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Fiat Group, Chrysler LLC and Cerberus Capital Management L.P. Announce Plans for a Global Strategic Alliance

Auburn Hills, Mich. , Jan 20, 2009 - Fiat S.p.A., Chrysler LLC (Chrysler) and Cerberus Capital Management L.P., the private investment majority owner of Chrysler LLC, announced today they have signed a non-binding term sheet to establish a global strategic alliance.

The alliance, to be a key element of Chrysler's viability plan, would provide Chrysler with access to competitive, fuel-efficient vehicle platforms, powertrain, and components to be produced at Chrysler manufacturing sites. Fiat would also provide distribution capabilities in key growth markets, as well as substantial cost savings opportunities. In addition, Fiat would provide management services supporting Chrysler's submission of a viability plan to the U.S. Treasury as required. Fiat has been very successful in executing its own restructuring over the past several years. The alliance would also allow Fiat Group and Chrysler to take advantage of each other's distribution networks and to optimize fully their respective manufacturing footprint and global supplier base.

The proposed alliance would be consistent with the terms and conditions of the U.S. Treasury financing to Chrysler. Per the U.S. Treasury loan agreement, each constituent will be asked to contribute to Chrysler's restructuring effort including: lenders, employees, the UAW, dealers, suppliers and Chrysler Financial. Such steps would greatly contribute to Chrysler's long term viability plan. Completion of the alliance is subject to due diligence and regulatory approvals, including the U.S. Treasury.

As a consideration for Fiat Group's contribution to the alliance of strategic assets, to include: product and platform sharing, including city and compact segment vehicles, to expand Chrysler's current product portfolio; technology sharing, including fuel efficient and environmentally friendly powertrain technologies; and access to additional markets, including distribution for Chrysler vehicles in markets outside of North America, Fiat would receive an initial 35 percent equity interest in Chrysler. The alliance does not contemplate that Fiat would make a cash investment in Chrysler or commit to funding Chrysler in the future.

"This initiative represents a key milestone in the rapidly changing landscape of the automotive sector and confirms Fiat and Chrysler commitment and determination to continue to play a significant role in this global process. The agreement will offer both companies opportunities to gain access to most relevant automotive markets with innovative and environmentally friendly product offering, a field in which Fiat is a recognized world leader while benefitting from additional cost synergies. The deal follows a number of targeted alliances and partnerships signed by the Fiat Group

with leading carmakers and automotive suppliers over the last five years aimed at supporting the growth and volume aspirations of the partners involved," the CEO of Fiat Group, Sergio Marchionne said.

"A Chrysler/Fiat partnership is a great fit as it creates the potential for a powerful, new global competitor, offering Chrysler a number of strategic benefits , including access to products that compliment our current portfolio; a distribution network outside North America; and cost savings in design, engineering, manufacturing, purchasing and sales and marketing," said Bob Nardelli, Chairman and CEO of Chrysler LLC. "This transaction will enable Chrysler to offer a broader competitive line-up of vehicles for our dealers and customers that meet emissions and fuel efficiency standards, while adhering to conditions of the Government Loan . The partnership would also provide a return on investment for the American taxpayer by securing the long-term viability of Chrysler brands in the marketplace , sustaining future product and technology development for our country and building renewed consumer confidence, while preserving American jobs."

"This is great news for the UAW Chrysler team and we look forward to supporting and working with them to ensure Chrysler's long term viability," said Ron Gettelfinger, President United Auto Workers (UAW).

"We're on board with this important strategic initiative as it will help preserve the long-term viability of our great company, its brands and of course UAW-Chrysler jobs," said General Holiefield, Vice President, United Auto Workers (UAW).

About Chrysler LLC

Chrysler LLC, headquartered in Auburn Hills, Mich., produces Chrysler, Jeep®, Dodge and Mopar® brand vehicles and products. Total sales worldwide in 2008 were 2 million vehicles. Outside of North America, 2008 was the second-best sales year in the last decade and the third-best ever for Chrysler International. Chrysler LLC's product lineup features some of the world's most recognizable vehicles, including the Chrysler 300 and Town & Country, Jeep Wrangler and Grand Cherokee and Dodge Challenger and Ram. In the fall of 2008, Chrysler introduced three advanced electric-drive vehicle prototypes – the Dodge EV, Jeep EV and Chrysler EV. One is targeted to be produced in 2010 for consumers in North American markets, and European markets after 2010.

About Fiat

Founded in 1899, Fiat is an automotive-focused industrial group, serving customers in more than 190 countries around the world. With some 185,000 employees, 114 R&D centers and 178 plants worldwide, the Fiat Group designs, manufactures and sells passenger cars (Fiat, Lancia, Alfa Romeo, Abarth, Maserati and Ferrari), agricultural and construction equipment (CNH Case New Holland), trucks and industrial vehicles (Iveco), and automotive components (FPT Powertrain Technologies, Magneti Marelli and Teksid). More information available at www.fiatgroup.com or www.fiatgroupautomobilespress.com.

