

## **Increasing Vehicle Sales Means Additional \$266 Million Investment in FCA US Kokomo Facility for Eight-Speed Transmission Production**

- New investment will increase capacity of fuel-efficient transmission at Kokomo Transmission Plant (KTP)
- Sixth investment in five years at KTP for transmission production
- TorqueFlite eight-speed automatics are projected to power more than a million vehicles and help owners save 700 million gallons of gas
- KTP achieves milestone in implementation of World Class Manufacturing
- Company has invested nearly \$1.8 billion in its Kokomo transmission operations and almost \$5.6 billion in its U.S. facilities since June 2009

December 22, 2014, Auburn Hills, Mich. - With sales of vehicles equipped with the popular eight-speed transmission growing, FCA US LLC confirmed that it will invest an additional \$266 million in its Kokomo Transmission Plant (Ind.) to increase capacity of the fuel-efficient TorqueFlite transmission. This is the sixth investment made at Kokomo Transmission (KTP) since June 2009, bringing total investment in FCA US Kokomo operations to nearly \$1.8 billion.

FCA US, formerly Chrysler Group LLC, notified city officials of the new investment at the Dec. 8, 2014, Kokomo Common Council meeting, asking the Council to amend an existing tax abatement to support this new investment. The investment will be used to purchase new equipment and tooling, adding more assembly capacity within KTP's existing floor space. With the Council's approval, work in the plant will begin immediately and be completed in the third quarter 2016. With this investment, there will be retention of employment.

"Since the launch of the eight-speed, employees at Kokomo Transmission have been working practically round the clock to produce this advanced, fuel-efficient transmission," said Brad Clark, Head of Powertrain Manufacturing Operations, FCA – North America. "We are pleased that vehicles equipped with this transmission have been so well received by consumers. This investment will give us the additional capacity we need to make it available across even more vehicles in our product line.

"We are grateful to Mayor Goodnight and the Kokomo Common Council for their continued support of FCA US," said Clark. "This investment further demonstrates our commitment to this community and our workforce, and firmly establishes Kokomo as the center of competence for transmission production."

KTP has been producing the eight-speed transmission since September 2012. In 2013, KTP produced nearly 300,000 eight-speeds. That number has more than doubled to nearly 700,000 in the first 11 months of 2014. Currently, the eight-speed transmission is available on the Jeep® Grand Cherokee, Chrysler 300, Dodge Challenger, Dodge Charger, Dodge Durango and Ram 1500. The Company sold more than 800,000 of these models in the U.S. through November 2014.

The KTP-produced advanced-technology TorqueFlite eight-speed automatics – first of their kind ever made available to mainstream-brand customers – are projected to power more than one million vehicles worldwide. And their combined effect is staggering.

Over their lifetimes, these vehicles are projected to save their owners more than 700 million gallons of fuel, compared with their predecessors that featured five- or six-speed automatics. That quantity of gasoline is worth approximately \$2.5 billion at the pump, based on current fuel-price forecasts.

In comparison to the fleet of conventional transmissions they replaced, TorqueFlites promise to reduce carbon dioxide

emissions by more than six million metric tonnes over the same timeframe.

Earlier this month, KTP was awarded bronze status for its results in implementing World Class Manufacturing (WCM), a methodology that focuses on reducing waste, increasing productivity, and improving quality and safety in a systematic and organized way. Bronze is awarded after earning a minimum of 50 points in 10 technical and 10 managerial pillars by demonstrating clear WCM know-how and competence through employee-conducted pillar presentations and a review of projects that have been expanded across the shop floor. KTP earned a score of 51.

#### **FCA US Kokomo Investment Announcements**

FCA US has made five additional investments in the Kokomo Transmission Plant since June 2009:

- May 11, 2010 – Announced an investment of \$43 million to increase capacity at its Kokomo Casting and Kokomo Transmission plants, and adapt them to support production of the World Engine and improve processes for the 62TE transmission program.
- November 23, 2010 – Announced an investment of nearly \$843 million in the Company's existing transmission manufacturing facilities in Kokomo to accommodate production of a new advanced front-wheel drive automatic transmission.
- December 14, 2010 – Confirmed an investment of \$85 million in its Kokomo Transmission Plant for a variety of powertrain improvements.
- December 2010 – A \$300 million investment intended for Indiana Transmission Plant I was reallocated to the Kokomo Transmission Plant to accommodate additional production of the eight-speed automatic transmission.
- February 28, 2013 - Announced that it will invest \$212 million at Kokomo Transmission, Kokomo Casting and Indiana Transmission I Plants for additional tooling and equipment to produce the eight- and nine-speed transmissions.

Over that same period, the Company has invested nearly \$5.6 billion to upgrade and expand its facilities in the U.S.

#### **About FCA US LLC**

FCA US LLC is a North American automaker based in Auburn Hills, Michigan. It designs, manufactures, and sells or distributes vehicles under the Chrysler, Dodge, Jeep®, Ram, FIAT and Alfa Romeo brands, as well as the SRT performance designation. The Company also distributes Mopar and Alfa Romeo parts and accessories. FCA US is building upon the historic foundations of Chrysler Corp., established in 1925 by industry visionary Walter P. Chrysler and Fabbrica Italiana Automobili Torino (F.I.A.T.), founded in Italy in 1899 by pioneering entrepreneurs, including Giovanni Agnelli. FCA US is a member of the Fiat Chrysler Automobiles N.V. (FCA) family of companies. (NYSE: FCAU/ MTA: FCA).

FCA is an international automotive group listed on the New York Stock Exchange under the symbol "FCAU" and on the Mercato Telematico Azionario under the symbol "FCA."

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