CHRYSLER GROUP LLC REPORTS FINANCIAL RESULTS FOR THE PERIOD ENDED JUNE 30, 2010

CHRYSLER GROUP ACHIEVED A POSITIVE OPERATING PROFIT OF $183 MILLION IN THE SECOND QUARTER AND POSITIVE CASH FLOW OF $474 MILLION, FURTHER STRENGTHENING CASH POSITION TO $7,841 MILLION AS AT JUNE 30, 2010

- **Net Revenues in Q2 2010 increased to $10.5 billion, up 8.2 percent from $9.7 billion in Q1 2010.**
- **Operating Profit[(a)] came in at $183 million, an improvement of $40 million versus Q1 2010.**
- **Modified EBITDA[(a,b)] was $855 million (8.2 percent of Net Revenues), a $68 million increase from Q1 2010.**
- **Net Loss reduced to $172 million in Q2 2010 due to improved operating profit.**
- **Cash[(c)] at June 30, 2010 increased to $7.8 billion, bringing total available liquidity to more than $10 billion. Net Industrial Debt[(d)] decreased to $3.4 billion.**
- **Market share improved to 9.4 percent in the U.S., from 9.1 percent in Q1 2010; Canada market share remained strong at 12.9 percent in Q2 2010.**
- **2010 guidance remains unchanged (including a minimum of operating breakeven), but will probably be revised upwards on the basis of Q3 2010 results.**

AUBURN HILLS, Mich., August 9, 2010 – Chrysler Group LLC today issued its financial results for the second quarter 2010.

In Q2 2010, **Net Revenues** increased to $10,478 million representing an 8.2 percent improvement over the prior quarter. First half 2010 Net Revenues totaled $20,165 million.

The Company ended Q2 2010 with an **Operating Profit**[(a)] of $183 million and a first half 2010 Operating Profit of $326 million.

CHRYSLER GROUP LLC ($Mils)	Q2 2010	B/(W) Q1 2010	H1 2010
Net Revenues	10,478	791	20,165
Modified EBITDA (1)	855	68	1,642
Operating Profit (1)	183	40	326
Net Loss	(172)	25	(369)
Cash (2)	7,841	474	7,841

(1) A reconciliation of Modified EBITDA and Operating Profit to U.S. GAAP Net Loss for Q2 2010 and H1 2010 is detailed in Table 1 of the attachments to the press release.
(2) Cash includes Cash, Cash Equivalents and Marketable Securities.

"The second quarter operating profit confirms that Chrysler Group is on track to achieve its goals, yet an extraordinary amount of work still lies ahead," said Sergio Marchionne, Chief Executive Officer, Chrysler Group LLC. "Customer traffic in our dealerships and confidence in the Company's future continued to grow with the launch of the all-new 2011 Jeep® Grand Cherokee, one of the signature vehicles for Chrysler

Group. The Grand Cherokee sets the standard for this Company to produce high quality, technologically advanced vehicles.

“2010 is seen as a year of transition and stabilization. With most of our 16 all-new or refreshed products launching later this year, including the all-new Chrysler 300, Dodge Charger, Dodge CUV, the iconic Fiat 500, and the Chrysler Sebring replacement, Chrysler Group must continue to be rigorous, disciplined and focused on the task at hand,” Marchionne said.

The Q2 2010 Operating Profit improvement of $40 million, compared to Q1 2010, was driven primarily by continued volume increases. This improvement was partially offset by the impact of the Jeep Grand Cherokee changeover and moderate increases in incentive programs. Industrial costs increased due primarily to the ramp-up of ER&D expenses for the new product offensive starting in the second half of the year, partially offset by continued manufacturing efficiencies.

Modified Earnings Before Interest, Taxes, Depreciation and Amortization (Modified EBITDA)[a,b] was $855 million, or 8.2 percent of Net Revenue, a $68 million increase from Q1 2010; first half 2010 Modified EBITDA was $1,642 million.

Net Interest Expense in Q2 2010 was $296 million, including a non-cash interest accretion of $58 million. Net Interest Expense was $591 million for the first half of 2010.

Net Loss in Q2 2010 was reduced to $172 million as compared with $197 million in Q1 2010, driven by the increase in Operating Profit. Net Loss for first half 2010 was $369 million.

Cash[c] at the end of June 2010 was $7,841 million compared to $7,367 million at the end of Q1. An additional $2.3 billion remains available to be drawn under Chrysler Group’s U.S. Treasury (UST) and Canadian and Ontario government loan agreements, bringing total available liquidity above $10 billion.

Gross Industrial Debt[d] at June 30, 2010 remained at $11.2 billion. **Net Industrial Debt**[d] improved to $3.4 billion, as a result of positive cash flow of $474 million.

Worldwide vehicle sales were 407,000 units for Q2 2010, an increase of 22 percent compared to 334,000 units in Q1 2010, with all brands posting gains. U.S. market share improved to 9.4 percent in Q2 2010 from 9.1 percent in Q1 2010. In addition, Canadian market share was a strong 12.9 percent as a result of sales increasing 32 percent versus Q1 2010. Throughout the quarter, sales showed steady growth as brand repositioning efforts and investments in marketing campaigns continued to drive increased customer traffic into dealership showrooms.

Worldwide vehicle shipments in Q2 were 433,000, representing an increase of 14 percent versus Q1 2010. U.S. vehicle shipments totaled 305,000, representing an increase of approximately 16 percent versus Q1 2010.

Chrysler Group maintained a **U.S. dealer inventory** level consistent with its higher sales performance, increasing from 208,000 vehicles at Q1 2010 to 222,000 vehicles on June 30. Days supply increased slightly to 60 days (from 58), ensuring that Chrysler dealers will be able to service customers during the model year changeover period.

Significant Events: Second Quarter and Subsequent to June 30, 2010

On May 21, the Company celebrated the production launch of the all-new 2011 Jeep Grand Cherokee at the Jefferson North Assembly Plant (JNAP). Concurrently, Chrysler Group announced the addition of a second shift of production with about 1,100 employees hired. In preparation for the new product, JNAP went through a complete transformation as part of World Class Manufacturing, taking the plant to world class levels of flexibility and competitiveness.

The Jeep Grand Cherokee quickly garnered widespread global opinion-leader accolades and also received the "Top Safety Pick" award from the Insurance Institute for Highway Safety (IIHS) – the highest rating the organization bestows.

On July 30, more than 1,500 UAW-represented employees welcomed President Obama to JNAP. The President visited the plant to see a company on the road to recovery and to congratulate employees for their contributions to Chrysler Group's success.

During the second quarter, Chrysler Group announced two significant investments in its Kokomo, Ind., facilities. In May, the Company announced a $43 million investment in new equipment and tooling that will expand operations at the Kokomo Casting and Kokomo Transmission plants. On June 9, an additional $300 million investment in Indiana Transmission Plant I and Kokomo Casting was announced that will ready the plants for the production of a new, highly fuel-efficient, eight-speed automatic transmission. The investments will result in nearly 1,600 new or retained jobs.

As part of the process to integrate the distribution activities of Fiat Group Automobiles and Chrysler Group in Europe, in May 2010, the two companies began the reorganization and integration of the Chrysler and Lancia sales networks. This integration will lead to the creation of an integrated network of over 1,000 dealerships across Europe by 2014.

Chrysler Group expects that its European and South American sales will double between 2010 and 2011, to nearly 200,000 sales, an increase largely attributable to Chrysler's ability to leverage Fiat's international distribution networks. During the second quarter, distribution of Chrysler Group vehicles under this new integrated business model began in Italy, France, Sweden, Denmark, Germany, Belgium and the Netherlands.

In May, Chrysler Group established an agreement with Santander Consumer USA to provide new-car financing at attractive rates to consumers with credit scores below 650, traditionally considered non-prime customers. Ally Financial remains Chrysler Group's preferred prime lender.

In addition to the Jeep Grand Cherokee, in the second quarter, the Company introduced an all-new 2011 Ram Chassis Cab commercial truck, the 2010 Dodge Viper SRT10 ACR-X special-edition model of America's ultimate sports car, and the Mopar® 2010 Dodge Challenger, the first-ever special-edition Mopar version of the Dodge brand's iconic American muscle-car.

Chrysler Group vehicles continued to win awards in the second quarter. The all-new 2010 Ram Heavy Duty and Dodge Nitro were named the Top Heavy Duty Pickup and Top Mid-Size Sport Utility, respectively, in the AutoPacific 14th annual Vehicle Satisfaction Awards (VSA). VSA is the industry benchmark for measuring how satisfied an owner is with their new car or light truck. Earlier in the year, the iconic Jeep Wrangler was named the "Best and Most Significant 4X4 Vehicle of the Decade" by Four Wheeler magazine editors.

On July 2, Chrysler de Mexico, a subsidiary of Chrysler Group LLC, entered into a financing arrangement with Bancomext and Nafin, for the Mexican peso equivalent of $400 million. The facility was fully drawn in July. The proceeds are to be used to finance the production of the Fiat 500 at the Toluca, Mexico plant.

The dealer arbitration process concluded in July with more than 70 percent of arbitrator decisions in Chrysler Group's favor. About 4 percent of the 789 dealers rejected during the bankruptcy process prevailed in arbitrations. Chrysler Group issued a Letter of Intent to each of the prevailing dealers to join Chrysler Group's dealer network, provided they meet financial and operational prerequisites.

On July 30, the Company announced that its Sterling Heights (Mich.) Assembly Plant, which was scheduled to close after 2012, will remain open beyond that date. Management is working with city and state officials to finalize certain related tax incentives. Chrysler Group will also add nearly 900 jobs on a second shift of production scheduled to start in the first quarter of 2011.

2010 Outlook

Pending the closing and reporting of Q3 financials, the Company confirms the following targets for the year:

- Net Revenues of $40 - 45 billion
- Operating Profit of $0.0 - 0.2 billion
- Modified EBITDA of $2.5 - 2.7 billion
- Negative Free Cash Flow of $1.0 billion

It is highly probable, in view of the Company's performance to date and our forecast of trading activity in the remainder of the year, that the Company will upgrade guidance for 2010 when announcing Q3 2010 results.

Management will hold an analyst conference call August 9 at 10 a.m. EDT to present the 2010 second quarter results. The call can be followed live and a recording will be available on the Chrysler Group website: www.chryslergroupllc.com.

Non-GAAP Financial Information

[a] A reconciliation of Modified EBITDA and Operating Profit to U.S. GAAP Net Loss for the three and six months ending June 30, 2010, is detailed in Table 1 of the attachment to the press release.

[b] Modified EBITDA is computed starting with net income (loss) and then adjusting the amount to (i) add back income taxes, (ii) add back net interest expense (excluding interest expense related to Gold Key Lease financing activities), (iii) add back depreciation and amortization expense (excluding depreciation and amortization expense of vehicles held for lease), (iv) add back all pension, OPEB and other employee benefit costs other than service costs, (v) add back restructuring expense, (vi) add back other financial loss and (vii) add back losses and exclude gains due to cumulative change in accounting principles. The reconciliation of Modified EBITDA to U.S. GAAP Net Loss for the three and six months ending June 30, 2010, is detailed in Table 1 of the attachment to the press release.

[c] Cash is defined as Cash, Cash Equivalents and Marketable Securities.

[d] A reconciliation of U.S. GAAP Financial Liabilities to Gross Industrial Debt and Net Industrial Debt at June 30, 2010, is detailed in Table 2 of the attachment to the press release.

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Attachments

Table 1: Reconciliation of Modified EBITDA and Operating Profit to U.S. GAAP Net Loss

CHRYSLER GROUP LLC ($Mils)	Q2 2010	H1 2010
Modified EBITDA	**855**	**1,642**
Deduct:		
Depreciation & Amortization \1	(672)	(1,316)
Operating Profit	**183**	**326**
Deduct:		
Provision for Income Taxes	(33)	(68)
Net Interest Expense	(296)	(591)
Other Employee Benefit Costs \2	13	27
Restructuring Expense & Other	(39)	(63)
U.S. GAAP Net Loss	**(172)**	**(369)**

\1 Depreciation and amortization expense excludes depreciation and amortization expense for vehicles held for lease.
\2 Represents interest cost and expected return on plan assets.

Table 2: Reconciliation of U.S. GAAP Financial Liabilities to Gross Industrial Debt and Net Industrial Debt

CHRYSLER GROUP LLC ($Mils)	June 30, 2010
U.S. GAAP Financial Liabilities	**12,367**
Deduct:	
Gold Key Lease (GKL) Debt	
Short Term ABS	(580)
Long Term ABS	(115)
GKL Credit Facility	(446)
Total GKL Debt	(1,141)
Gross Industrial Debt	**11,226**
Less Cash \3	(7,841)
Net Industrial Debt	**3,385**

\3 Cash includes Cash, Cash Equivalents and Marketable Securities.

Forward-Looking Statements

This document contains forward-looking statements that reflect management's current views with respect to future events. The words “anticipate,” “assume,” “believe,” “estimate,” “expect,” “intend,” “may,” “plan,” “project” and “should” and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties, including, but not limited to: the effective implementation of the Chrysler 2010 – 2014 Business Plan outlined on November 4, 2009, including timely vehicle launches; industry SAAR levels; slower than expected economic recovery in Europe or North America, including continued high unemployment levels and lack of available credit to consumers and dealers; introduction of competing products; and supplier insolvencies. If any of these or other risks and uncertainties occur, or if the assumptions underlying any of these statements prove incorrect, then actual results may be materially different from those expressed or implied by such statements. We do not intend or assume any obligation to update any forward-looking statement, which speaks only as of the date on which it is made.

About Chrysler Group LLC

Chrysler Group LLC, formed in 2009 from a global strategic alliance with Fiat Group, produces Chrysler, Jeep®, Dodge, Ram Truck, 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-sized cars, allowing Chrysler to offer an expanded product line including environmentally friendly vehicles.

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