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Chrysler Group LLC Celebrates Sterling Heights (Mich.) Assembly Plant Investment and Extension of Production; Highlights All-new 2011 Chrysler 200 and Dodge Avenger

- Production launches of all-new 2011 Chrysler 200 and Dodge Avenger
- Sterling Heights facility will build future products, beginning in 2013
- Second shift to begin in the first quarter of 2011
- Company's total investment in U.S. facilities exceeds \$3 billion since June 2009
- Plant embraces World Class Manufacturing (WCM)

December 5, 2010, Sterling Heights, Mich. - Chrysler Group LLC celebrated the extension of production, the addition of a second shift and an \$850 million investment at an event today at its Sterling Heights (Mich.) Assembly Plant. The celebration also marked the start of production of the all-new 2011 Chrysler 200 and Dodge Avenger.

"Today is a historic day for this facility. Not more than 18 months ago, it was slated to close at the end of this year," said Sergio Marchionne, Chrysler Group LLC CEO. "Now, this plant will not only remain open beyond 2012 and retain jobs, but with the help of the State of Michigan and the City of Sterling Heights, we will make a significant investment in this facility to make it competitive with the best in the industry."

"And with the commitment, dedication and support of our UAW partners and employees, we will continue our product onslaught with the launch of the 2011 Chrysler 200 and Dodge Avenger, vehicles that we are confident will receive the proper recognition in the marketplace."

Marchionne, along with Michigan Governor Jennifer M. Granholm, Sterling Heights Mayor Richard Notte, Vice President and Director of the UAW Chrysler Department General Holiefield and other local officials, joined employees in recognizing the importance of the plant, the workforce and the all-new Chrysler 200 and Dodge Avenger to the future success of the Company.

The \$850 million investment includes the construction of an all-new, state-of-the-art, 425,000-square-foot paint shop, as well as the installation of new machinery, tooling and material-handling equipment. In addition, a portion of the total amount will be invested in the local stamping facilities in Warren and Sterling Heights.

"This is an important day for Chrysler Group and the UAW as the company makes a major investment in an assembly plant here in the U.S., thereby maintaining good manufacturing jobs in Michigan," said General Holiefield, Vice President UAW/Chrysler Department. "This investment, along with the strong relationship between our two organizations, will contribute to the future success of Chrysler, our employees and the products we so proudly build."

Since June 2009, Chrysler Group has made significant progress toward building a successful enterprise, including:

- reporting an operating profit of \$565 million for year-to-date 2010;
- reporting the eighth consecutive month of year-over-year sales increases in November;
- investing nearly \$1.2 billion into the Company's existing transmission manufacturing facilities in Kokomo, Ind., to accommodate production of a new, advanced, front-wheel-drive automatic transmission; to increase capacity and support production of the World Engine and improve processes for the 62TE transmission program; and to accommodate future production of a new, highly fuel-efficient eight-speed automatic transmission;
- announcing a \$600 million investment in its Belvidere (Ill.) Assembly plant;
- planning an investment of \$150 million in its GEMA (Dundee, Mich.) facility;
- adding a second shift of production - or nearly 1,100 jobs - at its Jefferson North (Detroit) Assembly Plant;

- announcing that it would add nearly 900 jobs on a second shift at its Sterling Heights (Mich.) Assembly Plant in the first quarter of 2011;
- launching the all-new 2011 Jeep Grand Cherokee in May;
- announcing that it will invest \$179 million to launch production of the 1.4-liter, 16-valve Fully Integrated Robotized Engine (FIRE) at the company's Global Engine Manufacturing Alliance (GEMA) plant in Dundee, Mich., creating more than 150 new Chrysler jobs.

World Class Manufacturing (WCM) Achieves Results in Sterling Heights

With the announcement in July 2010 that the Sterling Heights Assembly Plant (SHAP) would remain open beyond 2012, plant employees began working to transform the facility for the production of the new 2011 Chrysler 200 and Dodge Avenger, as well as future products, through the implementation of World Class Manufacturing (WCM), an extensive and thorough process to restore all Chrysler Group facilities to their original and maximum functionality.

While SHAP's WCM journey is just beginning, there already have been some tangible results in every model area where WCM has been established. In the body-in-white area, the Left Hand Aperture stations had an 83 percent reduction in failures through the step-by-step process of restoring the equipment to basic conditions. With thorough cleaning and inspection activities, a similar result was achieved in the transfer station in the paint shop, improving throughput by 71 percent.

In the past, SHAP had experienced some surface defects originating in the paint shop color booths. By utilizing his WCM knowledge and the quality tools WCM provides, a team leader analyzed, identified and resolved what had been a chronic quality problem, virtually eliminating it entirely and thereby, improving the exterior appearance for the customer.

From the bottom up, the workforce at SHAP has been generating hundreds of suggestions on how to further improve the manufacturing processes to ensure the highest quality vehicles roll off the assembly line. One suggestion involved the rebuilding of a weld gun pivot, which saved \$5,000 per gun with an overall savings to date of more than \$45,000. Team leaders have also generated more than 715 suggestions for improvement, which have helped SHAP achieve the lowest three-month in-service warranty scores in the company.

"The employees have adopted the right mindset toward the implementation of WCM and are striving to reduce waste in everything they do," said Tyree Minner, SHAP Plant Manager. "As a result of their participation in this process, the team at SHAP has saved more than \$10 million year-to-date and we are on track to exceed our total year-end goal."

About Chrysler 200

The 2011 Chrysler 200 is an exciting alternative for sedan customers that want style and substance, all at a surprising value.

Virtually every system in the sedan is new or upgraded for 2011, giving the Chrysler 200 its own identity and space in the highly competitive mid-size sedan segment. Exterior and sheet metal upgrades include: front and rear fascias and fenders, grille featuring the new Chrysler brand winged badge, hood, rear decklid and exterior mirrors, new projector headlamps and fog lamps, new LED taillamps and a LED center high-mounted stop light.

With the all-new interior for 2011, customers will step into a level of craftsmanship, content and comfort that is world-class. The all-new instrument panel, bezels, gauge face and new Chrysler steering wheel transform the driver's seat into an elegant atmosphere. Upgraded seats with a new design that incorporates more cushion material and revised spring geometry, as well as new leather and cloth seating materials, envelop the driver and passenger. Designers developed the new 2011 Chrysler 200 sedan with new "soft touch" armrests and instrument panel and new, premium interior finishes for touch points that are not only pleasing to the touch, but also to the eye. New heating and cooling outlets in the instrument panel offer improved design and functionality and complete the beautifully detailed interior.

The Chrysler 200 gets a new powertrain lineup featuring the 2.4-liter I-4 World Gas Engine mated to either a four-speed or six-speed automatic transaxle, or the new 3.6-liter Pentastar V-6 engine mated to a six-speed automatic transaxle; improved ride and handling tuning which includes stiffened body mounts and softer ride rate, improved suspension geometry with a raised roll center, a new rear sway bar, and new tires and an extensively upgraded treatment for the reduction of noise, vibration and harshness including acoustic laminated glass for the windshield and front door windows.

About Dodge Avenger

The new Dodge Avenger has been totally overhauled for 2011 with an all-new interior, a redesigned exterior and performance attributes that put the "fun" in functional. A new powertrain lineup and completely redesigned and retuned suspension mean drivers will experience Dodge's fun-to-drive dynamics in a front-wheel-drive mid-size sedan.

New exterior styling features clean, smooth aggressive lines. The new fascia sports the new signature Dodge Brand "split crosshair" grille, while an aggressive lower fascia completes the Dodge look from top to bottom.

The interior was also reworked with an all-new "soft touch" instrument panel, bezels, gauge faces and new Dodge steering wheel, transforming the driver seat into a cockpit-like experience. Upgraded seats incorporate more cushion material and revised spring geometry. Dodge Avenger also features several new two-tone interior color schemes, new leather and cloth seating materials and accent stitching. Owners can select from these schemes to design a vehicle that matches their lifestyle needs.

A new and improved powertrain lineup contributes to the 2011 Avenger's driving experience. The vehicle has a standard 2.4-liter World Gas Engine, which has been recalibrated and is now available mated to a new smooth-shifting six-speed transmission for an exceptionally fun and fuel-efficient driving experience. Avenger customers also can opt for the new Pentastar V-6 engine mated to a six-speed automatic transmission, which gives customers the best of both worlds - best-in-class 283 horsepower (an increase of 20 percent compared with the engine it replaces) and 260 lb.-ft. of torque (an increase of 12 percent) combined with competitive fuel economy.

About the Sterling Heights Assembly Plant

The Sterling Heights Assembly Plant was built in 1953 as a jet engine plant and was operated by the Army as the Michigan Ordinance Missile Plant with Chrysler serving as contractor building Redstone and Jupiter missiles. It was converted to an automobile plant in 1980 by Volkswagen and purchased by Chrysler Corporation in 1983.

Production of Chrysler LeBaron GTS and Dodge Lancer began in September 1984. Dodge Shadow and Plymouth Sundance production began in 1985, and Dodge Daytona production began in 1991. Through the end of the 1991 model year, the facility had produced nearly 1.3 million vehicles. Production of the 2001 Dodge Stratus and Chrysler Sebring sedans began in the fall of 2000, followed by the Chrysler Sebring Convertible. The all-new 2007 Chrysler Sebring Sedan launched in August 2006, followed by the all-new 2008 Dodge Avenger and 2008 Chrysler Sebring Convertible.

About Chrysler Group LLC

Chrysler Group LLC, formed in 2009 from a global strategic alliance with Fiat Group, produces Chrysler, Jeep®, Dodge, Ram Truck and Mopar® vehicles and products. With the resources, technology and worldwide distribution network required to compete on a global scale, the alliance builds on Chrysler's culture of innovation - first established by Walter P. Chrysler in 1925 - and Fiat's complementary technology - from a company whose heritage dates back to 1899.

Headquartered in Auburn Hills, Mich., Chrysler Group LLC's product lineup features some of the world's most recognizable vehicles, including the Chrysler 300, Jeep Wrangler and Ram Truck. Fiat will contribute world-class technology, platforms and powertrains for small- and medium-size cars, allowing Chrysler Group to offer an expanded product line, including environmentally friendly vehicles.

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