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## **Chrysler Group LLC Considering Plans to Increase Investment in its Kokomo, Ind., Facilities by \$85 Million**

- Kokomo the recipient of largest total investment in a single community in a year
- Company's total investment in U.S. facilities would climb to more than \$3 billion since June 2009

December 13, 2010, Auburn Hills, Mich. -

Following recent announcements that it would invest nearly \$1.2 billion in its Kokomo, Ind., facilities, Chrysler Group LLC confirmed that it is looking to invest another \$85 million in its Kokomo Transmission Plant (KTP) for a variety of powertrain improvements. With this announcement, the Company's total investment in U.S. facilities would climb to more than \$3 billion since June 2009.

Chrysler Group notified city officials of the potential new investment at the Dec. 13, 2010, Kokomo City Council meeting. At the same meeting, Chrysler Group also requested the transfer of the previously approved tax abatement certificate on the announced \$300 million investment from Indiana Transmission Plant I (ITPI) to KTP to facilitate the production of the next generation eight-speed transmission.

"We're moving eight-speed production to KTP because we're pulling production ahead and the timing worked better at KTP," said Brian Harlow, Vice President and Head of Powertrain Manufacturing, Chrysler Group LLC. "This move opens up space at ITPI to prepare the plant for production of the front-wheel drive transmission, which we announced in November."

At the Dec. 13 meeting, the Kokomo City Council also approved Chrysler Group's tax abatement application on the \$843 million investment for production of the front-wheel drive transmission.

"We are grateful to Mayor Goodnight and the Kokomo City Council for their continued support of Chrysler Group," said Harlow. "These investments demonstrate our commitment to this community and our workforce. We look forward to continuing a partnership that will secure Kokomo's position as the center of our powertrain strategy."

### **Chrysler Group's Kokomo Investment Announcements**

On Nov. 23, the same day President Obama visited Chrysler Group's Indiana Transmission Plant II, the Company announced that it would invest nearly \$843 million to accommodate production of a new advanced front-wheel drive automatic transmission for future Chrysler Group vehicles and help retain nearly 2,250 jobs.

In May and June respectively, Chrysler Group announced that it would invest \$43 million and \$300 million in its Kokomo facilities. The \$43 million investment will be used to increase capacity at the Company's Kokomo Casting and Kokomo Transmission plants, adapt them to support production of the World Engine and improve processes for the 62TE transmission program. The \$300 million investment will prepare KTP for production of a new highly fuel-efficient eight-speed automatic transmission for future Chrysler Group vehicles.

When all investments are combined, the City of Kokomo will be the recipient of the largest investment in a single year in a single community, totaling nearly \$1.3 billion.

In addition to investing more than \$1.3 billion in Kokomo, Chrysler Group has made significant progress toward building a successful enterprise since June 2009, 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;

- announcing a \$600 million investment in its Belvidere (Ill.) Assembly Plant;
- announcing an investment of \$1 billion in its Sterling Heights (Mich.) Assembly Plant and surrounding stamping facilities as well as 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 Chrysler 200, Dodge Avenger and Dodge Durango in December;
- 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.

#### **Plants and Products**

The ITPI currently produces the 45 RFE rear-wheel drive transmission for Jeep® Grand Cherokee, Jeep Liberty,

Dodge Dakota and Ram Trucks and 68 RFE for Cummins Diesel, Heavy Duty.

Indiana Transmission Plant II produces the W5A580 5-speed transmission for the Chrysler 300, Jeep Grand Cherokee, Dodge Durango, Dodge Nitro and Dodge Charger.

KTP makes the 62TE front-wheel drive transmission for the Chrysler Town & Country, Dodge Avenger and Dodge Grand Caravan; 42RLE rear-wheel drive transmission for the Chrysler 300, Dodge Dakota, Dodge Charger, Dodge Nitro, Ram Trucks, Jeep Liberty and Jeep Wrangler; and the 40TE/41TE - 40TES/41TES front-wheel drive transmission for the Chrysler 200, Chrysler Town & Country, Dodge Avenger and Dodge Grand Caravan.

The Kokomo Casting Plant manufactures aluminum parts for automotive components, transmission and transaxle cases

#### **About Chrysler Group LLC**

Chrysler Group LLC, formed in 2009 from a global strategic alliance with Fiat Group, produces Chrysler, Dodge, Jeep®, Ram Truck and Mopar® brand 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'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 lineup including environmentally friendly vehicles.

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