



**CHRYSLER GROUP LLC AND FIAT FINALIZE GLOBAL STRATEGIC ALLIANCE;
NEW CHRYSLER EMERGES AS A STRONGER, MORE COMPETITIVE GLOBAL COMPANY**

*Robert Kidder to be named Chairman of U.S. Automaker;
Sergio Marchionne to Serve as Chief Executive Officer*

Auburn Hills, MI and Turin, ITALY – June 10, 2009 – Chrysler Group LLC and Fiat Group announced today that they have finalized their previously announced global strategic alliance, forming a “new” Chrysler that has the resources, technology and worldwide distribution network required to compete effectively on a global scale. The new Chrysler will begin operations immediately.

As part of the alliance, Fiat will contribute to Chrysler its world-class technology, platforms and powertrains for small- and medium-sized cars, allowing the company to offer an expanded product line including environmentally friendly vehicles increasingly in demand by consumers. Chrysler will also benefit from Fiat’s management expertise in business turnaround and access to Fiat’s international distribution network with particular focus on Latin America and Russia.

“This is a very significant day, not only for Chrysler and its dedicated employees, who have persevered through a great deal of uncertainty during the past year, but for the global automotive industry as a whole,” said Sergio Marchionne, who today was named Chief Executive Officer of Chrysler Group LLC. “From the very beginning, we have been adamant that this alliance must be a constructive and important step towards solving the problems impacting our industry. We, now look forward to establishing a new paradigm for how automotive companies can operate profitably going forward.

Mr. Marchionne continued: “We intend to build on Chrysler’s culture of innovation and Fiat’s complementary technology and expertise to expand Chrysler’s product portfolio both in North America and overseas. Those Chrysler operations assumed by the new company that were idled during this process have or will soon be back up and running, and work is already underway on developing new environmentally friendly, fuel-efficient, high-quality vehicles that we intend to become Chrysler’s hallmark going forward.

“The same attributes that first attracted us to this alliance – a global automotive company with first-class technology, a devoted workforce, improved efficiency, a strong, global distribution network and an unyielding passion for building great cars that consumers want – are even more true today. While it does not solve every issue faced by the automotive industry today, this alliance, established with the full support of President Obama’s Administration, is a very significant step toward positioning Fiat and Chrysler to be leaders among the next breed of global automakers. This has, I know, been a difficult process for everyone involved, but we are ready to prove to the American consumer that Chrysler can once again be a strong, competitive company that produces a full portfolio of reliable vehicles that capture the imagination and inspire loyalty,” Mr. Marchionne said.



Under the terms approved by the U.S. Bankruptcy Court in New York and various regulatory and antitrust regulators, the company formerly known as Chrysler LLC today formally sold substantially all of its assets, without certain debts and liabilities, to a new company that will operate as Chrysler Group LLC.

Chrysler Group in turn issued to a subsidiary of Fiat a 20% equity interest on a fully diluted basis in the new company. Fiat has also entered into a series of agreements necessary to transfer certain technology, platforms and powertrains to the new Chrysler. Fiat's equity interest will increase in increments by up to a total of 35% in the event that certain milestones mandated by the agreement are achieved, but Fiat cannot obtain a majority stake in Chrysler until all taxpayer funds are repaid.

Similarly, the United Auto Workers' Retiree Medical Benefits Trust, a voluntary employees' beneficiary association trust (VEBA) has been issued an equity interest in Chrysler Group equal to 55% on a fully diluted basis. The U.S. Treasury and the Canadian Government have been issued an equity interest equal to 8% and 2% on a fully diluted basis, respectively. These interests reflect the anticipated share dilution as a result of Fiat's incremental equity assumption once the milestones outlined in the strategic alliance agreement are achieved.

In addition to Mr. Marchionne, currently the Chief Executive Officer of Fiat S.p.A. serving as CEO, the new Chrysler will be managed by a nine-member Board of Directors, consisting of 3 directors to be appointed by Fiat, 4 directors to be appointed by the U.S. Government, 1 director to be appointed by the Canadian Government and 1 director to be appointed by the United Auto Workers' Retiree Medical Benefits Trust. The Board is expected to name Robert Kidder as Chairman. The process of determining additional board members is continuing and updates will be announced as appropriate.

As previously announced, Chrysler has entered into an agreement with GMAC Financial Services to provide automotive financing products and services to the Company's North American (NAFTA) dealers and customers. GMAC Financial Services will be the preferred lender in North America for Chrysler, Jeep® and Dodge dealer and consumer business, including wholesale of new and used vehicles as well as retail.