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Chrysler Group LLC Celebrates Groundbreaking of State-of-the-Art Paint Shop at Sterling Heights (Mich.) Assembly Plant

- Federal, County and City officials join company executives and UAW representatives
- State-of-the-art paint shop, part of an \$850 million investment, to be completed by the end of 2012

June 20, 2011, Auburn Hills, Mich. - Chrysler Group LLC celebrated the start of construction of a new, state-of-the-art paint shop at a groundbreaking ceremony at the Sterling Heights (Mich.) Assembly Plant (SHAP) today. The event marked the fulfillment of an \$850 million investment pledged by Chrysler Group in October 2010 in SHAP and two local stamping plants.

Chrysler Group's Vice President and Head of Assembly Operations Fred Goedel, joined by Congressman Gary Peters (D-MI); Macomb County Executive Mark Hackel; Sterling Heights Mayor Richard Notte; Executive Administrative Assistant to General Holiefield, UAW Vice President and Director of the Chrysler Department Tim Bressler; and other invited guests, hailed the start of construction of the 500,000 square-foot paint shop. Expected to be completed by the end of 2012, the paint shop signifies a turning point for a plant whose future was uncertain two years ago.

"SHAP was scheduled to close by the end of 2010 as part of the court-approved reorganization of Chrysler," said Goedel. "But now, 24 months later, we are celebrating a remarkable success story. A story that can be written thanks to the collaboration of industry, government and labor.

"With a new paint shop and the commitment of more than 2,300 employees, this plant is poised for a bright future producing the next generation of Chrysler Group products," said Goedel.

In addition to SHAP, some of the \$850 million will also be invested in the two area stamping plants in Sterling Heights and Warren.

"This is an important day for Chrysler Group and the UAW as the company celebrates the beginning of a new chapter for the Sterling Heights plant," said Bressler. "This paint shop and the associated investment, along with the strong relationship between our two organizations, will contribute to the future success of Chrysler, this facility, our employees and the products we so proudly build."

Since June 2009, Chrysler Group has invested nearly \$3.2 billion in its U.S. facilities and has made significant progress toward building a successful enterprise, including:

- reporting a net profit of \$116 million in the first quarter of 2011;
- reporting the 14th-consecutive month of year-over-year sales gains in May;
- confirming a \$114 million investment to repurpose about one-fifth or nearly 400,000-square feet of the Trenton North Engine Plant for the production of core components for the Pentastar engine produced at Trenton South;
- investing nearly \$1.3 billion into the Company's existing transmission manufacturing facilities in Kokomo, Ind., to accommodate production of a new advanced front-wheel drive automatic transmission; increase capacity and support production of the World Engine and improve processes for the 62TE transmission program; and accommodate future production of a new highly fuel-efficient eight-speed automatic transmission;

- announcing a \$600 million investment in its Belvidere Assembly Plant;
- confirming an investment of \$850 million in its Sterling Heights Assembly Plant and surrounding stamping facilities;
- planning an investment of \$150 million in its GEMA (Dundee, Mich.) facility;
- announcing an investment of \$27.2 million USD in its Etobicoke Casting Plant (Toronto) to produce front and rear crossmembers for future Chrysler vehicles starting in the third quarter 2011;
- announcing in December 2009 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;
- adding a second shift of production – or nearly 1,100 jobs – at its Jefferson North Assembly Plant;
- announcing that it would add nearly 900 jobs on a second shift at its Sterling Heights Assembly Plant in the first quarter of 2011;
- launching the all-new 2011 Jeep Grand Cherokee in May 2010; beginning production of the all-new Fiat 500 in December 2010;
- launching production of the all-new 2011 Dodge Durango, Chrysler 200 and Dodge Avenger in December 2010, and the 2011 Chrysler 300, Dodge Charger and Dodge Challenger in January.

About the Sterling Heights Assembly Plant

The Sterling Heights Assembly Plant was built in 1953 as a jet engine plant and was operated by the Army as the Michigan Ordinance Missile Plant with Chrysler serving as contractor building Redstone and Jupiter missiles. It was converted to an automobile plant in 1980 by Volkswagen and purchased by Chrysler Corporation in 1983.

Production of Chrysler LeBaron GTS and Dodge Lancer began in September 1984. Dodge Shadow and Plymouth Sundance production began in 1985, and Dodge Daytona production began in 1991. Through the end of the 1991 model year, the facility had produced nearly 1.3 million vehicles. Production of the 2001 Dodge Stratus and Chrysler Sebring sedans began in the fall of 2000, followed by the Chrysler Sebring Convertible. The all-new 2007 Chrysler Sebring Sedan launched in August 2006, followed by the all-new 2008 Dodge Avenger and 2008 Chrysler Sebring Convertible. The all-new 2011 Chrysler 200 and Dodge Avenger began production in December 2010. Production of the 2011 Chrysler 200 Convertible began in February 2011.

About Chrysler Group LLC

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

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