



**CHRYSLER GROUP LLC REPORTS AUDITED FINANCIAL RESULTS FOR THE PERIOD FROM JUNE 10, 2009 TO DECEMBER 31, 2009**

- **First financial results published since Chrysler Group began operations on June 10, 2009.**
- **Net Revenues for the June 10 – December 31, 2009 period were \$17,710 million, including \$9,434 million in Q4.**
- **Operating Loss<sup>(a)</sup> of \$895 million in the 2009 reporting period, of which \$267 million loss related to Q4.**
- **Modified EBITDA<sup>(b)</sup> was positive at \$538 million.**
- **Net Loss of \$3,785 million for 2009 reporting period, reduced to \$1,734 million excluding a non-recurring, non-cash charge of \$2,051 million relating to the UAW Retiree Medical Benefits Trust (VEBA).**
- **Cash<sup>(c)</sup> at December 31, 2009 was \$5,877 million.**
- **Modified EBITDA and Cash ahead of earlier guidance.**
- **Financial results are presented in accordance with U.S. GAAP.**

**AUBURN HILLS, Mich., April 21, 2010** – Chrysler Group LLC today issued its audited financial results in accordance with U.S. GAAP for the June 10 – December 31, 2009 reporting period (“2009 reporting period”), the first published financial results since the Company began operations on June 10, 2009.

Chrysler was formed upon completion of the purchase of the principal operating assets, and certain debts and liabilities of the former Chrysler LLC (now Old Carco LLC), under terms approved by the U.S. Bankruptcy Court of the Southern District of New York.

<b>CHRYSLER GROUP LLC</b> (\$Mils)		
	<b>Jun 10 - Dec 31, 2009</b>	<b>Oct. 1 - Dec 31, 2009</b>
Net Revenues	17,710	9,434
Modified EBITDA (b)	538	398
Operating Loss (a)	(895)	(267)
Net Loss	(3,785)	(2,691)
Cash (c)	5,877	5,877

“The steady progression of our financial results from June through December 2009 shows that Chrysler is on track to meet the ambitious, yet achievable goals announced in November,” said Sergio Marchionne, Chief Executive Officer, Chrysler Group LLC. “As a result of improving trading margins, operational efficiencies and rigorous cost discipline, we continued to strengthen our cash position through 2009.”

(a/b) A reconciliation of U.S. GAAP Net Loss to Modified EBITDA and Operating Loss for the period from June 10, 2009 to December 31, 2009 is detailed in Table 1 of the attachment to the press release.

(c) Cash includes Cash, Cash Equivalents and Marketable Securities.

The Company posted **Net Revenues** of \$17,710 million, exceeding the \$17 billion target provided in November 2009, of which \$9,434 million was achieved in the fourth quarter (Q4).

Worldwide vehicle sales for June 10 – December 31, 2009, were 739,000 units of which 318,000 were sold in Q4. Worldwide vehicle shipments for the 2009 reporting period were 670,000, including 370,000 in Q4.





Chrysler achieved a U.S. market share of 8.0 percent from June 10 – December 31, 2009 (8.1 percent in Q4), in a market with a seasonally adjusted annual sales rate (SAAR) of 10.6 million vehicles – a level not seen in the U.S. since 1982 – as well as high unemployment and difficult credit markets for consumers, dealers and suppliers.

U.S. vehicle sales from June 10 – December 31, 2009, were 513,000 including 216,000 in Q4. U.S. vehicle shipments in the same period were 451,000 of which 260,000 were in Q4.

Chrysler maintained rigorous control over production levels as the market demand remained soft into late 2009. Inventory levels in the U.S. were reduced to 179,000 vehicles, representing 58 days of supply, compared to 246,000 vehicles and 90 days supply on June 10, 2009.

**Operating Loss**<sup>(a)</sup> for the 2009 reporting period was \$895 million, of which \$267 million was recorded in Q4. This loss was primarily the result of low sales volumes and significant start-up costs, particularly in June and Q3, as plants began to ramp up after the Company purchased the principal operating assets of Old Carco.

**Modified Earnings Before Interest, Taxes, Depreciation and Amortization (Modified EBITDA)**<sup>(b)</sup> for the 2009 reporting period were \$538 million, which is at the upper end of earlier guidance and predominantly generated in Q4 as the Company approached normal operating conditions.

**Net Interest Expense** amounted to \$359 million in the 2009 reporting period of which \$130 million was recorded in Q4, and included \$85 million for non-cash interest accretion primarily related to the fair value adjustment of certain financial liabilities.

**Net Loss** for the full 2009 reporting period amounted to \$3,785 million, reduced to \$1,734 million after excluding a non-recurring, non-cash charge of \$2,051 million on the UAW Retiree Medical Benefits Trust (VEBA) remeasurement.

**Pro-Forma Industrial Net Debt**<sup>(d)</sup> (including the VEBA note) at December 31, 2009, was \$5,362 million.

Despite the effects of restarting plants and the low sales volumes in the beginning of the period, **Cash**<sup>(c)</sup> improved to \$5,877 million at December 31, 2009, ahead of earlier guidance, due to disciplined cost control and working capital management. An additional \$2.4 billion of undrawn credit facilities remain available under Chrysler's U.S. Treasury (UST) and Export Development Canada (EDC) loan agreements, bringing the total available liquidity to \$8.3 billion. There have been no additional draws from the government facilities since June 12, 2009.

### **Significant Events**

On June 10, 2009, Chrysler and Fiat finalized an agreement for a global strategic alliance and the new Chrysler became operational. The agreement grants Chrysler access to Fiat's world-class technology,



platforms and powertrains for small and medium-sized cars, which will enable the Company to expand its product offering, including the addition of several low environmental impact models. Chrysler will also have access to Fiat's international distribution network. The alliance represents an important step toward positioning both Chrysler and Fiat among the next generation of leaders in the global auto industry.

Chrysler's five-year strategic business plan, presented on November 4, 2009, projects the launch of 21 new models over the next five years and sales volumes increasing to 2.8 million cars in 2014 (40 percent higher than in 2008 and more than double 2009 volumes). Approximately 60 percent of those vehicles are to be based on Fiat platforms. By 2014, Chrysler expects to achieve annual Net Revenues of approximately \$68 billion and Operating Profit of \$5 billion, with its loans from the UST and EDC fully repaid.

The all-new 2010 Ram 2500 and 3500 Heavy Duty pickups, launched in the fourth quarter of 2009, were chosen by *Motor Trend* as the magazine's "2010 Truck of the Year."

In December, Chrysler announced it would invest \$179 million to launch production of an advanced technology, fuel-efficient engine for the North American market, which will be built at the Global Engine Manufacturing Alliance plant in Dundee, Michigan. The plant will produce the 1.4-liter, 16-valve Fully Integrated Robotized Engine (FIRE) for use in Chrysler's growing fleet of fuel-efficient vehicles. FIRE is a collaboration between Chrysler and Fiat Powertrain and will include Fiat's innovative advanced technologies to reduce engine emissions and improve fuel economy.

The Company also confirmed that the Fiat 500 would be built at its Toluca, Mexico plant, utilizing the FIRE engines built in Michigan. The vehicles will be sold both in NAFTA through Chrysler's distribution network and in Latin America, through Fiat's distribution network.

## **2010 Outlook**

Chrysler is on track to achieve its targets for 2010. These targets, announced on November 4, 2009, are as follows:

- Net Revenues of \$40-45 billion
- Operating Profit<sup>(a)</sup> of \$0.0-0.2 billion
- Modified EBITDA<sup>(b)</sup> of \$2.5-2.7 billion
- Negative Free Cash Flow of \$1.0 billion



### **Non-GAAP Financial Information**

<sup>(a)</sup>A reconciliation of U.S. GAAP Net Loss to Modified EBITDA and Operating Loss for the period from June 10, 2009, to December 31, 2009, is detailed in Table 1 of the attachment to the press release.

<sup>(b)</sup>Modified EBITDA is computed starting with net income (loss) and then adjusting the amount to (i) add back income taxes, (ii) add back net interest expense (excluding interest expense related to Gold Key Lease financing activities), (iii) add back depreciation and amortization expense (excluding depreciation and amortization expense of vehicles held for lease), (iv) add back all pension, OPEB and other employee benefit costs other than service costs, (v) add back restructuring expense, (vi) add back losses and exclude gains due to cumulative change in accounting principles and (vii) add back other financial loss. The reconciliation of net loss to Modified EBITDA for the period from June 10, 2009, to December 31, 2009, and for October 1, 2009 to December 31, 2009 is attached to the press release.

<sup>(c)</sup>Cash is defined as Cash, Cash Equivalents and Marketable Securities.

<sup>(d)</sup>A reconciliation of U.S. GAAP Financial Liabilities to Pro-Forma Industrial Net Debt at December 31, 2009, is detailed in Table 2 of the attachment to the press release.

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**Attachments**

**Table 1: Reconciliation of U.S. GAAP Net Loss to Modified EBITDA and Operating Loss**

CHRYSLER GROUP LLC (\$Mils)		
	Jun 10 - Dec 31, 2009	Oct. 1 - Dec 31, 2009
<b>Net Loss</b>	<b>(3,785)</b>	<b>(2,691)</b>
<i>Add Back:</i>		
Provision for Income Taxes	29	36
Net Interest Expense	359	130
Loss on VEBA Note and Equity Revaluation	2,051	2,051
Interest on VEBA Note	270	121
Other Employee Benefit Costs \1	136	57
Restructuring Expense & Other	45	29
Depreciation & Amortization \2	1,433	665
<b>Modified EBITDA</b>	<b>538</b>	<b>398</b>
<i>Deduct:</i>		
Depreciation & Amortization \2	(1,433)	(665)
<b>Operating Loss</b>	<b>(895)</b>	<b>(267)</b>

\1 Represents interest cost and expected return on asset income.

\2 Depreciation and amortization expense excludes depreciation and amortization expense for vehicles held for lease.



**Table 2: Reconciliation of U.S. GAAP Financial Liabilities to Pro-Forma Industrial Net Debt**

<b>CHRYSLER GROUP LLC</b>	
(\$Mils)	
	As of Dec 31, 2009
<b>Financial Liabilities</b>	<b>9,551</b>
<i>Add:</i>	
UAW VEBA Note (Pro-Forma)	3,854
<i>Deduct:</i>	
Gold Key Lease (GKL) Debt	
Short Term ABS	(922)
Long Term ABS	(291)
GKL Credit Facility	(953)
Total GKL Debt	(2,166)
<b>Pro-Forma Industrial Debt</b>	<b>11,239</b>
<i>Less Cash</i> <sup>13</sup>	<i>(5,877)</i>
<b>Pro-Forma Industrial Net Debt</b>	<b>5,362</b>

<sup>13</sup> Cash includes Cash, Cash Equivalents and Marketable Securities.



## **Editors Notes**

The Company has applied the accounting standards related to business combinations to record the assets acquired and liabilities assumed from Old Carco LLC. Under this method of accounting, assets acquired and liabilities assumed are generally recorded at fair value with goodwill representing the excess of the cost of an acquired business over the net of the amounts assigned to assets acquired and liabilities assumed.

## **Forward-Looking Statements**

This document contains forward-looking statements that reflect management's current views with respect to future events. The words “anticipate,” “assume,” “believe,” “estimate,” “expect,” “intend,” “may,” “plan,” “project” and “should” and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties, including, but not limited to: the effective implementation of the Chrysler 2010 – 2014 Business Plan outlined on November 4, 2009, including timely vehicle launches; industry SAAR levels; slower than expected economic recovery in Europe or North America, including continued high unemployment levels and lack of available credit to consumers and dealers; introduction of competing products; and supplier insolvencies. If any of these or other risks and uncertainties occur, or if the assumptions underlying any of these statements prove incorrect, then actual results may be materially different from those expressed or implied by such statements. We do not intend or assume any obligation to update any forward-looking statement, which speaks only as of the date on which it is made.

## **About Chrysler Group LLC**

Chrysler Group LLC, formed in 2009 from a global strategic alliance with Fiat Group, produces Chrysler, Jeep®, Dodge, Ram Truck, Mopar® and Global Electric Motorcars (GEM) brand vehicles and products. With the resources, technology and worldwide distribution network required to compete on a global scale, the alliance builds on Chrysler’s culture of innovation – first established by Walter P. Chrysler in 1925 – and Fiat’s complementary technology – from a company whose heritage dates back to 1899.

Headquartered in Auburn Hills, Mich., Chrysler Group LLC’s product lineup features some of the world's most recognizable vehicles, including the Chrysler 300, Jeep Wrangler and Ram Truck. Fiat will contribute world-class technology, platforms and powertrains for small and medium sized cars, allowing Chrysler to offer an expanded product line including environmentally friendly vehicles.

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