeo, Lancia, Ferrari and Maserati

- The new Punto, known as Grande Punto, was first shown at the Frankfurt Motor Show in 2005; this went on sale in late 2005 and is made on a platform shared with the GM Corsa:
  - In order to keep the Mirafiori plant as fully utilised as possible, the Punto is now being made there as well as at Melfi – intriguingly, the old Punto, known as Punto Classic, continued in production at Mirafiori throughout 2006 and 2007.
- Bravo (the Stilo replacement) started production in late 2006 for early 2007 release; this has been largely engineered by Magna in an 18-month time period. It will have a lower production target (c120,000, with the possibility of going up to 150,000 upa on a short term basis) than the Stilo which was intended to be made at a rate of 400,000 upa. This new vehicle will only be made in 5-door format to begin with, although a station wagon is now planned: customers wanting a 3-door car are directed to the new Punto or will be offered the 5-door Bravo
- Mid-2007 saw the launch of the Linea in Turkey, with a global production roll-out in the years ahead.
- Also in 2007, there was the first appearance of the Fiat 500, made in Poland, as part of the production alliance with Ford. The 500 is seen as critical to Fiat achieving its next target, ie reaching 10% European market share. As noted above, such has been the reaction to the new model that increased production volumes were announced early on and a range of new models and derivatives, including sporty high performance versions, have been announced.
- 2008 will see the new mini-LCV made in Turkey, at Tofas; the production alliance with PSA will be followed by a new Doblo in late 2009, also made in Turkey – we think this will continue as a Fiat-only model and PSA will continue with its own Berlingo-Partner range. Fiat and Tofas have confirmed they will co-invest 350m euros in the new Doblo.
- 2009 is expected to see a replacement for the Multipla, based on the Bravo platform. This is currently referred to as the "C-X-over"; it is understood to be less radically different to the general Fiat style than the Multipla and will share some visual aspects with the Bravo.
- 2009 or 2010 is when Fiat's second low cost car is expected; this is described as a more direct replacement for the Palio than the Linea and will be developed and produced in association with Tata of India.
- The Fiat brand will also receive a marketing or image boost with the re-introduction of the Abarth nameplate; this will be used on high performance models, giving Fiat a sub-brand in the same way that BMW has M (although not necessarily with the same cache or image!)
- Fiat is also rumoured to be considering taking a version of the Iveco Massif, a large 4WD-SUV which Santana in Spain may make for Iveco in the near future; this plan, however, is some way off coming to fruition.
- At **Alfa**, the 159 arrived in mid-2005, replacing 156; new Alfa Brera in coupe and spider (convertible) formats appeared during 2006. Alfa is placing a great deal of faith in the 159 especially with the station wagon version completing the range:
  - Alfa expects this model will allow it to achieve total sales of 200,000 units initially (although we remain sceptical as to whether the higher target of 300,000 is achievable). Achieving this target will be challenging, but it will be aided by the 149, the replacement for the 147 and also by the proposal to make an Alfa below the 149, provisionally referred to now as Junior. This will be based on the Grande Punto platform and will be made at Fiat Mirafiori on the same line as the Grande Punto.
  - The replacement of the 166 large Alfa by the 169 has been put back to 2010; it also seems likely that this vehicle will be made by Maserati at Modena rather than at the Fiat Mirafiori plant. It is understood that the 169 will be based on the Maserati Quattroporte, not an extended 159.
  - The new 149 will appear in 2009, a year later than planned, to allow the Junior to come out first; a small SUV, also derived from the 149 platform is also expected and this is seen as another key element in the brand's aim of reaching 300,000 upa, although this may not appear until 2010 The Junior will replace the 3-door 147 and expand Alfa's presence here, while the 149 will replace the 5-door 147.

Fiat Group – Fiat, Alfa Romeo, Lancia, Ferrari and Maserati	

	o **Lancia** is also intending to launch a number of new models of its own, aiming to effectively double its total production volumes to over 200,000 upa; recent reports have also suggested that Lancia wants to emulate Alfa Romeo and achieve 300,000 annual sales – for both brands this will be a tough challenge. The key new models from Lancia will be:
	  o A long-awaited replacement for the Delta, made on the new Stilo platform. This has the working title of Delta HPE and is due in mid-2008; it has an ambitious sales target of 60-80,000 upa.
	  o And a small coupe, based on the Fulvia concept car shown at recent European motor shows – if this appears, it would be based on the Grande Punto platform. This could be the model which Bertone will make, although exact details remain to be confirmed
	o In addition, Lancia will launch heavily facelifted versions of the Musa, Ypsilon and Phedra, the MPV made by PSA:
	  o The ambitions for all three of these models, notably 120,000 for Ypsilon and especially 20,000 for Phedra, are well ahead of the volumes which their predecessors had sold, so 120,000 Ypsilons and 20,000 Phedras are unlikely to be easily achieved sales numbers.
	  o The fact that right-hand-drive versions will also be available, for the UK and Japan especially, will help Lancia grow its volumes.
	o All of the above moves are part of a programme both to broaden the group's range and simultaneously reducing the number of vehicle platforms: in 2004, the group used more than a dozen different platforms and by 2012, the aim is to reduce this to seven, most of which will actually be all-new platforms.
	In the **van** segment, 2006 saw the launch of the new Ducato, with further new models expected as follows:
	o The new Scudo has received its full market launch in early 2007.
	o The new micro-van, Fiorino, will go into production in 2008 at Tofas in Turkey.
	o And a new Doblo will be launched in 2009.
	Maserati has a number of new models on the way and should break-even this year or next when production climbs to 7,000; by the end of the decade it is expecting to be producing c10,000 vehicles a year which will fully utilise the Modena plant.

Important recent events	The key event of 2007 was the launch of the new Fiat 500, a name which is especially iconic for Fiat. The initial response to this vehicle has been so positive that Fiat has already decided to increase production capacity and expand the model range, with a high performance version confirmed and a convertible, SUV and station wagon derivatives already under seriously consideration. 2006 was a year of major change for Fiat, but the fruits of the changes initiated by Sergio Marchionne appear to be becoming clearer all the time. 2007 was a year of consolidation and the company is now, it is claimed, well on the way to achieving a number of key metrics, ie: • Reaching 2.8m units worldwide sales and re-claiming a 35% share of the Italian market. • Achieving 5% margins by 2010 and bringing out a continuous stream of new models; these will be essential to help the Alfa Romeo and Lancia brands especially achieve the ambitious targets which have been set for them. • Raising production – and sales – so that the crucial 10% European market share level can be reached. • Returning to sufficient profitability that the 10% share buy-back plan can be afforded – this seems to have been achieved. In addition to the new model details referred to above, a significant announcement was made in late 2006, confirming an investment of up to US$1bn in Brazil to grow exports to 250,000 upa: no details have been confirmed as to which models and markets will be at the centre of this export drive, although Mexico is certainly a key market for Brazilian production. There have been reports that Fiat Brazil wants to export to Europe, but it remains to be seen which models it could make there which Fiat's European operations

Fiat Group – Fiat, Alfa Romeo, Lancia, Ferrari and Maserati	
	cannot or do not already make. In early 2007, it was announced that €800m would be invested in the group's worldwide sales network, an investment deemed essential to raise global sales to 2.8m units by 2010. One of the areas where this investment will be spent could be the US where the new 500 could be the first Fiat model to be sold there for several years. Finally one interesting announcement came in late 2007 – the Alfa factory will close for two months in early 2008 for workforce training and investment in a number of productivity improvements, with a total investment cost of €70mn. Fiat is also understood to be interested in buying the Zastava plant in Serbia, although whether this will come to pass remains to be seen.
Key issues impacting on production	The key issues now affecting Fiat are: 1. Will the new Punto be successful enough to restore Fiat's falling sales position? • The aim was to produce at least 360,000 Grande Puntos in 2006; in the end around 357,000 were produced, so this aim was all but achieved. • However, this figure does include continued production of the old Punto, known as the Punto Classic, so the Punto numbers need to be read with some caution. • 2007 will have seen a slowdown and 2008 will also see a tailing off in Grande Punto sales so for Fiat to continue its revival it needs to bring out a series of model facelifts and improvements very soon. 2. How Fiat deal with the disappointing volumes of the Croma in the large car segment? Initial production rates imply annual production of close to 40,000, but 2006 saw just under 35,000 produced, and running rates have declined since then. 2007 volumes are down around one-quarter. On this basis, it must be doubtful whether this higher target production level can be reached, let alone sustained. We doubt Croma can really make a significant and sustained improvement to Fiat's production volumes 3. Will the new Bravo be more successful than the outgoing Stilo? At least, will it be profitable at the lower target volumes than the outgoing model? Fiat has set more realistic targets for the new model than it did with the old model: it has been reported that the model will break even at 75,000 upa, which would be very impressive if true. 4. Will the new 500 really boost Fiat's fortunes? It may too early to say for sure, but the initial reaction is certainly positive. 5. The Linea, the entry model for emerging markets: the question is whether this will be a more successful global model than the Palio-Albea-Siena. 6. Falling production of some Fiat models may be partly compensated for by rising Alfa and Lancia output: however, the question remains as to whether Alfa and Lancia will be able to reach their new production targets? • Alfa's aim of selling 300,000 upa seemed ambitious to say the least, but it may well be getting close to reaching this target. • On the other hand, Lancia's expanding line-up and a reported plan to return to right-hand-drive markets with some models may make its initial aim of making its initial 200,000 upa target realistic. • However, whether 300,000 upa – as has been reported recently – is a realistic target for Lancia is surely open to question. Lancia intends to achieve over 40% of its sales from exports by 2008, aided by a return to Japan and the UK, and by a selective approach in Eastern Europe. • Alfa meanwhile has targeted 160-180,000 units for 2007 (which we doubt it will make) and then a major leap to 300,000 by 2010, with the Punto-based Junior and a 4x4 model. • This may be achievable with Junior/149, but the idea of Alfa selling 50,000 SUVs, even in the medium segment is difficult to regard as a serious

Fiat Group – Fiat, Alfa Romeo, Lancia, Ferrari and Maserati	
	target. This would make the model comparable to the Vitara or Freelander in volume terms. We have scaled back this target in our forecasts • Our forecasts for Alfa and Lancia remain below the ambitious targets publicly stated by the brands in recent times. The overall aim according to Fiat CEO, Sergio Marchionne, the aim is to make 1.35mn Fiat-Alfa-Lancia models by 2008 – and this is intended to be achieved without closing any plants. If this aim is not met however, then Marchionne is prepared to close a plant! • However, it is clear that, including the Ford Ka and the various vans made in association with PSA, this target is now entirely realistic; we had suggested it was far from certain to be maintained and that we would still expect one Italian plant to close by the early years of the next decade, if not before. • If Grande Punto and Alfa/Lancia volumes are not sustained into the next decade, then we definitely expect one of the Italian plants will close. Fiat has also set itself the task of gaining a 10%+ share of the European market by 2010. The company feels that the success of the Grande Punto should make this a realistic possibility, although its current share of around 7.5% needs to be increased by more than 1/3 to achieve this objective. Even sustaining the early success of the Grande Punto will not be enough to get to 10%, so the challenge is on to find another model or two to give it the desired share of the market. Adding in the growing number LCVs and expanding production overseas of the Linea sedan may allow Fiat to get close to its total, global target of 2.8mn vehicles; however, the markets in which its volume models sell are notoriously competitive and the question remains as to how long Fiat can sustain the positive volumes of the early years of sale of some new models.

Fiat Group – Fiat Production Outlook

Group	Marque	Model range	Vehicle type	Segment	Series (platform)	Plant	Country	Start of Production	End of Production	Annual plant capacity (current)	Next new model	2002 Production	2003 Production	2004 Production	2005 Production	2006 Production	Production Outlook 2007	Production Outlook 2008	Production Outlook 2009	Production Outlook 2010	Production Outlook 2011	Key comments
Fiat	Fiat	Seicento	Passenger	A	187	Tychy	PL		Late 06	250,000		143,923	115,504	69,317	55,505	46,184	37,000	5,500	0	0	0	Production continues into 2007, which was unexpected, continuing until new 500 starts.
Fiat	Fiat	Uno	Passenger	A	Uno	Tychy	PL		H2 01	250,000		9,682	0	0	0	0	0	0	0	0	0	
Fiat	Fiat	Palio	Passenger	B	178	Tychy	PL		H2 02	250,000		4,879	2,080	0	0	0	0	0	0	0	0	
Fiat	Fiat	Panda and others	Commercial	Van	Various	Tychy	PL			250,000		incl. in other models	incl. in other models	incl. in other models	13,873	14,500	15,000	12,500	11,000	10,000	5,000	LCVs in 2006 = estimated
Fiat	Fiat	500	Passenger	A	193	Tychy	PL	Mid 2007		450,000+	2007	0	0	0	0	0	68,000	139,000	145,000	146,000	139,000	Shared platform with Ford Ka replacement; early success already has already led to expanded range and capacity expansion
Fiat	Ford	Ka replacement	Passenger	A	193	Tychy	PL	Mid 2008		450,000+	2008	0	0	0	0	0	0	45,000	120,000	135,000	130,000	Shared platform with Fiat Trepiuno
Fiat	Fiat	New Panda	Passenger	A	193	Tychy	PL	H1 03		450,000+	2010+	0	86,046	237,773	229,400	267,985	262,000	240,000	220,000	180,000	225,000	Major upgrade possible new platform 2011
Fiat	Fiat	Old Panda	Passenger	A	141	Mirafiori	IT		H2 03			100,456	64,178	0	0	0	0	0	0	0	0	
Fiat	Fiat	Old Panda	Commercial	Van	141	Mirafiori	IT		H2 03			12,973	8,311	0	0	0	0	0	0	0	0	
Fiat	Fiat	New small B	Passenger	B	199	Mirafiori	IT	H2 09		550,000	2009	0	0	0	0	0	0	0	40,000	125,000	140,000	Further details later in 2008
Fiat	Fiat	Punto	Passenger	B	179/188	Melfi	IT		H2 05	350,000	2006	140,939	253,594	198,761	158,171	0	0	0	0	0	0	Rumoured that some Punto production will be at Zastava in Yugoslavia.
Fiat	Fiat	Grande Punto	Passenger	B	Corsa/199	Melfi	IT	H1 06		350,000		0	0	0	82,412	290,122	260,000	245,000	250,000	245,000	239,000	Shared platform with Opel Corsa
Fiat	Fiat	Punto	Passenger	B	179/188	Mirafiori	IT		H2 06	550,000	2006	193,128	108,195	84,000	50,000	92,337	81,000	30,000	0	0	0	Old model continues into H1 2007 as entry model
Fiat	Fiat	Punto	Commercial	Van	179/188	Mirafiori	IT		H2 06	550,000	2006	12,685	11,918	17,017	13,177	10,982	8,000	2,000	0	0	0	
Fiat	Fiat	Grande Punto	Passenger	B	Corsa/199	Mirafiori	IT	H1 06		550,000		0	0	0	0	67,000	75,000	70,000	35,000	25,000	20,000	Shared platform with Opel Corsa
Fiat	Fiat	Grande Punto	Commercial	Van	179/188	Mirafiori	IT	H1 06		550,000		0	0	0	0	4,306	7,800	6,000	5,500	5,000	5,000	
Fiat	Fiat	Punto	Passenger	B	179/188	Termini Imerese	IT		H2 05	100,000	2006	90,576	45,000	38,000	0	0	0	0	0	0	0	
Fiat	Fiat	Idea	Passenger	B-MPV	188/350	Mirafiori	IT	H2 03		550,000	2009+	0	12,680	61,735	42,643	33,031	25,500	24,000	22,500	20,000	40,000	Switches to 199 platform in 2011
Fiat	Fiat	Idea	Commercial	Van	188/350	Mirafiori	IT	H2 03		550,000	2009+	0	0	0	363	641	200	100	100	100	200	
Fiat	Fiat	Stilo	Passenger	C	192	Cassino	IT		Mid 06	400,000	2006	177,192	168,420	106,059	69,655	46,998	9,000	0	0	0	0	Low volume of old model will continue as entry for at least one year following new model launch; only estate version made from November 2006
Fiat	Fiat	Stilo	Commercial	Van	192	Cassino	IT		Mid 06	400,000	2006	0	2,136	2,824	2,193	1,901	550	0	0	0	0	
Fiat	Fiat	Bravo	Passenger	C	198	Cassino	IT	End 2006		400,000		0	0	0	0	0	129,000	134,000	121,000	116,500	109,000	Production could be higher than this but Fiat is being very conservative given the disappointing sales of Stilo. Project breaks even at 75,000 upa!
Fiat	Fiat	Marea	Passenger	C	Type 2/3	Mirafiori	IT		H1 01	550,000		13,057	0	0	0	0	0	0	0	0	0	
Fiat	Fiat	Croma	Passenger	D	Vectra (Epsilon)	Cassino	IT	H2 05		250,000	2010+	0	0	0	25,393	34,991	27,000	26,000	24,000	23,000	21,500	Based on Opel Vectra (Epsilon) platform
Fiat	Fiat	Croma	Commercial	D	Vectra (Epsilon)	Cassino	IT	H2 05		250,000	2010+	0	0	0	0	811	50	200	250	220	180	
Fiat	Fiat	Multipla	Passenger	C-MPV	186	Mirafiori	IT			550,000	2009	25,354	21,692	25,065	29,721	26,853	21,500	19,000	7,500	0	0	May be replaced by Stilo-based MPV before 2009

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Fiat	Fiat	Multipla	Commercial	Van	186	Mirafiori	IT			550,000	2009	386	328	46	159	234	350	220	0	0	0	
Fiat	Fiat	New Multipla	Passenger	C-MPV	198 (Bravo)	Cassino	IT	H1 09		400,000		0	0	0	0	0	0	0	34,000	60,000	58,000	
Fiat	Fiat	Ulysse	Passenger	MPV	VF	Valenciennes (Sevel Nord)	FR	Q1 02	2009+	200,000	2009+	8,577	14,730	13,433	8,304	5,321	4,700	4,650	4,200	8,000	9,000	Major upgrade 2009
Fiat	Fiat	Scudo	Commercial	Van	U	Valenciennes (Sevel Nord)	FR	Q1 02	2009+	200,000	2007	30,396	23,039	24,302	20,680	20,874	39,000	42,000	35,000	31,000	28,000	
Fiat	Fiat	Ducato	Commercial	Van		Val di Sangro (Sevel Sud)	IT	Pre 2002	H2 06	200,000	2006	98,127	102,279	106,237	110,366	42,051	0	0	0	0	0	
Fiat	Fiat	New Ducato	Commercial	Van	X250	Val di Sangro (Sevel Sud)	IT	H2 06		250,000		0	0	0	0	68,424	159,000	153,000	146,000	139,000	130,000	Plus up to 75,000 kits for Russian assembly
Fiat	Iveco	Daily	Commercial	Van		Brescia	IT	Pre 2002		60,000	2010+	42,380	41,629	45,430	45,393	47,601	60,000	57,000	54,000	51,000	51,000	Iveco will supply engines and other core vehicle technology to Santana in Spain for a new range of heavy duty commercial vehicles
Fiat	Iveco	Daily	Commercial	Van		Madrid	SP	Pre 2002		30,000	2010+	20,500	23,903	27,096	18,000	24,000	38,000	36,500	34,500	33,000	31,000	
Fiat	Fiat	Barchetta	Passenger	Sports	183	Maggiora	IT				2006	841	918	933	242	0	0	0	0	0	0	Replacement timing now very uncertain
Fiat	Fiat	Palio	Passenger	B	178	Bursa (Tofas)	TR			300,000	2009+	4,085	6,600	11,669	10,102	3,724	3,000	1,100	0	0	0	
Fiat	Fiat	Palio	Commercial	Van	178	Bursa (Tofas)	TR			300,000	2009+	0	0	0	3,219	1,944	1,400	750	0	0	0	
Fiat	Fiat	Siena	Passenger	B	178	Bursa (Tofas)	TR		H2 02	300,000		1,358	0	0	0	0	0	0	0	0	0	
Fiat	Fiat	Albea	Passenger	B	178	Bursa (Tofas)	TR			300,000	2009+	5,048	17,967	17,442	23,359	25,836	29,000	19,000	10,000	0	0	Plus 20-30,000 pa for Russia - in shipped as CKD for local assembly; could be replaced by new Palio in 2009 - this could be called Uno and may not be produced in Turkey in the long run
Fiat	Fiat	Brava/Bravo	Passenger	C	182	Bursa (Tofas)	TR		H1 02	300,000		430	0	0	0	0	0	0	0	0	0	
Fiat	Fiat	Marea	Passenger	C	Type 2/3	Bursa (Tofas)	TR		H1 06	300,000		990	6,198	3,912	1,443	690	0	0	0	0	0	
Fiat	Fiat	Linea	Passenger	B-C	D200	Bursa (Tofas)	TR	H2 07		300,000		0	0	0	0	0	23,000	58,000	55,000	49,000	48,000	This is Fiat's Logan competitor and global production could reach 200,000 upa if successful; other production sites will be in India, China and Brazil
Fiat	Fiat and PSA	Minicargo	Commercial	Van		Bursa (Tofas)	TR	H2 08		300,000	2008	0	0	0	0	0	0	95,000	135,000	140,000	129,000	Volumes to be split c95k for PSA, and the balance for Fiat
Fiat	Fiat	Doblo	Commercial	Van	178	Bursa (Tofas)	TR			300,000	2009	56,953	61,175	75,484	80,877	96,761	87,500	76,000	68,000	0	0	New model in 2009
Fiat	Fiat	Doblo	Passenger	Van	178	Bursa (Tofas)	TR			300,000	2009	15,000	22,000	24,000	28,000	44,164	40,500	29,000	20,000	0	0	Passenger version volumes estimated for early years
Fiat	Fiat	Doblo	Both	Van	199	Bursa (Tofas)	TR	H2 09		300,000	2009	0	0	0	0	0	0	0	25,000	105,000	120,000	
Fiat	Fiat	Other	Passenger			Bursa (Tofas)	TR			300,000		6,867	7,390	8,452	9,660	9,040	7,000	7,500	6,000	5,000	4,500	Various old Fiat models, sold under Tofas brand; will end during outlook period
Fiat	**Fiat**	**Total**										**1,216,782**	**1,227,910**	**1,198,987**	**1,132,310**	**1,329,306**	**1,519,050**	**1,578,020**	**1,628,550**	**1,651,820**	**1,682,380**	**See Suzuki for Fiat and Lancia SUV volumes**

Fiat Group – Alfa Romeo and Lancia Production Outlook

Group	Marque	Model range	Vehicle type	Segment	Series (platform)	Plant	Country	Start of Production	End of Production	Annual plant capacity (current)	Next new model	2002 Production	2003 Production	2004 Production	2005 Production	2006 Production	Production Outlook 2007	Production Outlook 2008	Production Outlook 2009	Production Outlook 2010	Production Outlook 2011	Key comments
Fiat	Alfa Romeo	139/Junior	Passenger	B	199	Mirafiori	IT	H2 08	01/00	550,000	2008	0	0	0	0	0	0	15,000	58,000	69,000	64,000	
Fiat	Alfa Romeo	147	Passenger	C	937	Pomigliano	IT		Late 06	200,000	2009	105,768	101,817	80,194	71,117	61,577	58,000	51,000	18,000	0	0	
Fiat	Alfa Romeo	149	Passenger	C	198	Pomigliano	IT	Q1 08		200,000	2009	0	0	0	0	0	0	0	43,000	90,000	87,000	May lose some sales to Junior
Fiat	Alfa Romeo	149 Sprint	Passenger	C	198	Pomigliano	IT	H2 10		200,000	2010	0	0	0	0	0	0	0	0	3,000	16,000	Model not yet confirmed, but seems likely
Fiat	Alfa Romeo	156/156SW	Passenger	D	932	Pomigliano	IT		Q3 05	200,000	2005	67,032	68,291	47,653	21,302	2,430	2,800	0	0	0	0	
Fiat	Alfa Romeo	GT (156)	Passenger	D	932	Pomigliano	IT		Q3 05	200,000	2005	0	1,661	25,833	18,585	0	0	0	0	0	0	
Fiat	Alfa Romeo	159	Passenger	D	939	Pomigliano	IT	Q3 05		200,000		0	0	0	17,216	67,703	77,000	73,000	66,500	61,000	57,500	Ambitious target set for 159; 159 needs to hit this to meet total brand target of 300,000 upa, but initial volumes are not promising.
Fiat	Alfa Romeo	GT (159)	Passenger	D	947	Pomigliano	IT	Q1 04		200,000		0	0	0	0	13,630	13,500	10,500	6,000	4,000	0	
Fiat	Alfa Romeo	166	Passenger	E	936	Mirafiori	IT		Q2 06	550,000	2009	7,932	7,082	6,777	2,608	1,327	875	500	300	0	0	
Fiat	Alfa Romeo	169	Passenger	E	936	Modena	IT	Q3 06		15,000	2009	0	0	0	0	0	0	0	4,000	15,000	18,000	Likely to be made at Maserati, based on Quattroporte
Fiat	Alfa Romeo	GTX	Passenger	SUV		Pomigliano	IT	Q2 10		200,000	2010	0	0	0	0	0	0	0	0	8,000	25,000	Model still to be confirmed
Fiat	Alfa Romeo	Spider	Passenger	Sports	938	Grugliasco (Pininfarina)	IT			50,000	2006/ 2007	1,922	2,140	1,036	0	0	0	0	0	0	0	
Fiat	Alfa Romeo	GTV (Coupe)	Passenger	Sports	163	Grugliasco (Pininfarina)	IT		H2 05	50,000	2005	975	1,478	623	0	0	0	0	0	0	0	
Fiat	Alfa Romeo	Brera	Passenger	Sports	946	Grugliasco (Pininfarina)	IT	H1 07		50,000		0	0	0	1,613	8,263	5,500	4,750	4,250	4,000	3,800	Next generation GTV coupe
Fiat	Alfa Romeo	Brera Spyder	Passenger	Sports	938	Grugliasco (Pininfarina)	IT	H1 06		50,000		0	0	0	0	2,839	6,100	5,900	5,700	5,400	5,000	
Fiat	**Alfa Romeo**	**Total**										**183,629**	**182,469**	**162,116**	**132,441**	**157,769**	**163,775**	**160,650**	**205,750**	**259,400**	**276,300**	**We think Alfa will struggle to reach 300,000 upa, even with US sales**
Fiat	Lancia	Y	Passenger	B		Melfi	IT		Q3 03	350,000		79,430	40,804	0	0	0	0	0	0	0	0	
Fiat	Lancia	Ypsilon	Passenger	B	188/843	Melfi	IT	Q2 03		350,000	2009+	0	36,820	85,262	12,767	0	0	0	0	0	0	
Fiat	Lancia	Ypsilon	Passenger	B	188/843	Termini Imerese	IT	Q2 03		100,000	FL 2006, all new 2009+	0	0	0	60,000	79,659	79,500	74,500	40,000	0	0	Production switches to Termini Imerese to keep plant functioning
Fiat	Lancia	Ypsilon	Passenger	B	199	Termini Imerese	IT	Q3 09		100,000	2009	0	0	0	0	0	0	0	30,000	95,000	90,000	
Fiat	Lancia	Musa	Passenger	B-MPV	188/350	Melfi	IT	Q3 04		350,000	2009+	0	0	14,528	31,748	37,090	36,500	34,000	28,000	20,000	30,000	Switches to 199 platform in 2011
Fiat	Lancia	Lybra	Passenger	C	839	Mirafiori	IT			550,000	2006	19,738	15,950	8,263	4,126	0	0	0	0	0	0	
Fiat	Lancia	Delta	Passenger	C	New Stilo	Cassino	IT	H2 08		400,000	2008	0	0	0	0	0	0	10,000	40,000	55,000	50,000	New model to revive classic Delta name - sales boost expected now that RHD version is confirmed
Fiat	Lancia	Thesis	Passenger	E	841	Mirafiori	IT			550,000	2007	3,405	5,223	2,512	1,127	1,367	1,050	200	0	0	0	Assumed it will be dropped and not replaced; timing uncertain
Fiat	Lancia	Fulvia	Passenger	Sports	Punto	Mirafiori	IT	H2 08		550,000	2008	0	0	0	0	0	0	0	7,500	9,400	8,500	Coupe based on Punto
Fiat	Lancia	Zeta	Passenger	MPV	U60	Valenciennes (Sevel Nord)	FR		Q1 02	200,000	2007	93	0	0	0	0	0	0	0	0	0	
Fiat	Lancia	Phedra	Passenger	MPV	VL	Valenciennes (Sevel Nord)	FR	Q1 02		200,000	2008+	4,450	10,192	7,594	5,713	4,825	4,500	4,300	3,200	4,300	5,500	Major upgrade in 2009
Fiat	**Lancia**	**Total**										**107,116**	**108,989**	**118,159**	**115,481**	**122,941**	**121,550**	**123,000**	**148,700**	**183,700**	**184,000**	**We think Lancia will struggle to reach 200,000 upa, let alone the 300,000 which has been spoken about recently. Also see Suzuki for Fiat and Lancia SUV volumes**

Fiat Group – Ferrari and Maserati Production Outlook

Group	Marque	Model range	Vehicle type	Segment	Series (platform)	Plant	Country	Start of Production	End of Production	Annual plant capacity (current)	Next new model	2002 Production	2003 Production	2004 Production	2005 Production	2006 Production	Production Outlook 2007	Production Outlook 2008	Production Outlook 2009	Production Outlook 2010	Production Outlook 2011	Key comments
Fiat	Ferrari	Ferrari	Passenger	Sports	All	Maranello	IT			5,000		4,247	4,500	4,954	5,361	5,875	6,800	6,500	7,000	8,500	9,000	Added Spider versions during 2005
Fiat	**Ferrari**	**Total**										**4,247**	**4,500**	**4,954**	**5,361**	**5,875**	**6,800**	**6,500**	**7,000**	**8,500**	**9,000**	
Fiat	Maserati	"Entry level" Spyder	Passenger	Sports		Modena	IT			10,000		0	0	0	0	0	0	500	3,000	2,500	2,200	Officially targeting 10,000upa - capacity at Modena to rise to accommodate this. Will be based on the Brera
Fiat	Maserati	Spyder	Passenger	Sports		Modena	IT			10,000		see ALL total	924	592	375	412	0	0	0	0	0	
Fiat	Maserati	"Entry level" Quattroporte	Passenger	E/F		Modena	IT			10,000		0	0	0	0	0	0	0	2,000	3,000	3,500	As with entry Spyder, has very ambitious targets, up to 10,000 upa, but we do not think these will be met
Fiat	Maserati	Quattroporte	Passenger	F		Modena	IT			10,000		see ALL total	22	2,560	4,017	3,910	7,000	6,700	5,500	4,900	4,500	
Fiat	Maserati	Coupe / Gran Sport	Passenger	Sports		Modena	IT			10,000		see ALL total	1,991	1,999	1,302	1,466	1,800	4,200	3,900	3,400	3,000	
Fiat	Maserati	Kubang	Passenger	SUV		Modena	IT			10,000		0	0	0	0	0	0	0	0	400	1,200	Model to be confirmed
Fiat	Maserati	ALL	Passenger			Modena	IT			10,000		3,551	0	0	0	0	0	0	0	0	0	
Fiat	**Maserati**	**Total**										**3,551**	**2,937**	**5,151**	**5,694**	**5,788**	**8,800**	**11,400**	**14,400**	**14,200**	**14,400**	
Fiat	**ALL**	**Total**										**1,515,325**	**1,526,805**	**1,489,367**	**1,391,287**	**1,621,679**	**1,819,975**	**1,879,570**	**2,004,400**	**2,117,620**	**2,166,080**	**Includes Fiat, Alfa Romeo and Lancia**