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Chrysler Group Reported First-Quarter 2013 Net Income of \$166 Million

Modified Operating Profit Was \$435 Million, From \$740 Million a Year Ago, and Free Cash Flow Was \$356 Million^[*] on Lower Shipments As Key Products Launch

Group Confirms Guidance for the Year

- Chrysler Group net income in the first quarter of 2013 was \$166 million, versus \$473 million a year ago
- As anticipated, results were affected by lower vehicle shipments as well as industrial costs related to several key product launches, and lower vehicle shipments to Europe and Latin America, even as retail sales in North America remain strong
- Net revenue for the quarter was \$15.4 billion, compared with \$16.4 billion a year ago
- Modified Operating Profit(a) was \$435 million in the first quarter, down from \$740 million a year earlier, with shipments improving each month of the quarter as the Company executed the launches of the 2014 Jeep Grand Cherokee and 2013 Ram Heavy Duty pickup trucks
- Free Cash Flow(d) for the first quarter totaled \$356 million^[*]; Cash(c) as of March 31, 2013, was \$11.9 billion, compared with \$11.3 billion a year ago and \$11.6 billion at Dec. 31, 2012
- Net Industrial Debt(e) was \$619 million at March 31, 2013, improving from \$1.3 billion a year ago and \$1.0 billion at Dec. 31, 2012
- Worldwide vehicle shipments were 574,000 for the quarter, down from 607,000 a year ago, principally due to 31,000 fewer Jeep Liberty shipments as production ceased during 2012 in preparation for the production launch of the all-new Jeep Cherokee in the second quarter
- Strong worldwide vehicle sales for the first quarter of 563,000, up 8 percent from a year ago, were driven primarily by a 12 percent increase in U.S. retail sales
- U.S. market share was 11.4 percent for the first quarter, compared with 11.2 percent a year ago; Chrysler Group was the quarterly market leader in Canada with a 16.0 percent share, up from 15.0 percent a year ago
- Chrysler Group confirms its guidance for the year, including worldwide shipments of 2.6 million to 2.7 million, Modified Operating Profit of approximately \$3.8 billion and net income of approximately \$2.2 billion

April 28, 2013, Auburn Hills, Mich. - Chrysler Group LLC today reported its preliminary 2013 first-quarter results, including net income of \$166 million on revenue of \$15.4 billion. As anticipated, the quarter was negatively affected by the reduced vehicle shipments that resulted from key product launches, namely the 2013 Ram Heavy Duty trucks and the 2014 Jeep Grand Cherokee, as well as preparation for the second-quarter production launch of the all-new 2014 Jeep Cherokee. These actions are expected to position the Company for a strong performance in the second half of 2013. The first-quarter results mark the Company's seventh consecutive quarter of positive net income, reflecting continued improvements in product acceptance, pricing discipline, and market share.

"We remain on track to achieve our business targets, even as the first-quarter results were affected by an aggressive product launch schedule," said Chrysler Group LLC Chairman and CEO Sergio Marchionne. "This quarter underscores the importance of an unwavering commitment to execute flawless vehicle introductions to reach our full potential. While the task ahead this year is daunting, we remain committed to our overall targets, including a minimum

shipment increase of 8 percent and a Modified Operating Profit of \$3.8 billion.”

Revenue for the quarter was down 6 percent from \$16.4 billion in the first quarter of 2012. The anticipated reduction was primarily attributable to lower shipments in the quarter due to the end of Jeep Liberty production in 2012 in preparation for the all-new 2014 Jeep Cherokee production launch in the second quarter, and the ongoing launches of the new 2014 Jeep Grand Cherokee and 2013 Ram Heavy Duty trucks. In addition, international shipments declined year-over-year due to continued economic weakness in Europe and import restrictions in Latin America.

Modified Operating Profit was \$435 million, or 2.8 percent of revenue, in the first quarter, versus \$740 million reported in the prior year. The decrease was attributable to reduced shipments, industrial costs related to the new vehicle launches, and a foreign currency exchange loss related to the February 2013 devaluation of the Venezuelan bolivar fuerte relative to the U.S. dollar, partially offset by continued favorable net pricing in North America.

¶ The Company's first quarter 2013 Form 10-Q reported Net Cash Provided by Operating Activities of \$1,210 million (adjusted from the preliminary amount of \$1,117 million) and Free Cash Flow of \$449 million (adjusted from the preliminary amount of \$356 million). These adjustments did not have an impact on Cash and Cash Equivalents, Net Income or any other financial statement line items, except for the Effect of Exchange Rate Changes on Cash and Cash Equivalents within the Condensed Consolidated Statement of Cash Flows.

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