



PRESS RELEASE

## Fiat to acquire remaining equity interests in Chrysler Group LLC from VEBA Trust

Fiat S.p.A. ("Fiat") today announced an agreement with the VEBA Trust<sup>1</sup>, under which its wholly owned subsidiary, Fiat North America LLC ("FNA"), will acquire all of the VEBA Trust's equity membership interests in Chrysler Group LLC ("Chrysler Group"), representing the 41.4616% of Chrysler Group not currently held by FNA. The transaction is expected to close on or before January 20, 2014.

In consideration for the sale of its membership interests in Chrysler Group, the VEBA Trust will receive aggregate consideration of U.S.\$3,650 million consisting of:

- a special distribution payable by Chrysler Group to its members, in an aggregate amount of approximately U.S.\$1,900 million (FNA's portion of the special distribution will be paid by FNA to the VEBA Trust as part of the purchase consideration)<sup>2</sup>; and
- at closing, FNA will pay the remainder of approximately U.S.\$1,750 million in cash purchase consideration to the VEBA Trust.

Fiat expects to fund the U.S.\$1,750 million in cash from available cash on hand. Chrysler Group expects to fund the special distribution from available cash on hand.

Contemporaneously with the transactions described above, Chrysler Group and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (the "UAW") have agreed to a memorandum of understanding under Chrysler Group's existing collective bargaining agreements to provide for additional contributions by Chrysler Group to the VEBA Trust of an aggregate of U.S.\$700 million in four equal annual installments. The initial payment will be made on closing of the transaction with Fiat and additional payments will be payable on each of the next three anniversaries of the initial payment. Chrysler Group expects to fund the initial contribution to the VEBA Trust from available cash on hand.

In consideration for these contributions, the UAW will agree to certain commitments to continue to support the industrial operations at Chrysler Group and the further implementation of the Fiat-Chrysler alliance, including to use best efforts to cooperate in the continued roll-out of Fiat-Chrysler World Class Manufacturing programs, actively participate in benchmarking efforts associated with implementation of these programs across all of Fiat-Chrysler manufacturing sites to ensure objective performance assessments and provide for proper application of WCM principles, and actively assist in the achievement of the Group's long-term business plan.

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<sup>1</sup> The UAW Retiree Medical Benefits Trust, a Voluntary Employees' Beneficiary Association, is an independently administered trust established to pay health care benefits for retirees from Chrysler.

<sup>2</sup> In the event that the special distribution from Chrysler Group cannot be paid by the intended closing date (January 20, 2014 or earlier), Fiat intends to make payment to the VEBA Trust of the aggregate consideration and thereafter receive the special distribution when it is the 100% owner of Chrysler Group.



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“I have been looking forward to this day from the very moment that we were chosen to assist in the rebuilding of a vibrant Chrysler back in 2009” said John Elkann, Chairman of Fiat. “The work, commitment and achievement I have witnessed from Chrysler over the past four and a half years is nothing short of exceptional, and I take this opportunity to officially welcome each and every one of the people in the Chrysler organization to the integrated Fiat-Chrysler world.”

Sergio Marchionne, Chief Executive of Fiat and Chairman and CEO of Chrysler Group, had this to say: “In the life of every major organization and its people, there are defining moments that go down in the history books. For Fiat and Chrysler, the agreement just reached with the VEBA is clearly one of those moments. I will be forever grateful to the leadership team for the support and unwavering dedication shown to the integration project that today has taken its final shape. The unified ownership structure will now allow us to fully execute our vision of creating a global automaker that is truly unique in terms of mix of experience, perspective and know-how, a solid and open organization that will ensure all employees a challenging and rewarding environment.”

As part of the transactions, FNA and the VEBA Trust will agree to dismiss with prejudice the current proceedings before the Delaware Court of Chancery with respect to the interpretation of the call option agreement pursuant to which Fiat has, through FNA, exercised three tranches of a call option to acquire membership interests in Chrysler Group held by the VEBA Trust. All of these membership interests will be acquired by FNA in connection with the transactions described above.

Given the funding arrangements for this transaction, it is not envisioned that Fiat will require equity capital to be raised via a rights issue.

Turin, January 1<sup>st</sup>, 2014