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Chrysler Withdraws Financial Assistance Request to the Federal and Provincial Governments in Canada

March 3, 2014, Auburn Hills, Mich./Windsor, Ontario - Chrysler Group LLC has advised this week the Prime Minister of Canada, the Rt. Hon. Stephen Harper and the Premier of the Province of Ontario, the Hon. Kathleen Wynne, of its intention to withdraw all requests for financial assistance in relation to the development of its two assembly plants in Windsor and Brampton, Ontario.

It is clear to us that our projects are now being used as a political football, a process that, in our view, apart from being unnecessary and ill-advised, will ultimately not be to the benefit of Chrysler.

As a result, Chrysler will deal in an unfettered fashion with its strategic alternatives regarding product development and allocation, and will fund out of its own resources whatever capital requirements the Canadian operations require.

Chrysler has also confirmed its intention to begin to allocate to our Windsor, Ontario plant the development and industrialization of the next “people carrier” architecture (the so-called next minivan and derivatives). It has also confirmed that the Brampton facility will benefit from the substantial product intervention on both the Chrysler 300, and the Dodge family of products (Charger and Challenger) it currently produces. Some of these interventions will be in market as early as the second half of 2014.

These capital allocation decisions will be governed by and continuously monitored on the basis of a variety of considerations that determine the competitiveness of Canada first and foremost in a NAFTA context but also increasingly on a global basis. Of particular importance for this evaluation will be the outcome of our collective bargaining negotiations that will be carried out in 2016 with UNIFOR (the merged entity of the CAW and CEP).

“Our commitment to Canada remains strong,” said Sergio Marchionne, Chairman and Chief Executive of Chrysler Group LLC.

“We have been active participants of the Canadian economy for nearly 90 years, both as a manufacturer and as a seller of cars, trucks and vans. It is my sincere hope that all stakeholders involved commit to do what they can to preserve the competitiveness of the country, and in particular of the province of Ontario. We will do what we can to preserve and nurture the competitiveness of our operations, but we reserve the right, as is true for all global manufacturers, to reassess our position as conditions change.”

Marchionne added, “On a personal note, as a Canadian, I regret my failure in having been unable to convey the highly competitive nature of markets that offer manufacturing opportunities to carmakers that operate on a global scale. Some of the shots across the bow following our initial approaches to the Federal and Provincial governments reveal, apart from political convenience, a somewhat restricted view of Canada as an industrial player in what has become a borderless economy. It is clear that we, at Chrysler, need to do more to explain ourselves and our choices going forward.”

About Chrysler Group LLC

Chrysler Group LLC, formed in 2009 to establish a global strategic alliance with Fiat S.p.A., produces Chrysler, Jeep, Dodge, Ram, SRT, FIAT 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 Group’s culture of innovation, first established by Walter P. Chrysler in 1925, and Fiat’s complementary technology that dates back to its founding in 1899.

Headquartered in Auburn Hills, Mich., Chrysler Group’s product lineup features some of the world's most recognizable vehicles, including the Chrysler 300 and Town & Country, Jeep Grand Cherokee, Dodge Dart, Ram 1500, SRT Viper and Fiat 500. Fiat contributes 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.

Founded as the Chrysler Corporation in 1925, Chrysler Canada Inc. is based in Windsor, Ontario, and celebrates its 89th anniversary in 2014. Chrysler Canada is a wholly owned subsidiary of Chrysler Group LLC, one of the world's leading automotive companies.

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