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Chrysler's 2013 Net Income Up To \$2.8 Billion

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for the year, compared with 11.2 percent a year ago. Chrysler Group market share was 14.6 percent for the year in Canada, up from 14.2 percent a year ago.

Chrysler's report stated that the company expects, for 2014, to have net revenues of approximately \$80 billion, leading to a modified operating profit of \$3.7 to \$4 billion. The company expects to ship about 2.8 million vehicles worldwide this year as well.

Net income, according to the report, should also increase from \$1.8 billion in 2013 to an estimated \$2.3 to \$2.5 billion in 2014.

Overall, said IHS Automotive Director of Automotive Analysis Mike Wall, Chrysler had a pretty good year, especially in North America.

"The financial report just issued showed that North American sales helped offset weaknesses in Europe and South America, where Fiat has a strong presence," Wall said.

"Brazil is the big bogey down there, and their economy is slowing."

In an attempt to stimulate demand, Brazil changed tax laws, making cars more affordable, Wall said.

"That led to an overselling of the market and now things have cooled down," Wall said. "While Europe isn't where anyone wants it in terms of its economy, things have begun to settle down. Overall, the Chrysler report is not dissimilar to what we've been seeing for the past couple of years."

Wall noted that the Brazilian government has been increasing safety requirements for vehicles sold there.

In the short term, that might hurt sales as the cost of the vehicles increases, but in the long-term that should help because more safety requirements equal more safety equipment, which means more content and more people needed to build that content, which should help the economy.

Overall, Wall said, things look good for Chrysler.

The automaker's Ram 1500 is a popular truck and with the building industry coming back, demand for such vehicles is only going to grow, Wall said.

The company is profitable again and doing well in North America.

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Chrysler, Fiat Become One; Headquarters Up in the Air

By TOM KRISHER
AP Auto Writer

DETROIT (AP) – Chrysler and Fiat will be known as Fiat Chrysler Automobiles NV as they move forward as a single company.

Fiat's board of directors agreed on the new name last week, with headquarters for tax purposes in the United Kingdom. But the board sidestepped the thorny political issue of whether the true headquarters would be in the United States or Italy.

Fiat and Chrysler also announced fourth-quarter and full-year earnings. Chrysler's strong profits once again propped up its parent company, which otherwise would have lost money.

Shares of the combined company will trade jointly on the New York Stock Exchange and in Milan, Italy, by Oct. 1. The shares will trade under the symbol FCA, which also appears on the new company logo. FCA now includes the Jeep, Ram, Dodge and Chrysler brands, as well as Fiat, Maserati, Ferrari and Lancia and Alfa Romeo.

The new company will maintain significant research, engineering and financial operations in Fiat's hometown of Turin, Italy, and at Chrysler's sprawling office complex in Auburn Hills. This avoids political controversies in Italy, where Fiat is the largest private employer, and in the U.S., where the government saved



Fiat Chrysler Automobiles' new name and new logo

Chrysler by funding its 2009 bankruptcy.

Corporate executives, including Sergio Marchionne, CEO of both companies, say the real headquarters is on an airplane. Currently, the 22-member leadership team spends hours on jets flying to meetings and to visit factories and other operations.

For at least three years – the amount of time Marchionne has committed to leading the company – "the brains are going to be flying back and forth between Auburn (Hills) and Italy," said Morningstar analyst Richard Hilgert.

Fiat owned 58.5 percent of Chrysler last year. It has since bought the rest from a trust fund that pays health care bills for union retirees in order to combine the companies.

Marchionne said the new logo links the two companies "as opposed to retention of one organization over another." Chrysler

and Fiat have already teamed up to design three vehicles, the Dodge Dart compact, Jeep Cherokee SUV and the upcoming Chrysler 200 midsize car.

Marchionne said on a conference call that Fiat and Chrysler leaders are now working in unison. "I think we can move on execution at the speed of light," he said. Consolidation of the companies, he said, makes him more confident that FCA can reach a goal of selling 1 million Jeeps worldwide this year, up from 732,000 in 2013.

The new company plans to invest \$8 billion in product development and factories in the coming year as part of a business plan to be unveiled in May.

Chrysler, in its final earnings release as a separate company, said its net income more than quadrupled to \$1.62 billion in the fourth quarter, boosted by strong U.S. sales and a \$962 million one-time tax gain. Without the tax benefit, the company still

earned \$659 million, a 74 percent increase over a year earlier.

Without earnings from Chrysler, struggling Fiat would have lost 235 million euros (\$321 million), nearly double the loss from a year ago.

Chrysler does 75 percent of its business in the U.S., where sales rose 9 percent last year to just over 1.8 million cars and trucks, led by the Ram pickup Grand Cherokee. The company sold 2.4 million vehicles worldwide for the year, also up 9 percent.

Marchionne told Chrysler employees they will get performance awards based on last year's earnings.

The company's 37,200 blue-collar workers will get about \$2,500 in profit-sharing. Chrysler also announced plans to take on up to \$4.7 billion in term loans and notes to retire a 2009 note issued to the UAW trust.

Also last week, Fiat's board of directors scrapped the company's dividend to maintain liquidity after buying the trust's stake in Chrysler for \$1.75 billion (about 1.35 billion euros) in cash and another \$1.9 billion in extraordinary dividends. The deal closed on Jan. 21.

(AP Business Writers Dee-Ann Durbin in Detroit and Colleen Barry in Florence, Italy, contributed to this report.)

Former Ford VP Ross Roberts Dies at 75

Former Ford vice president of Sales and Marketing and Automotive Hall of Fame member Ross H. Roberts died Jan. 28 at the age of 75.

He is survived by his wife of 47 years, Donna; daughter Tara Clappison and her husband Dan of Grand Rapids; sons Ross F. Roberts of Ladera Ranch, Calif., and Brett E. Roberts and wife Nicole of Edmond, Okla.; and four grandchildren, Jordan and Ryan Clappison; and Ashley and Luke Roberts. He is also survived by his sister, Cecille Burr of Houston, and his brother, Don Ed Roberts of Edmond, Okla.

Mr. Roberts had been a resident of Bonita Springs, Fla., and Bay Harbor, Mich.

"Ross Roberts was both a great leader and a great friend," said Bill Ford, executive chairman of Ford. "Ross' impact on Ford Motor Company was remarkable, leaving a legacy that endures in the company today."

"During his tenure, he led the Ford brand to be the top car and truck brand in the U.S., as well as transformed the entire Ford dealer network. Ford and Lincoln-Mercury dealers truly respected and had great affection for Ross."

"His compassion and respect

for others were hallmarks of his leadership style and we were privileged to have him as part of the Ford family for so many years. Our thoughts and prayers go out to his wife Donna and his entire family."

Roberts was born in Gainesville, Texas, in 1938 and graduated from the University of Oklahoma where he was a member of the ROTC and Sigma Alpha Epsilon Fraternity. Upon graduation, he served in the U.S. Army Counter Intelligence Corps.

He was honorably discharged in 1962. He then served as vice president of Lincoln-Mercury Sales and Marketing for two years and then Ford Division vice president of Sales and Marketing.

After retiring, with 38 years at Ford, he was inducted into the Automotive Hall of Fame.

Roberts was always active in community affairs and recently served as Commodore of the Bay Harbor Yacht Club and in Bonita Springs as president of the Speakers Assembly.

His family and friends say Roberts had an outstanding wit and sense of humor. He loved football, especially the Dallas Cowboys, and, no matter the outcome, always said they were the best team.

A Ford associate defined Roberts as "a caring person who never gave you the feeling that he was a top executive but just a very good friend."

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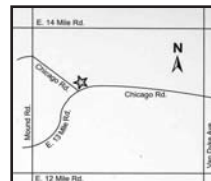
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