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## **Chrysler Group LLC Confirms Possible \$843 Million Investment in Kokomo, Ind., Facilities to Produce Future Generation Front-Wheel Drive Transmission and Retain 2,250 U.S. Jobs**

- Chrysler Group's Indiana Transmission Plants and Kokomo Casting would be retooled and modernized
- Largest investment in a single community in a year when combined with previously announced investments
- Plant investment would help retain nearly U.S. 2,250 jobs
- Company's total investment in U.S. facilities would climb to nearly \$3 billion since June 2009

November 22, 2010, Kokomo, Ind. - (originally released Nov. 23, 2010)

Chrysler Group LLC confirms that it is looking to invest \$843 million into the Company's existing transmission manufacturing facilities in Kokomo, Ind., to accommodate production of a new advanced front-wheel drive automatic transmission for future Chrysler Group vehicles. With this announcement, the Company's total investment in U.S. facilities would climb to nearly \$3 billion since June 2009.

When combined with previously announced investments totaling \$343 million in its Kokomo facilities, this potential new investment would make the City the recipient of the largest investment -- \$1.1 billion -- in a single year in a single community, pending the Kokomo City Council's approval of Chrysler Group's tax abatement application on Dec. 13, 2010. The investment would fund the installation of equipment and special tooling to modernize the Indiana Transmission Plants and the Kokomo Casting Plant. The project would extend the life of these manufacturing facilities and help retain nearly 2,250 jobs.

Chrysler Group will be partnering with Friedrichshafen, Germany-based ZF Group on the next generation front-wheel drive transmission, which is making its designs and technology available to the Company and its Kokomo plants.

"For years, Kokomo has been at the center of our powertrain strategy and the potential of an additional investment reaffirms that position," said Sergio Marchionne, CEO, Chrysler Group LLC. "When introduced, this new front-wheel drive transmission, along with the previously announced eight-speed transmission we will also produce in Kokomo, will transform our future products and position them as leaders in marketplace.

"With the promise of investing more than \$1 billion into our Kokomo facilities within the last six months, we are demonstrating our commitment to this community and our dedicated workforce," Marchionne said. "We appreciate the support of the UAW and the City of Kokomo, and look forward to continuing a partnership that will see the Chrysler Group once again become a successful and competitive enterprise."

"This investment announcement is more good news for our Indiana employees," said General Holiefield, Vice President and Director of the UAW Chrysler Department. "This action will give Chrysler a head-start on a new front-wheel drive transmission and will help secure the future for Chrysler UAW-represented employees."

The Indiana Transmission Plant currently produces the 45 RFE rear-wheel drive transmission for Jeep® Grand Cherokee, Jeep Liberty, Dodge Dakota and Ram Trucks and 68 RFE for Cummins Diesel, Heavy Duty. Indiana Transmission Plant II produces the W5A580 5-speed transmission for the Chrysler 300, Jeep Grand Cherokee, Dodge Nitro and Dodge Charger. The Kokomo Casting Plant manufactures aluminum parts for automotive components, transmission and transaxle cases.

Earlier this year, Chrysler Group announced that it would invest a total of \$343 million in its Kokomo facilities -- \$43 million to increase capacity at the Company's Kokomo Casting and Kokomo Transmission plants, adapt them to support production of the World Engine and improve processes for the 62TE transmission program; and \$300 million

to accommodate a new highly fuel-efficient eight-speed automatic transmission for future Chrysler Group vehicles.

In addition to these investments, Chrysler Group has made significant progress toward building a successful enterprise since June 2009, including:

- reporting an operating profit of \$565 million for year-to-date 2010;
- announcing a \$600 million investment in its Belvidere (Ill.) Assembly plant;
- an investment of \$1 billion in its Sterling Heights (Mich.) Assembly plant and surrounding stamping facilities as well as its GEMA (Dundee, Mich.) facility;
- adding a second shift of production – or nearly 1,100 jobs – at its Jefferson North (Detroit) Assembly Plant;
- announcing that it would add nearly 900 jobs on a second shift at its Sterling Heights (Mich.) Assembly Plant in the first quarter of 2011;
- launching the all-new 2011 Jeep Grand Cherokee in May;
- announcing that it will invest \$179 million to launch production of the 1.4-liter, 16-valve Fully Integrated Robotized Engine (FIRE) at the company's Global Engine Manufacturing Alliance (GEMA) plant in Dundee, Mich., creating more than 150 new Chrysler jobs.

#### **About Chrysler Group LLC**

Chrysler Group LLC, formed in 2009 from a global strategic alliance with Fiat Group, produces Chrysler, Dodge, Jeep®, Ram Truck and Mopar® 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'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-size cars, allowing Chrysler Group to offer an expanded product lineup including environmentally friendly vehicles.

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