

FORUM BRASILIEN

**Consolidation of GM and Fiat Purchasing
Activities in Brazil
Consequences for Suppliers**

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Agenda

- **Who We Are.**
- **Supplier Benefits with JV.**
- **Opportunities & Needs.**

Our Goal

- **Creation of one company.**
- **Lean Organization, efficiency.**
- **Cross-functional buying teams.**
- **Process Alignment.**

Our Company Values

- **Customer Enthusiasm, Quality and Cost Leadership**
 - Services that create enthusiastic customers.
 - Robust common processes.
 - Demonstrate a focus on quality.
- **Integrity**
 - Honesty and trust.
 - We will say what we believe and do what we say.

Who we are

Our Company Values

- **Innovation and Continuous Improvement**
 - Challenge conventional thinking, implement new ideas faster than the competition.
 - Ambitious goals.
 - Everything can be done faster and more efficiently.

COLOMBIA VENEZUELA

\$ 40

\$ 120

\$ Mil.

EGYPT

\$ 70

BRAZIL
\$ 2,7 Bil.

ECUADOR

\$ 30

JV

\$3,2 Billion

CHILE

\$ 25

ARGENTINA

\$ 60

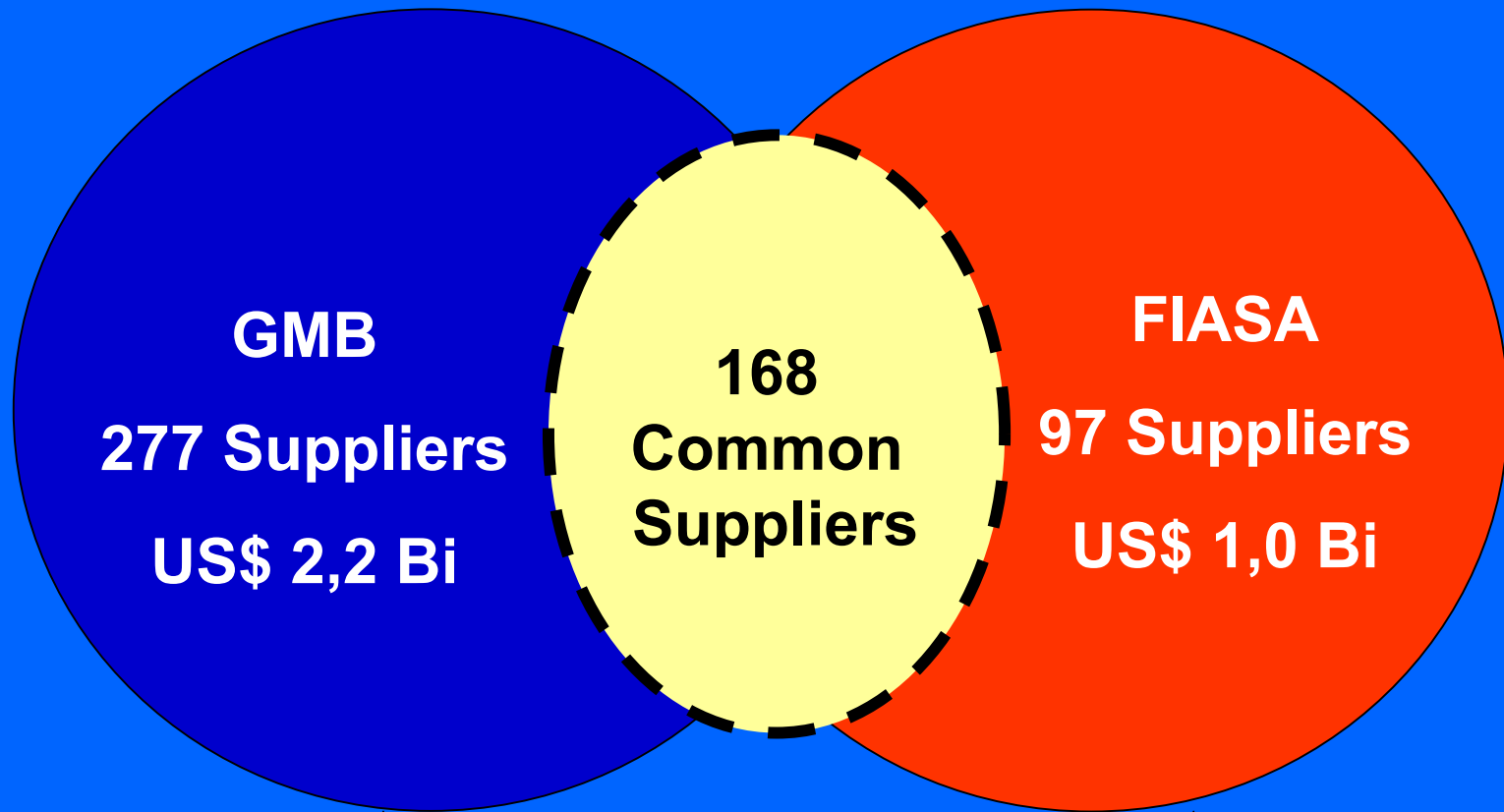
SOUTH AFRICA

\$ 150

JV operates primarily in Brazil and Argentina

Who we are

JV APV & SUPPLIERS



542 Suppliers with US\$ 3,2 Bi

Who we are

Benefits with JV

- Customers have around 46% of market share in the region.
- Aggressive product program for the next 3 years.
- JV is part of WWP Organization:
 - Global APV US\$ 130 Bil.
 - Buys for more than 10 different companies.
- Structured Export Program for vehicles, CKD and parts: US\$ 1,5 bi/year.

Suppliers Benefits with JV

Benefits with JV

- **Export Opportunities Program to Brazilian Supply Base.**
 - US\$ 300/year.
- **Collaborative Relation Ship:**
 - Project Development.
 - Product Development.
- **Engineering Expenses Optimization.**
- **Structural Cost Reduction.**
 - Sales / Administrative Support.

Suppliers Benefits with JV

Benefits with JV

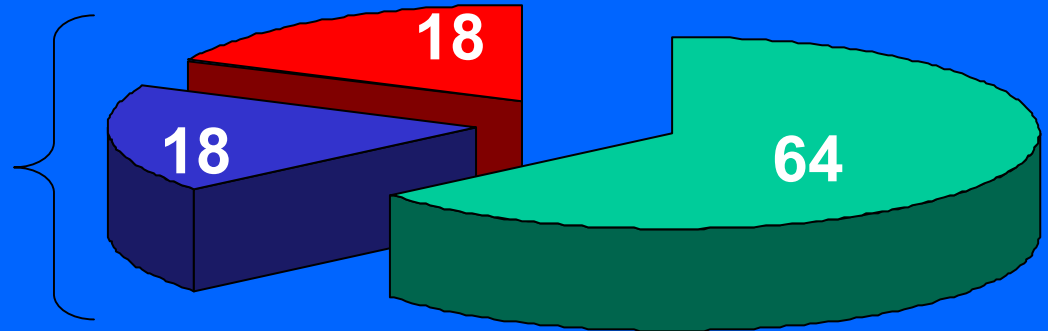
- One Quality System for both customers.
 - Training / help for 2nd and 3rd Tier Supplier.
- Buy Structural Integration/One Voice to Supplier.
- Early Supply involvement during development program.
- 50% participation in each cost saving idea.

Suppliers Benefits with JV

Brazilian Supplier Base Capacity

\$ 16 Billion

36% Idle*



■ Used Capacity

■ Idle Capacity - Financially Troubled

■ Idle Capacity - Financially Healthy

Only 18% of financially healthy supplier capacity available for:
a) absorbing current troubled suppliers' business.
b) supporting OEM business growth.

Opportunities & Needs

Commodities with competitiveness in Brazil

Metallic

- Friction Bearings
- Pistons
- Ball Joints
- Jacks & Tool Kits
- Fasteners
- Stampings
- Formed Rods

Metallic

- Axle Components
- Half-shafts
- Wheels (Aluminum/Steel)
- Rivets
- Engine Valve
- Screw Machine Parts

Chemical

- Fabrics
- Engine Mounts
- Leather
- IP Nozzles

Electrical

- Batteries
- Lighting
- Alternators

Additional Capacity Immediately required.

Opportunities & Needs

- Aluminum Castings
- Brakes Tubes
- Spring/Spring Leafs
- Fire Extinguisher
- Stamped Parts (small and medium)
- Chromed Parts
- Door Latches
- Door Modules
- Interior Trim Parts
- Functional black parts
- Exterior Molding
- Plastic Painted Parts
- Claddings
- Special Fasteners

Immediately Potential Business Award.

Opportunities & Needs

What we are looking for...

- **FLEXIBILITY.**
 - **NO RIGID RULES.**
 - **VELOCITY.**
 - **DIVERSITY.**
 - **INNOVATION**



Opportunities & Needs