



PRESS RELEASE

## Fiat completes acquisition of Chrysler equity from Canada and the U.S. Department of the Treasury

Fiat has acquired today the 1.5% fully diluted ownership interest<sup>1</sup> held in Chrysler Group LLC by Canada. The consideration for such interest was US\$125 million.

Fiat and the United States Department of the Treasury ("UST") also today completed Fiat's purchase of the 6% fully diluted ownership interest<sup>2</sup> held in Chrysler by UST for a price of US\$ 500 million, as contemplated by the agreements entered into in early June.

Under those agreements, UST also assigned to Fiat the UST's rights under the Equity Recapture Agreement entered into between UST and VEBA on June 10, 2009,<sup>3</sup> in exchange for cash in an amount of US\$ 75 million, US\$ 15 million of which was paid to Canada in accordance with arrangements between the UST and Canada.

After these purchases, Fiat holds a 53.5% fully diluted equity interest in Chrysler (after giving effect to the dilution of the Class A Interests held by all members (including Fiat) arising from the occurrence of the final "Class B Event" contemplated by the LLC Operating Agreement of Chrysler).

Following the occurrence of the final Class B Event, which is expected later this year, Fiat will hold 58.5% of the outstanding equity in Chrysler.<sup>4</sup>

Turin July 21, 2011

<sup>1</sup> This percentage gives effect to the dilution of the Class A Interests held by all members (including Fiat) arising from the occurrence of the final "Class B Event" contemplated by the LLC Operating Agreement of Chrysler (the "Ecological Event"). The interest without giving effect to the final Class B Event is 1.624%, which will be diluted to 1.508% upon the occurrence of the Ecological Event.

<sup>2</sup> The interest without giving effect to the Ecological Event is 6.495%, which will be diluted to 6.031% upon the occurrence of the Ecological Event.

<sup>3</sup> Under the Equity Recapture Agreement, the holder is entitled to the economic benefits associated with the Chrysler ownership interests held by VEBA above a specified threshold (equal to \$4.25 billion plus 9 percent per annum compounded annually from January 1, 2010) and any proceeds to VEBA from its Chrysler membership interests that exceed the specified threshold are to be paid over to the holder along with any membership interests retained at the time in excess of that threshold and the holder may terminate the Equity Recapture Agreement by purchasing the membership interests retained by VEBA at a price equal to the then-current specified threshold less any proceeds previously received by VEBA from its membership interests in Chrysler. The rights under the Equity Recapture Agreement do not affect Fiat's rights under the VEBA Call Option. The Equity Recapture Agreement is available at the Internet site of the United States Department of Treasury (<http://www.treasury.gov/initiatives/financial-stability/investment-programs/aifp/Pages/autoprogram.aspx>) and as an Exhibit to Chrysler's filings with the Securities Exchange Commission (<http://www.sec.gov/cgi-bin/browse-edgar?action=getcompany&CIK=0001513153&type=&dateb=&owner=exclude&count=100>).

<sup>4</sup> Fiat also has the right to purchase an additional 5% interest in Chrysler (subject to dilution of any Class A Interests, including those then held by Fiat) in substitution of the increase associated with the Ecological Event (the "Alternative Call Option"). Fiat has an option to purchase 40% of the VEBA's original ownership interest in Chrysler (the "Covered Interest"), which option may be exercised from July 1, 2012 until June 30, 2016, in amounts not to exceed in any six-month period, 20% of the Covered Interest (the "VEBA Call Option"). The exercise price for both of these options is determined before an IPO occurs using a market multiple (average of multiples of certain automotive companies, not to exceed Fiat's multiple) applied to Chrysler's reported EBITDA for the most recent four quarters less net industrial debt, and if an IPO has occurred, based on market price of common stock.