



Chrysler Group LLC

1st Quarter 2014

Results Review

(U.S. GAAP – Preliminary)

May 12, 2014



DODGE



Jeep

SRT



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," "should" and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties, including, but not limited to: successful vehicle launches; industry SAAR levels; economic conditions, especially in North America, including unemployment levels and the availability of affordably priced financing for our dealers and consumers; introduction of competing products and competitive pressures which may limit our ability to reduce sales incentives; supply disruptions resulting from natural disasters and other events impacting our supply chain; and our dependence on our parent, Fiat

S.p.A. In addition, any projections or targets on future performance are based on the assumption that the Company maintains its status as a partnership for U.S. federal and state income tax purposes and do not consider the impact of a potential conversion of the Company into a corporate tax paying entity. 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. Further details of potential risks that may affect Chrysler Group are described in Chrysler Group LLC's periodic reports filed with the U.S. Securities and Exchange Commission.

Executive Summary

Q1 2014 Highlights



- **Worldwide shipments totaled 668k vehicles, up 16% versus Q1 2013**
- **Net revenues totaled \$19.0B, up 23% versus Q1 2013**
- **Modified Operating Profit increased 35% year-over-year to \$586M**
 - Higher shipment volumes and improved mix, partially offset by increased industrial and advertising costs, and FX impacts
- **Net loss was \$690M; Adjusted Net Income totaled \$486M, and excludes:**
 - \$504M non-cash loss on extinguishment of debt related to the prepayment of the VEBA Trust Note
 - \$672M charge related to the January 2014 memorandum of understanding (MOU) with the UAW (\$499M non-cash in 2014)
- **Worldwide vehicle sales of 621k, up 10% from Q1 2013**
 - U.S. market share of 12.5% up 110 bps versus the prior year
 - U.S. retail vehicle sales increased 19%
 - Canada market share of 16.6% up 60 bps versus the prior year
- **Net Industrial Debt of \$551M at March 31, 2014**, down from Net Industrial Cash of \$1.0B at December 31, 2013, primarily due to a \$1.9B special distribution paid in January 2014, partially offset by Free Cash Flow of \$0.9B
- **VEBA Trust Note refinanced on February 7, 2014 reducing on-going interest costs**
- **FY 2014 guidance confirmed**

May 12, 2014

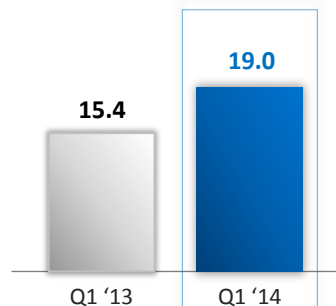
(Preliminary results prepared in accordance with U.S. GAAP - Refer to Appendix for definitions of non-U.S. GAAP financial measures)

Q1 2014 Financial Highlights



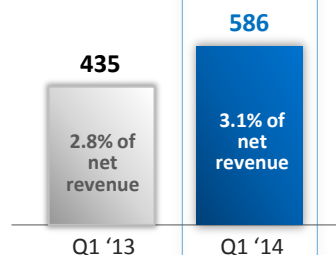
Net Revenue (\$B)

- Increase of 23% primarily due to higher shipments
- Worldwide shipments up 16% to 668k units (659k shipments adjusted for GDP – see Appendix) primarily due to new Cherokee shipments



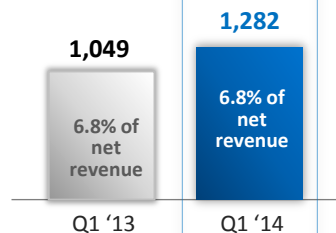
Modified Operating Profit (\$M)

- Modified Operating Profit increased 35% versus the prior year
- Increase primarily due to higher shipment volumes and improved mix, partially offset by increased industrial and advertising costs, and FX impacts



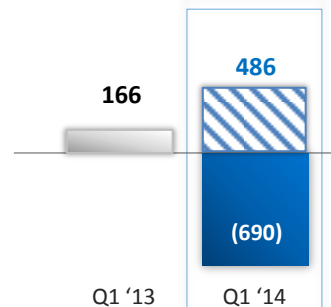
Modified EBITDA (\$M)

- Modified EBITDA increased 22% versus prior year, consistent with the increase in Modified Operating Profit



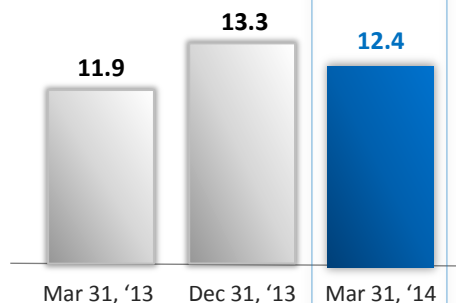
Net Income (Loss) (\$M)

- Net loss was \$690M, including the \$504M non-cash loss on extinguishment of debt related to the prepayment of the VEBA Trust Note, and a \$672M (\$499M non-cash in 2014) charge for the January MOU with the UAW
- Adjusted Net Income was \$486M, up from \$166 the prior year



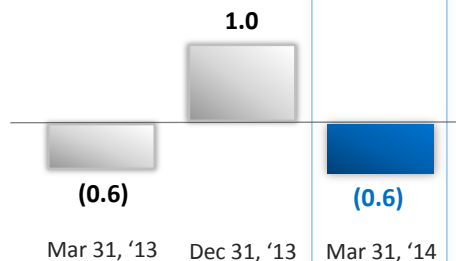
Cash (\$B)

- Decrease relates to payment of a \$1.9B special distribution to our members, partially offset by Free Cash Flow of \$0.9B
- Total available liquidity of \$13.7B as of March 31, 2014, including \$1.3B available under a revolving credit facility



Net Industrial (Debt) Cash (\$B)

- Change in Net Industrial Debt from December 31, 2013 primarily due to change in Cash and increase in the carrying values of Financial Liabilities related to the refinancing of the VEBA Trust Note



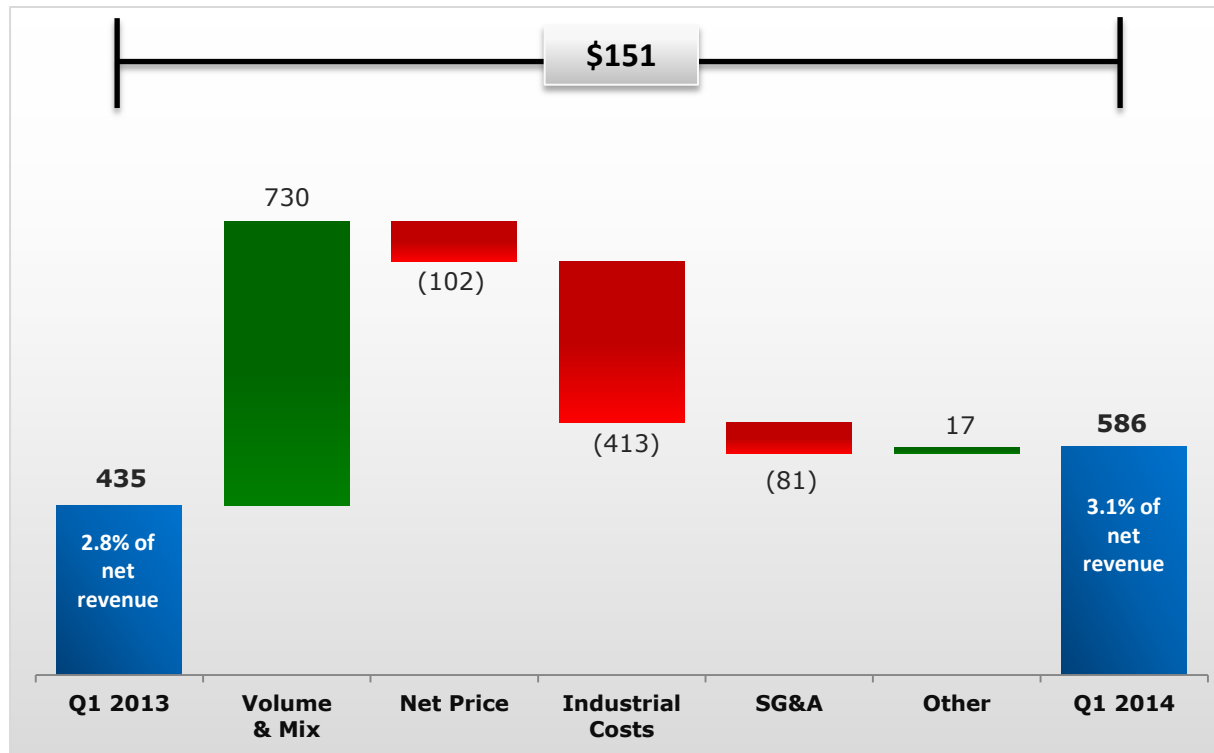
May 12, 2014

(Preliminary results prepared in accordance with U.S. GAAP - Refer to Appendix for definitions of non-U.S. GAAP financial measures)

Modified Operating Profit Walk



\$ Millions



- Volume increase of 87k GDP adjusted vehicle shipments, primarily related to new Jeep Cherokees and Ram Pickups
- Mix was positive primarily reflecting higher retail volumes
- Net price was unfavorable mainly reflecting the negative impact of the weakening Canadian dollar
- Industrial costs reflect the cost of vehicle content enhancements, higher depreciation & amortization, and costs associated with recall campaigns
- SG&A costs primarily reflects higher advertising costs
- Other primarily reflects positive foreign exchange translation partially offset by the currency loss from the Venezuela bolivar devaluation

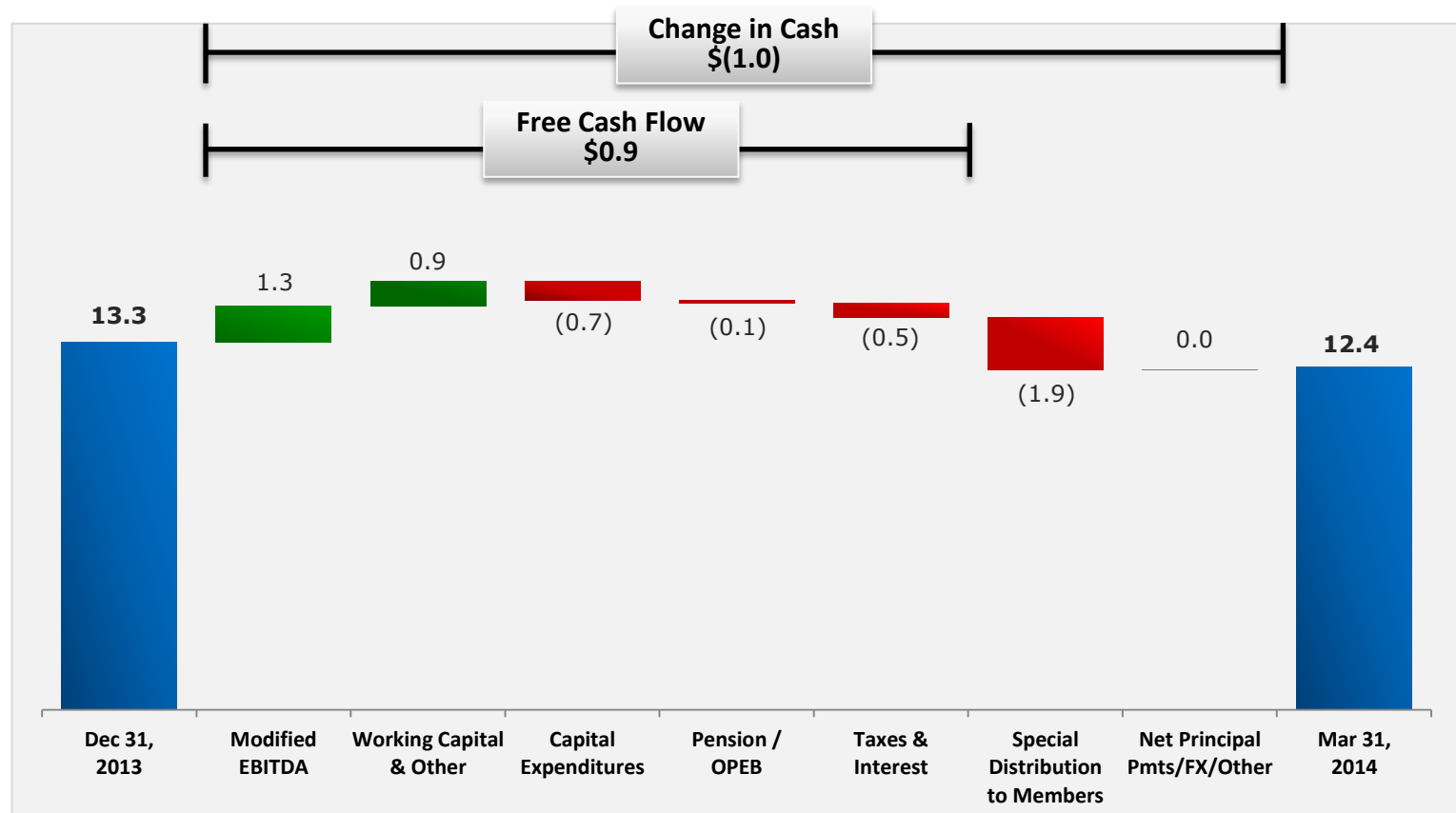
May 12, 2014

(Preliminary results prepared in accordance with U.S. GAAP - Refer to Appendix for definitions of non-U.S. GAAP financial measures)

Cash Walk



\$ Billions



Note: Numbers may not add due to rounding

May 12, 2014

(Preliminary results prepared in accordance with U.S. GAAP - Refer to Appendix for definitions of non-U.S. GAAP financial measures)

- **Chrysler Group refinanced the VEBA Trust Note in the capital markets on February 7, 2014, taking advantage of strong market conditions and low interest rates for both secured loans and notes**
 - **Issued \$2,000M of first lien bank loans**
 - ✓ \$250M incremental Term Loan B due May 24, 2017 (3.50% at March 31, 2014)
 - ✓ \$1,750M new Term Loan B due December 31, 2018 (3.25% at March 31, 2014)
 - **Issued \$2,755M aggregate principal amount of Secured Senior Notes – sold at a premium**
 - ✓ \$1,375M add-on Secured Senior Notes due 2019 (price 108.25; YTM 6.165%)
 - ✓ \$1,380M add-on Secured Senior Notes due 2021 (price 110.50; YTM 6.433%)
 - **Prepaid VEBA Trust Note in full, including accrued interest**
- **Annual pre-tax interest savings of ~\$200M, including elimination of non-cash VEBA Trust Note discount amortization of ~\$65M, offset by a one-time non-cash charge of \$504M (VEBA Trust Note discount) in Q1 2014**

Net Industrial (Debt) Cash



\$ Billions

	Carrying Value as of Mar 31, 2014	Carrying Value as of Dec 31, 2013	Mar 31, 2014 B/(W) Dec 31, 2013	Carrying Value as of Mar 31, 2013	Mar 31, 2014 B/(W) Mar 31, 2013
Cash	12.4	13.3	(1.0)	11.9	0.5
Term Loan B – Due 2017	3.1	2.9	(0.2)	2.9	(0.2)
Term Loan B – Due 2018	1.7	-	(1.7)	-	(1.7)
Secured Senior Notes – Due 2019	3.0	1.5	(1.5)	1.5	(1.5)
Secured Senior Notes – Due 2021	3.2	1.7	(1.5)	1.7	(1.5)
VEBA Trust Note	-	4.2	4.2	4.3	4.3
Canadian Health Care Trust Notes	0.8	0.9	0.1	1.0	0.2
Mexican Development Banks Credit Facilities	0.6	0.6	-	0.6	-
Other Financial Liabilities	0.6	0.6	-	0.5	0.1
Total Financial Liabilities	12.9	12.3	(0.6)	12.5	(0.4)
Net Industrial Cash (Debt) ¹	(0.6)	1.0	(1.6)	(0.6)	0.1

¹ Excludes pension and OPEB underfunding
Note: Numbers may not add due to rounding

May 12, 2014

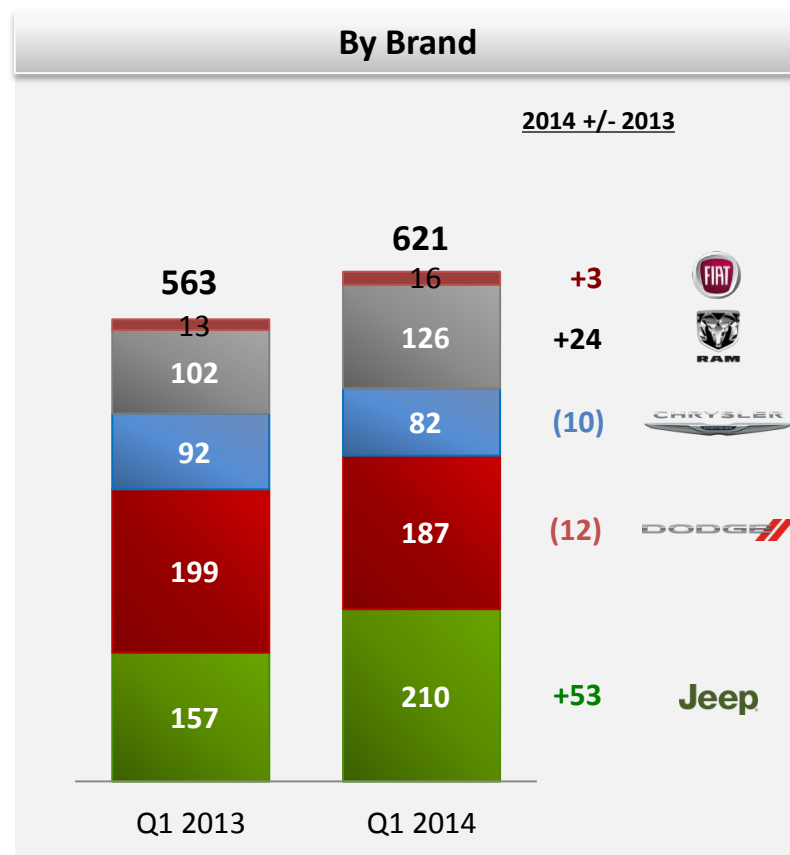
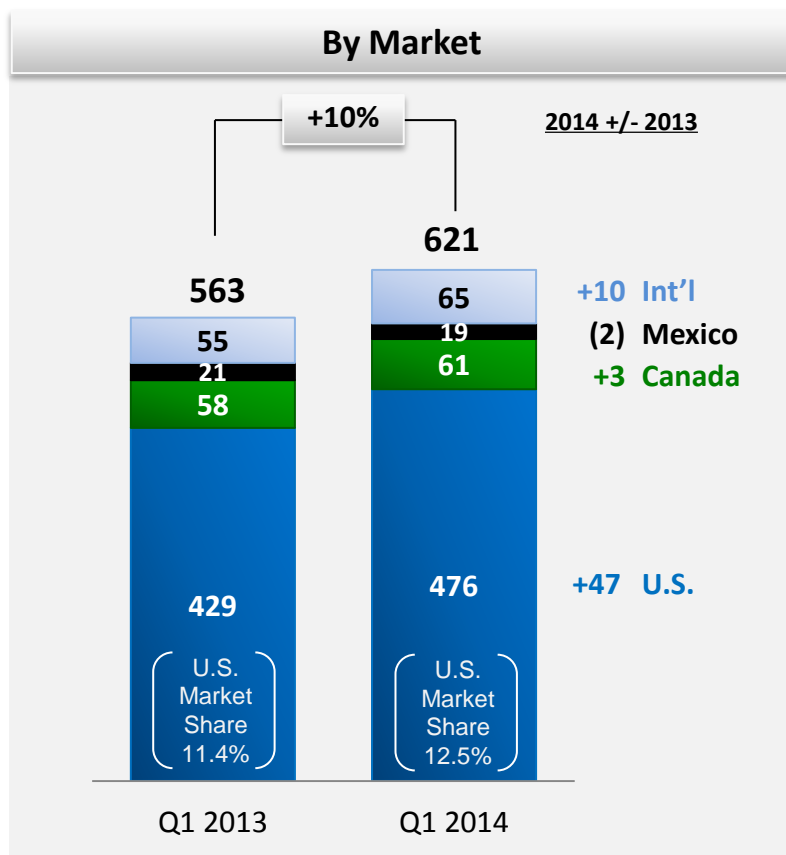
(Preliminary results prepared in accordance with U.S. GAAP - Refer to Appendix for definitions of non-U.S. GAAP financial measures)

Worldwide Vehicle Sales

Q1 2014 versus Q1 2013



Vehicles (000s)





May 12, 2014

(Preliminary results prepared in accordance with U.S. GAAP - Refer to Appendix for definitions of non-U.S. GAAP financial measures)

Vehicle Sales in U.S. & Canada

Q1 2014 versus Q1 2013



Industry Vehicles (Mils)	Chrysler Group Performance								
	Sales	Market Share	Key Messages (period-over-period)						
<div></div> <div><table><tr><td>3,751</td><td>+1.5%</td><td>3,807</td></tr><tr><td>Q1 2013</td><td></td><td>Q1 2014</td></tr></table></div>	3,751	+1.5%	3,807	Q1 2013		Q1 2014	+11%	12.5% (up 110 bps)	<ul style="list-style-type: none">• Retail sales (excluding fleet) increased 19%• Retail of retail market share* increased to 12.0%, up 160 bps from the prior year• Fleet mix at 23% vs. 28% in the prior year• Key performers included:<ul style="list-style-type: none">• Jeep Cherokee +36k vehicles (new)• Ram 1500 Pickup +13k vehicles (+24%)• Jeep Grand Cherokee +8k vehicles (+23%)• Dodge Durango +3k vehicles (+19%)• Minivan +8k vehicles (+15%)
3,751	+1.5%	3,807							
Q1 2013		Q1 2014							
<div></div> <div><table><tr><td>363</td><td>1%</td><td>366</td></tr><tr><td>Q1 2013</td><td></td><td>Q1 2014</td></tr></table></div>	363	1%	366	Q1 2013		Q1 2014	+5%	16.6% (up 60 bps)	<ul style="list-style-type: none">• Retail sales (excluding fleet) increased 4%• Retail of retail market share* at 14.4%, up from 14.0% in the prior year• Key performers included:<ul style="list-style-type: none">• Jeep Cherokee +4.1k vehicles (new)• Dodge Durango +0.4k vehicles (+103%)• Dodge Charger +0.6k vehicles (+49%)• Minivan +1.0k vehicles (+9%)
363	1%	366							
Q1 2013		Q1 2014							

* - Company calculation; retail sales (excluding fleet) versus industry retail sales (excluding fleet)

May 12, 2014

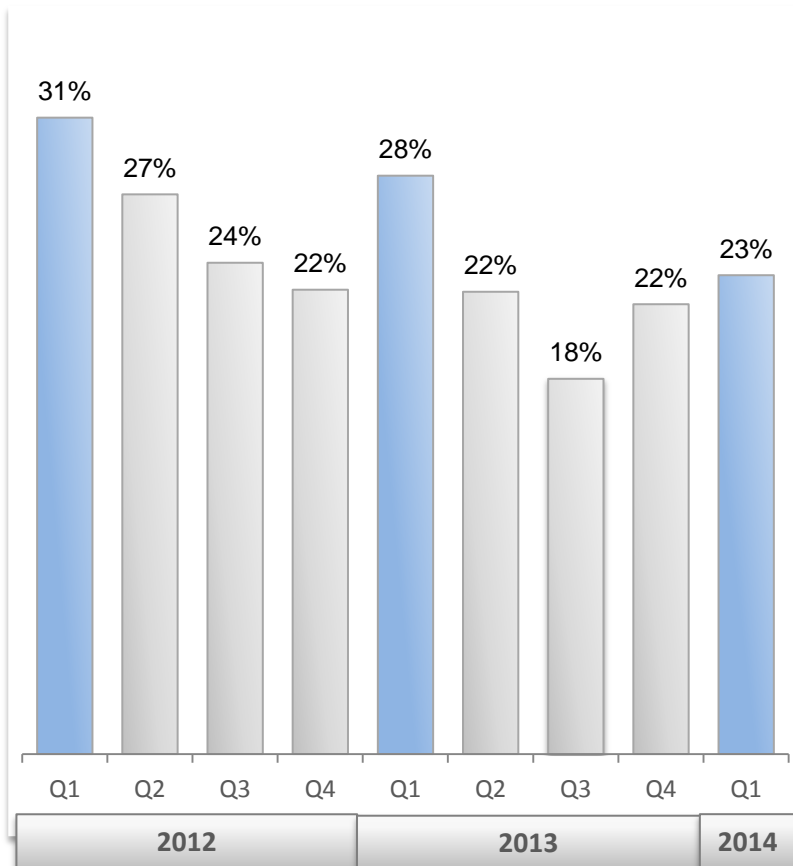
(Preliminary results prepared in accordance with U.S. GAAP - Refer to Appendix for definitions of non-U.S. GAAP financial measures)

U.S. Fleet Mix / Dealer Inventory and Days Supply



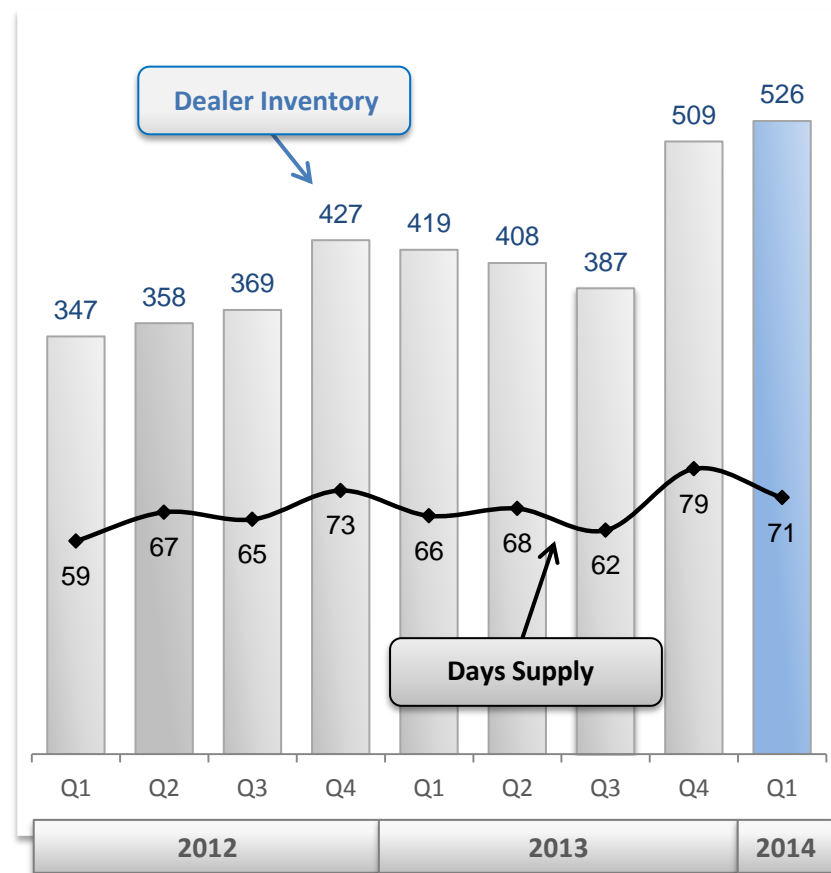
U.S. Fleet Mix

Percentage of Total U.S. Sales



U.S. Dealer Inventory

Vehicles (000s)



May 12, 2014

(Preliminary results prepared in accordance with U.S. GAAP - Refer to Appendix for definitions of non-U.S. GAAP financial measures)

	FY 2014 Guidance
Worldwide Vehicle Shipments	~2.8 M
Net Revenues	~\$80 B
Modified Operating Profit	\$3.7-\$4.0 B
Adjusted Net Income	\$2.3-\$2.5 B
Free Cash Flow	\$0.5-\$1.0 B



CHRYSLER



Appendix

May 12, 2014

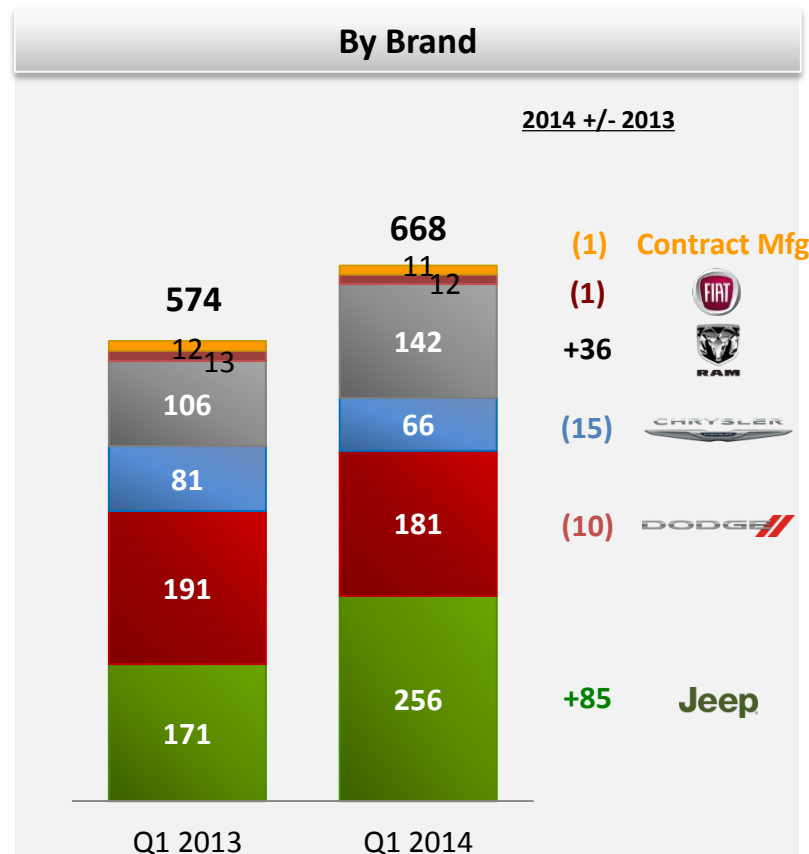
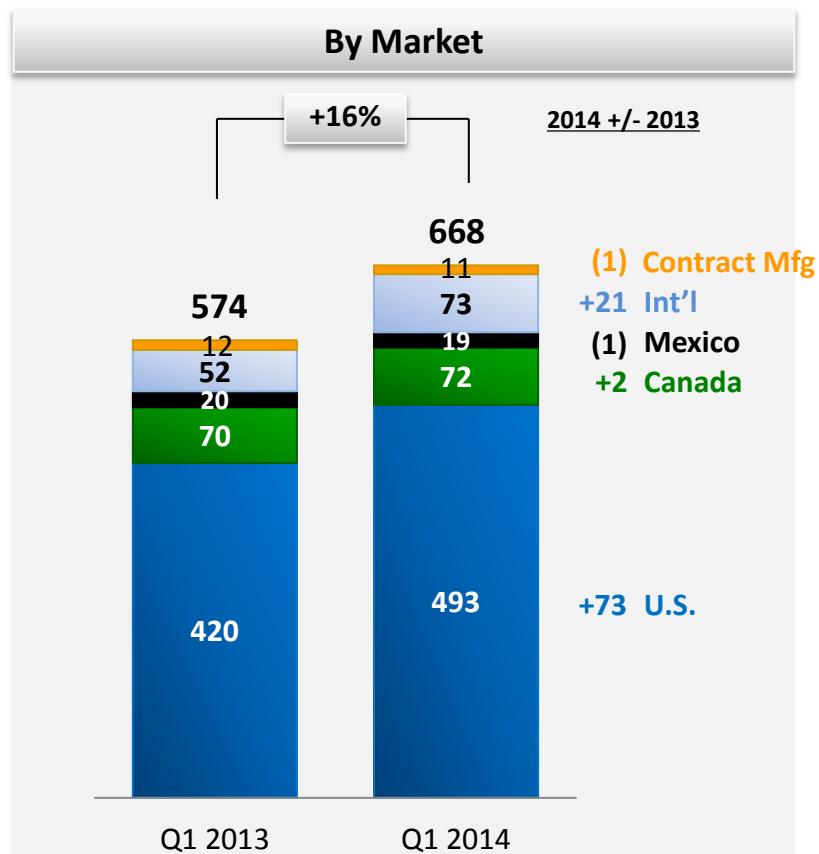
(Preliminary results prepared in accordance with U.S. GAAP - Refer to Appendix for definitions of non-U.S. GAAP financial measures)

Worldwide Vehicle Shipments

Q1 2014 versus Q1 2013



Vehicles (000s)



May 12, 2014

(Preliminary results prepared in accordance with U.S. GAAP - Refer to Appendix for definitions of non-U.S. GAAP financial measures)

Guaranteed Depreciation Program Adjusted Shipments



<i>Vehicles (000s)</i>	Q1 2014	Q1 2013	Q1 2014 B/(W) Q1 2013
Worldwide Shipments	668	574	94
<u>Guaranteed Depreciation Program (GDP)</u>			
<i>Subtract:</i> Shipments during period	(31)	(21)	(10)
<i>Add:</i> Returns/auctions during period	22	19	3
Net (shipments) / returns	(9)	(2)	(7)
GDP Adjusted Worldwide Shipments	659	572	87

May 12, 2014

(Preliminary results prepared in accordance with U.S. GAAP - Refer to Appendix for definitions of non-U.S. GAAP financial measures)

Reconciliation of Worldwide Vehicle Sales to Shipments



Vehicles (000s)

	Q1 2014	Q1 2013
Worldwide Sales	621	563
Increase (decrease) in U.S. dealer inventory	17	(8)
Increase in Canada dealer inventory	11	12
Contract manufacturing & other	19	7
Worldwide Shipments	668	574

May 12, 2014

(Preliminary results prepared in accordance with U.S. GAAP - Refer to Appendix for definitions of non-U.S. GAAP financial measures)

Q1 2014 Financial Results



<i>\$ Millions</i>	Q1 2014	Q1 2013	Q1 2014 B/(W) Q1 2013
Worldwide Vehicle Shipments (000) ¹	668	574	94
Net Revenue	18,990	15,385	3,605
Modified Operating Profit	586	435	151
% of Net Revenue	3.1%	2.8%	0.3 ppt
Modified EBITDA	1,282	1,049	233
% of Net Revenue	6.8%	6.8%	-0- ppt
Net (Loss) Income	(690)	166	(856)
Adjusted Net Income	486 ²	166	320
Free Cash Flow	919	449	470
Cash	12,363	11,874	489
Financial Liabilities	(12,914)	(12,493)	(421)
Net Industrial Debt	(551)	(619)	68

¹ Before GDP adjustments

² Excludes \$504M loss on extinguishment of debt from prepayment of the VEBA Trust Note, and \$672M charge for the MOU with the UAW entered into in January 2014

May 12, 2014

(Preliminary results prepared in accordance with U.S. GAAP - Refer to Appendix for definitions of non-U.S. GAAP financial measures)

Reconciliation of Net Income (Loss) to Adjusted Net Income, Modified Operating Profit and Modified EBITDA



<i>\$ Millions</i>	Q1 2014	Q1 2013	Q1 2014 B/(W) Q1 2013
Net (Loss) Income	(690)	166	(856)
Loss on Extinguishment of Debt	504	-	504
Charge for MOU with the UAW	672	-	672
Adjusted Net Income	486	166	320
Income Tax (Benefit) Expense	(115)	32	(147)
Net Interest Expense	213	251	(38)
Other Employee Benefit Gains ¹	(8)	(12)	4
Restructuring Expense (Income), Net & Other	10	(2)	12
Modified Operating Profit	586	435	151
Depreciation and Amortization Expense ²	696	614	82
Modified EBITDA	1,282	1,049	233

1 - Includes interest cost, expected return on plan assets and amortization of unrecognized losses

2 - Excludes depreciation and amortization expense for vehicles held for lease

May 12, 2014

(Preliminary results prepared in accordance with U.S. GAAP - Refer to Appendix for definitions of non-U.S. GAAP financial measures)

Reconciliation of Net Cash Provided By (Used In) Operating and Investing Activities to Free Cash Flow



<i>\$ Millions</i>	Q1 2014	Q1 2013	Q1 2014 B/(W) Q1 2013
Net Cash Provided By Operating Activities	1,623	1,210	413
Net Cash Used In Investing Activities	(704)	(761)	57
Free Cash Flow	919	449	470

May 12, 2014

(Preliminary results prepared in accordance with U.S. GAAP - Refer to Appendix for definitions of non-U.S. GAAP financial measures)

Reconciliation of Cash to Net Industrial Cash (Debt)



\$ Millions

	Mar 31, 2014	Dec 31, 2013	Mar 31, 2013
Cash	12,363	13,344	11,874
Less: Financial Liabilities (Carrying Value)	(12,914)	(12,301)	(12,493)
Net Industrial (Debt) Cash	(551)	1,043	(619)

May 12, 2014

(Preliminary results prepared in accordance with U.S. GAAP - Refer to Appendix for definitions of non-U.S. GAAP financial measures)

\$ Billions	As of Mar 31, 2014	
	Carrying Value	Face Value
Term Loan B – Due 2017	3.1	3.2
Term Loan B – Due 2018	1.7	1.8
Secured Senior Notes – Due 2019	3.0	2.9
Secured Senior Notes – Due 2021	3.2	3.1
Canadian Health Care Trust Notes	0.8	0.8
Mexican Development Banks Credit Facilities	0.6	0.6
Other Financial Liabilities	0.6	0.6
Total Financial Liabilities	12.9	12.8

Note: Numbers may not add due to rounding

Gross Industrial Debt Maturity Schedule



CHRYSLER

\$ Billions

Financial Liabilities

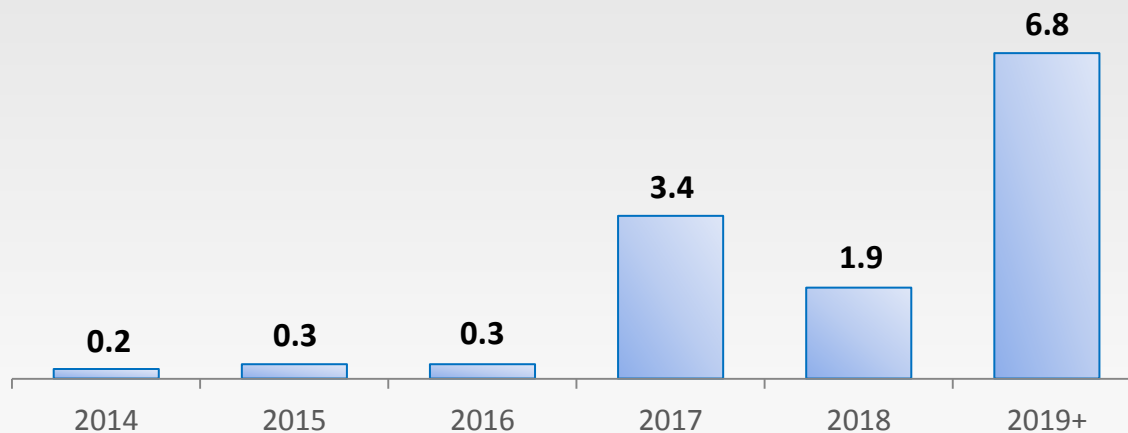
12.9



Mar 31, 2014
(Carrying Value)

Face Value
12.8

Annual Maturities



Note: Excludes accrued and accreted interest

0.2 0.3 0.3 3.4 1.9 6.8

Note: Numbers may not add due to rounding

May 12, 2014

(Preliminary results prepared in accordance with U.S. GAAP - Refer to Appendix for definitions of non-U.S. GAAP financial measures)

\$ Millions

	Q1 2014	Q1 2013
<u>NET PERIODIC PENSION COST</u>		
Service Cost	56	91
Interest Cost Net of Expected Return	(70)	(127)
Recognition of Net Actuarial Loss	21	73
Amortization of Prior Service Cost	3	-
Total Net Periodic Pension Cost	10	37
WORLDWIDE PENSION FUND CONTRIBUTIONS	25	186

<u>WORLDWIDE WEIGHTED AVERAGE ASSUMPTIONS</u>	<u>2013</u>	<u>2012</u>
Benefit Obligations at December 31:		
Discount Rate – Ongoing Benefits	4.69%	3.98%
Periodic Costs:		
Discount Rate – Ongoing Benefits	3.98%	4.84%
Expected Return on Plan Assets	7.41%	7.41%

\$ Millions

	Q1 2014	Q1 2013
<u>NET PERIODIC BENEFIT COST</u>		
Service Cost	6	8
Interest Cost	32	30
Recognition of Net Actuarial Loss	6	12
Amortization of Prior Service Credit	-	(10)
Total Net Periodic Benefit Cost	44	40
BENEFITS PAID	44	47

<u>WORLDWIDE WEIGHTED AVERAGE ASSUMPTIONS</u>	<u>2013</u>	<u>2012</u>
Benefit Obligations at December 31:		
Discount Rate – Ongoing Benefits	4.87%	4.07%
Periodic Costs:		
Discount Rate – Ongoing Benefits	4.07%	4.93%

The following non-U.S. GAAP financial measures definitions apply when the presentation is referring to Adjusted Net Income, Modified Operating Profit, Modified EBITDA, Cash, Free Cash Flow and Net Industrial Cash (Debt)

- (a) **Adjusted Net Income (Loss)** is defined as net income (loss) excluding the impact of items that we consider infrequent items. The reconciliation of net income to Adjusted Net Income, Modified Operating Profit (defined below) and Modified EBITDA (defined below) for the three months ended March 31, 2014 and 2013 is detailed on page 18
- (b) **Modified Operating Profit (Loss)** is computed starting with net income (loss), and then adjusting the amount to (i) add back income tax expense and exclude income tax benefits, (ii) add back net interest expense, (iii) add back (exclude) all pension, other postretirement benefit (OPEB) and other employee benefit costs (gains) other than service costs, (iv) add back restructuring expense and exclude restructuring income, (v) add back other financial expense, (vi) add back losses and exclude gains due to cumulative change in accounting principles and (vii) add back certain other costs, charges and expenses, which include the impact of infrequent items factored into the calculation of Adjusted Net Income (Loss). The reconciliation of net income to Adjusted Net Income, Modified Operating Profit and Modified EBITDA (defined below) for the three months ended March 31, 2014 and 2013 is detailed on page 18
- (c) **Modified EBITDA** is computed starting with net income (loss) adjusted to Modified Operating Profit (Loss) as described above, and then adding back depreciation and amortization expense (excluding depreciation and amortization expense for vehicles held for lease). The reconciliation of net income to Adjusted Net Income, Modified Operating Profit and Modified EBITDA for the three months ended March 31, 2014 and 2013 is detailed on page 18
- (d) **Cash** is defined as cash and cash equivalents
- (e) **Free Cash Flow** is defined as cash flows from operating and investing activities. A reconciliation of net cash provided by (used in) operating and investing activities to Free Cash Flow for the three months ended March 31, 2014 and 2013 is detailed on page 19
- (f) **Net Industrial Cash (Debt)** is defined as Cash less financial liabilities. A reconciliation of Cash to Net Industrial Cash (Debt) at March 31, 2014, December 31, 2013, and March 31, 2013, is detailed on page 20

Chrysler Group Investor Relations

Timothy Krause phone: 248-512-2923
email: tsk@chrysler.com

Chrysler Group Communications

Gualberto Ranieri phone: 248-512-2226
email: gualberto.ranieri@chrysler.com

Website

www.chryslergroupllc.com

