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Chrysler Group Reports First-quarter 2014 Net Loss of \$690 Million Including \$1.2 Billion of Unfavorable Infrequent Items; Excluding Infrequent Items, Adjusted Net Income Was \$486 Million

Modified Operating Profit Was \$586 Million, Up 35 Percent From the Prior Year; Free Cash Flow Was \$919 Million

- Chrysler Group reported a first-quarter net loss of \$690 million, including a \$504 million non-cash loss on extinguishment of debt related to the prepayment of the VEBA Trust Note and a \$672 million charge (\$499 million non-cash in 2014) related to the January 2014 memorandum of understanding signed with the UAW
- Adjusted Net Income(a) for the quarter, excluding the above infrequent items, was \$486 million, up from \$166 million a year ago
- Net revenue for the quarter was \$19 billion, up 23 percent from a year ago
- Modified Operating Profit(b) grew 35 percent to \$586 million for the quarter, up from \$435 million a year earlier
- Free Cash Flow(e) for the first quarter was \$919 million, compared with \$449 million a year ago; Cash(d) as of March 31, 2014, was \$12.4 billion
- Net Industrial Debt(f) at quarter end was \$551 million compared with \$619 million at March 31, 2013, and Net Industrial Cash of \$1 billion at Dec. 31, 2013
- Worldwide vehicle shipments were 668,000 for the quarter, up 16 percent from 574,000 a year ago
- Worldwide vehicle sales for the first quarter were 621,000, up 10 percent from a year ago, driven primarily by a 19 percent increase in U.S. retail sales
- U.S. market share was 12.5 percent for the first quarter, compared with 11.4 percent a year ago; market share in Canada was 16.6 percent for the quarter, up from 16 percent a year ago

May 12, 2014, Auburn Hills, Mich. - Chrysler Group LLC today reported preliminary first-quarter 2014 financial results. The Company recorded a net loss of \$690 million for the quarter, reflecting the unfavorable effects of two significant infrequent items. Excluding the infrequent items, Adjusted Net Income for the first quarter was \$486 million, up from \$166 million a year ago.

Infrequent items of \$1.2 billion in the first quarter included a \$504 million non-cash loss on extinguishment of debt related to the prepayment of the UAW Retiree Medical Benefits Trust Note (VEBA Trust Note), and a \$672 million charge for commitments associated with the January memorandum of understanding (MOU) signed with the UAW in which the union made commitments to continue to support Chrysler Group's World Class Manufacturing (WCM) programs and actively assist in the achievement of the Company's long-term business plan.

Net revenue was \$19 billion for the quarter, up 23 percent from \$15.4 billion in the prior-year period, primarily driven by an increase in vehicle shipments, including Ram pickup trucks and the all-new Jeep Cherokee.

Modified Operating Profit was \$586 million in the first quarter, or 3.1 percent of net revenue, up from \$435 million reported in the prior-year period. The 35 percent increase was primarily due to higher shipments and improved mix, partially offset by increased vehicle costs due to vehicle content enhancements; higher advertising costs; higher depreciation and amortization costs due to new product launches; and foreign exchange effects, including the devaluation of the Venezuelan bolivar, which accounted for a charge of \$129 million in the first quarter of 2014 compared with a devaluation charge of \$78 million in the first quarter of 2013.

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