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Court Approves Sale of Chrysler LLC Operations to New Company Formed with Fiat

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Chrysler LLC today announced that the U.S. Bankruptcy Court, Southern District of New York, has approved its request to sell substantially all of its operations to Chrysler Group LLC, the new company formed in alliance with Fiat SpA.

"With this approval, the new Chrysler Group is created and can prepare to launch as a vibrant new company formed with Fiat," said Robert L. Nardelli, Chairman and Chief Executive Officer of Chrysler LLC. "Through the hard work and foresight of many Chrysler stakeholders, Chrysler Group will soon begin operations with significant strategic advantages, such as a wage and benefit structure for active and retired employees that is competitive with those of transplant manufacturers; a reduction of debt and interest expense; the disposition of idle assets; a rationalized and more efficient dealer network; and sound agreements with our suppliers. While this has been an extremely difficult chapter in Chrysler's history for all involved, the new Company and its customers, employees and suppliers can now begin on a fresh page."

The alliance with Fiat provides Chrysler Group with access to exciting products that complement the Company's current portfolio, technology cooperation and stronger global distribution. Work with Fiat is already well underway to develop the next generation of environmentally friendly, fuel-efficient high-quality vehicles.

These and other important steps taken over the past month will position Chrysler Group to provide customers and dealers with the high quality vehicles and service they expect, and enable the new company to become a strong competitor. Many of Chrysler's stakeholders have worked expeditiously together to launch Chrysler Group, which will move quickly to realize the benefits of the alliance.

"We are very grateful to loyal Chrysler customers who have supported us throughout this process and assure them Chrysler Group is well prepared to produce and support quality vehicles under the Jeep®, Dodge and Chrysler brands as well as parts under the Mopar® brand," continued Mr. Nardelli. "We also recognize the sacrifices, unstinting loyalty and enduring belief in Chrysler of many stakeholders, including Cerberus and Daimler, the UAW and CAW leadership, employees, dealers and suppliers who made critical contributions to the viability of Chrysler Group, Chrysler Financial and their efforts with GMAC to provide financing, and the energy and commitment of the U.S. Treasury, the President's Auto Task Force, Members of Congress and representatives at the state and community level and Canadian Federal and Ontario Provincial governments in helping to move Chrysler Group forward. Without the extraordinary efforts of all these constituents, the alliance and the creation of a new Chrysler would not have been possible."

Chrysler's Mexican, Canadian and other international operations will also be acquired by Chrysler Group.

As the Company announced previously on April 30, Mr. Nardelli, who had been leading Chrysler since August 2007, will resign from Chrysler LLC on completion of the transaction. He will return to Cerberus Capital Management LP as an advisor.

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