



Fiat notifies UST of its intent to exercise its option to purchase UST interest in Chrysler

Fiat has notified today the United States Department of Treasury (“UST”) of Fiat’s intent to exercise its option to purchase the interest held in Chrysler by UST, equal to 6% (on a fully-diluted basis)¹ of Chrysler’s equity.

The price for such purchase will be based on a determination of the equity value of Chrysler to be agreed upon between Fiat and UST within ten business days from the date of submission of the notice or, absent agreement, established by the average of the closest estimated values determined by two of three investment banks appointed by the parties.

The completion of such transaction will be subject to the obtaining of requisite regulatory approvals.

Following the consummation of the purchase of the interest held by UST and the occurrence of the final Performance Event expected later this year Fiat will hold 57% of the outstanding equity in Chrysler.²

Turin May 27, 2011

¹ This percentage gives effect to the dilution of the Class A Interests held by the members (including UST and Fiat) arising from the occurrence of the final Performance Event (or “Class B Event”) contemplated by the LLC Operating Agreement of Chrysler (the “Ecological Event”).

² Fiat’s interest in Chrysler may further increase by an additional 5% (subject to dilution of any Class A Interests then held by any member, including Fiat) upon achievement by Chrysler of the Ecological Event. Fiat may also purchase an additional 5% interest in Chrysler (subject to dilution of any Class A Interests then held by any member, including Fiat) in substitution of the increase associated with the Ecological Event (the “Alternative Call Option”). Fiat has an option to purchase 40% of the VEBA’s interest in Chrysler issued to the VEBA as of June 10, 2009 (the “Covered Interest”), which option may be exercised from July 1, 2012 until June 30, 2016, semi annually, in tranches not exceeding, for each exercise, 20% of the Covered Interest (the “VEBA Call Option”). Exercise price for both of these options is determined before an IPO occurs using a market multiple (average of multiples of certain automotive companies, not to exceed Fiat’s multiple) applied to Chrysler reported EBITDA for the most recent four quarters less net industrial debt and if an IPO has occurred based on market price of common stock. The relevant agreements are 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 Exhibits 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>)