



Fiat and UST establish exercise price for Call Option. Fiat to acquire UST's recapture rights over VEBA's proceeds from Chrysler equity

Fiat and the United States Department of Treasury ("UST") have agreed today that Fiat will pay US\$ 500 million to purchase the 6% UST's ownership interest in Chrysler Group LLC, following Fiat's notice of exercise for the UST Call Option on May 27, 2011.

In addition, the UST has agreed to assign to Fiat all of the UST's rights under the Equity Recapture Agreement entered into between UST and VEBA on June 10, 2009, for a price of US\$75 million.

Under the Equity Recapture Agreement, the holder retains the economic benefits associated with the Chrysler ownership interests held by VEBA above a specified threshold (equal to \$4.25 billion plus 9 percent per annum compounded annually from January 1, 2010).

Under the Equity Recapture Agreement, any proceeds to VEBA from its Chrysler membership interests that exceed the specified threshold are paid over to the holder along with any membership interests retained at the time in excess of that threshold.

In addition, the holder has a right to purchase all of the membership interests retained by VEBA for a purchase price equal to the specified threshold less any proceeds previously received by VEBA from its membership interests in Chrysler.¹

Both transactions will be consummated upon receipt of the requisite regulatory approvals.

"On behalf of my family and I," commented Fiat's Chairman, John Elkann, "I reiterate our confidence in Sergio Marchionne and his leadership team and our support of all the people at Fiat and Chrysler who are working with dedication and humility and have made it possible to repay the trust that the U.S. government demonstrated towards us a mere 23 months ago. We will continue to support them as they further strengthen this historic alliance and together build an international automotive group capable of competing with the very best in the automotive market."

¹ The rights which Fiat will acquire pursuant to this transaction will be in addition to the VEBA Call Option. The Equity Recapture Agreement expires the earlier of (i) December 31, 2018 or (ii) payment of all amounts or transfer of all interests in excess of the specified threshold to the holder. The Equity Recapture Agreement is available at the Internet site of the United States Department of Treasury (<http://www.treasury.gov/initiatives/financial-stability/investment-programs/aifp/Pages/autoprogram.aspx>) and as an Exhibit to Chrysler's filings with the Securities Exchange Commission (<http://www.sec.gov/cgi-bin/browse-edgar?action=getcompany&CIK=0001513153&type=&dateb=&owner=exclude&count=100>)



PRESS RELEASE

Sergio Marchionne, CEO of Fiat S.p.A. and Chrysler Group LLC, said: “The agreement reached today marking the complete exit of the United States Treasury (UST) as a Chrysler Group shareholder does not lessen the sense of gratitude that we feel toward President Obama’s administration for believing two years ago in Chrysler’s partnership with Fiat.

The acquisition of the UST’s rights under the Equity Recapture Agreement is a further demonstration of the trust we have in the future of Chrysler and its ability to continue on a path to take its rightful place in the global automotive industry landscape.

Today’s announcement not only allows Fiat to strengthen its stake in Chrysler Group but it also accelerates our integration agenda designed to create a global, efficient and competitive automaker, and guaranteeing to our extended Chrysler family a sound future built on an open and multi-cultural environment on shared values of integrity and respect for others,” Mr. Marchionne said.

Turin June 3, 2011