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Contact: Bertrand Blaise

Shawn Morgan

Toledo Investment Announcement, Toledo, Ohio

Sergio Marchionne
Chairman and Chief Executive Officer, Chrysler Group LLC
Toledo Investment Announcement
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Good morning to you all.

I'm delighted that you could join us here today for this significant announcement, one that has been a long time coming and will cement even further our bonds with this great community.

I would like to begin by thanking a number of people who played a big part in making this day possible.

First of all, I would like to thank you Governor Kasich and the State of Ohio for helping to ensure that our investment in Toledo operations makes competitive sense.

I also want to thank Mayor Mike Bell and the City of Toledo for working with us to strengthen the business case to bring investment and jobs to the community.

I also want to recognize Congresswoman Marcy Kaptur, who has been an important and steadfast supporter of the auto industry, and in particular Chrysler, especially during the recent recession when our company's fate hung in the balance.

Finally and above all, I want to express my appreciation to our Chrysler people here at the Toledo Assembly Complex, along with our UAW partners, for helping us create a work environment dedicated to quality and with the flexibility to compete with the best plants anywhere in the world.

Your hard work, commitment and passion have been critical in our group's ability to author a remarkable story of recovery.

I'm glad to see that Ken Lortz, who is UAW Regional Director, is among those here with us today.

UAW leadership had a difficult job in negotiating a new contract barely two years after two of the three Detroit automakers lived through a near death experience, and the scars of those moments are still fresh in our minds. But notwithstanding these difficulties, they conducted themselves with true professionalism and concern for the long-term future of their membership.

Just last month, UAW members ratified a new, four-year national labor agreement that rewards employees for contributing to the success of our Group while enabling us to remain on a competitive footing with other automakers.

As part of this contract, Chrysler pledged to spend an additional \$1.3 billion dollars to retool and upgrade our production facilities and add as many as 2,100 new jobs nationally over the life of the contract.

We are taking a big step toward fulfilling that promise today.

I am extremely pleased to announce that Chrysler will invest \$500 million dollars at this facility in the Toledo Assembly Complex, which in addition to improving safety, efficiency and quality of the plant, is part of a much larger investment of \$1.7 billion that will bring a new advanced architecture that will be the basis for the group's next-generation sport-utility vehicle beginning in 2013.

In fact this plant has been chosen to build the future Jeep SUV to replace the current Jeep Liberty that will be exported to markets all over the world.

Bringing this new architecture to Toledo will allow us to add a second shift of production, which means about 1,100 jobs more at this plant.

The new jobs will come on line in the third quarter of 2013.

Work on the manufacturing infrastructure, which includes the expansion of the existing body shop and the addition of a state-of-the-art Metrology Center to verify every vehicle's dimensional quality, will begin in the next few weeks.

The decision we made clearly demonstrates the confidence we have in the Toledo Assembly Complex, in its future, and, moreover, in the commitment and quality of work of the people who work here.

It also reinforces the special relationship between Chrysler and the City of Toledo.

We have deep roots in this community.

Our Toledo complex is the home of Jeep, truly one of the world's most legendary brands.

Toledo is in fact the birthplace of Jeep, and this year we are celebrating the brand's 70th birthday.

Jeep has a great past, and an even more exciting future.

Jeep is at the heart of our plans to internationalize Chrysler, a process which is being accelerated by Chrysler's access to Fiat's distribution capabilities in Europe and Latin America.

Chrysler's history is interwoven with that of Toledo's industrial and social development. We have struggled together through some difficult moments, and at other times have shared the blessings of prosperity.

Generations of Toledo residents have worked for Chrysler, and our plants in the area -- Toledo Assembly Complex together with Toledo Machining Plant -- currently employ more than 2,600 people.

We are thrilled to be able to increase that employment total and we are proud to add a new chapter to our relationship with the City of Toledo, Lucas County and the State of Ohio.

Chrysler plays a vital part in the state and local economies. And so it is important that Chrysler is once again a viable enterprise, able to sustain and even grow our business.

Just 28 months ago, many observers doubted our ability to survive.

The new Chrysler began operations then, supported by loans from the U.S. Treasury and Canadian federal and provincial governments.

We borrowed that money with immense gratitude and with a deep sense of responsibility to justify the faith shown in us.

We paid back every cent, with interest, as fast as we possibly could.

We have revived the company, thanks to the tremendous efforts of a group of people who have embraced change, who deliver on their promises, and who are united by the passion to return Chrysler to its rightful place.

Our rejuvenated product portfolio has helped change perceptions about Chrysler and has driven gains in sales, market share and earnings.

Over a period of 19 months, we brought to market 16 all-new or significantly refreshed products, with new powertrains, world-class interiors and increased focus on detail and quality.

Independent surveys confirm that our unwavering devotion to quality is paying dividends.

These quality-improvement efforts run through the entire organization, especially through the World Class Manufacturing system that we are implementing here in Toledo as well as in our other plants.

And we are once again profitable.

In the third quarter, we posted a net profit of \$212 million, and we are on track to meet our financial targets for the year despite the slow recovery of the economy.

You all are a crucial part of this recent history.

And I am here to thank you for all you have done, but more importantly for what and who you are.

We are building a solid base, together with our partner Fiat, on which to create the mosaic of the future organization.

A mosaic where every piece gets its strength from understanding the contribution it can make to the whole and from recognizing the value of the contribution of the other pieces.

We are certain that Toledo will be a key piece in this mosaic and in bringing our dream to reality.

Thank you all for coming.

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