CHRYSLER ... is the Quintessential American Auto Company

CHRYSLER ENVI

Jeep CHRYSLER DODGE

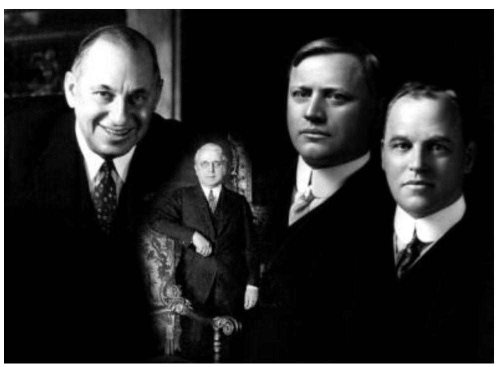
73% of our total Sales are within the U.S.

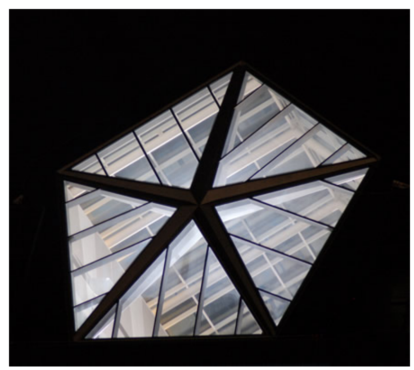
61% of our vehicle Production is in the U.S.

74% of our total Employees are U.S. based

78% of our Purchased Material is from U.S. based suppliers

62% of all our Dealers are based in the U.S.





HYBRID TWO MODE HEMI

Chrysler Restructuring Plan for Long-Term Viability

February 17, 2009

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Chrysler Restructuring Plan For Long-term Viability

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List of Appendices

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I. Summary of Strategic Alternatives and Management Recommendations

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Chrysler LLC Alternatives

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I. "Stand Alone"

We believe

- Chrysler can be viable on a stand alone basis in the short/mid term with the following assumptions:
  1. The balance sheet is restructured to substantially reduce current debt and debt servicing requirements (Page U16-17)
  2. Targeted concessions are obtained from all constituents (Page 15)
  3. Additional U.S. Government funding of $5 billion and DOE 136 funding of $6 billion
  4. SAAR ≥ 10.1 million units
- To be viable on a longer term basis, we believe it is critical that Chrysler continues to pursue strategic partnerships / consolidation to be both operationally viable (*i.e.*, meet Energy and Environmental Regulations) and financially viable (*i.e.*, create an acceptable ROI to shareholders and positive NPV).
- In a sustained U.S. industry below 9.1M SAAR, we believe Chrysler LLC will struggle to be viable and will require an additional restructuring and funding as noted on Page 47.

II. Strategic Partnership/Consolidation

- In all industry scenarios (SAAR levels), Chrysler will be more viable, both operationally and financially, with a strategic partner.
- Chrysler has signed a non-binding MOU with Fiat that will significantly enhance its viability by creating additional free cash flow over the 2009-16 period, and leverage the advanced powertrain and small car technology that has made Fiat number one in Europe in "low" CO_2 emissions.
- Fiat's proposal is contingent upon Chrysler LLC restructuring its debt, obtaining concessions, and receiving adequate Government funding.
- In a sustained U.S. industry below 9.1M SAAR, we believe even with Fiat, Chrysler LLC will struggle to be viable and will require an additional restructuring and funding as noted on Page 47.
- Fiat Alliance would create incremental jobs in the U.S. during first 5 years compared with "Stand Alone".
- There exists further benefits from U.S. consolidation but no clear action path with GM (Pages U158-159).

III. Orderly Wind Down

- If Chrysler LLC is not able to successfully:
  1. Restructure its balance sheet to substantially reduce its liabilities,
  2. Negotiate targeted concessions from constituents,
  3. Receive an additional $5 billion capital infusion from the U.S. Government, as represented in the "Stand Alone" Alternative,

  then the only other alternative is for Chrysler to file for Chapter 11 as a first step in an orderly wind down.
- Chrysler LLC would seek debtor-in-possession financing from both private sector lenders and the U.S. Government. We believe the estimated size of the financing need is $24 billion over a two year period (Page 165).
- Without adequate DIP financing we estimate that the 1st lien lenders will only realize a 25% recovery, the US government 5%, while all other creditors will receive nothing. (Page 171-173)
- An Orderly Wind Down will result in significant social impact, with 300,000 jobs lost at Chrysler and its suppliers and over 3,300 dealers failing. 2-3 million jobs could be lost due to a follow-on collapse in the wider industry, resulting in a $150 billion reduction in U.S. Government revenue over 3 years (Page 163).

Note: "SAAR" as used throughout this document stands for Seasonally Adjusted Annual Rate of Auto Industry Sales in the U.S.

Credit Availability for Customers/Dealers Is a Prerequisite for Viability Plan (Page 33)

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Management Recommendations

Strategic Choice: Continue "Stand Alone" plan while pursuing an alliance

Rationale:

1. The larger scale and international reach associated with a potential Fiat alliance will facilitate Chrysler's viability and preserve U.S. jobs
2. Chrysler has studied three potential partnerships over the past 18 months:
   - GM: Best option for U.S. Auto Industry from financial and operational perspective but they "took it off the table".
   - Nissan: Investigated alliance and not able to pursue.
   - Fiat: Submitted a formal non-binding term sheet conditioned upon Chrysler:
     1. Restructuring its liabilities
     2. Obtaining targeted concessions
     3. Receiving adequate government funding
   - Chrysler will continue to explore further alliance / partnership opportunities if necessary
3. If Chrysler is unable to restructure its liabilities and if further government funding is not forthcoming, the "Orderly Wind Down" alternative would be pursued, however it may have severe social and economic consequences for both Chrysler and the broader U.S. economy

In any restructuring scenario we believe it is imperative that a percentage of new equity be retained in a trust (temporarily under control of the President's Designee) to contribute to a new future partner

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Status of Restructuring Plan / Concessions

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Constituent	Status	Comments
UAW	G	– Chrysler has a signed tentative agreement with the UAW with respect to competitive level compensation, work-rules and severance provisions with U.S. transplants.
UAW / VEBA	Y	– Chrysler has a signed term sheet agreeing to work towards a 50% reduction in Chrysler's VEBA Cash Payment Liability (conditioned on satisfactory debt restructuring) – Chrysler has requested that the UAW continue to work with us on our request to fund the 2009 health care payments out of the existing VEBA, and to modify the terms of the settlement agreement incl. the pension pass-through revision and future payment streams.
Shareholders / 2nd Lien Debtholders	G	– Both shareholders (Cerberus and Daimler) have expressed willingness to (i) relinquish their equity, and (ii) convert 100% of their 2nd lien debt for equity – These concessions are conditioned on a viable plan and overall restructuring
Management Actions*	G	– Reduced Fixed cost down by $3.8 billion (27%) – Reduced unit capacity by 1.3 million (35%) – Reduced headcount by 35,000 (41%) – Completed asset sales of $1.0 billion – Nameplate reduction by 7 – Eliminated retiree life insurance – Suspended salary merits and bonuses – Suspended 401(k) match – Suspended tuition assistance program – Fully compliant with all government executive compensation requirements
Dealers	G	– Reduced margins and reimbursement programs totaling $350 million annually, implemented February 2, 2009. Dealer rationalization under "Genesis" program merging all 3 brands under one umbrella
Suppliers	G	– Chrysler requested a 3% price reduction effective April 1. Negotiations are in process
Creditors**	R	– Impact of $5 billion of debt and debt service relief required – Alternatives to be pursued (see Page 17)

*Note: * 2008 - 2009 ** Creditors include the U.S. Government, the 1st lien-bank lenders and the UAW / VEBA*

Current/Proposed Debt Structure

($Billions)

Debt Composition:

	Current Debt Structure	Tentative Concessions	Additional Loan Requests	Indebtedness as Projected in Stand Alone Plan
1st Lien – Lenders / Secured	$6.9	--	--	$6.9
2nd Lien – Cerberus/Daimler / Secured	$2.0	$(2.0)	--	--
3rd Lien – Government / Secured	$4.3	--	$5.3	$9.6
UAW – VEBA Loan / Unsecured	$10.6	$(5.3)	--	$5.3
DOE/136 Loan – Government / Secured	--	--	$6.0	$6.0
TOTALS	$23.8	$(7.3)	$11.3	$27.8

Required Debt and Debt Service Relief from above Creditor Groups (1),(2)	($5.0)
Serviceable Debt TOTAL	$22.8

Deleveraging Of Balance Sheet Is Critical For Viability

Note: 1 – Request of creditor groups could include amortization, maturity and interest rate
2 - Creditor groups include the U.S. Government, the 1st lien-bank lenders and the UAW / VEBA

Illustrative Alternatives To Achieving $5 Billion In Liability / Liability Service Reductions

- *Alternative 1 – Common Stock Conversion*
  - The three remaining creditor groups – one or more – could convert total $5 billion of existing liabilities into common equity
- *Alternative 2 – Preferred Stock Conversion*
  - The three remaining creditor groups – one or more – could convert total $5 billion of existing liabilities into preferred stock
  - The terms could include:
    - Long dated maturity with no mandatory prepayment
    - Dividends paid in-kind (PIK) (non-cash)
    - Optional redemption by company at discount to par plus PIK
    - Conversion into common stock at maturity at market valuations
- *Alternative 3 – Modified Debt Conversion*
  - The three remaining creditor groups – one or more – could restructure the $5 billion of liabilities as follows:
    - The legal priorities of the loans would stay as is currently structured
    - Interest would be paid-in-kind (PIK) at the non-default rates currently in place
    - Interest would PIK through a longer dated maturity
    - No principal amortization would be due until final maturity
    - Prepayment of principal outstanding upon change of control
- *Alternative 4 – Cash Out*
  - The three remaining creditor groups – one or more – could agree to extinguish the $5 billion of liabilities for a cash payment in lieu of equity conversion

The above alternatives, if implemented, would result in a viable plan to Chrysler. There may be other alternatives that would result in a viable Chrysler.

Note: - The three remaining creditor groups are the U.S. Government, the 1st lien-bank lenders and the UAW / VEBA
- Alternatives 2 – 4 have not been discussed with the creditor groups

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Fiat Strategic Alliance Synergy And Benefits Overview

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Area	Approach	Cash Flow Impact Total '09-16 $(Billions)	EBITDA Impact Total '09-16 $(Billions)
Products/ Platform Sharing	2 million products localized or sold in NAFTA and exported to global markets	$1.4	$2.1
Distribution	New Chrysler markets adding 393,000 units, Alfa Romeo distributed in NAFTA	$1.3	$1.3
Purchasing	Integrate sourcing with Fiat Group	$3.2	$2.8
Other Opportunities	Powertrain, Technology, Logistics, SG&A Expense, other, Funding for NSCs provided by Fiat	$1.0	$1.2
TOTAL SYNERGIES *		$6.9	$7.4

Alliance With Fiat Benefits **	2009	2010	2011	2012	2013	2014	2015	2016
EBITDA Synergy Benefits	$0.0	$0.0	$0.3	$1.2	$1.3	$1.5	$1.6	$1.5
Cash Synergy Benefits (cumulative)	($0.1)	($0.1)	($0.2)	$1.0	$2.4	$3.9	$5.5	$6.9

The negative cash impact in the first three years is due to spending approx $1B in new platforms and powertrain technology offset by synergy savings

Adds 7 New Small Vehicles/Platforms And 6 New Powertrain Combinations To Enhance U.S. Energy Independence And Environmentally Sustainable Product Offerings

* *Synergies Incremental to Chrysler Only as Calculated by Chrysler*

** *A strategic alliance could reduce Chrysler's overall capital requirements and could create additional jobs in the U.S. Additionally the alliance would have the potential for better efficiency spending of DOE funds.*

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Next Steps

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- Begin discussions with the President's Designee on terms and conditions to an overall restructuring.
- We will seek a response in the near term from creditor groups on their willingness to provide the $5B in concessions via a liability for equity swap, interest holiday, and/or equivalent liability service relief.
- We must find a long term financing solution for our customers and dealers.
- If an additional $5B of government funding is received and creditors agree to liability restructuring, we will seek Fiat's concurrence and willingness to continue participation in an alliance (management believes it will be decided based upon level of liability reduction). Additionally, Chrysler will work diligently to finalize negotiations with all other constituents and pursue a simultaneous closing with Fiat, U.S. Treasury, Daimler, Cerberus, the UAW and our creditors by March 31, 2009.
- If our liabilities are not restructured and U.S. Treasury additional funding is not received by March 31, 2009, Chrysler LLC will not have ample liquidity to operate and will therefore move forward with Alternative III "Orderly Wind Down" only after appropriate board approval and notification to U.S. Treasury.

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Government Requirement Checklist

Restructuring Plan Requirements in Loan and Security Agreement dated Dec 31, 2008	Chrysler Execution Status of Restructuring Plan Requirements	Ref. Page
Submit a Restructuring Plan by Feb 17, 2009 for Chrysler to achieve and sustain:	The Restructuring Plan in this document describes Chrysler's progress and objectives for:	
• long-term viability	• growth and profitability	45-79
• international competitiveness	• partnering to penetrate offshore markets	91
• energy efficient vehicles	• powertrain fuel efficiencies	113–119
The Plan includes specific actions intended to result in:	Chrysler has been executing a restructuring strategy since Feb 2007 that is:	
• rationalized costs, capacity, and capitalization with respect to manufacturing workforce, suppliers, and dealers	• lowering variable and fixed costs through workforce reductions, supplier concessions, and dealer concessions	15,29,149
• competitive product mix and cost structures	• creating a vibrant new product pipeline	101-135
• achievement of a positive NPV	• met positive NPV test	U54
• achievement of certain milestones	• have proposed specific milestones	51, 57,67, 71, 73, 77
• repayment of government financing	• expanding debt service capacity	Executive Summary
• compliance with CAFE and emissions standards	• meeting efficiency and emissions standards	117
• production of advanced technology vehicles	• producing electric and electrified vehicles	119
Demonstrate Chrysler is undertaking best efforts to:	Chrysler has been exercising best efforts and has completed:	
• reduce hourly employee compensation to levels competitive with U.S. transplants and apply U.S. transplant work rules to employees by Dec 31, 2009	• A commitment from the UAW to restructure the VEBA	15, Appendix 2
	• Wage and benefit reductions and work rule modifications that are competitive with the U.S. transplant levels	15, Appendix 2
• eliminate non-customary severance pay	• Severance benefit reductions , incl. elimination of "Jobs Bank"	15, Appendix 2
• pay at least ½ of VEBA contributions with stock	• Cerberus and Daimler have agreed to convert their 2nd lien debt	15, Executive Summary
• Reduce unsecured public debt by at least 2/3	• Chrysler has no public bonds. We have requested the three creditor groups set forth on page 15 participate in reducing our debt and debt service by $5B.	15,17, Exec. Summary

Chrysler Is Complying With All Aspects Of The Restructuring Plan Requirements

Note: The three remaining creditor groups are the U.S. Government, the 1st lien-bank lenders and the UAW / VEBA

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II. Background and Current State of Industry

Original Request for Chrysler's $7 Billion Federal Bridge Loan was Based Upon the Following Assumptions

- Chrysler based its initial Viability Plan on reasonable assumptions at the time of the December submission, including the following :
  - SAAR levels of 11.1 million and 12.1 million in 2009 and 2010, respectively, and 13.7 million units in 2011 and 2012. *(assumptions no longer valid)*
  - U.S. market share for retail and fleet sales of 10.4% in 2009, increasing to 10.7% in 2010 through 2012.
  - Worldwide sales of 1.79 million units in 2009, 1.86 million in 2010, 2.15 million in 2011 and 2.15 million in 2012. *(assumptions no longer valid)*
  - Chrysler to be awarded $6 billion of the $8 billion requested through 2011, from the DOE 136 funds designated for development of increased fuel-efficient vehicle technology.
- Chrysler assumed that Chrysler Financial would be viable and could have adequate financial capacity to support our wholesale shipments and retail sales assumptions (*we need a financial company solution to be viable).*
- The Viability Plan demonstrated that Chrysler was viable with the requested $7 billion Federal loan at the assumed SAAR levels.
- Based on the Viability Plan submission, the Treasury Department approved the loan request and funded $4 billion of the $7 billion requested.

Chrysler Viability Plan Submitted Dec 2, 2008

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Key Metrics and Assumptions

	2008 Unaudited Actuals	2009 Plan	2010 Plan	2011 Plan	2012 Plan
• **U.S. Industry SAAR (Millions)** *Light Duty Only*	13.2	11.1	12.1	13.7	13.7
• **Worldwide Shipments (000 units)**	2,065	1,727	1,938	2,362	2,344
• **U.S. Market Share (Retail & Fleet)**	10.8%	10.4%	10.7%	10.7%	10.7%
• **U.S. Dealer Inventory (000 units)**	398	355	312	306	306
• **U.S. Days Supply**	157	121	98	85	85
• **MCM Savings**	(1.1%)	0.25%	0.25%	0.25%	0.25%
• **Net Pricing**	(1.0%)	(0.5%)	(0.5%)	(0.5%)	(0.5%)
• **Capex (Bils)**	$2.3	$2.3	$2.3	$2.6	$2.6
• **Fixed Cost including VEBA (Bils)**[1)]	$10.9	$9.2	$8.1	$10.2	$10.2
• **EBITDA (Bils)**[1)]	$0.3	$3.3	$5.6	$4.9	$4.7
• **Cash - Year End Balance (Bils)**	2.5[2)]	7.5[3)]	9.8[3)]	11.4[3)]	12.5[4)]
Timing of Targeted Concessions by year ($4.55 Bil)		*$1.25*	*$1.1*	*$1.1*	*$1.1*

1) *Viability Plan concessions have been reflected in Fixed Costs, EBITDA and Cash Flow (2008 actual does not include impact of VEBA).*
2) *Cash year-end balance for 2008 was ($0.6 B) lower due to Mexico wholesale issue and Daimler payment issue (which we believe to be a timing issue)*
3) *Includes $7.0 billion of Government funding in January 2009*
4) *Includes $1.0 billion principal payment to the U.S. Government at 12/31/2012*

Aggressive Restructuring Will Reduce Chrysler's Fixed Costs by $3.8 Billion by 2009

- Significant restructuring actions have already been initiated and cash savings are currently being realized. Beginning in 2007, Chrysler acted swiftly to reduce fixed costs. Today, the Company's fixed cost are at the lowest level since 1994.
- Further restructuring actions continue, and through 2009 fixed costs will have been reduced by $3.8 billion. Chrysler has eliminated more than 1.3 million units (over 30%) of production capacity, reduced total manpower by 35,000 people, and discontinued 7 vehicle models.
- In addition to reducing overall manpower, Chrysler reduced fixed costs through:
  - overtime reduction;
  - plant closures;
  - improved asset utilization;
  - program deferrals and cancellations;
  - organization restructuring and right-sizing;
  - healthcare actions related to active and retired employees;
  - greater information technology efficiencies; and G&A/manpower improvements.
- Despite challenging market conditions, Chrysler met or exceeded its operating plan through the first half of 2008, and increased manufacturing productivity to become the most efficient auto manufacturer in North America.
- Chrysler also continued to invest in product including four major production launches and the introduction of three all new electric vehicle prototypes in 2008.

Chrysler's Transformation Effort Had Already Begun Prior To The Current Industry Crisis

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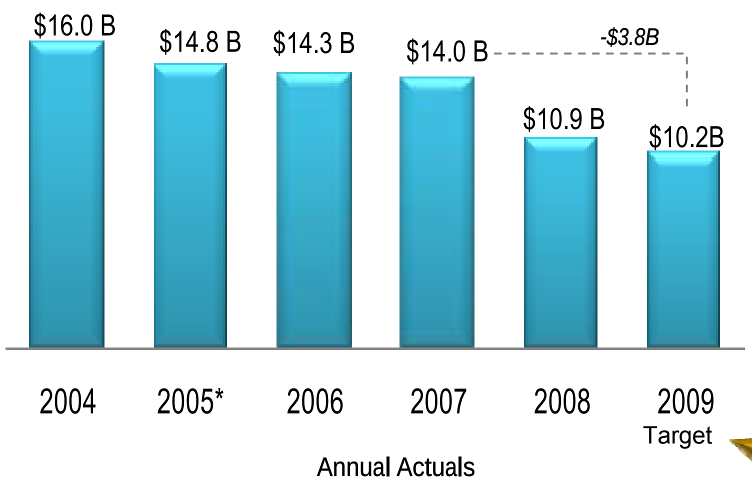
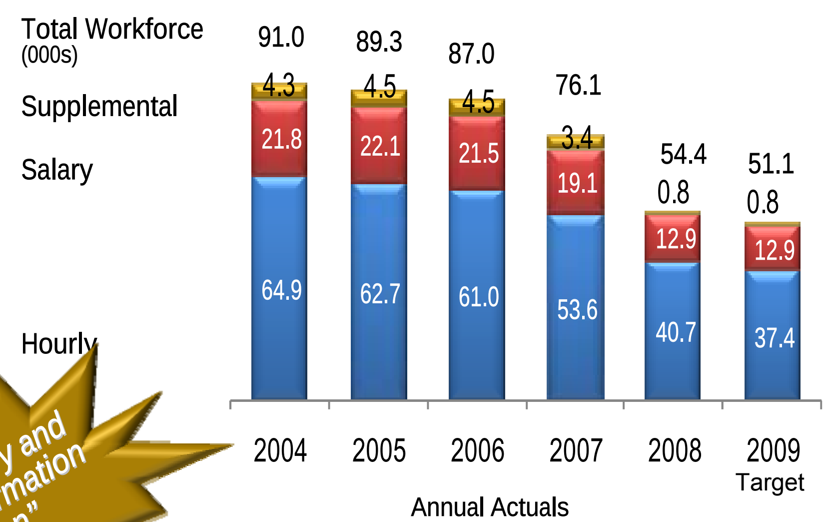
Fixed Cost Trend



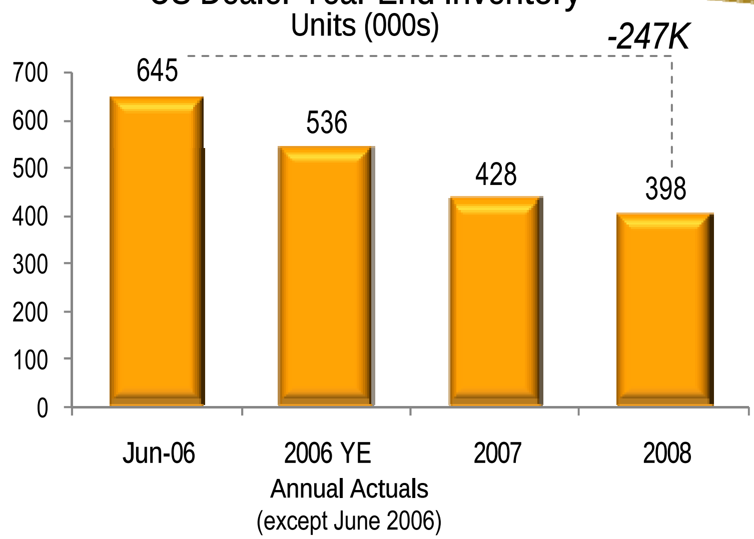
* 2005 excludes impact from sale of Arizona Proving Grounds

Workforce Reduction



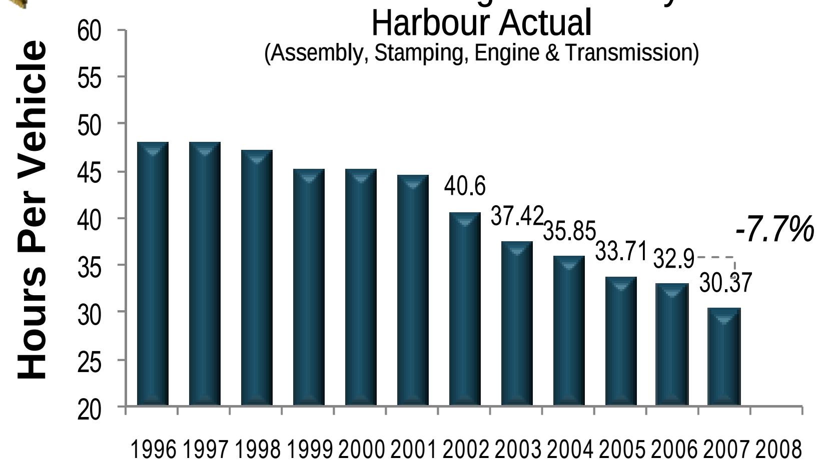
US Dealer Year End Inventory

Units (000s)



Manufacturing Productivity Harbour Actual

(Assembly, Stamping, Engine & Transmission)



Broad Economic Decline Has Negatively Affected Business And Consumer Spending

- Since our submission on December 2, 2008, the U.S. and worldwide economy has continued an unprecedented meltdown.
- Personal Wealth, as measured by stock prices and home values, has declined significantly .
  - The DJIA declined 11.1% from December 8, 2008 through February 11, 2009.
  - Average home prices/values declined 6% from August 2008 through November 2008 (most recent reported data).
- Unemployment rates have continued to increase as companies announced layoffs at historically high levels: January job loss of 598,000 and U.S. unemployment of 7.6% represent the highest since 1992.
- These factors have driven consumer confidence to levels never seen before.
- Credit markets continue to be locked down – both to the consumer and business credit customer.
- As a result of the continued decline in SAAR levels in December and the continued lack of credit availability, the financial health of the dealer network and supply chain has continued to decline.
  - The number of financially troubled dealers has increased 5% in the past 2 months.
  - The number of potentially troubled suppliers has also risen 11.6% since October 2008. Suppliers that provide nearly 22% of our materials are identified as troubled.

Extremely Depressed Economic Fundamentals Continued To Deteriorate At Increasing Rate Over Last 2 Months

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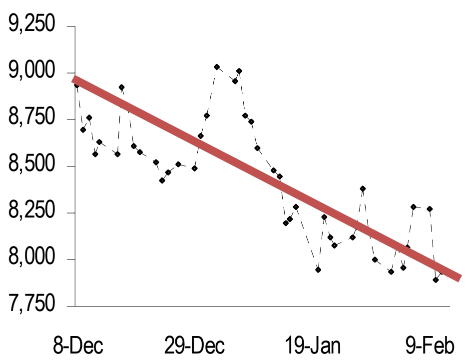
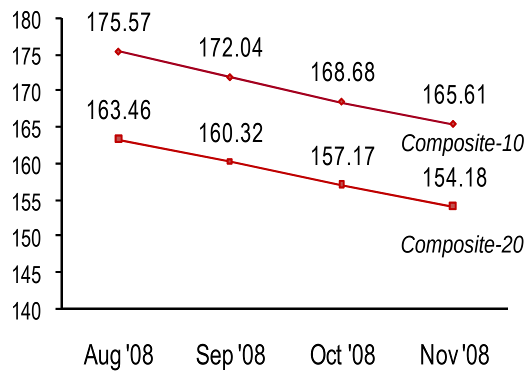
DJIA Closing Value



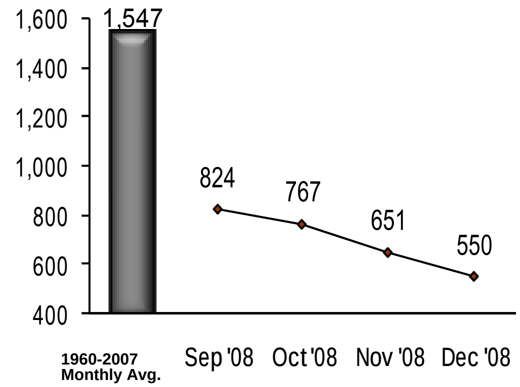
11.1% Decline in 2 Months

S&P/Case-Shiller Home Price Index



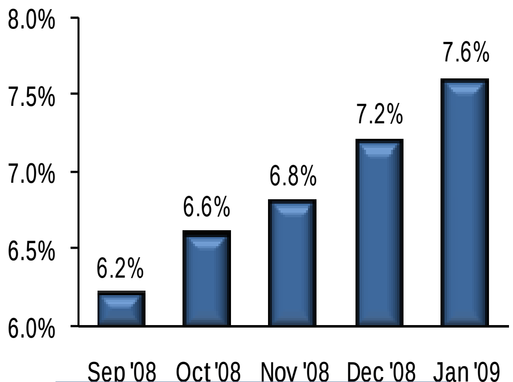
Steady Drop since 2Q '06

U.S. Housing Starts *(000's – SAAR)*



Rate is ~1/3 of Long-Term Avg.

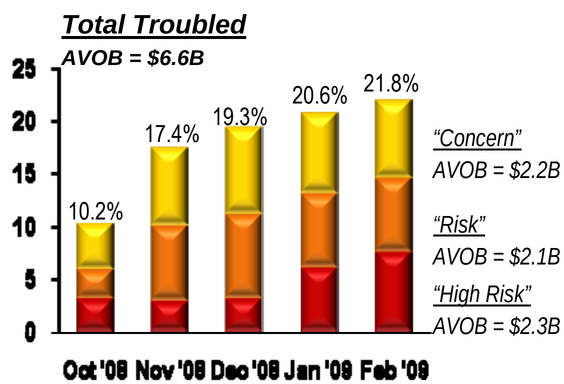
U.S. Unemployment Rate



Highest Rate in Nearly 17 Years

Chrysler Suppliers in Trouble

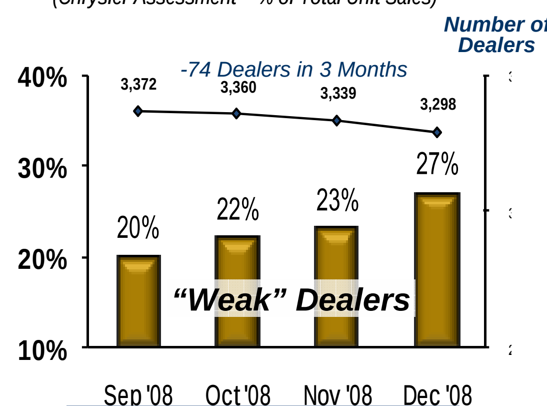
(Chrysler Assessment – % of Total AVOB)



Exposure Up; Risk Profile Worse

Chrysler Dealers in Trouble

(Chrysler Assessment -- % of Total Unit Sales)



Fundamentals Weakening as Network Shrinks

Due to Decreasing Consumer Confidence, Intent to Purchase Has Taken a Severe Hit …

"SAAR" = Seasonally Adjusted Annual Rate
***"AVOB" = Annual Volume of Business* (i.e., purchases)**

Financial Market Woes Infect Auto Financing System

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- Vehicle financing is generally syndicated through asset backed security (“ABS”) transactions which provide liquidity to the automotive financing companies.
- Market conditions have caused credit markets to seize up and there has been a sharp decline in ABS deals.
  - Auto related ABS issuances have declined to nearly zero by the 2^{nd} half of 2008
  - Auto leasing essentially ended over-night resulting in lost sales volume of 20%- 25%.
- Additionally, the lack of financing availability has affected automotive dealers in two ways:
  - Lack of retail financing availability has directly reduced their consumer sales.
  - Lack of floor plan financing has reduced all dealers’ ability to order new cars to hold in inventory.
- Both of these factors combine to lower Chrysler’s sales.

Credit Crisis Strangling U.S. Auto Industry

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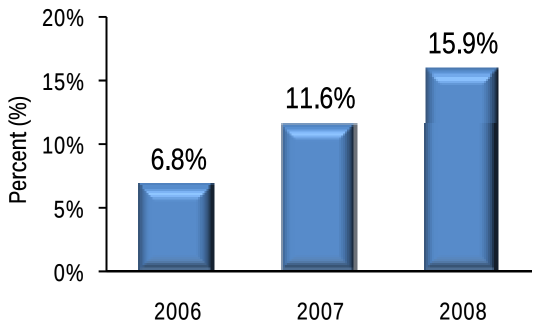
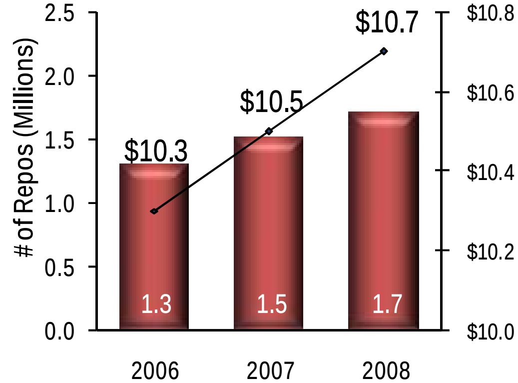
Delinquency Rates



Delinquency Rates are Soaring …

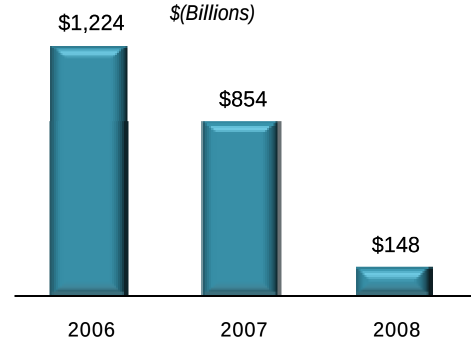
Repossessions



… and Increasing Repos Hurt Lenders …

Issuance of Auto Asset Backed Securities

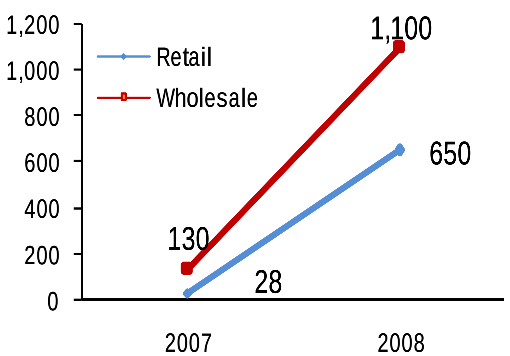
$(Billions)



… which Shrinks Available Capital for Auto Loans …

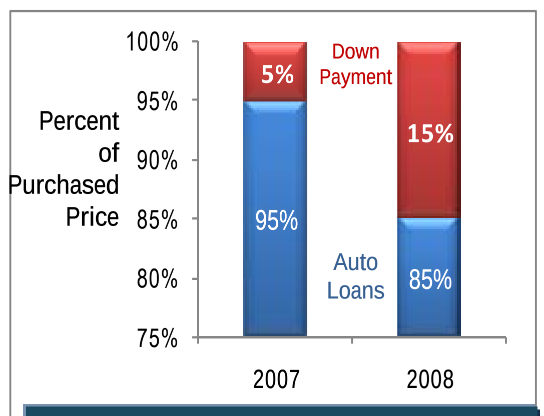
Auto Loan Interest Spread Over Commercial Paper Rate

Basis Points



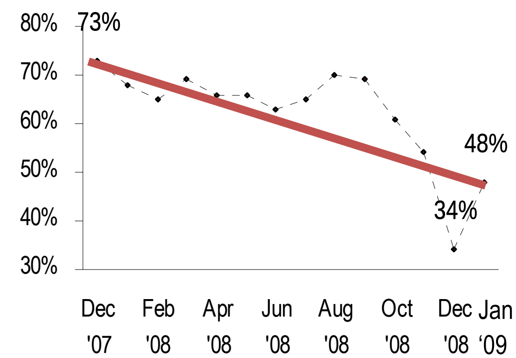
… Leading to Higher Borrowing Costs …

Auto Loan-% of Down Payment



…and Higher Down Payment Requirements ..

Chrysler Financial Consumer Financing Approval Rates



… and therefore Credit Approval Rates are Down 25% Points from the End of 2007

… And Credit Is Difficult To Secure For Those Who Want To Purchase

Auto Sales Declined Globally for all Major Automakers

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- Automotive sales have continued to decline to levels not seen in over 40 years.
- As shown below, the decline in SAAR levels in 2008 has been at an unprecedented pace – dropping 5.8 million units from 15.6 million in January 2008 to a 9.8 million monthly annualized rate in January 2009.
- For Chrysler, this equates to a 580,000 unit decline (at a 10% market share) and approximately $14 billion in lost revenue in less than 12 months.
- This unprecedented decline in revenue created a near-term liquidity trough.

The Detroit News

Toyota not immune to industry downturn

...expects $3.85-billion loss – the company's first net loss since 1950.

Automotive News

Dealer's last resort: Whack the work force

Over 50,000 dealership jobs disappeared in 2008

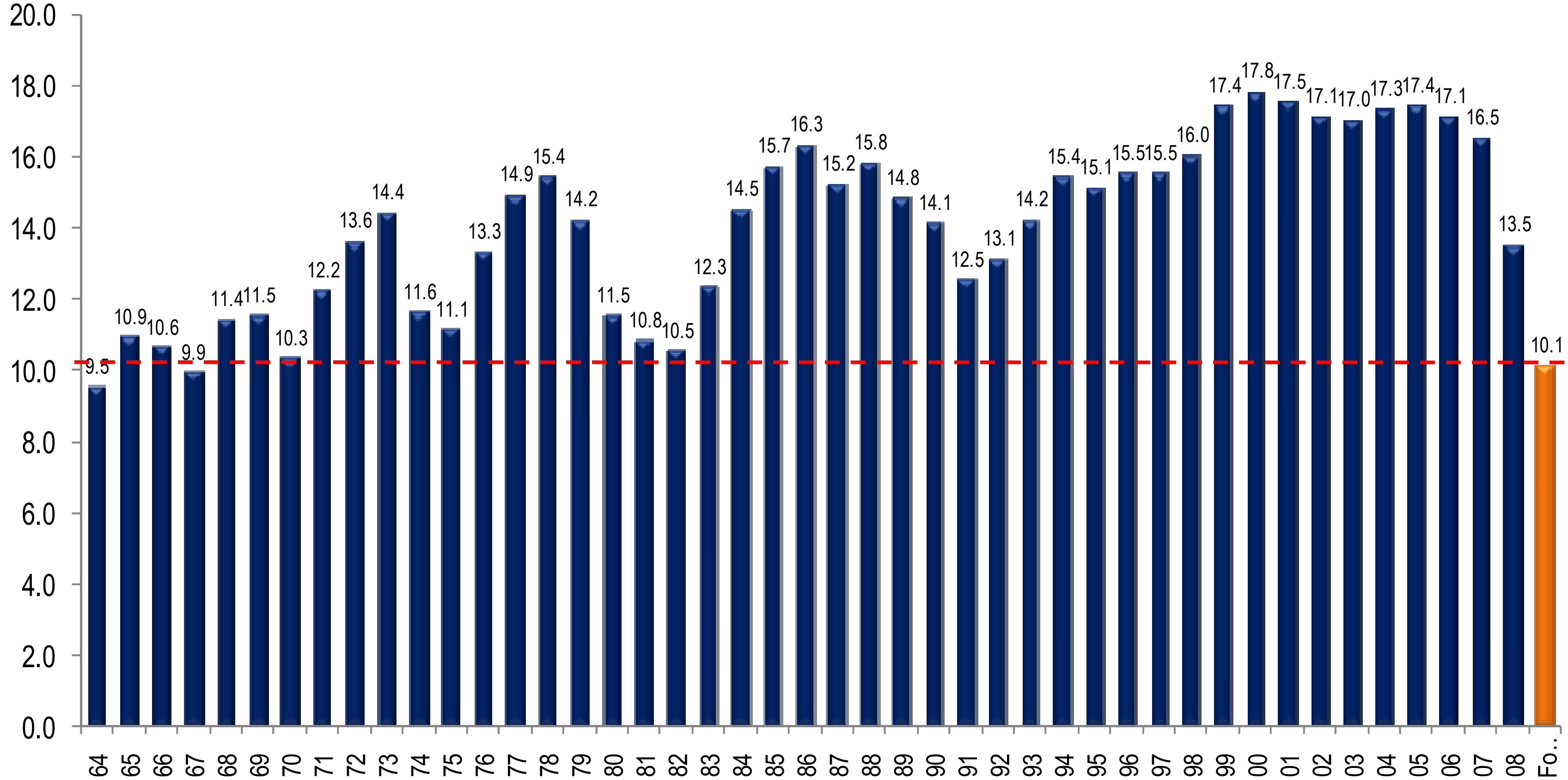
Bloomberg.com

Big 3 Pension Plans may require additional cash

Ford and GM's pension liabilities also are putting stress on the government. The Pension Benefit Guaranty Corp., which bails out failed retirement programs, estimated that the U.S. plans had a collective $47 billion deficit last year. Almost half of that shortfall came from manufacturers including automakers and parts suppliers. The PBGC said it has worked with 13 bankrupt auto-parts companies since 2005 to keep their plans from failing, and took control of the retirement program at partsmaker Collins & Aikman Corp. after it went bankrupt in 2007.

U.S. Auto Industry Sales History

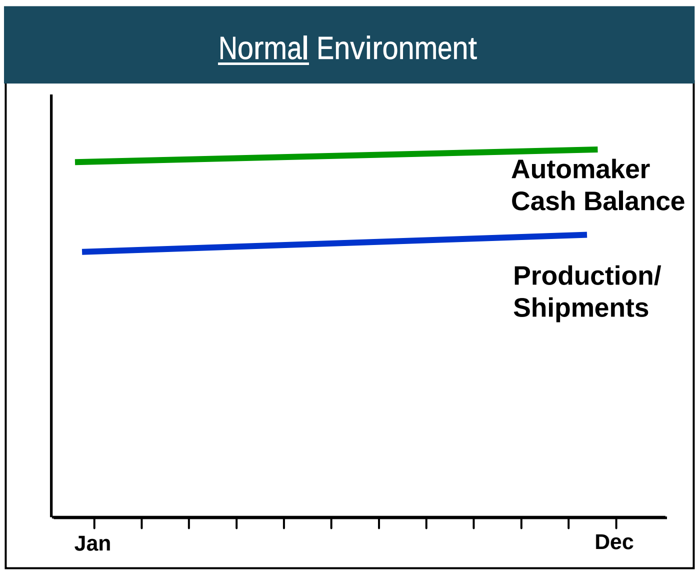
Units (Millions)

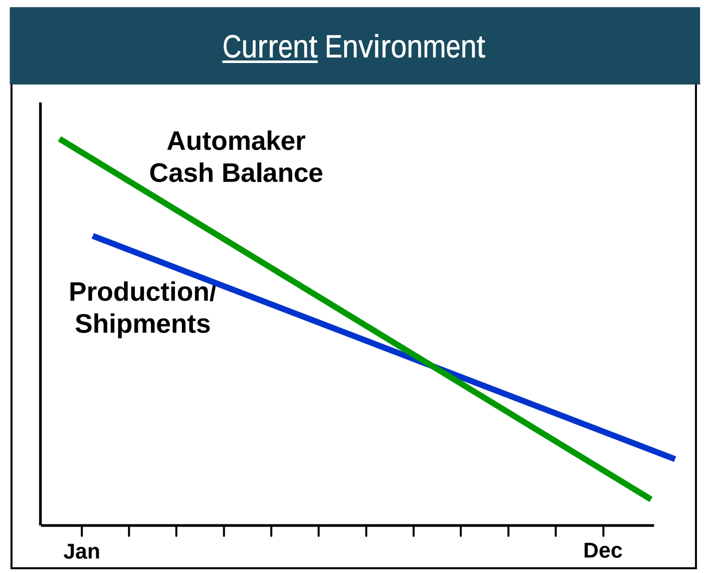


2009 Forecast Is Lowest Level In Over 40 Years

Automakers Historically Operate With Negative Working Capital

- Automakers are paid immediately after vehicles are shipped from their plants (financial institution draft)
- Automakers typically have 45 – 50 days to pay suppliers for materials
- Therefore:





A Total Of ~$50B Cash Drain For The Detroit Three In 2008

Dramatic Drop in SAAR
(Includes Light, Medium and Heavy Duty)

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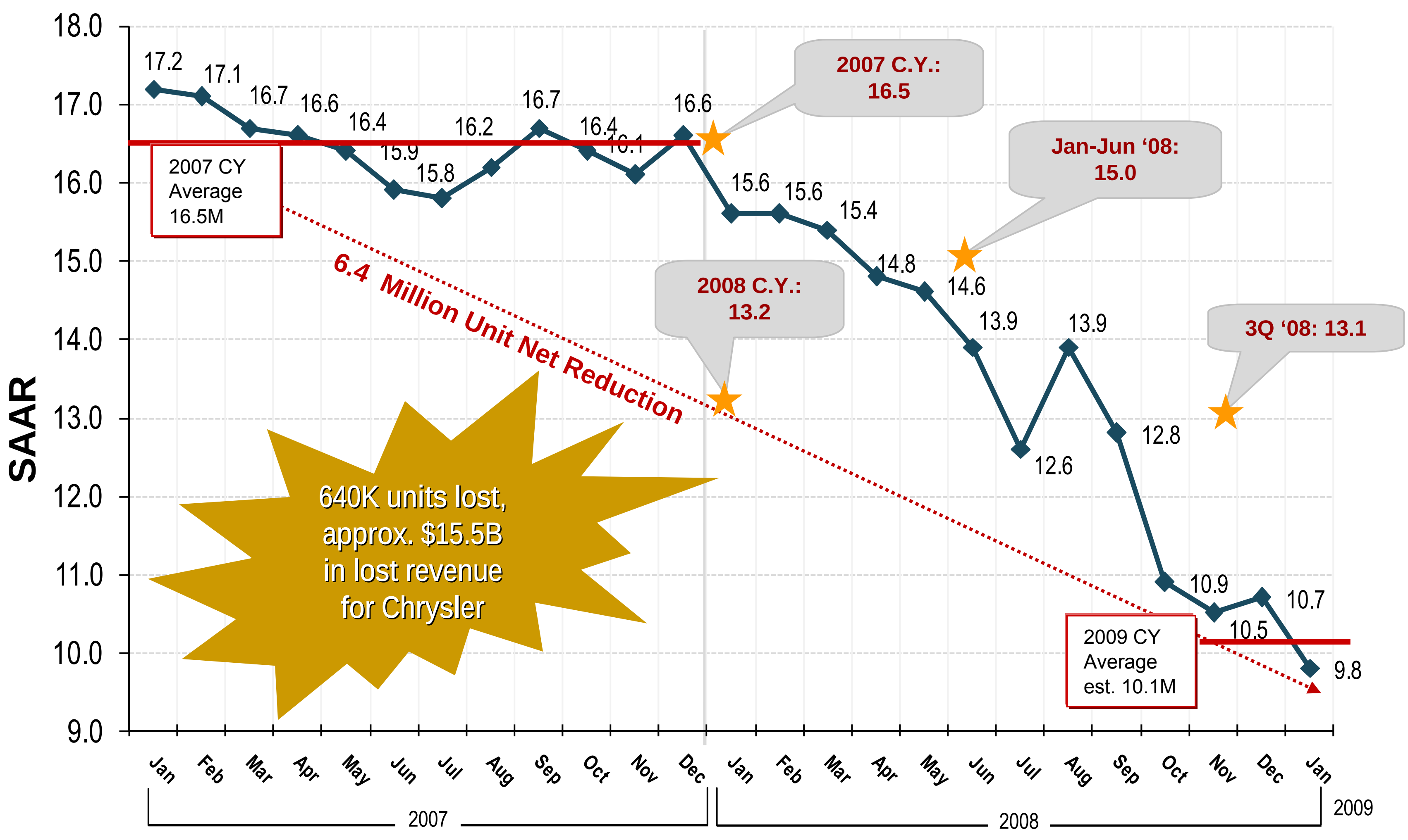
Units (Millions)



With Government Support, A "Stand Alone" Chrysler Can Be Viable

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- The weakened economy and lack of financing to customers and dealers has significantly reduced SAAR levels to unprecedented levels not seen since 1963. In preparing its restructuring plan Chrysler evaluated 5 potential SAAR levels

	U.S. Seasonally Adjusted Annual Car and Light Truck Production								
	Scenario	2009	2010	2011	2012	2013	2014	2015	2016
Original Request	A	11.1	12.1	13.7	13.7	13.7	13.7	13.7	13.7
	B	10.1	11.1	12.7	12.7	12.7	12.7	12.7	12.7
Current Request	C	10.1	10.6	11.1	11.6	12.1	12.6	13.1	13.7
	D	10.1	10.1	10.1	10.1	11.1	12.1	13.1	13.7
	E	9.1	9.1	9.1	9.1	11.1	12.1	13.1	13.7

Other assumptions include the following:

- Additional $5.0 billion in liability and interest relief.
- 100% of 2nd lien debt converted to equity
- $5.3 billion of union VEBA restructured / $5.3 billion converted to equity

Chrysler's Short-term Cash Needs Accelerate as the SAAR Declines

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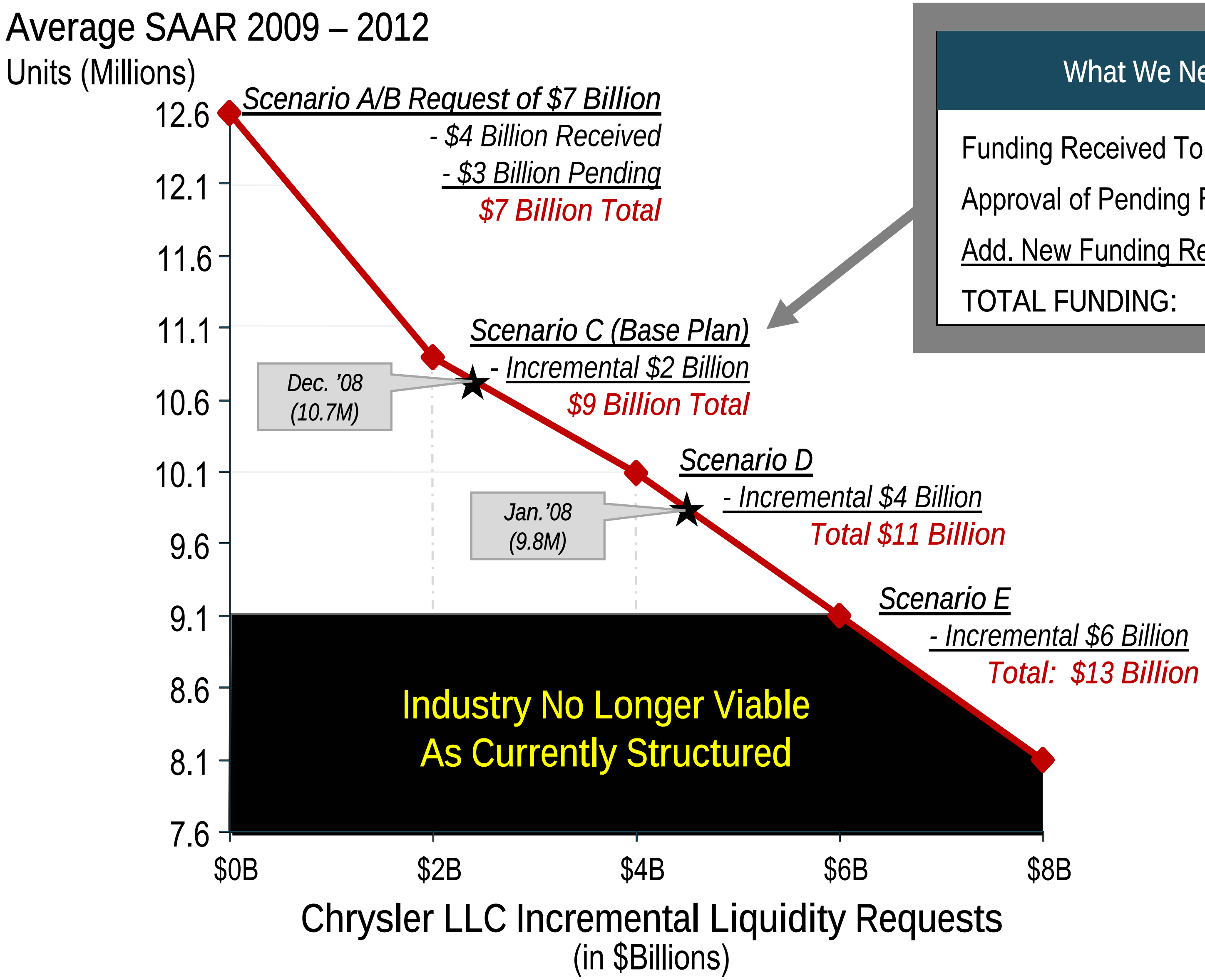

What We Need Now	
Funding Received To Date:	$4B
Approval of Pending Funding:	$3B
Add. New Funding Requested:	$2B
TOTAL FUNDING:	$9B

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III. Restructuring Plan Assumptions and Risks

Additional Cash Required to Address Risks to Restructuring Plan

- Deteriorating economic conditions, including liquidity crisis in the credit markets and declining consumer confidence in the Company's primary markets, present significant risks to its Restructuring Plan.

- In addition to the major risks of credit availability, supplier solvency, talent attrition, and industry instability – the following risk factors are constantly being addressed to ensure the Company's long-term viability:

  - <u>Price Erosion</u> – requires increases in vehicle discounts in response to competitive pressures

  - <u>Product Mix</u> – accelerated shift in demand away from trucks and SUV's

  - <u>Market Share</u> – potential erosion of Chrysler's domestic market share position to competitors

  - <u>Compliance Costs</u> – increased operating costs due to increasing regulations

  - <u>Dealer Insolvency</u> – increases in dealer bankruptcies limiting new vehicle distribution

Risks to Key Assumptions in Restructuring Plan

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- Erosion of consumer confidence and buying power
- Credit unavailability / lack of affordable financing for dealers and consumers
- Supplier insolvencies / Supply chain disruptions / Demand for upfront payments
- Departure of key management talent and recruitment of critical skill workers (due to compensation limitations)
- Industry instability due to failure of major domestic competitor
- Going concern opinion from outside auditors

Mitigating These Risks Are Essential to the Achievement of Restructuring Plan

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IV. Financial Business Plan

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Chrysler "Stand Alone" Business Plan
SAAR Sensitivities

($ Billions)

	2009	2010	2011	2012	Sub Total 2009-2012	2013	2014	2015	2016	Total 2009-2016	Gov't Request: Original Received	Gov't Request: Remaining Request: Original	Gov't Request: Remaining Request: Revised	Gov't Request: Total
A — Original Viability Plan SAAR Volumes											$ 4.0	$ 3.0	$ 3.0	$ 7.0
SAAR (Mils) - Light Duty Only	11.1	12.1	13.7	13.7		13.7	13.7	13.7	13.7					
EBITDA (Bils)	$ 3.3	$ 5.6	$ 4.9	$ 4.7	$ 18.6	$ 5.0	$ 5.1	$ 5.4	$ 5.6	$ 39.8				
Cash - Year-end Balance (Bils)	$ 8.0	$ 10.5	$ 12.3	$ 13.6	$ 13.6	$ 14.0	$ 14.5	$ 15.4	$ 16.5	$ 16.5				
Ending Debt Balance	$ 14.8	$ 16.3	$ 17.9	$ 17.9		$ 16.4	$ 14.9	$ 13.3	$ 11.6					
B — Original Viability Plan with 1.0 million SAAR Reduction											$ 4.0	$ 3.0	$ 3.0	$ 7.0
SAAR (Mils) - Light Duty Only	10.1	11.1	12.7	12.7		12.7	12.7	12.7	12.7					
EBITDA (Bils)	$ 2.9	$ 5.2	$ 4.5	$ 4.3	$ 17.0	$ 4.6	$ 4.7	$ 5.0	$ 5.2	$ 36.6				
Cash - Year-end Balance (Bils)	$ 7.1	$ 9.3	$ 10.7	$ 11.6	$ 11.6	$ 11.6	$ 11.7	$ 12.2	$ 12.9	$ 12.9				
Ending Debt Balance	$ 14.8	$ 16.3	$ 17.9	$ 17.9		$ 16.4	$ 14.9	$ 13.3	$ 11.6					
C — 10.1 SAAR Washington Plan Sensitivity With 0.5 Million Units Growth (CURRENT REQUEST)											$ 4.0	$ 3.0	$ 5.0	$ 9.0
SAAR (Mils) - Light Duty Only	10.1	10.6	11.1	11.6		12.1	12.6	13.1	13.7					
EBITDA (Bils)	$ 2.9	$ 5.0	$ 3.9	$ 3.9	$ 15.7	$ 4.4	$ 4.7	$ 5.2	$ 5.6	$ 35.6				
Cash - Year-end Balance (Bils)	$ 9.0	$ 10.6	$ 10.8	$ 11.4	$ 11.4	$ 11.3	$ 11.4	$ 12.2	$ 13.4	$ 13.4				
Ending Debt Balance	$ 16.9	$ 18.4	$ 20.0	$ 20.0		$ 18.5	$ 17.0	$ 15.4	$ 13.7					
D — 10.1 SAAR Washington Plan Sensitivity Through 2012											$ 4.0	$ 3.0	$ 7.0	$ 11.0
SAAR (Mils) - Light Duty Only	10.1	10.1	10.1	10.1		11.1	12.1	13.1	13.7					
EBITDA (Bils)	$ 2.9	$ 4.8	$ 3.5	$ 3.3	$ 14.6	$ 4.0	$ 4.5	$ 5.2	$ 5.6	$ 34.0				
Cash - Year-end Balance (Bils)	$ 10.9	$ 12.0	$ 11.6	$ 11.3	$ 11.3	$ 10.9	$ 10.9	$ 11.8	$ 12.9	$ 12.9				
Ending Debt Balance	$ 19.0	$ 20.5	$ 22.1	$ 22.1		$ 20.6	$ 19.1	$ 17.5	$ 15.8					
E — 9.1 SAAR Washington Plan Sensitivity Through 2012											$ 4.0	$ 3.0	$ 9.0	$ 13.0
SAAR (Mils) - Light Duty Only	9.1	9.1	9.1	9.1		11.1	12.1	13.1	13.7					
EBITDA (Bils)	$ 2.5	$ 4.4	$ 3.1	$ 2.9	$ 13.0	$ 4.0	$ 4.5	$ 5.2	$ 5.6	$ 32.4				
Cash - Year-end Balance (Bils)	$ 12.0	$ 12.6	$ 11.7	$ 10.8	$ 10.8	$ 10.8	$ 10.7	$ 11.5	$ 12.4	$ 12.4				
Ending Debt Balance	$ 21.2	$ 22.7	$ 24.3	$ 24.3		$ 22.8	$ 21.3	$ 19.7	$ 18.0					

Diminishing SAAR Increases Liquidity Needs

Notes:
- *Year-end cash balance reflects the impact of VEBA conversion to equity and lower First Lien debt balance, and also revised loan request of U.S. Treasury of $5.0 B in baseline scenario (in green), $7.0 B in scenario highlighted in purple, and $9.0 B in scenario highlighted in pink.*
- *Excludes Canadian leasing debt and other financial liabilities, and assumes no Pension Fund contributions after 2011*
- *Numbers may not add due to rounding*

Chrysler "Stand Alone" Business Plan
Core Assumptions

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($ Billions)

These are the assumptions included as a part of our Plan that still need to be resolved:

- $5 billion of additional liability relief from creditor groups
- A permanent funding solution for Chrysler Financial
- UAW retiree health care payments paid out of existing VEBA in 2009 ($0.9 in 2009, Full Liability Transfers to UAW in 2010)
- Deferral of VEBA lump-sum repayment currently scheduled in 2010 until 2011 and beyond (assumes 50%, or $5.3, converted to debt)
- Renegotiate UAW VEBA Pension Plan amendment ($0.8 reduction)
- Assumes Government Funding of $9.0 ($4 billion received today)
- DOE Advanced Technology Funding* received in:
  - 2010 - $2.5
  - 2011 - $2.0
  - 2012 - $1.5

** Represents 70% of requested amount*

Chrysler "Stand Alone" Business Plan
Key Metrics and Assumptions

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	2008 Unaudited Actuals	2009 Plan	2010 Plan	2011 Plan	2012 Plan	2013 Plan	2014 Plan	2015 Plan	2016 Plan
• **U.S. Industry SAAR (Millions)** *Light Duty Only*	13.2	10.1	10.6	11.1	11.6	12.1	12.6	13.1	13.7
• **Worldwide Shipments (000 units)**	2,065	1,618	1,775	2,085	2,120	2,175	2,227	2,281	2,345
• **U.S. Market Share (Retail & Fleet)**	10.8%	10.4%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%
• **U.S. Dealer Inventory (000 units)**	398	355	312	306	306	306	306	306	306
• **MCM Savings**	(1.1%)	0.25%	0.25%	0.25%	0.25%	0.50%	0.50%	0.50%	0.50%
• **Net Pricing**	(1.0%)	(0.5%)	(0.5%)	(0.5%)	(0.5%)	(0.25%)	(0.25%)	(0.25%)	(0.25%)
• **Capex (Bils)**	$2.3	$2.3	$2.3	$2.6	$2.6	$2.6	$2.5	$2.5	$2.5
• **Fixed Cost excluding VEBA (Bils)** [1)]	$10.9	$10.2	$10.2	$10.2	$10.2	$10.1	$10.1	$10.1	$10.1
• **EBITDA (Bils)** [1)]	$0.3	$2.9	$5.0	$3.9	$3.9	$4.4	$4.7	$5.2	$5.6
• **Cash - Year End Balance (Bils)**	2.5 [2)]	9.0 [3)]	$10.6	$10.8	11.4 [4)]	11.3 [4)]	11.4 [4)]	12.2 [4)]	13.4 [4)]

Chrysler NPV = $17.3B

1) *Viability Plan concessions have been reflected in Fixed Costs, EBITDA and Cash Flow*
2) *Cash year-end balance for 2008 was ($0.6 B) lower due to Mexico wholesale issue and Daimler payment issue (which we believe to be a timing issue)*
3) *Includes Government funding in January and April 2009*
4) *Includes principal payments to the U.S. Government beginning in 2012*

Note: Numbers may not add due to rounding

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Chrysler "Stand Alone" Business Plan
Income Statement

CHRYSLER

($ Billions)

	Actuals Unaudited 2008	Plan 2009	2010	2011	2012	2013	2014	2015	2016
Gross Revenue	55.9	45.2	48.4	54.6	55.3	56.5	57.6	58.7	60.1
Incentives	(8.3)	(6.1)	(6.5)	(7.3)	(7.4)	(7.6)	(7.7)	(7.8)	(8.0)
Net Revenue	**$47.6**	**$39.1**	**$41.9**	**$47.3**	**$47.9**	**$48.9**	**$49.9**	**$50.9**	**$52.1**
Variable Cost	(39.4)	(29.9)	(31.9)	(36.1)	(36.6)	(37.3)	(38.0)	(38.5)	(39.3)
Variable Profit	$8.2	$9.2	$10.0	$11.2	$11.3	$11.6	$11.9	$12.4	$12.8
Fixed Cost	(10.5)*	(9.2) *	(8.1) *	(10.2)	(10.2)	(10.1)	(10.1)	(10.1)	(10.1)
Operating Profit	**($2.3)**	**$0.0**	**$2.0**	**$1.0**	**$1.0**	**$1.5**	**$1.8**	**$2.3**	**$2.7**
Pension-OPEB Non-operating/Other	(0.4)	(0.3)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
Earnings/(Loss) Before Interest & Taxes	**($2.7)**	**($0.3)**	**$1.8**	**$0.8**	**$0.8**	**$1.3**	**$1.6**	**$2.1**	**$2.5**
Depreciation & Amortization (D&A)	3.0	3.2	3.2	3.1	3.1	3.1	3.1	3.1	3.1
EBITDA including VEBA impact	**$0.3**	**$2.9**	**$5.0**	**$3.9**	**$3.9**	**$4.4**	**$4.7**	**$5.2**	**$5.6**
Depreciation & Amortization (D&A)	(3.0)	(3.2)	(3.2)	(3.1)	(3.1)	(3.1)	(3.1)	(3.1)	(3.1)
Restructuring & Other Adjustments	(4.2)	-	-	-	-	-	-	-	-
Net Interest Income/Expense	(0.9)	(0.6)	(1.0)	(1.1)	(1.1)	(1.0)	(0.9)	(0.8)	(0.7)
Earnings/(Loss) Before Taxes	**($7.8)**	**($0.9)**	**$0.8**	**($0.3)**	**($0.3)**	**$0.3**	**$0.7**	**$1.3**	**$1.8**
Taxes	(0.2)	(0.2)	(0.2)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
Net Income/(Loss)	**($8.0)**	**($1.1)**	**$0.6**	**($0.6)**	**($0.6)**	**$0.0**	**$0.4**	**$1.0**	**$1.5**

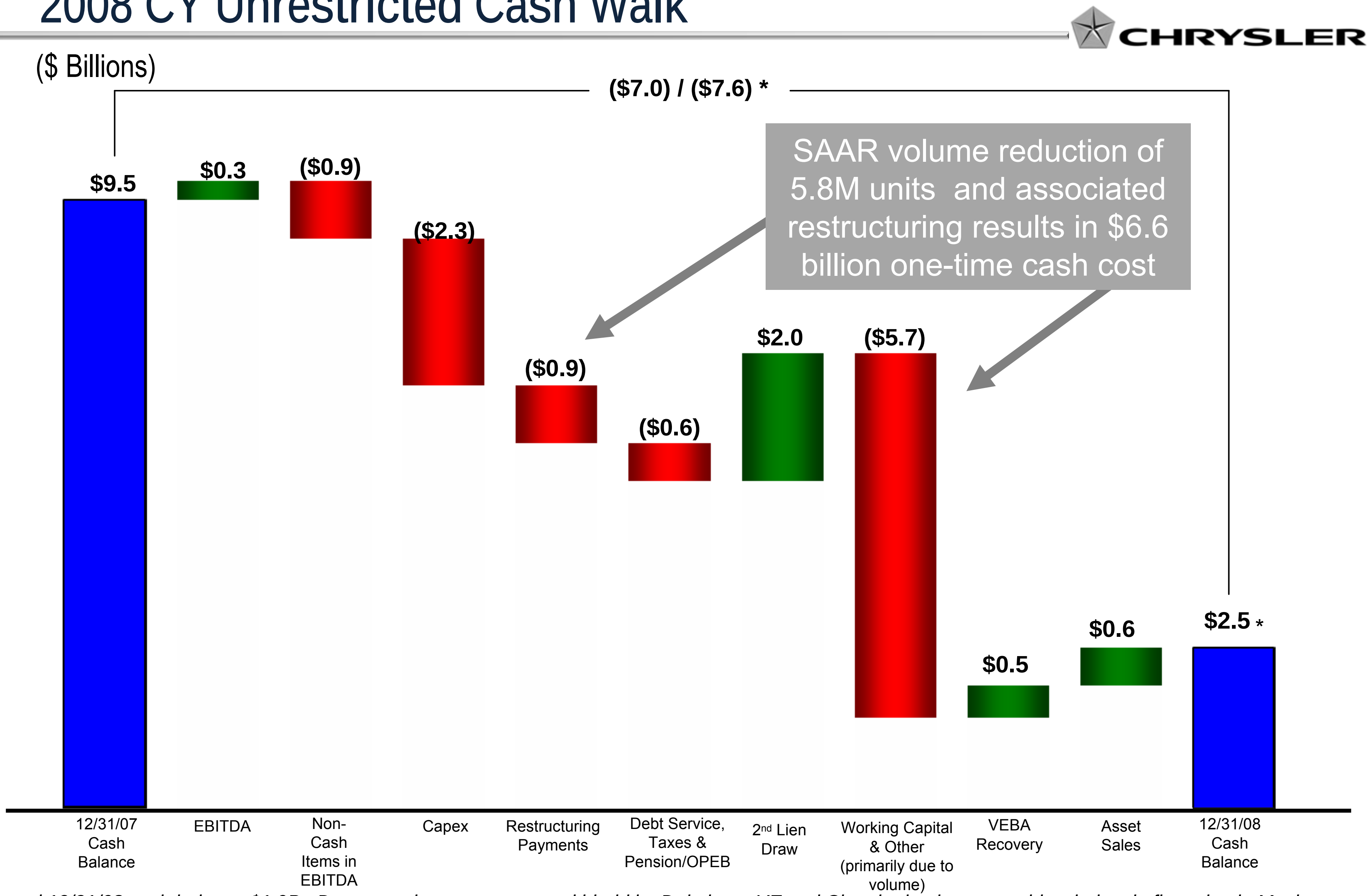
** Includes non-cash accounting gain from VEBA settlement as part of 2007 UAW agreement*

Note: - The company is proposing an EBITDA milestone to be tested on a monthly basis through 2010 and on a yearly basis through maturity

- Numbers may not add due to rounding

Chrysler "Stand Alone" Business Plan
2008 CY Unrestricted Cash Walk

($ Billions)



** Actual 12/31/08 cash balance $1.9B. Decrease due to payments withheld by Daimler at YE and Chrysler having to provide wholesale financing in Mexico.*

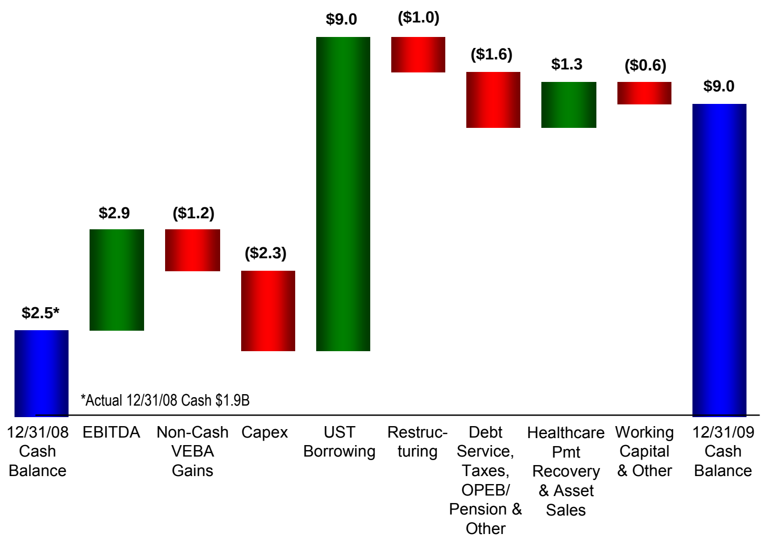
Note: - In November 2007 repaid first lien creditors $3 billion

- Numbers may not add due to rounding

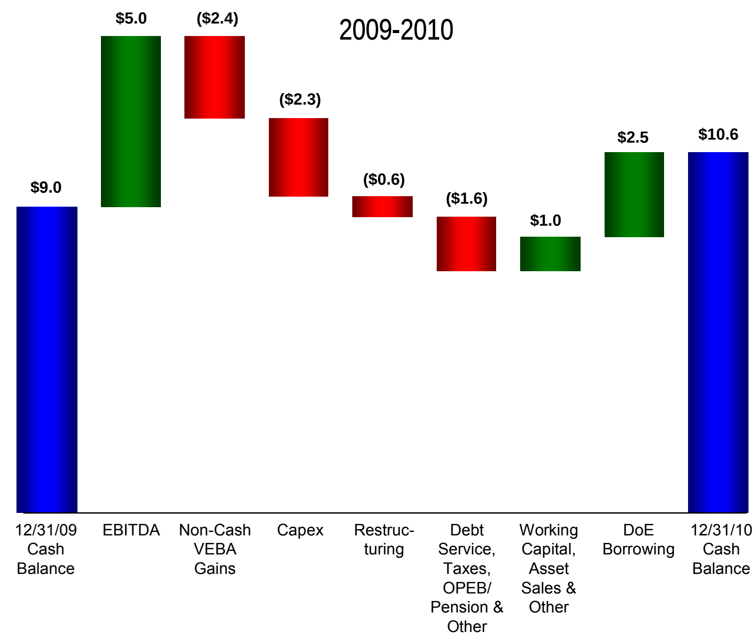
Chrysler "Stand Alone" Business Plan
2008 – 2012 CY Unrestricted Cash Walk

($ Billions)

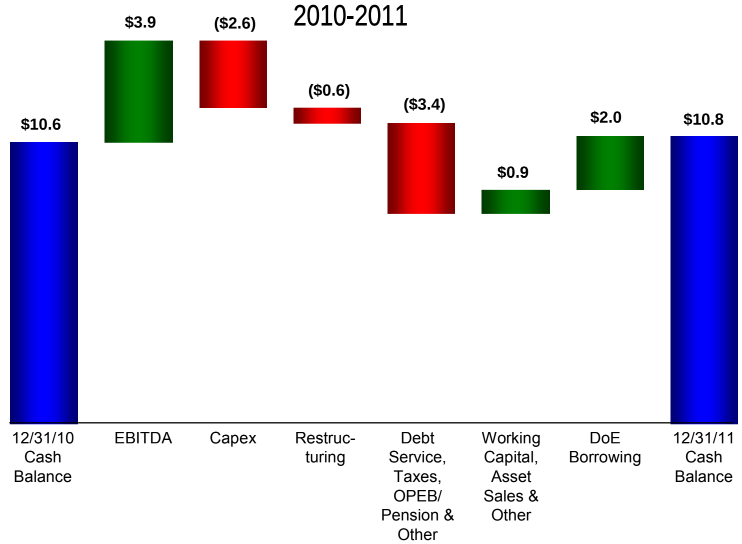
2008-2009



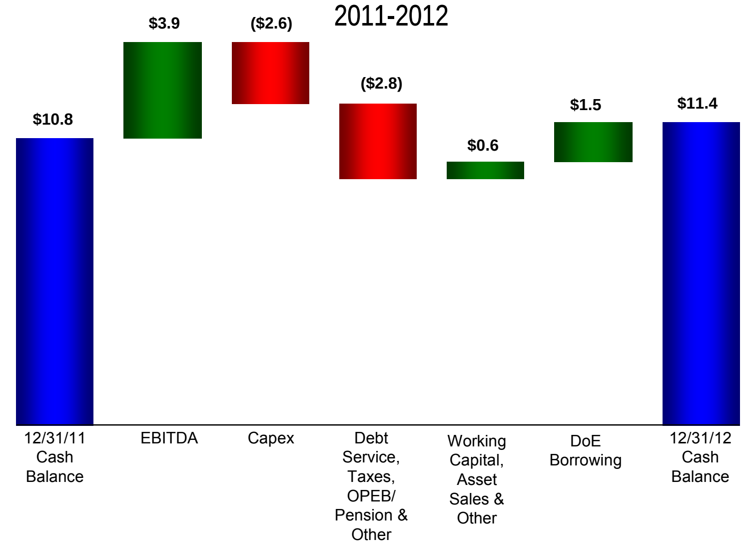
2009-2010



2010-2011



2011-2012



Chrysler "Stand Alone" Business Plan
NPV Summary

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($ Billions)

		2009	2010	2011	2012	2013	2014	2015	2016
Free Cash Flows to Equity		$ 6.5	$ 1.7	$ 0.1	$ 0.6	$ (0.1)	$ 0.1	$ 0.8	$ 1.2

Terminal Value					
EBITDA at 2016	$ 5.6				
Multiple	5.0				
Terminal Value (Before Debt)	$ 28.0	**NPV Discount Rates**			
Less Debt:	(13.7)	5%	10%	15%	20%
Terminal Value (Net of Debt)	$ 14.3	$ 9.7	$ 6.7	$ 4.7	$ 3.3
NPV of Free Cash Flows at 1/1/2009		9.7	8.7	8.0	7.5
NPV of Net Terminal Value		9.7	6.7	4.7	3.3
NPV of Chrysler Cash Flows		$ 19.4	$ 15.4	$ 12.7	$ 10.8
Plus: Cash at 1/1/2009		1.9	1.9	1.9	1.9
NPV per Section 7.20 of UST Loan		**$ 21.3**	**$ 17.3**	**$ 14.6**	**$ 12.7**

Methodology Used in Calculating Net Present Value:

Net Present Value as of January 1, 2009, is calculated as the discounted sum of a) the free cash flows through 2016 after payment of all expenditures for debt, interest, taxes, and capital investments and b) the terminal value cash flow in 2016, net of debts outstanding, plus c) the unrestricted cash in the company on January 1, 2009. The discount rate applied to a) and b) is the required return for this investment for an eight year term.

Note: - Numbers may not add due to rounding

Chrysler "Stand Alone" Business Plan
Cash Flow Statement

($ Billions)

	2009		2010	2011	2012	2013	2014	2015	2016
Beginning Cash	**$2.5**	*****	**$9.0**	**$10.6**	**$10.8**	**$11.4**	**$11.3**	**$11.4**	**$12.2**
Cash Flows from Operating Activities									
Net Income	($1.1)		$0.6	($0.6)	($0.6)	($0.0)	$0.4	$1.0	$1.5
Depreciation & Amortization	3.2		3.2	3.1	3.1	3.1	3.1	3.1	3.1
Non-cash Write-down of Goodwill & Intangibles									
Non-cash VEBA Gains	(1.2)		(2.4)	-	-	-	-	-	-
Change in Net Working Capital	(0.7)		0.9	0.9	0.4	0.6	0.3	0.4	0.3
Change in Net Other Operating Assets / Liabilities	(1.4)		(10.4)	(2.4)	0.0	(0.1)	-	0.0	0.0
Cash (Used) / Provided by Operations	($1.2)		($8.1)	$1.0	$2.9	$3.6	$3.8	$4.5	$5.0
Cash Flows from Investing Activities									
Capital Expenditures (excl DOE)	($2.3)		($2.3)	($2.6)	($2.6)	($2.6)	($2.5)	($2.5)	($2.5)
DOE related Capital Expenditures	-		-	-	-	-	-	-	-
Asset Sales	0.4		0.2	0.2	0.2	0.4	0.4	0.4	0.4
Cash (Used) / Provided from Investing	($1.9)		($2.1)	($2.4)	($2.4)	($2.2)	($2.1)	($2.1)	($2.1)
Cash Flows from Financing Activities									
Principal Changes	($0.0)		$0.0	$0.0	($1.0)	($1.0)	($1.0)	($1.0)	($1.0)
Liability Conversion	(6.9)		-	-	-	-	-	-	-
Equity Contributions	6.9		5.1	-	-	-	-	-	-
U.S. Treasury / DOE Sec.136 Funding	9.6		2.5	2.0	1.5	-	-	-	-
VEBA Note / (Principal Payments)	-		4.3	(0.4)	(0.5)	(0.5)	(0.6)	(0.6)	(0.7)
Cash (Used) / Provided from Financing	$9.6		$11.9	$1.6	$0.0	($1.5)	($1.6)	($1.6)	($1.7)
Net Increase / (Decrease) in Cash	**$6.5**		**$1.7**	**$0.1**	**$0.6**	**($0.1)**	**$0.1**	**$0.8**	**$1.2**
Ending Cash	**$9.0**		**$10.6**	**$10.8**	**$11.4**	**$11.3**	**$11.4**	**$12.2**	**$13.4**

** Actual 12/31/08 Cash $1.9B. Decrease due to payments withheld by Daimler at YE and Chrysler having to provide wholesale financing in Mexico.*
*** Plan includes pension fund contributions of $2.4B through 2012. No contributions are included for the 2013 through 2016 period. If required by capital market conditions, potential additional contributions could range from $1B to $5B.*

Note: - Numbers may not add due to rounding
- Assumptions with respect to the 1st Lien Debt, Government Loans, and UAW/VEBA obligation are that they are either refinanced at existing maturity dates or their maturity dates are consensually extended

Chrysler "Stand Alone" Business Plan
Balance Sheet

($ Billions)

	2009 Plan	2010 Plan	2011 Plan	2012 Plan	2013 Plan	2014 Plan	2015 Plan	2016 Plan
U.S. SAAR (Millions)	10.1	10.6	11.1	11.6	12.1	12.6	13.1	13.7
EBITDA	$ 2.9	$ 5.0	$ 3.9	$ 3.9	$ 4.4	$ 4.7	$ 5.2	$ 5.6
Debt								
1st Lien Debt (a)	$ 6.9	$ 6.9	$ 6.9	$ 6.9	$ 6.9	$ 6.9	$ 6.9	$ 6.9
U.S. Treasury & DOE sec. 136 (a)	9.6	12.1	14.1	15.6	15.6	15.6	15.6	15.6
Principal Amortizations				(1.0)	(2.0)	(3.0)	(4.0)	(5.0)
VEBA Note (a)	5.3	4.3	3.9	3.4	2.9	2.4	1.8	1.1
Sub total Debt	21.8	23.3	24.9	24.9	23.4	21.9	20.3	18.6
Liability Conversion	(4.9)	(4.9)	(4.9)	(4.9)	(4.9)	(4.9)	(4.9)	(4.9)
Total Debt	$ 16.9	$ 18.4	$ 20.0	$ 20.0	$ 18.5	$ 17.0	$ 15.4	$ 13.7
Net Debt (Debt - Cash)								
Total Debt - before Liability Conversion	$ 21.8	$ 23.3	$ 24.9	$ 24.9	$ 23.4	$ 21.9	$ 20.3	$ 18.6
Cash - Year-end Balance (b)	1.0	2.6	2.8	3.4	3.3	3.4	4.2	5.4
Net Debt - before Liability Conversion	$ 20.8	$ 20.7	$ 22.1	$ 21.5	$ 20.1	$ 18.5	$ 16.1	$ 13.2
Net Debt - after Liability Conversion								
Total Debt - after Liability Conversion	$ 16.9	$ 18.4	$ 20.0	$ 20.0	$ 18.5	$ 17.0	$ 15.4	$ 13.7
Cash - Year-end Balance (b)	1.0	2.6	2.8	3.4	3.3	3.4	4.2	5.4
Net Debt - after Liability Conversion	$ 15.9	$ 15.8	$ 17.2	$ 16.6	$ 15.2	$ 13.6	$ 11.2	$ 8.3
Leverage (Debt/EBITDA)								
Before Liability Conversion	7.5 x	4.7 x	6.4 x	6.4 x	5.3 x	4.7 x	3.9 x	3.3 x
After Liability Conversion	5.8 x	3.7 x	5.1 x	5.1 x	4.2 x	3.6 x	3.0 x	2.4 x
Net Leverage (Net Debt/EBITDA)								
Before Liability Conversion	7.2 x	4.1 x	5.7 x	5.5 x	4.6 x	3.9 x	3.1 x	2.4 x
After Liability Conversion	5.5 x	3.2 x	4.4 x	4.3 x	3.5 x	2.9 x	2.2 x	1.5 x

(a) Assumptions with respect to the 1st Lien Debt, Government Loans, and UAW/VEBA obligation are that they are either refinanced at existing maturity dates or their maturity dates are consensually extended

(b) Reflects projected year-end cash in excess of $8 billion assumed needed for operations.

The Liability Concessions Significantly Reduce The Company's Leverage, Improving The Near Term And Long Term Viability

Chrysler “Stand Alone” Business Plan
Balance Sheet

($ Billions)

	2009	2010	2011	2012	2013	2014	2015	2016
Assets								
Cash	$9.0	$10.6	$10.8	$11.4	$11.3	$11.4	$12.2	$13.4
Restricted Cash / Investments	2.3	2.3	2.1	2.1	2.1	2.1	2.1	2.1
Trade Receivables	1.3	1.3	1.4	1.3	1.3	1.2	1.2	1.2
Inventory	3.8	4.0	4.5	4.5	4.5	4.5	4.5	4.6
Other Current Assets	2.9	3.0	3.2	3.2	3.2	3.2	3.2	3.2
Subtotal Current Assets	19.3	21.2	22.0	22.5	22.4	22.4	23.2	24.5
Operating Leases	1.1	1.2	1.5	1.5	1.5	1.6	1.6	1.7
Gold Key Lease Assets	2.3	0.3	-	-	-	-	-	-
Deferred Tax Assets	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Property, Plant & Equipment	14.5	13.4	12.7	12.0	11.1	10.1	9.1	8.1
Goodwill & Intangibles	11.3	11.3	11.3	11.3	11.3	11.3	11.3	11.3
Prepaid Pension	0.9	0.2	-	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
Other Long-Term Assets	1.0	1.1	1.2	1.2	1.2	1.2	1.2	1.2
Subtotal Long-Term Assets	32.1	28.5	27.7	26.8	25.9	25.0	24.0	23.1
Total Assets	**$51.4**	**$49.7**	**$49.7**	**$49.3**	**$48.3**	**$47.4**	**$47.2**	**$47.6**
Liabilities & Member's Interest								
Trade Payables	$6.0	$6.3	$7.2	$7.4	$7.8	$7.9	$8.1	$8.3
Other Current Liabilities	4.1	5.0	5.8	5.9	6.1	6.2	6.4	6.6
Subtotal Current Liabilities	10.1	11.3	13.0	13.3	13.9	14.1	14.5	14.9
OPEB Liability	7.9	3.8	3.8	3.8	3.8	3.9	3.9	3.9
Pension Liability	2.8	2.5	1.0	0.8	0.8	0.8	0.8	0.8
Deferred Tax Liabilities	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Restructuring Accruals	1.5	0.9	0.3	0.3	0.2	0.2	0.2	0.2
Other Long-Term Liabilities	8.0	8.5	8.7	8.7	8.7	8.7	8.7	8.9
Subtotal Long-Term Liabilities	20.5	16.0	14.1	13.9	13.8	13.9	13.9	14.1
1st & 2nd Lien Debt	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9
U.S. Treasury & DOE Sec.136	9.6	12.1	14.1	15.6	15.6	15.6	15.6	15.6
Principal Amortizations	-	-	-	(1.0)	(2.0)	(3.0)	(4.0)	(5.0)
VEBA Note	5.3	4.3	3.9	3.4	2.9	2.4	1.8	1.1
Subtotal Debt	21.8	23.3	24.9	24.9	23.4	21.9	20.3	18.6
Liability Conversion	(4.9)	(4.9)	(4.9)	(4.9)	(4.9)	(4.9)	(4.9)	(4.9)
Net Debt	16.9	18.4	20.0	20.0	18.5	17.0	15.4	13.7
Gold Key Lease Debt	2.6	0.5	-	-	-	-	-	-
Other Financial Liabilities	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
Member's Interest	-	2.2	1.3	0.7	0.7	1.1	2.1	3.6
Total Liabilities & Member's Interest	**$51.4**	**$49.7**	**$49.7**	**$49.3**	**$48.3**	**$47.4**	**$47.2**	**$47.6**

Note:
- *All subject to final 2008 audit*
- *The company will propose balance sheet related milestones in connection with the final restructuring plan*
- *Numbers may not add due to rounding*
- *Assumptions with respect to the 1st Lien Debt, Government Loans, and UAW/VEBA obligation are that they are either refinanced at existing maturity dates or their maturity dates are consensually extended*

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Chrysler "Stand Alone" Business Plan
Sales by Market

(000's units)

	2009 Plan		2010 Plan		2011 Plan		2012 Plan	
	Units	%	Units	%	Units	%	Units	%
U.S. Retail (excl. Contract)	**817.0**	*51%*	**859.8**	*50%*	**897.8**	*48%*	**938.6**	*49%*
U.S. Fleet	**265.0**	*17%*	**306.6**	*18%*	**322.1**	*17%*	**334.7**	*17%*
Canada	**206.0**	*13%*	**196.0**	*12%*	**196.8**	*10%*	**191.2**	*10%*
Mexico	**120.0**	*7%*	**122.2**	*7%*	**126.9**	*7%*	**124.6**	*6%*
International	**189.3**	*12%*	**212.8**	*13%*	**326.2**	*17%*	**328.8**	*17%*
Overseas Military Sales Corp.	**5.7**	*0%*	**5.4**	*0%*	**5.3**	*0%*	**4.2**	*0%*
Contract Manufacturing	**-**	*0%*	**-**	*0%*	**-**	*0%*	**-**	*0%*
Total Worldwide Sales	**1,603.0**	*100%*	**1,702.7**	*100%*	**1,874.9**	*100%*	**1,922.0**	*100%*

Note: Numbers may not add due to rounding

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Chrysler "Stand Alone" Business Plan
Shipments by Market

CHRYSLER

(000's units)

	2009 Plan		2010 Plan		2011 Plan		2012 Plan	
	Units	%	Units	%	Units	%	Units	%
U.S. Retail (excl. Contract)	**767.0**	*47%*	**816.4**	*46%*	**892.2**	*43%*	**938.6**	*44%*
U.S. Fleet	**265.0**	*16%*	**306.6**	*17%*	**322.1**	*15%*	**334.7**	*16%*
Canada	**196.7**	*12%*	**188.2**	*11%*	**191.1**	*9%*	**184.6**	*9%*
Mexico	**122.0**	*8%*	**122.3**	*7%*	**124.7**	*6%*	**120.5**	*6%*
International	**184.1**	*11%*	**220.0**	*12%*	**331.8**	*16%*	**322.6**	*15%*
Overseas Military Sales Corp.	**5.7**	*0%*	**5.4**	*0%*	**5.3**	*0%*	**4.2**	*0%*
Contract Manufacturing	**77.7**	*5%*	**116.4**	*7%*	**217.4**	*10%*	**214.9**	*10%*
Total Worldwide Shipments	**1,618.2**	*100%*	**1,775.3**	*100%*	**2,084.6**	*100%*	**2,120.1**	*100%*

Note: Numbers may not add due to rounding

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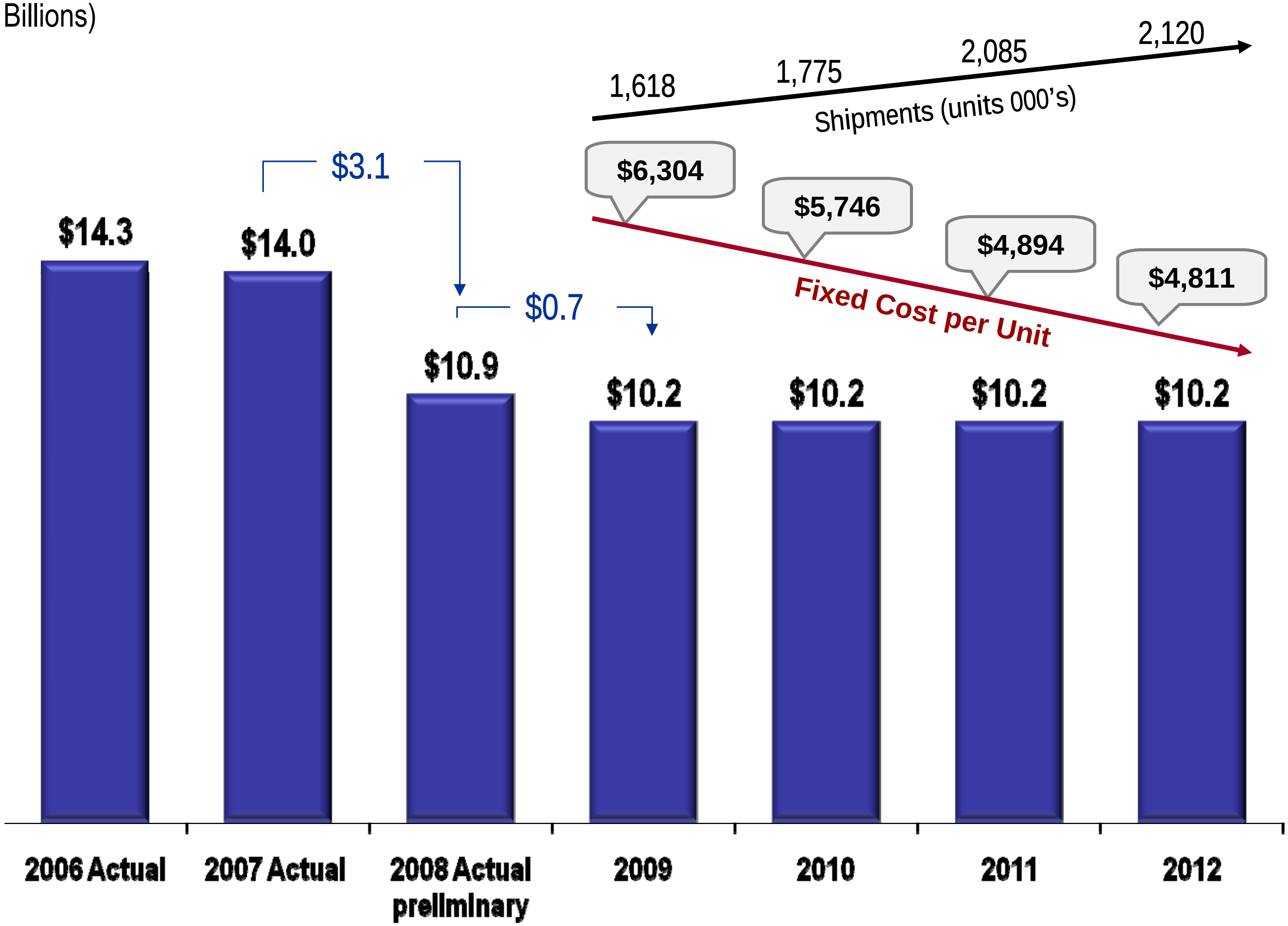
Chrysler "Stand Alone" Fixed Cost Reduction Trend 2006 - 2012 CY (Before VEBA Impact)

($ Billions)



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2009 CY and 2010 CY Chrysler "Stand Alone" Business Plan

Calendar Year Details

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Chrysler 2009 CY "Stand Alone" Business Plan
Monthly Income Statement

($Billions)

	Jan	Feb	Mar	1Q	Apr	May	Jun	2Q	Jul	Aug	Sep	3Q	Oct	Nov	Dec	4Q	Total
Gross Revenue	1.1	3.6	4.4	9.1	4.0	4.0	3.9	11.8	3.7	4.2	4.3	12.2	4.3	3.8	4.0	12.0	45.2
Incentives	(0.2)	(0.5)	(0.6)	(1.2)	(0.5)	(0.5)	(0.5)	(1.6)	(0.5)	(0.6)	(0.6)	(1.7)	(0.6)	(0.5)	(0.5)	(1.6)	(6.1)
Net Revenue	**$1.0**	**$3.1**	**$3.8**	**$7.9**	**$3.4**	**$3.4**	**$3.4**	**$10.2**	**$3.2**	**$3.6**	**$3.7**	**$10.6**	**$3.7**	**$3.3**	**$3.5**	**$10.4**	**$39.1**
Variable Cost	(0.6)	(2.4)	(2.9)	(5.9)	(2.7)	(2.6)	(2.6)	(7.9)	(2.5)	(2.8)	(2.9)	(8.2)	(2.9)	(2.5)	(2.7)	(8.0)	(29.9)
Variable Profit	$0.3	$0.7	$0.9	$1.9	$0.8	$0.8	$0.8	$2.4	$0.8	$0.8	$0.9	$2.4	$0.8	$0.8	$0.8	$2.4	$9.2
Fixed Cost *	(0.8)	(0.8)	(0.8)	(2.3)	(0.8)	(0.8)	(0.8)	(2.3)	(0.8)	(0.8)	(0.8)	(2.3)	(0.8)	(0.8)	(0.8)	(2.3)	(9.2)
Operating Profit	**($0.4)**	**($0.0)**	**$0.1**	**($0.4)**	**$0.0**	**$0.0**	**$0.0**	**$0.1**	**($0.0)**	**$0.1**	**$0.1**	**$0.1**	**$0.1**	**($0.0)**	**$0.0**	**$0.1**	**($0.0)**
Pension-OPEB Non-operating/Other	(0.0)	(0.0)	(0.0)	(0.1)	(0.0)	(0.0)	(0.0)	(0.1)	(0.0)	(0.0)	(0.0)	(0.1)	(0.0)	(0.0)	(0.0)	(0.1)	(0.3)
Earnings/(Loss) Before Interest & Taxes	**($0.4)**	**($0.1)**	**$0.1**	**($0.4)**	**$0.0**	**$0.0**	**($0.0)**	**($0.0)**	**($0.0)**	**$0.0**	**$0.1**	**$0.1**	**$0.1**	**($0.0)**	**$0.0**	**$0.0**	**($0.3)**
Deprec & Amortization (D&A)	0.3	0.3	0.3	0.8	0.3	0.3	0.3	0.8	0.3	0.3	0.3	0.8	0.3	0.3	0.3	0.8	3.2
EBITDA including VEBA impact	**($0.2)**	**$0.2**	**$0.3**	**$0.4**	**$0.3**	**$0.3**	**$0.3**	**$0.8**	**$0.2**	**$0.3**	**$0.3**	**$0.9**	**$0.3**	**$0.2**	**$0.3**	**$0.8**	**$2.9**
Depreciation & Amortization (D&A)	(0.3)	(0.3)	(0.3)	(0.8)	(0.3)	(0.3)	(0.3)	(0.8)	(0.3)	(0.3)	(0.3)	(0.8)	(0.3)	(0.3)	(0.3)	(0.8)	(3.2)
Restructuring & Other Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Interest Income/Expense	(0.07)	(0.06)	(0.06)	(0.19)	(0.04)	(0.04)	(0.04)	(0.13)	(0.04)	(0.04)	(0.04)	(0.13)	(0.04)	(0.04)	(0.04)	(0.13)	(0.6)
Earnings/(Loss) Before Taxes	**($0.5)**	**($0.1)**	**$0.0**	**($0.6)**	**($0.0)**	**($0.0)**	**($0.1)**	**($0.1)**	**($0.1)**	**($0.0)**	**$0.0**	**($0.1)**	**$0.0**	**($0.1)**	**($0.0)**	**($0.1)**	**($0.9)**
Taxes	(0.02)	(0.02)	(0.02)	(0.05)	(0.02)	(0.02)	(0.02)	(0.05)	(0.02)	(0.02)	(0.02)	(0.05)	(0.02)	(0.02)	(0.02)	(0.05)	(0.2)
Net Income/(Loss)	**($0.5)**	**($0.1)**	**($0.0)**	**($0.7)**	**($0.1)**	**($0.1)**	**($0.1)**	**($0.2)**	**($0.1)**	**($0.0)**	**$0.0**	**($0.1)**	**($0.0)**	**($0.1)**	**($0.1)**	**($0.1)**	**($1.1)**

** Includes non-cash accounting gain from VEBA settlement as part of 2007 UAW agreement*

Note: - The company is proposing an EBITDA milestone to be tested on a monthly basis through 2010 and on a yearly basis through maturity

- Numbers may not add due to rounding

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Chrysler 2009 CY "Stand Alone" Business Plan
Monthly Cash Flow Statement

($Billions)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Beginning Cash	**$2.5**	**$4.1**	**$2.4**	**$3.5**	**$9.0**	**$8.9**	**$8.8**	**$8.9**	**$8.6**	**$8.6**	**$9.0**	**$8.9**	**$2.5**
Cash Flows from Operating Activities													
Net Income	($0.5)	($0.1)	$0.0	($0.1)	($0.1)	($0.1)	($0.1)	$0.0	$0.0	$0.0	($0.1)	$0.0	($1.1)
Depreciation & Amortization	0.3	0.3	0.3	0.3	0.3	0.2	0.3	0.2	0.3	0.2	0.3	0.2	3.2
Non-cash VEBA Gains	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(1.2)
Change in Net Working Capital	(1.8)	(1.0)	1.1	0.7	-	(0.1)	0.1	(0.2)	-	0.3	(0.1)	0.3	(0.7)
Change in Net Other Operating Assets / Liabilities	(0.4)	(0.6)	(0.1)	(0.5)	-	0.1	0.1	-	(0.1)	0.2	0.1	(0.2)	(1.4)
Cash (Used) / Provided by Operations	($2.5)	($1.5)	$1.2	$0.3	$0.1	$0.0	$0.3	($0.1)	$0.1	$0.6	$0.1	$0.2	($1.2)
Cash Flows from Investing Activities													
Capital Expenditures	($0.2)	($0.2)	($0.2)	($0.1)	($0.2)	($0.2)	($0.2)	($0.2)	($0.2)	($0.2)	($0.2)	($0.2)	($2.3)
Asset Sales	-	-	0.1	-	-	0.1	-	-	0.1	-	-	0.1	0.4
Cash (Used) / Provided from Investing	($0.2)	($0.2)	($0.1)	($0.1)	($0.2)	($0.1)	($0.2)	($0.2)	($0.1)	($0.2)	($0.2)	($0.1)	($1.9)
Cash Flows from Financing Activities													
Principal Changes	$0.0	$0.0	($0.0)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	($0.0)
Liability Conversion	-	-	-	(6.9)	-	-	-	-	-	-	-	-	(6.9)
Equity Contributions	-	-	-	6.9	-	-	-	-	-	-	-	-	6.9
U.S. Treasury / DOE Sec.136 Funding	4.3	-	-	5.3	-	-	-	-	-	-	-	-	9.6
VEBA Note / (Principal Payments)	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash (Used) / Provided from Financing	$4.3	$0.0	($0.0)	$5.3	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$9.6
Net Increase / (Decrease) in Cash	**$1.6**	**($1.7)**	**$1.1**	**$5.5**	**($0.1)**	**($0.1)**	**$0.1**	**($0.3)**	**($0.0)**	**$0.4**	**($0.1)**	**$0.1**	**$6.5**
Ending Cash	**$4.1**	**$2.4**	**$3.5**	**$9.0**	**$8.9**	**$8.8**	**$8.9**	**$8.6**	**$8.6**	**$9.0**	**$8.9**	**$9.0**	**$9.0**
Ending Cash Actual/ 13 week forecast	$2.7	$1.9	$2.4										
Risk at 9.5 SAAR		$1.8	$1.9										

** Actual 12/31/08 Cash $1.9B. Decrease due to payments withheld by Daimler at YE and Chrysler having to provide wholesale financing in Mexico.*

Note: - Numbers may not add due to rounding

- Assumptions with respect to the 1st Lien Debt, Government Loans, and UAW/VEBA obligation are that they are either refinanced at existing maturity dates or their maturity dates are consensually extended

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Chrysler 2009 CY "Stand Alone" Business Plan
Monthly Balance Sheet

($Billions)

	Jan	Feb	1Q Mar	Apr	May	2Q Jun	Jul	Aug	3Q Sep	Oct	Nov	4Q Dec
Assets												
Cash	$4.1	$2.4	$3.5	$9.0	$8.9	$8.8	$8.9	$8.6	$8.6	$9.0	$8.9	$9.0
Restricted Cash / Investments	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Trade Receivables	1.1	1.3	1.4	1.3	1.3	1.3	1.3	1.3	1.4	1.3	1.3	1.3
Inventory	4.3	4.9	5.4	5.0	4.9	4.8	4.5	4.8	4.8	4.7	4.2	3.8
Other Current Assets	3.5	3.4	3.4	3.3	3.3	3.2	3.2	3.1	3.1	3.0	3.0	2.9
Subtotal Current Assets	15.3	14.3	16.0	20.9	20.7	20.4	20.2	20.1	20.2	20.3	19.7	19.3
Operating Leases	1.6	1.5	1.5	1.4	1.4	1.4	1.3	1.3	1.2	1.2	1.2	1.1
Gold Key Lease Assets	4.0	3.9	3.7	3.6	3.4	3.3	3.1	2.9	2.8	2.6	2.5	2.3
Deferred Tax Assets	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Property, Plant & Equipment	15.7	15.6	15.4	15.3	15.3	15.1	15.0	15.0	14.8	14.7	14.7	14.5
Goodwill & Intangibles	11.3	11.3	11.3	11.3	11.3	11.3	11.3	11.3	11.3	11.3	11.3	11.3
Prepaid Pension	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Other Long-Term Assets	0.5	0.5	0.6	0.6	0.6	0.6	0.7	0.7	0.8	0.9	0.9	1.0
Subtotal Long-Term Assets	35.0	34.7	34.4	34.1	33.9	33.6	33.3	33.1	32.8	32.6	32.5	32.1
Total Assets	**$50.3**	**$49.0**	**$50.4**	**$55.0**	**$54.6**	**$54.0**	**$53.5**	**$53.2**	**$53.0**	**$52.9**	**$52.2**	**$51.4**
Liabilities & Member's Interest												
Accounts Payables	$4.1	$4.5	$6.1	$6.5	$6.4	$6.2	$6.2	$6.3	$6.4	$6.6	$6.1	$6.0
Other Current Liabilities	5.7	5.0	5.0	4.9	4.8	4.7	4.5	4.5	4.4	4.3	4.2	4.1
Subtotal Current Liabilities	9.8	9.5	11.1	11.4	11.2	10.9	10.7	10.8	10.8	10.9	10.3	10.1
OPEB Liability	6.9	7.0	7.1	7.2	7.3	7.4	7.4	7.5	7.6	7.7	7.8	7.9
Pension Liability	1.4	1.5	1.7	1.8	1.9	2.0	2.1	2.3	2.4	2.5	2.6	2.8
Deferred Tax Liabilities	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Restructuring Accruals	2.2	2.1	2.0	1.8	1.8	1.7	1.7	1.7	1.6	1.6	1.6	1.5
Other Long-Term Liabilities	8.9	8.4	8.4	7.8	7.8	8.0	7.9	7.7	7.8	7.7	7.9	8.0
Subtotal Long-Term Liabilities	19.7	19.3	19.5	18.9	19.1	19.4	19.4	19.5	19.7	19.8	20.2	20.5
1st & 2nd Lien Debt	8.9	8.9	8.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9
U.S. Treasury & DOE Sec.136	4.3	4.3	4.3	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6
VEBA Note	5.0	5.0	5.0	5.1	5.1	5.1	5.2	5.2	5.2	5.3	5.3	5.3
Subtotal Debt	18.2	18.2	18.2	21.6	21.6	21.6	21.7	21.7	21.7	21.8	21.8	21.8
Liability Conversion	-	-	-	(4.9)	(4.9)	(4.9)	(4.9)	(4.9)	(4.9)	(4.9)	(4.9)	(4.9)
Net Debt	18.2	18.2	18.2	16.7	16.7	16.7	16.8	16.8	16.8	16.9	16.9	16.9
Gold Key Lease Debt	4.3	4.1	4.0	3.8	3.7	3.5	3.4	3.2	3.1	2.9	2.8	2.6
Other Financial Liabilities	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
Member's Interest	(3.0)	(3.4)	(3.7)	2.9	2.6	2.2	1.9	1.6	1.3	1.1	0.7	-
Total Liabilities & Member's Interest	**$50.3**	**$49.0**	**$50.4**	**$55.0**	**$54.6**	**$54.0**	**$53.5**	**$53.2**	**$53.0**	**$52.9**	**$52.2**	**$51.4**

Note: *- All subject to final 2008 audit*
- The company will propose balance sheet related milestones in connection with the final restructuring plan
- Numbers may not add due to rounding
- Assumptions with respect to the 1st Lien Debt, Government Loans, and UAW/VEBA obligation are that they are either refinanced at existing maturity dates or their maturity dates are consensually extended

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Chrysler 2010 CY "Stand Alone" Business Plan
Monthly Income Statement

($Billions)

CHRYSLER

Note: Numbers may not add due to rounding

	Jan	Feb	Mar	1Q	Apr	May	Jun	2Q	Jul	Aug	Sep	3Q	Oct	Nov	Dec	4Q	Total
Gross Revenue	3.5	3.9	4.6	12.1	4.3	4.6	4.4	13.2	4.0	3.9	3.8	11.7	3.6	3.6	4.2	11.4	48.4
Incentives	(0.5)	(0.5)	(0.6)	(1.6)	(0.6)	(0.6)	(0.6)	(1.8)	(0.5)	(0.5)	(0.5)	(1.6)	(0.5)	(0.5)	(0.6)	(1.5)	(6.5)
Net Revenue	**$3.1**	**$3.4**	**$4.0**	**$10.5**	**$3.7**	**$3.9**	**$3.8**	**$11.5**	**$3.4**	**$3.3**	**$3.3**	**$10.1**	**$3.1**	**$3.2**	**$3.6**	**$9.9**	**$41.9**
Variable Cost	(2.3)	(2.6)	(3.1)	(7.9)	(2.8)	(3.0)	(2.9)	(8.8)	(2.6)	(2.5)	(2.5)	(7.7)	(2.4)	(2.4)	(2.7)	(7.5)	(31.9)
Variable Profit	$0.8	$0.8	$0.9	$2.5	$0.9	$0.9	$0.9	$2.7	$0.8	$0.8	$0.8	$2.4	$0.8	$0.8	$0.9	$2.4	$10.0
Fixed Cost *	(0.7)	(0.7)	(0.7)	(2.0)	(0.7)	(0.7)	(0.7)	(2.0)	(0.7)	(0.7)	(0.7)	(2.0)	(0.7)	(0.7)	(0.7)	(2.0)	(8.1)
Operating Profit	**$0.1**	**$0.1**	**$0.3**	**$0.5**	**$0.2**	**$0.2**	**$0.2**	**$0.7**	**$0.2**	**$0.1**	**$0.1**	**$0.4**	**$0.1**	**$0.1**	**$0.2**	**$0.4**	**$2.0**
Pension-OPEB Non-operating/Other	(0.0)	(0.0)	(0.0)	(0.1)	(0.0)	(0.0)	(0.0)	(0.1)	(0.0)	(0.0)	(0.0)	(0.1)	(0.0)	(0.0)	(0.0)	(0.1)	(0.2)
Earnings/(Loss) Before Interest & Taxes	**$0.1**	**$0.1**	**$0.2**	**$0.4**	**$0.2**	**$0.2**	**$0.2**	**$0.6**	**$0.1**	**$0.1**	**$0.1**	**$0.4**	**$0.1**	**$0.1**	**$0.2**	**$0.3**	**$1.8**
Deprec & Amortization (D&A)	0.3	0.3	0.3	0.8	0.3	0.3	0.3	0.8	0.3	0.3	0.3	0.8	0.3	0.3	0.3	0.8	3.2
EBITDA including VEBA impact	**$0.3**	**$0.4**	**$0.5**	**$1.2**	**$0.5**	**$0.5**	**$0.5**	**$1.4**	**$0.4**	**$0.4**	**$0.4**	**$1.2**	**$0.3**	**$0.3**	**$0.4**	**$1.1**	**$5.0**
Depreciation & Amortization (D&A)	(0.3)	(0.3)	(0.3)	(0.8)	(0.3)	(0.3)	(0.3)	(0.8)	(0.3)	(0.3)	(0.3)	(0.8)	(0.3)	(0.3)	(0.3)	(0.8)	(3.2)
Restructuring & Other Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Interest Income/Expense	(0.08)	(0.08)	(0.08)	(0.25)	(0.08)	(0.08)	(0.08)	(0.25)	(0.08)	(0.08)	(0.08)	(0.25)	(0.08)	(0.08)	(0.08)	(0.25)	(1.0)
Earnings/(Loss) Before Taxes	**($0.0)**	**$0.0**	**$0.2**	**$0.2**	**$0.1**	**$0.1**	**$0.1**	**$0.4**	**$0.1**	**$0.0**	**$0.0**	**$0.1**	**($0.0)**	**($0.0)**	**$0.1**	**$0.1**	**$0.8**
Taxes	(0.02)	(0.02)	(0.02)	(0.05)	(0.02)	(0.02)	(0.02)	(0.05)	(0.02)	(0.02)	(0.02)	(0.05)	(0.02)	(0.02)	(0.02)	(0.05)	(0.2)
Net Income/(Loss)	**($0.0)**	**$0.0**	**$0.1**	**$0.1**	**$0.1**	**$0.1**	**$0.1**	**$0.3**	**$0.0**	**$0.0**	**$0.0**	**$0.1**	**($0.0)**	**($0.0)**	**$0.1**	**$0.0**	**$0.6**

** Includes non-cash accounting gain from VEBA settlement as part of 2007 UAW agreement*

Note: - The company is proposing an EBITDA milestone to be tested on a monthly basis through 2010 and on a yearly basis through maturity

- Numbers may not add due to rounding

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Chrysler 2010 CY "Stand Alone" Business Plan Monthly Cash Flow Statement

($Billions)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Beginning Cash	**$9.0**	**$12.0**	**$11.7**	**$11.5**	**$11.9**	**$11.6**	**$11.6**	**$11.4**	**$11.1**	**$10.3**	**$10.4**	**$10.5**	**$9.0**
Cash Flows from Operating Activities													
Net Income	$0.0	$0.1	$0.1	$0.1	$0.2	$0.0	$0.1	$0.0	$0.0	$0.0	$0.0	$0.0	$0.6
Depreciation & Amortization	0.3	0.3	0.3	0.3	0.3	0.2	0.3	0.2	0.3	0.2	0.3	0.2	3.2
Non-cash VEBA Gains	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(2.4)
Change in Net Working Capital	0.7	(0.2)	-	0.4	(0.3)	0.1	(0.1)	(0.1)	(0.3)	0.3	0.1	0.3	0.9
Change in Net Other Operating Assets / Liabilities	(9.5)	(0.1)	(0.2)	(0.1)	(0.1)	-	(0.1)	-	(0.4)	-	0.1	(0.1)	(10.4)
Cash (Used) / Provided by Operations	($8.7)	($0.1)	$0.0	$0.5	($0.1)	$0.1	$0.0	($0.1)	($0.6)	$0.3	$0.3	$0.2	($8.1)
Cash Flows from Investing Activities													
Capital Expenditures	($0.2)	($0.2)	($0.2)	($0.1)	($0.2)	($0.2)	($0.2)	($0.2)	($0.2)	($0.2)	($0.2)	($0.2)	($2.3)
Asset Sales	-	-	-	-	-	0.1	-	-	-	-	-	0.1	0.2
Cash (Used) / Provided from Investing	($0.2)	($0.2)	($0.2)	($0.1)	($0.2)	($0.1)	($0.2)	($0.2)	($0.2)	($0.2)	($0.2)	($0.1)	($2.1)
Cash Flows from Financing Activities													
Principal Changes	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Liability Conversion	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Contributions	5.1	-	-	-	-	-	-	-	-	-	-	-	5.1
U.S. Treasury / DOE Sec.136 Funding	2.5	-	-	-	-	-	-	-	-	-	-	-	2.5
VEBA Note / (Principal Payments)	4.3	-	-	-	-	-	-	-	-	-	-	-	4.3
Cash (Used) / Provided from Financing	$11.9	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$11.9
Net Increase / (Decrease) in Cash	**$3.0**	**($0.3)**	**($0.2)**	**$0.4**	**($0.3)**	**($0.0)**	**($0.2)**	**($0.3)**	**($0.8)**	**$0.1**	**$0.1**	**$0.1**	**$1.7**
Ending Cash	**$12.0**	**$11.7**	**$11.5**	**$11.9**	**$11.6**	**$11.6**	**$11.4**	**$11.1**	**$10.3**	**$10.4**	**$10.5**	**$10.6**	**$10.6**

Note: - Numbers may not add due to rounding
- Assumptions with respect to the 1st Lien Debt, Government Loans, and UAW/VEBA obligation are that they are either refinanced at existing maturity dates or their maturity dates are consensually extended

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Chrysler 2010 CY "Stand Alone" Business Plan
Monthly Balance Sheet

($Billions)

	2009	Jan	Feb	1Q Mar	Apr	May	2Q Jun	Jul	Aug	3Q Sep	Oct	Nov	4Q Dec
Assets													
Cash	$9.0	$12.0	$11.7	$11.5	$11.9	$11.6	$11.6	$11.4	$11.1	$10.3	$10.4	$10.5	$10.6
Restricted Cash / Investments	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Trade Receivables	1.3	1.3	1.3	1.4	1.3	1.4	1.4	1.3	1.3	1.3	1.3	1.3	1.3
Inventory	3.8	3.8	4.1	4.8	4.5	4.7	4.6	4.3	4.1	4.3	3.9	3.7	4.0
Other Current Assets	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	3.0	3.0	3.0
Subtotal Current Assets	19.3	22.3	22.3	22.9	22.9	22.9	22.8	22.2	21.7	21.1	20.9	20.8	21.2
Operating Leases	1.1	1.1	1.1	1.1	1.1	1.1	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Gold Key Lease Assets	2.3	2.1	2.0	1.8	1.6	1.5	1.3	1.1	1.0	0.8	0.6	0.5	0.3
Deferred Tax Assets	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Property, Plant & Equipment	14.5	14.4	14.3	14.3	14.2	14.1	13.9	13.9	13.8	13.7	13.6	13.6	13.4
Goodwill & Intangibles	11.3	11.3	11.3	11.3	11.3	11.3	11.3	11.3	11.3	11.3	11.3	11.3	11.3
Prepaid Pension	0.9	0.8	0.8	0.7	0.7	0.6	0.6	0.5	0.5	0.4	0.3	0.3	0.2
Other Long-Term Assets	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.1
Subtotal Long-Term Assets	32.1	31.7	31.5	31.2	30.9	30.6	30.3	30.0	29.8	29.4	29.0	28.9	28.5
Total Assets	**$51.4**	**$54.0**	**$53.8**	**$54.1**	**$53.8**	**$53.5**	**$53.1**	**$52.2**	**$51.5**	**$50.5**	**$49.9**	**$49.7**	**$49.7**
Liabilities & Member's Interest													
Accounts Payables	$6.0	$5.7	$5.9	$6.7	$6.7	$6.7	$6.7	$6.4	$6.1	$6.0	$5.9	$5.8	$6.3
Other Current Liabilities	4.1	5.0	5.0	5.0	5.0	5.0	5.0	5.0	4.9	4.8	4.8	4.8	5.0
Subtotal Current Liabilities	10.1	10.7	10.9	11.7	11.7	11.7	11.7	11.4	11.0	10.8	10.7	10.6	11.3
OPEB Liability	7.9	3.7	3.7	3.7	3.7	3.7	3.7	3.8	3.8	3.8	3.8	3.8	3.8
Pension Liability	2.8	2.7	2.7	2.7	2.7	2.6	2.6	2.6	2.6	2.6	2.5	2.5	2.5
Deferred Tax Liabilities	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Restructuring Accruals	1.5	1.5	1.5	1.3	1.3	1.3	1.2	1.2	1.2	1.0	1.0	1.0	0.9
Other Long-Term Liabilities	8.0	8.2	8.1	8.2	8.3	8.4	8.5	8.2	8.3	8.2	8.2	8.6	8.5
Subtotal Long-Term Liabilities	20.5	16.4	16.3	16.2	16.3	16.3	16.3	16.1	16.2	15.9	15.8	16.2	16.0
1st & 2nd Lien Debt	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9
U.S. Treasury & DOE Sec.136	9.6	12.1	12.1	12.1	12.1	12.1	12.1	12.1	12.1	12.1	12.1	12.1	12.1
VEBA Note	5.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3
Subtotal Debt	21.8	23.3	23.3	23.3	23.3	23.3	23.3	23.3	23.3	23.3	23.3	23.3	23.3
Liability Conversion	(4.9)	(4.9)	(4.9)	(4.9)	(4.9)	(4.9)	(4.9)	(4.9)	(4.9)	(4.9)	(4.9)	(4.9)	(4.9)
Net Debt	16.9	18.4	18.4	18.4	18.4	18.4	18.4	18.4	18.4	18.4	18.4	18.4	18.4
Gold Key Lease Debt	2.6	2.4	2.3	2.1	1.9	1.7	1.6	1.4	1.2	1.0	0.9	0.7	0.5
Other Financial Liabilities	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
Member's Interest	-	4.8	4.6	4.4	4.2	4.1	3.8	3.6	3.4	3.1	2.8	2.5	2.2
Total Liabilities & Member's Interest	**$51.4**	**$54.0**	**$53.8**	**$54.1**	**$53.8**	**$53.5**	**$53.1**	**$52.2**	**$51.5**	**$50.5**	**$49.9**	**$49.7**	**$49.7**

Note:
- *All subject to final 2008 audit*
- *The company will propose balance sheet related milestones in connection with the final restructuring plan*
- *Numbers may not add due to rounding*
- *Assumptions with respect to the 1st Lien Debt, Government Loans, and UAW/VEBA obligation are that they are either refinanced at existing maturity dates or their maturity dates are consensually extended*

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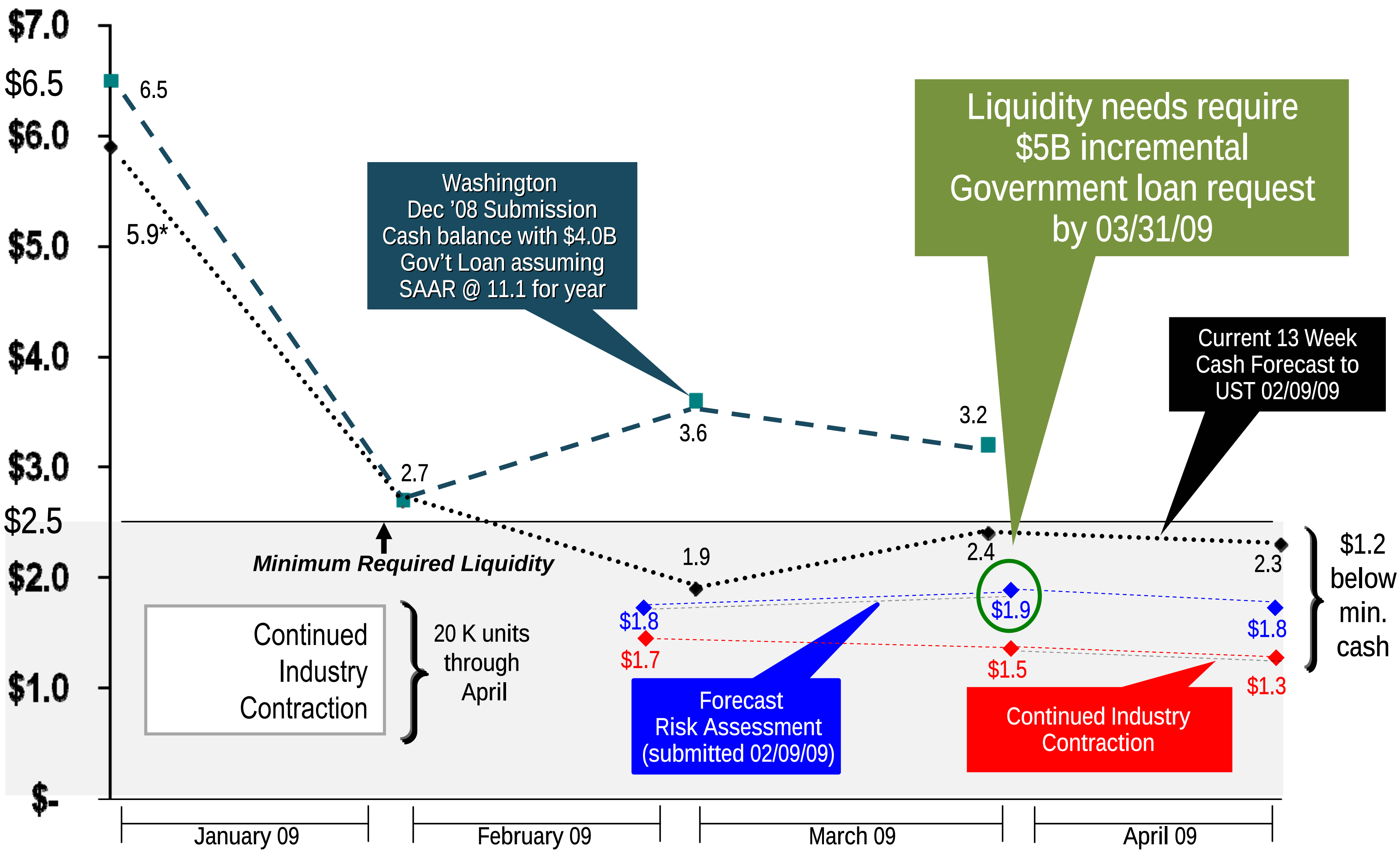
Chrysler's Short-term Cash Needs Have Accelerated under Current Market Conditions



* 2008 YE actual cash $1.9B. Received $4.0B 1/2/09 from UST

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V. Strategic Alliance Benefits

Fiat Strategic Alliance Synergy and Benefits Overview

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Area	Approach	Cash Flow Impact Total '09-16 $(Billions)	EBITDA Impact Total '09-16 $(Billions)
Products/ Platform Sharing	2 million products localized or sold in NAFTA and exported to global markets	$1.4	$2.1
Distribution	New Chrysler markets adding 393,000 units, Alfa Romeo distributed in NAFTA	$1.3	$1.3
Purchasing	Integrate sourcing with Fiat Group	$3.2	$2.8
Other Opportunities	Powertrain, Technology, Logistics, SG&A Expense, other, Funding for NSCs provided by Fiat	$1.0	$1.2
TOTAL SYNERGIES*		$6.9	$7.4

Alliance With Fiat Benefits **	2009	2010	2011	2012	2013	2014	2015	2016
EBITDA Synergy Benefits	**$0.0**	**$0.0**	**$0.3**	**$1.2**	**$1.3**	**$1.5**	**$1.6**	**$1.5**
Cash Synergy Benefits (cumulative)	**($0.1)**	**($0.1)**	**($0.2)**	**$1.0**	**$2.4**	**$3.9**	**$5.5**	**$6.9**

The negative cash impact in the first three years is due to spending approx $1B in new platforms and powertrain technology offset by synergy savings

Adds 7 New Small Vehicles/Platforms and 6 New Powertrain Combinations To Enhance U.S. Energy Independence And Environmentally Sustainable Product Offerings

* *Synergies Incremental to Chrysler Only as Calculated by Chrysler*

** *A strategic alliance could reduce Chrysler's overall capital requirements and could create additional jobs in the U.S. Additionally the alliance would have the potential for better efficiency spending of DOE funds.*

Strategic Alliance

Chrysler Strategic Challenges	Benefits of Fiat Alliance
Minimal Scale Vs. Global Competitors	Alliance Creates #6 Global Automaker With Over 4 Million Vehicles Sold Annually
Lost International Footprint World-wide Outside Of NAFTA Due To Daimler Separation	Fiat To Help To Manage Distribution Internationally Providing Access to 3,800 Fiat Dealers
Historically Weighted Product Portfolio Toward Trucks, MPVs, And SUVs	Fills Product Line Gaps In Small And Fuel Efficient Vehicles
High Capital Investment And R&D Needed To Comply With Environmental Requirements	Obtain World-class Small Engines And Powertrain Technology

Increases Chrysler's and Fiat's Competitiveness

Fiat Overview

- One of the pioneers of the car industry, Fiat built its first car in 1899.
- Headquartered in Turin, Italy, Fiat is currently Italy's largest industrial concern and one of the largest auto manufacturers in Brazil and Russia.
- Fiat Group Automotive designs, produces and sells cars worldwide under the Fiat, Alfa Romeo, Lancia, Fiat Professional (light commercial vehicles) and Abarth brands.
- Fiat's small vehicle platform products (A, B and C segments) are highly regarded and the company is a recognized leader in developing technologies to reduce emissions and increase fuel efficiency.
- Among the top 10 selling brands in Europe, Fiat brand has the lowest level of CO_2 emissions.
- Fiat went through some difficult, unprofitable years at the beginning of the millennium but since 2003 has executed a tremendous turnaround in its own business.

Fiat Overview

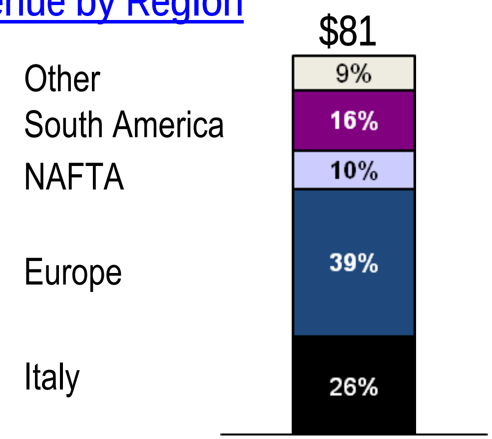
Group Structure

Fiat Group

Automakers	Auto Components	Others
Fiat Autos	Fiat Power Train *Powertrain Technologies*	Case New Holland *Agri & Constr Equip*
Maserati	Magneti *Components*	Iveco *Commercial Veh*
Ferrari		Teksid *Metallurgical*; Comau *Production Sys*; Itedi *Publishing*
2008 Revenue $(Billions): $40	$9	$32

Financial Summary – $(Billions)

2008 Revenue by Region



Revenue & Profit History

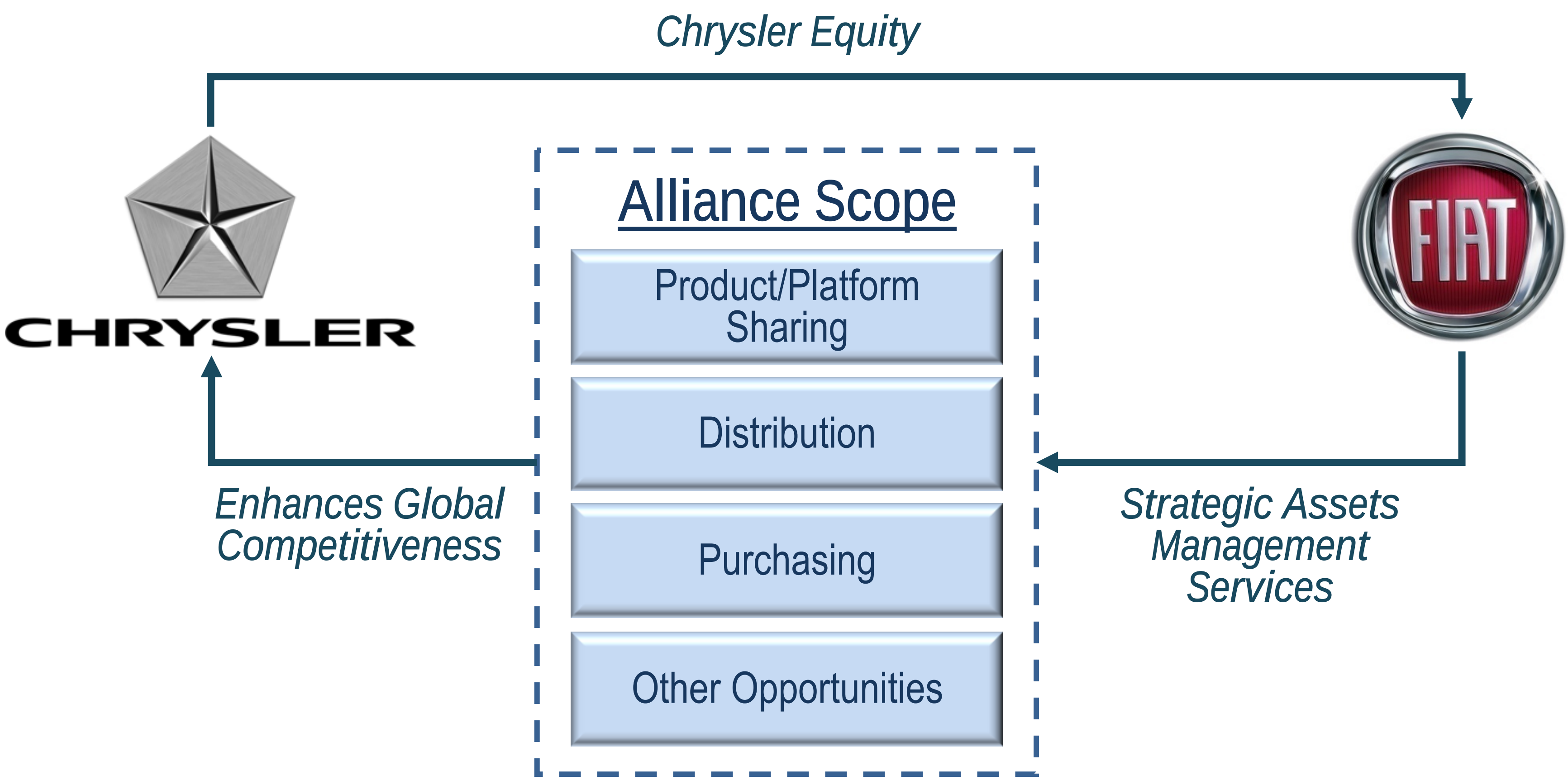
	FY '05	*FY '06*	*FY '07*	*FY '08*
Revenue	$64	$71	$80	$81
Gross Profit	9.5	10.9	13.2	13.0
% Margin	*15%*	*15%*	*16%*	*16%*
Net Profit	1.8	1.5	2.7	2.4
% Margin	*2.8%*	*2.1%*	*3.3%*	*3.0%*

Source: '07 Annual Report, 4Q '08 Report, Bloomberg FX: €1= $1.37 (Jan '09). Including all subsidiaries.

Restructuring Plan With Preferred Strategic Alliance

- An Alliance with Fiat would help Chrysler address some of its most pressing strategic challenges.
- Fiat would provide a strong partner to build the presence of the Chrysler, Dodge and Jeep® brands in important international growth markets, where Chrysler currently has a minimal footprint.
- Access to Fiat Group platforms would complement Chrysler's current product portfolio and would allow the Company to rapidly bring to market fuel-efficient, environmentally friendly small cars.
- Chrysler would obtain access to world-class small engines and powertrain technology without the need to spend significantly on capital investments and R&D.
- In return, Fiat would gain a 35% equity position in Chrysler.

Chrysler – Fiat Alliance Proposed Transaction Structure: Non-Binding



- Fiat contributes strategic assets and management services to Alliance
- Fiat obtains 35% equity with option to acquire 20% based on achieving performance metrics
- Chrysler remains U.S. based company

Benefits From Global Scale

CHRYSLER

- While Chrysler’s current scale makes it difficult to compete versus global competitors, the Alliance would immediately create the sixth largest global automaker by volume, with combined vehicle sales in excess of 4 million units.
- Larger scale would make the Alliance more competitive with top tier auto manufacturers, since new platform and technological development costs could be amortized over higher volumes.
- The Alliance also would increase R&D and design capabilities by combining two leading technology players.
- Joint development of future global platforms and powertrain solutions, combined with the use of common components, would provide the potential for significant reductions in combined development costs.
- The complementary geographic strengths would provide synergies in sales and service.
- The larger scale would provide savings in procurement as a result of common suppliers on existing platforms and even greater opportunity on future shared platforms.
- The combined direct materials spend would be more than $45 billion annually.

Benefits From Global Scale

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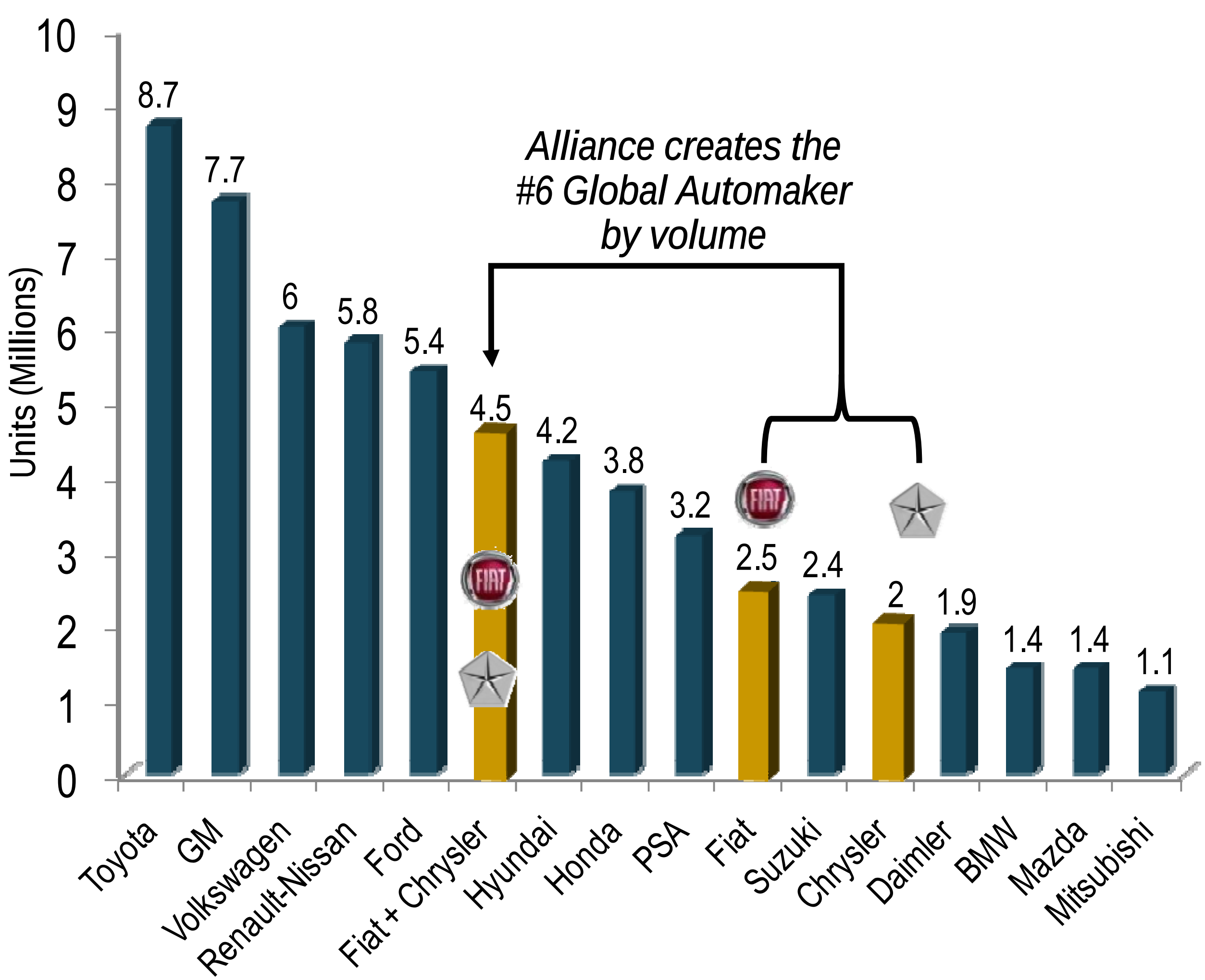
Top Global Automakers by 2008 Annual Unit Sales



- Achieves scale position required to better compete with top-tier players
- Costs of new platform and technology development can be amortized over higher volumes
- Increased R&D and design capabilities by combining two leading technology players
- Sales and service synergies across geographical regions
- Procurement and other scale-related savings

Expansion Through Current Geographic Presence

CHRYSLER

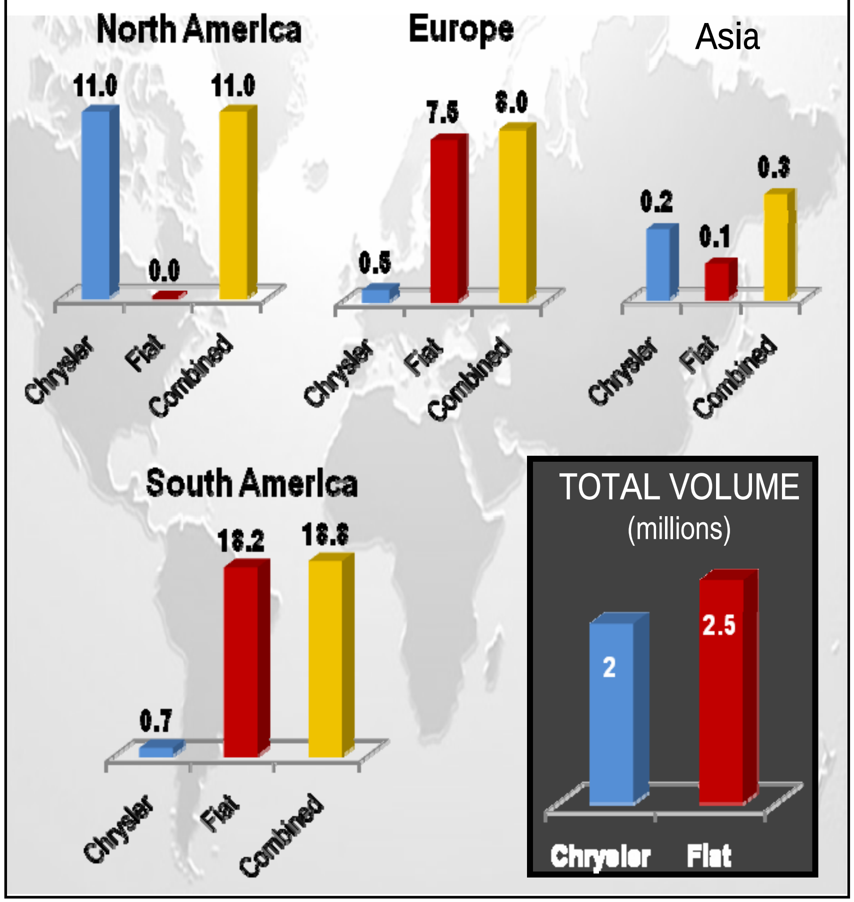
- Geographic balance is another mutual benefit, as the Alliance would take advantage of Fiat's presence in Europe and Latin America and Chrysler's position in North America. Here is how regional market shares currently break down:
  - Europe: Chrysler 0.5 percent share; Fiat 7.5 percent share
  - South America: Chrysler 0.7 percent share; Fiat 18.2 percent share
  - North America: Chrysler 11.0 percent share; Fiat less than 0.1 percent share
- By leveraging Chrysler's and Fiat's complementary strengths in distribution, the Alliance would dramatically enhance the geographic footprint for each company, providing the opportunity to grow combined share.
- An improved geographic balance also would lessen the dependency on any single market for the Alliance.
- In addition, scale in the Americas and in Europe would put the Alliance in better position to penetrate Asian markets from a position of strength.

Expansion Through Current Geographic Presence

CHRYSLER

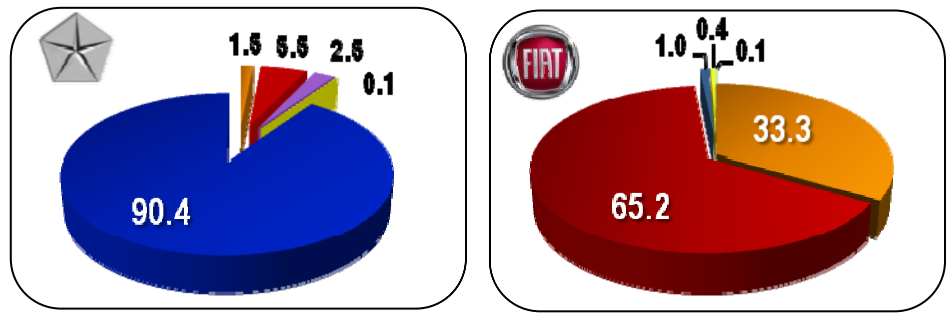
Fiat's core presence in Europe and South America and Chrysler's in North America

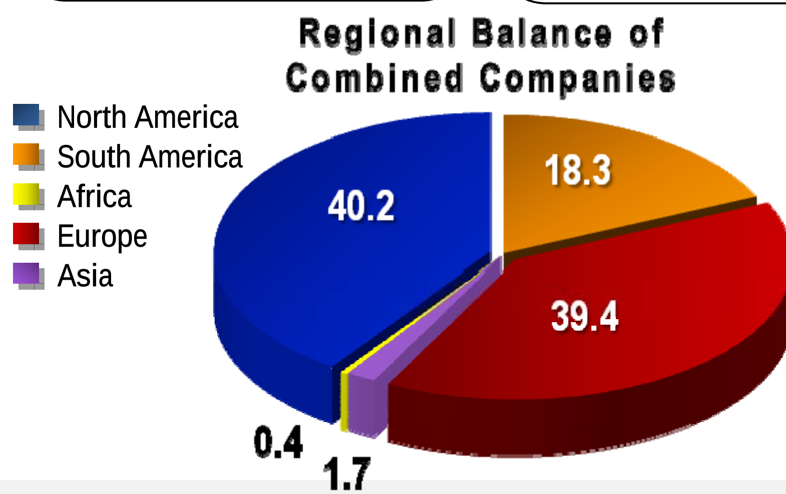
MARKET SHARE BY REGION



Alliance provides platform to jointly penetrate Asia from position of strength

% SALES BY REGION





Fiat Financial Services May Provide Significant Benefits For Chrysler International

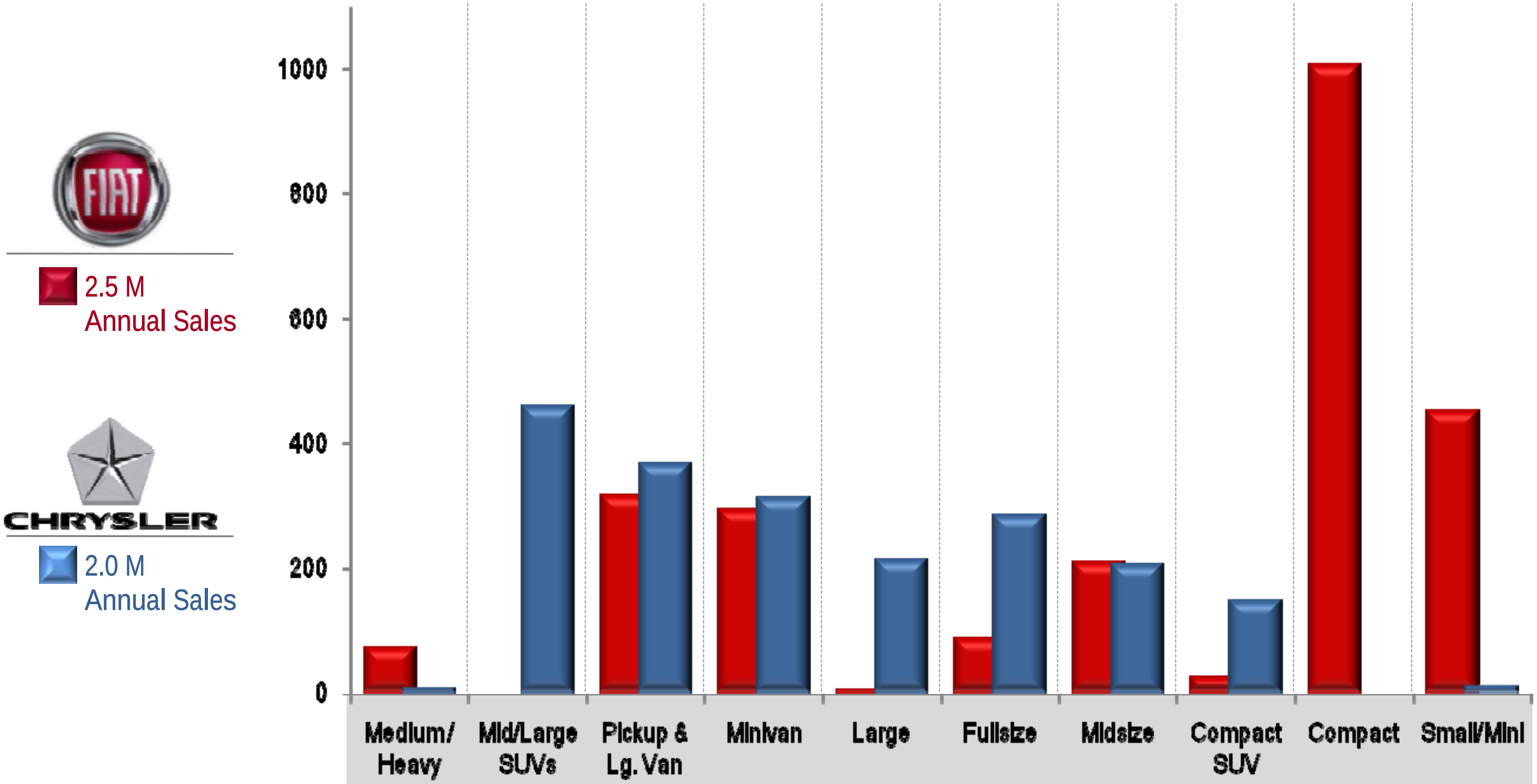
Source: Global AutoInsight (January 2009)

Benefits From Complementary Products

- Fiat’s product portfolio is predominately mini, small and compact cars which represent almost 60 percent of the company’s global sales.
- Alternatively, Chrysler’s product portfolio is dominated by minivans, mid and large sport utility vehicles, and trucks which represent over 50% of its sales.
- Chrysler would gain immediate access to substantially all of Fiat’s vehicle platforms, including small, fuel-efficient cars for the U.S. market.

Benefits From Complementary Products

Worldwide Vehicle Sales by Segment
Units (000s)



Expanding Product Breadth into New Segments Enhances Customer Choice and Improves Dealer Profitability

Source: Global Insight & Co. data. Fiat/ Alfa/ Lancia. Includes LCV. '08E 3Q'08 Co. presentation

Benefits From Technology Sharing

- Technology sharing with Fiat would provide tremendous advantages to Chrysler.
- Fiat is a recognized leader in developing technologies to reduce emissions and increase fuel efficiency. Among the 10 top selling brands in Europe, Fiat brand has the lowest level of CO2 emissions.
- Examples of Fiat advanced technologies available in 2009-2012:
  - Small Gasoline Engine: 1.4-1.8l turbocharged technology to reduce CO2 emissions to less than 100g/km.
  - Multiair: this innovative intake valve electronic control system reduces fuel consumption by up to 6 percent while improving dynamic response of the engine.
  - Multijet 2: advances in direct injection diesel technology enable signficiant reductions in NOx and soot emissions and reduced combustion noise.
  - Tetrafuel: designed for flex-fuel markets like Brazil, it is the first-ever engine capable of being powered by four different fuels – CNG, pure petrol, pure ethanol (E100) and E25 ethanol/gasoline blend.

Benefits From Technology Sharing

Innovative Powertrain Technologies

2-cylinder Gas Engine
combining Multiair and turbo technology for real downsizing

Tetra-Fuel Engine
capable of being powered by four different fuels

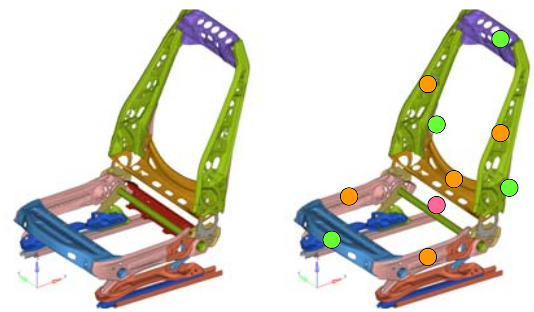
Dual Dry Clutch Transmission
10% more efficient than conventional transmission

Vehicle and Lightweight Technologies

Electric Power Steering
to reduce pumping losses for fuel efficiency

Seat Frame Weight Reduction

- Material and thickness
- Thickness
- deleted



Improved Fuel Economy and Emissions

A Global Alliance for Chrysler Benefits America

- The proposed Alliance with Fiat would significantly strengthen Chrysler's competitiveness for the long term and would benefit all of Chrysler's constituents.
- The Company's U.S. employees would benefit from the enhanced prospects for Chrysler's long-term viability and by the preservation of manufacturing jobs. A stronger Chrysler also will be in a better position to meet its retiree obligations. Chrysler's partners at the UAW have announced their endorsement of the proposed Alliance.
- Chrysler's dealers and suppliers would benefit from increased production volumes, diversification across geographies and models, and increased financial stability. Suppliers would have an increased opportunity to supply components for Fiat vehicles assembled in the U.S.
- Chrysler's creditors would benefit from a stronger borrower.
- Finally, the U.S. government and taxpayers would benefit because the Alliance would elevate Chrysler into a leading U.S.-based global automotive player; facilitate more rapid repayment of U.S. Treasury indebtedness; and accelerate Chrysler's plans for the introduction of more environmentally friendly vehicles.
- No American taxpayer money would go to Fiat.
- Chrysler would build Fiat models in North American plants with North American labor, just as the Company has previously assembled small pickup trucks for Mitsubishi, now assemble minivans for Volkswagen, and will assemble full-size pickup trucks for Nissan.

Impact of Alliance Extends Beyond Chrysler and Benefits Other U.S. Constituencies

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<u>Dealers & Suppliers</u>

- More competitive, diverse product lineup
- Volume growth opportunity
- Financial stability

<u>Government & Public</u>

- Accelerates achievement of Chrysler's long-term objectives
- Facilitates more rapid repayment of U.S. Treasury indebtedness
- Pulls ahead introduction of more environmentally friendly and fuel efficient vehicles
- Elevates Chrysler into a leading U.S.-based global automotive player

<u>Employees</u>

- Chrysler viability enhanced for long-term
- Preserves manufacturing jobs
- Better enables Chrysler to meet its retiree obligations

<u>Creditors</u>

- Improves potential for debt repayment and reduces risks

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VI. Industrial Plan

Product Leadership Strategy

CHRYSLER

- Chrysler product leadership strategy addresses three major areas:
- Core Programs: Improving quality to attain world-class standards has been a major focus over the past year-and-a-half. Chrysler also has steadfastly addressed ways to improve fuel economy and meet regulatory requirements through a wide range of approaches.
- Market/Segment Requirements: Chrysler understands changing customer requirements and seeks to satisfy those needs in different segments with innovative vehicles and features, improving its portfolio's relevance to consumers.
- Financial Viability for Chrysler: Two of Chrysler's most successful, iconic models – Chrysler 300 and Jeep Grand Cherokee – will be completely redesigned and launched in 2010.

Chrysler Product Leadership Strategy Addresses 3 Major Aspects

Implement Core Programs to

- Improve Quality
- Increase Fuel Economy
- Ensure Compliance With Regulatory Requirements

Establish a More Customer – Relevant Product Portfolio

- Smaller Vehicles
- Electric Vehicles – i.e. Dodge Circuit
- Innovation – Chrysler 200C / Connectivity

Maintain Dominance in Profitable Segments

- New Jeep Grand Cherokee in 2010
- New Chrysler 300 in 2010

Chrysler Quality Strategy Showing Positive Results

CHRYSLER

- The entire Chrysler organization is committed to achieving a higher level of quality.
- Chrysler recently launched the *Customer Promoter Score* to measure how customers feel about the Company's brands, dealers and vehicles. It measures whether customers are promoters or detractors of Company products by asking one simple question: "Would you recommend the product you bought to a friend or family member?"
- Customers are contacted seven times during their ownership experience. Customer feedback and comments will be available to dealers, engineers, designers - anyone with an interest in customer input. Recent data shows Chrysler is seeing a resurgence of promoters.
- The 2009 Dodge Ram truck was the first vehicle tested under the Customer Promoter Score system. Calls began in December of 2008, and through the end of January more than 700 customer calls were completed, recording a cumulative score of 99.8 percent positive.
- Three aspects of Chrysler's quality process will be highlighted in this presentation:
  - Ordinary Quality: In 2008, the Company achieved the lowest warranty claim rate in its history – a 30 percent improvement compared with the prior year.
  - Regulatory Quality: Among the six major auto manufacturers, Chrysler had the industry's lowest number of recalls in 2008 as reported by NHTSA – a total of 360,000 units, down from 2.2 million units in 2007.
  - Perceived Quality: Chrysler is addressing perception issues with initiatives such as upgraded materials and improvements to fit and finish.

Chrysler's Overall Quality Strategy

CHRYSLER

CPS will predict increased Loyalty/Advocacy leading to growth of the business

One simple question: "Would the customer recommend Chrysler Products to others?"

CPS
Customer Promoter Score

Ordinary Quality	Regulatory Quality	Perceived Quality	Dissatisfaction Quality	Performance Quality	Service Quality
Fixing problems on current products and warranty claims	*Recalls*	*How it looks*	*Customer feedback*	*How it works*	*How am I satisfied by dealer/OEM*
Example: • Power Window Broken	Example: • Emissions Problem	Example: • Cheap looking interior • Poor fit and finish	Example: • Cup holders too low • Confusing Controls	Example: • Road noise • MPG	Example: • Not repaired first time

Chrysler is a Customer Centric Company

Ordinary Quality Addresses Fundamental Customer Requirements

CHRYSLER

Current Products

- To underscore Chrysler's focus on quality and commitment to customers, in 2007 the Company became the first auto manufacturer to offer a limited lifetime powertrain warranty on most new Chrysler, Jeep and Dodge vehicles.
- In 2008, the Company achieved the lowest warranty claim rate in its history – a 30 percent improvement compared with the prior year.
  - The 30 percent improvement far exceeds the historical average annual improvement rate of 2.4 percent.
  - The 2008 improvement resulted in a $240 million annualized warranty cost reduction.

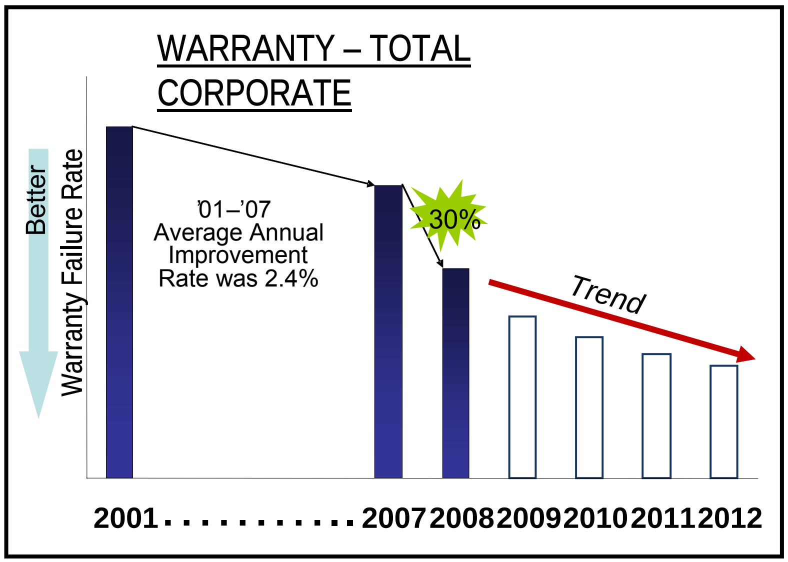
Future Products

- Chrysler has increased its durability target by 50 percent for future products.
- The Company has set a target to achieve a Consumer Reports rating of 40 percent better than the industry average for reliability.

Ordinary Quality (Warranty)

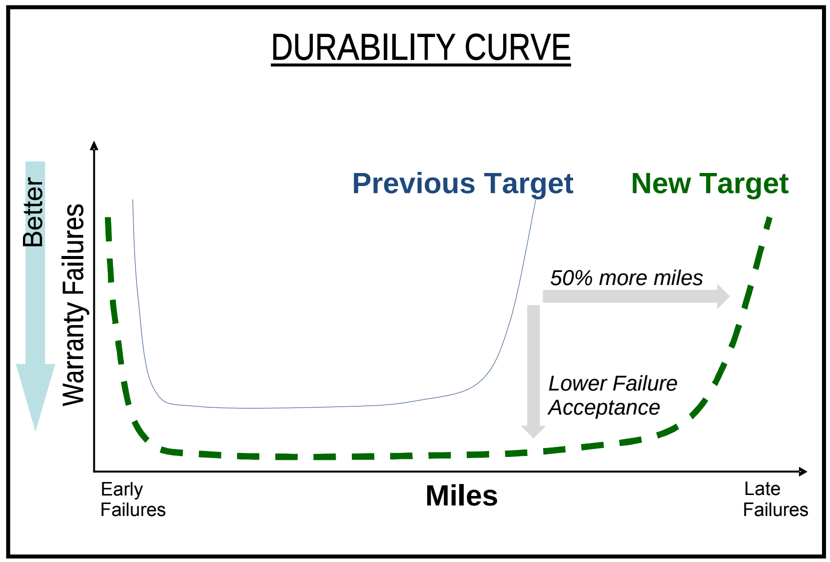
Current Products

- 30% reduction in customer warranty claims last 12 months (historically 2.4% annual)
- $240 Million annualized warranty cost reduction



Future Products

- Durability targets increased 50%
- Targeting Consumer Reports rating of 40% better than Industry Average for Reliability



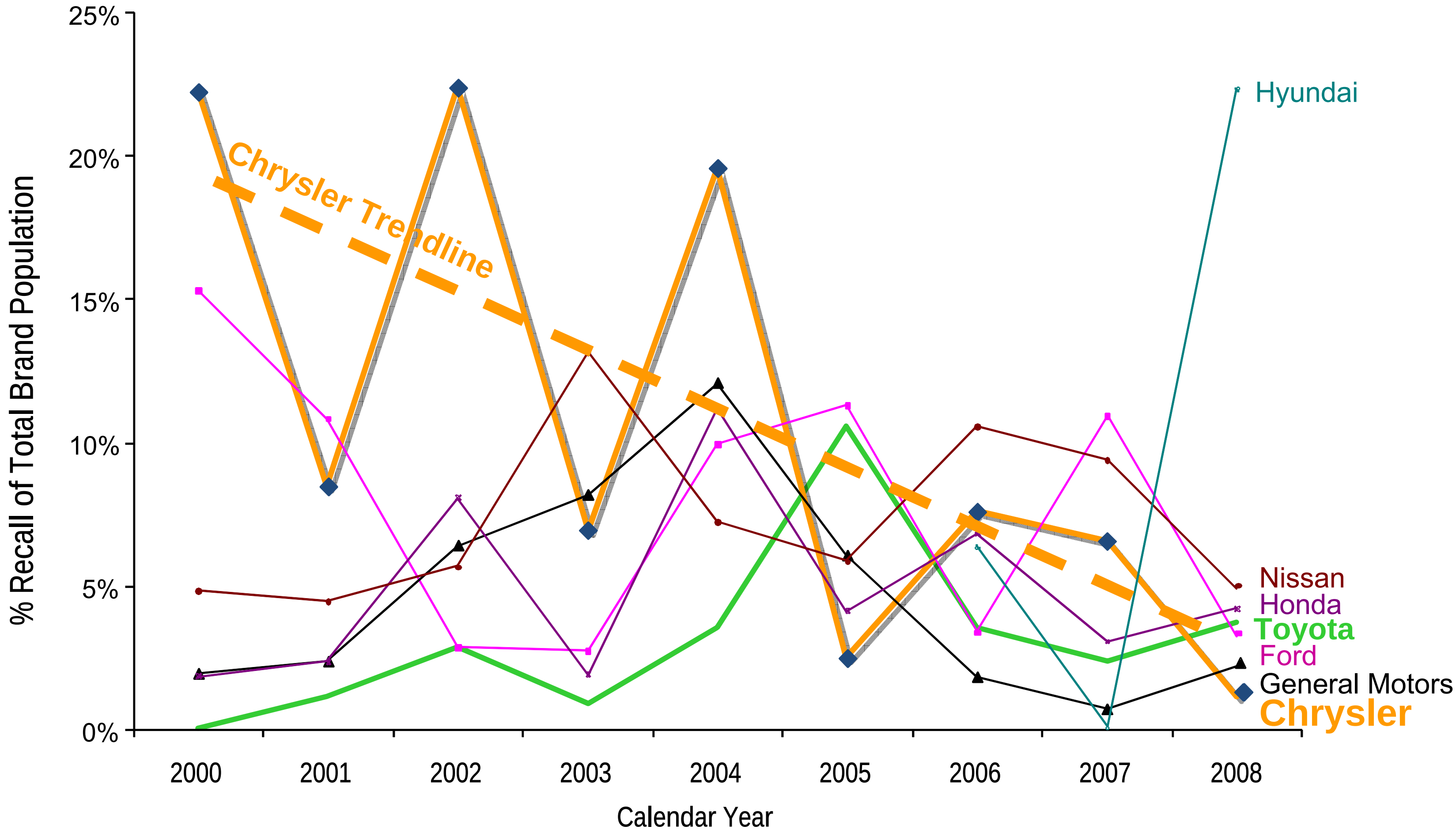
Regulatory Quality Measures Recall Performance

CHRYSLER

- Chrysler established the automotive industry’s first-ever Chief Customer Officer position in the automotive industry to focus and align the entire organization on quality and on satisfying customers.
- Among the seven major auto manufacturers, Chrysler had the industry's lowest number of recalls in 2008 as reported by NHTSA – a total of 360,000 units, down from 2.2 million units in 2007.
- Establishing a rigorous review and follow-up process to prevent problems was key to this improvement.
- Chrysler also initiated a program in which top executives personally called customers to discuss quality issues.

Regulatory Quality (Recalls)

- Achieved lowest Safety Recall among 7 Major OEMs
- Rigorous reoccurrence prevention reviews and follow up



Source: R L POLK (2007). 2008 car parc data estimated with 5% scrappage rate.

Perceived Quality Initiatives Target Fit and Finish, and Other Perception-Based Product Qualities

CHRYSLER

- Chrysler benchmarked competitors to set benchmarks and determine best practices.
- Chrysler established an Advance Interior Design Studio to improve the quality and fit and finish of all future Chrysler, Dodge and Jeep vehicles.
- Interior designers use state-of-the-art design software and computer modeling to achieve quality and fit and finish objectives faster than ever, allowing more time to engage suppliers and save money that is being put into better materials, even on entry-level models.
- The Company set targets to meet or exceed best in class as exemplified with the all-new 2009 Dodge Ram.
  - "The Ram is in a league of its own here. " — *Truckin'* magazine's "Truck of the Year"
  - "Silverado, pass your torch. Chevy's pickup has been the touchstone of chassis composure among half-tons since it was introduced in 2007, but the 2009 Dodge Ram 1500 changes the pecking order."— *Edmunds "*Inside Line Editors' Most Wanted 2009"
  - "Most judges comment on the hugely improved interior layout and material choices in the Ram, noting this could be the best Chrysler-originated interior ever." — *MotorTrend*
  - "The Dodge Ram has never been better and it now clearly stands apart from its rivals. That's why it's earned *MotorWeek's* '2009 Drivers' Choice Award as Best Pickup'.." — *MotorWeek*
  - *"Dodge Ram gets our Best Buy nod thanks to its composed ride, impressively comfortable and quiet cabin and unique cargo storage features. Ram is also remarkably maneuverable for a large pickup truck." — Consumer Guide Automotive*

Perceived Quality (Fit & Finish)

Current Products

- Leveraged benchmarking to find best competitors and practices
- Set targets to meet or exceed best in class

Future Products

- Established interior design studio late 2006
- Created Perceived Quality Evaluation drive improvement

2008 Ram → 2009 Ram

Chrysler Product Honored by Industry, Media and Consumers

CHRYSLER

- The all-new Dodge Ram has picked up 12 key awards since its introduction and was recently chosen by Car and Driver as the best full-size pick-up truck in a head-to-head comparison with its competition.
- Chrysler 300C has become the most awarded car in automotive history since its launch in 2005.
- Celebrating the 25th anniversary of Chrysler minivans this year, loyal owners continue to recognize the Chrysler Town & Country and Dodge Grand Caravan as the best on the road. The Chrysler Town & Country won its eighth consecutive honor in R.L. Polk's Owner Loyalty Awards, and Chrysler minivans took their twelfth win in MotorWeek's Drivers' Choice Awards.
- Dodge Challenger has won seven awards this year, including Popular Mechanics Automotive Design Excellence Award.
- Kelley Blue Book honored the iconic Jeep Wrangler for maintaining the highest resale value among all SUVs.
- Jeep Grand Cherokee owners are the most loyal in the mid-size SUV category, earning the vehicle an award in this year's R.L. Polk Loyalty awards.
- The uconnect Web WiFi system earned Good Housekeeping's seal of approval. The system won the group's very innovative product award for giving passengers of new Chrysler, Jeep and Dodge vehicles the ability to sign up for wireless internet service.

2009 Awards

Dodge Ram – 12 Awards
- International Truck of Year

Town and Country – 7 Awards
- Consumer Guide Best Buy

Chrysler 300C
- Consumer Guide Recommended

Dodge Challenger
- Popular Mechanics Automotive Design Excellence

Jeep Wrangler
- Kelly Blue Book Best Resale Value SUV

Jeep Grand Cherokee
- RL Polk Loyalty Award

uconnect Web WiFi System
- Good Housekeeping – Very Innovative Product Award

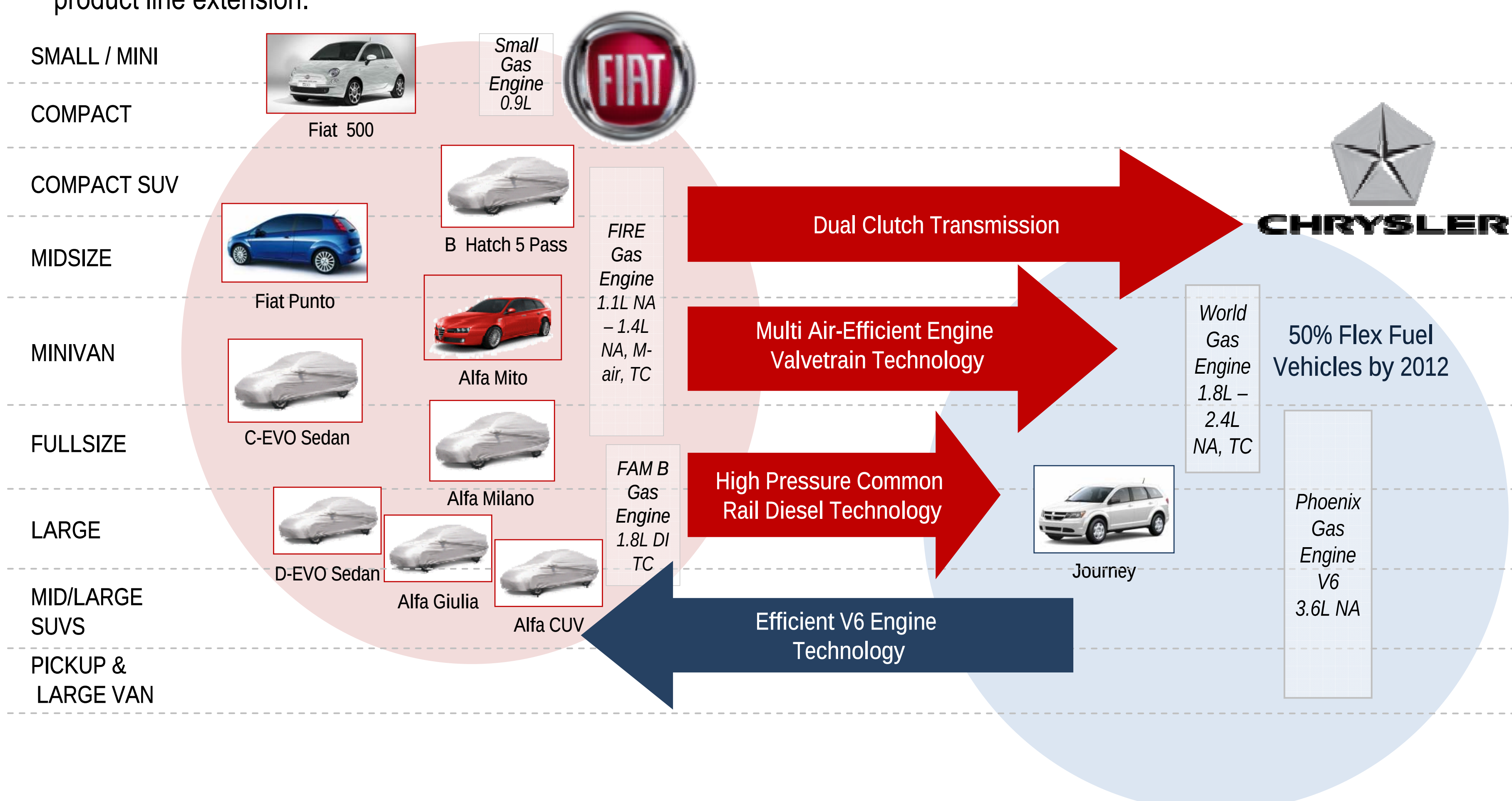
Fuel Economy Improvements

CHRYSLER

- For the 2009 model year, 73 percent of Chrysler's products offer improved fuel economy compared with 2008 models.
- An all-new family of fuel-efficient V-6 engines will join Chrysler's lineup in 2010.
- Over the past decade, Chrysler has built more than 1.5 million Flexible Fuel Vehicles capable of running on renewable, American-made ethanol fuel, E85. The Company is committed to making 50 percent of our new light-duty vehicles capable of using alternative fuels in 2012.
- In the proposed alliance with Fiat, Chrysler would gain access to Fiat Group vehicle platforms that would complement Chrysler's current product portfolio and would accelerate the company's plans for the introduction of more environmentally friendly vehicles.
- The Company plans on launching additional small, fuel-efficient vehicles as well as a breakthrough family of all-electric and range-extended electric vehicles.

Improvement of Fuel Economy Using Powertrain and Portfolio Opportunities With FIAT

- Chrysler and FIAT portfolio ranges overlap only in midsize segments
- FIAT small platform technology, small gasoline and diesel engines and light duty dual clutch transmission eliminate need for Chrysler to develop or purchase similar components
- Chrysler 4-cylinder World Gas Engine and Phoenix V6 are powertrains that are attractive to FIAT for potential product line extension.



Safety, Regulatory, Environmental Requirements

CHRYSLER

- There are a growing number of regulatory requirements regarding both vehicle safety and environmental issues.
- Chrysler will meet or exceed all existing or currently proposed U.S. Federal vehicle regulatory requirements and comparable requirements applicable in key markets outside the U.S.
- For the 2009 model year, over 88 percent of Chrysler's vehicles achieved five stars for frontal crash tests, 86 percent achieved the highest rating for side-impact protection.
- The addition of Fiat vehicles and technologies to Chrysler's portfolio will accelerate the Company's ability to meet regulations.

Chrysler Is Committed To Safety And The Environment

California Environmental Protection Agency
AIR RESOURCES BOARD

- State CO2 Regulation AB1493
- State Zero Emission Vehicle Mandate (ZEV)
- Low Emission Vehicle Program (LEV)

NHTSA
www.nhtsa.gov

- Federal Safety Regulation
- Federal Fuel Economy Regulation (CAFE)

EPA

- Federal Emissions Standards (including CO_2)

International Standards

EU Emissions Regulations

EU Safety Regulations

EU Fuel Economy Regulations

Chrysler Complies With Domestic Car And Truck CAFE Requirements

CHRYSLER

- Chrysler's product plans comply with all current and proposed federal Corporate Average Fuel Economy requirements through MY 2015.

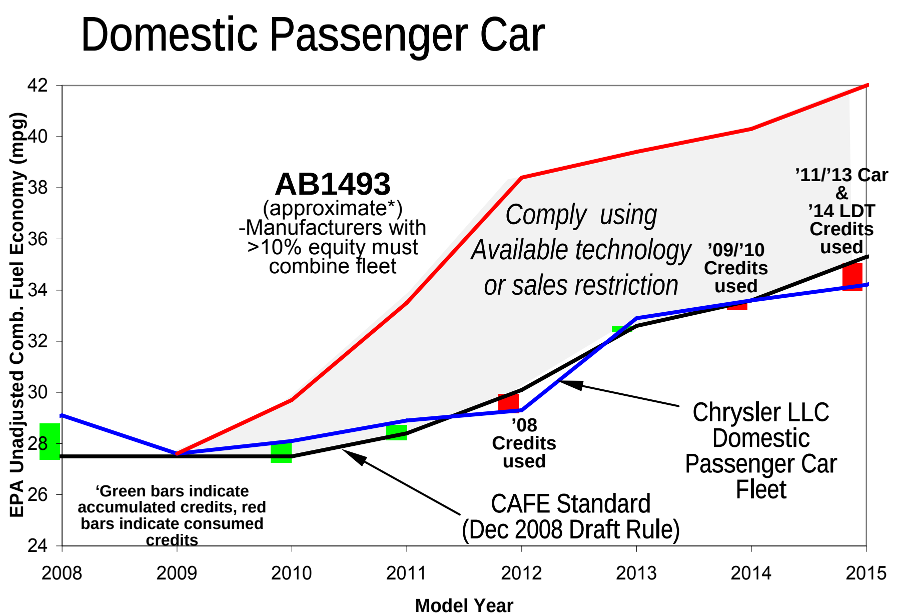
- For example, 73 percent of Chrysler's 2009 product lineup offers improved fuel economy compared with last year's models. Chrysler will continue to improve overall fuel economy with new small car entries, diesel vehicles, electric drive vehicles, and our all-new Phoenix V6 engine.

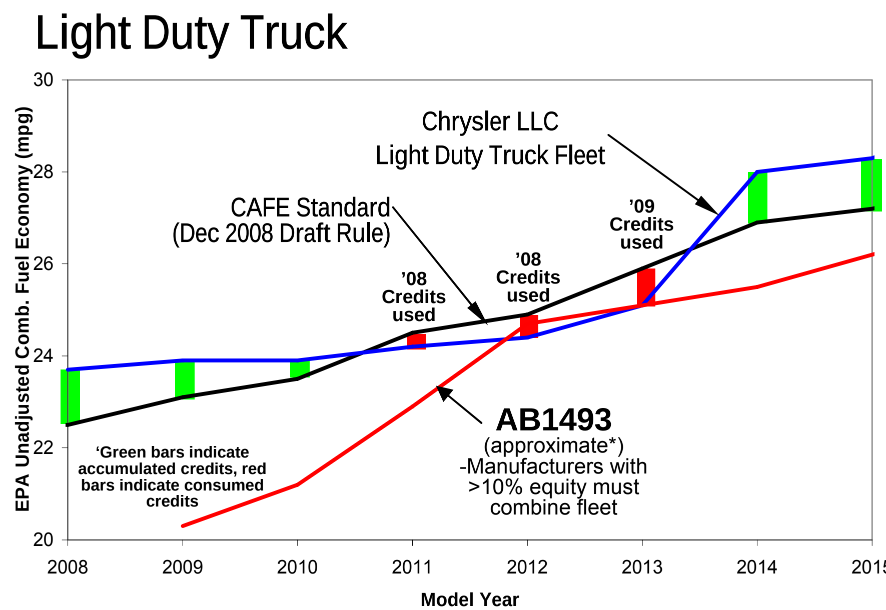
- California and thirteen other states have adopted greenhouse gas vehicle emissions standards ("AB 1493 standards") that require increases in fuel economy. These states comprise about 50% of the domestic car market.

- If the US Environmental Protection Agency allows these states to enforce the AB 1493 standards, Chrysler will try its best to comply using available technology, however as a last resort it may be necessary to restrict sales of certain vehicle models in those states. The ultimate effect of the California standards on Chrysler's product plans depends on a number of developments, as indicated in the Appendix.

Chrysler Has A Strategy To Comply With Domestic Car And Truck CAFE (December Draft Rule)

CHRYSLER





***AB1493 uses different tests methods and fleets – line shows an approximate relationship to CAFE FE**

Chrysler's Integrated Portfolio and Propulsion Strategy Meets CAFE through 2015 MY

Chrysler Has A Strategy To Meet ZEV Compliance Requirements

CHRYSLER

- To satisfy the ZEV Mandate in California and states that have adopted the ZEV rules, Chrysler is required to produce and sell a combination of advanced technology vehicles:
  - Battery Electric Vehicles (Gold credits)
  - Hybrids and/or Plug-in Hybrids (Silver, Silver+ credits)
  - and Partial Zero Emission vehicles (reduced-tailpipe-emission vehicles) known as PZEV's (Bronze credits)
- Recently updated ZEV regulations allow some flexibility to generate and apply Gold and Silver+ credits.
- For the Battery Electric Vehicle requirement, Chrysler has developed the Dodge Circuit all-electric sports car and plans other Battery Electric Vehicles in the coming years.
- We also have plans to offer a Dodge Ram Pickup Hybrid next year, followed later by Range-Extended Electric Vehicles that combine plug-in capability with a small gasoline engine/generator/battery system to further reduce fuel consumption in our mainstream vehicles.
- In combination, Chrysler's EV products will meet the ZEV Mandate, as it is currently defined.

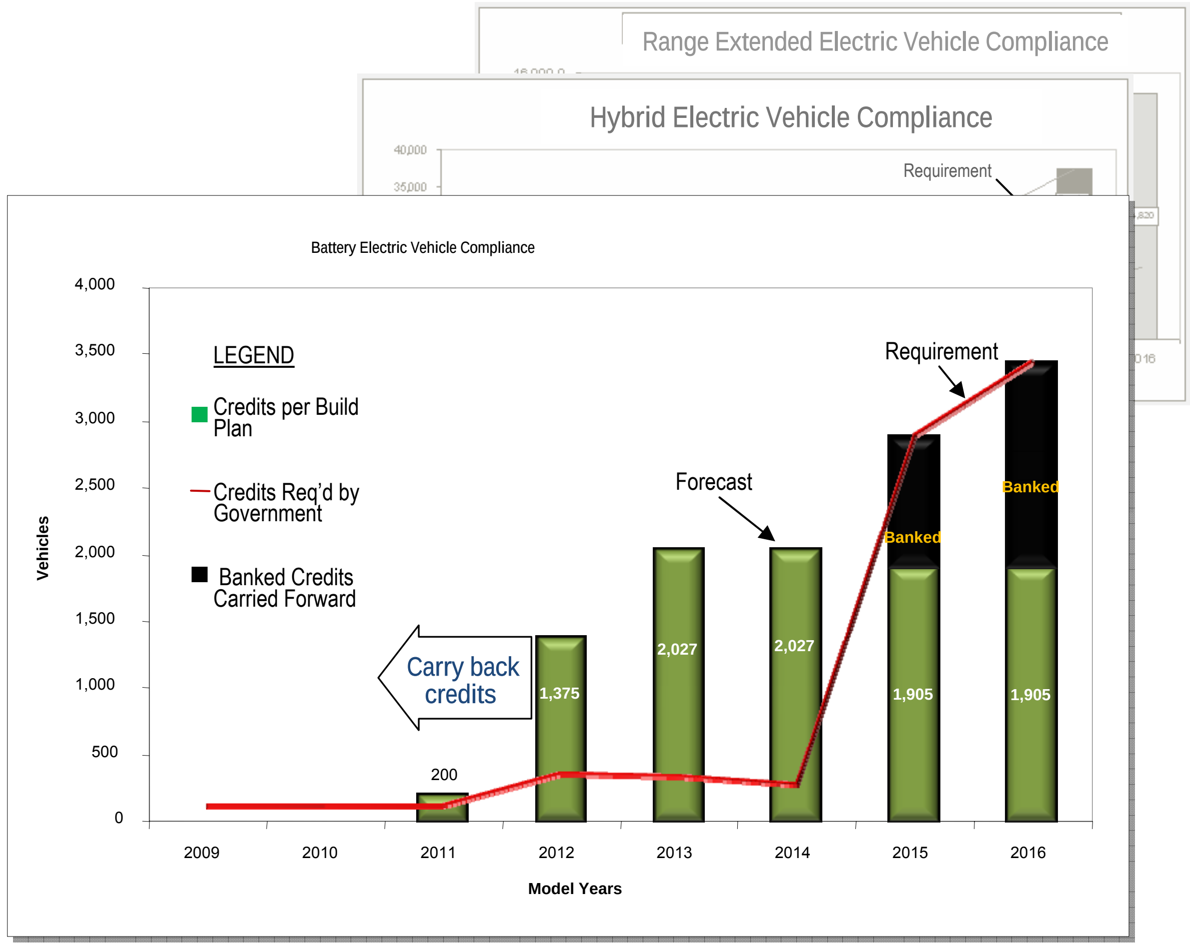
Chrysler Has A Strategy To Meet California's Zero Emission Vehicle Mandate

CHRYSLER

Dodge Circuit Electric Vehicle
All Electric

Ram Hybrid

Dodge Circuit Electric Vehicle and Ram Hybrid contribute to meeting the California Zero Emission Vehicle (ZEV) mandate.



Based on Current Portfolio Assumptions Chrysler Meets California's Zero Emission Vehicle Mandate

Chrysler's Commitment to Safety

CHRYSLER

- Chrysler is committed to designing and building safety into its vehicles.
- For the 2009 model year, more than 88 percent of the Company's vehicles achieved five–star ratings from NHTSA for frontal crash tests and 86 percent achieved the highest rating for side-impact protection.
- Chrysler had the fewest number of safety-related and other recalls of any major auto manufacturer in 2008.
- Chrysler achieves early vehicle phase-in by an average of 18 percent for safety regulations, which equates to a total of nine million vehicles phased-in early.

Chrysler Is Committed To Safety And To Meeting All NHTSA Regulatory Compliance

CHRYSLER

For every regulation Chrysler achieves early vehicle phase in by an average of 18% per regulation, which equates to a total of 9 million vehicles phased-in early.

Chrysler NHTSA Regulation Compliance Phase–In (% required / % planned)

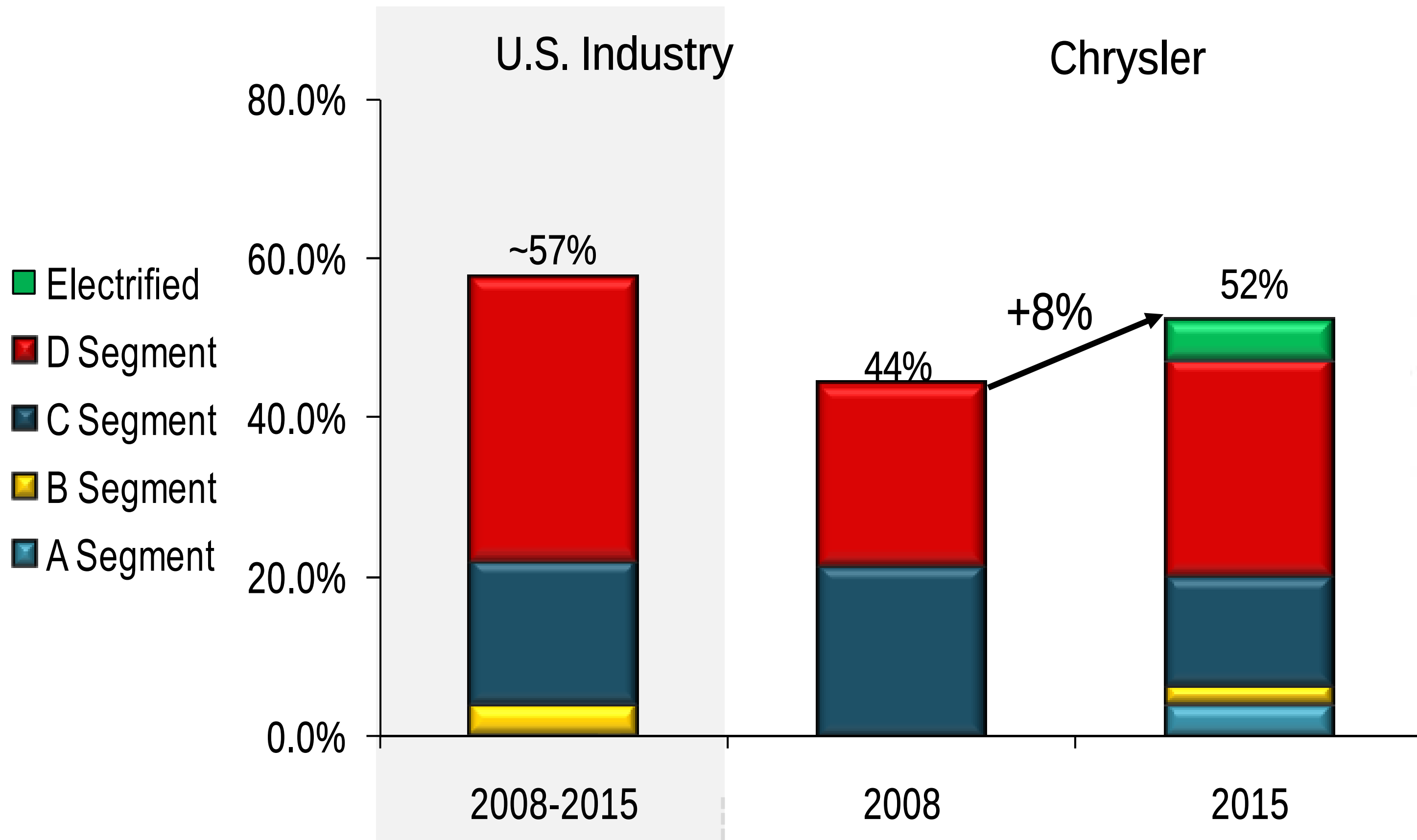
REGULATION \ YEAR	2008	2009	2010	2011	2012	Total Vehicles with Early Complaince
FMVSS 126 - Electronic Stability Control		55 / 69	75 / 87	95 / 98	ALL	*3.5 Million*
FMVSS 202a - Front Row Head Restraints			80 / 86	ALL	▶	*140,000*
FMVSS 202a - Rear Head Restraints				80 / 82	▶	*100,000*
FMVSS 208 - Front Impact - 50% Male	35 / 60	65 / 74	ALL	▶	▶	*925,000*
FMVSS 208 - Front Impact - 5% Female			35 / 64	65 / 87	▶	*1.76 Million*
FMVSS 208 - Child Seats			50 / 66	ALL	▶	*800,000*
FMVSS 214 - Side Impact - Pole				20 / 43	40 / 55	*815,000*
FMVSS 214 - Side Impact - Moving Barrier				20 / 50	40 / 72	*970,000*
FMVSS 216 - Roof Strength			NHTSA Delayed Rulemaking ... Timing / Requirements Uncertain			*TBD Early*
FMVSS 301 - Rear Impact - Fuel Integrity	70 / 95	ALL	▶	▶	▶	*2.4 Million*

Aligning Product Portfolio With Market Trends

- Chrysler is changing its mix of product offerings to better align with U.S. market trends and demands for smaller, more fuel-efficient vehicles.
- In 2008, Chrysler's vehicle lineup, on average, included more large vehicles than the industry average.
- The Fiat Alliance will accelerate global share gains across all segments and create a stable of complementary products:
  - Alliance product strength benefits Chrysler in the subcompact (A-segment), compact (B-segment) and midsize (C-segment) vehicle families;
  - Chrysler's product strength benefits the Alliance in the fullsize vehicle, multipurpose vehicle, pickup and minivan segments;
  - New powertrain technologies fill a void for Chrysler in a variety of applications including small gasoline, diesel, natural gas and bioethanol engines.
- Fuel prices at the pump will be a major variable driving change in consumer preference for small, fuel-efficient vehicles.
- The Alliance with Fiat will allow Chrysler to leverage small-car platforms and recognized leadership in developing technologies to reduce emissions and increase fuel efficiency.

Chrysler Product Portfolio Emphasizes Segments That Better Align With The U.S. Market Trends And Demands

Sales Mix: Small & Midsize Vehicles as Percent of Total



B Hatch 5 Pass

Fiat 500

C – EVO Sedan

U.S. Industry demand for small cars will remain steady

Fiat Alliance enables Chrysler to more rapidly expand product portfolio to meet current and future market demand

Chrysler Has an Aggressive Vehicle "Electrification" Plan

CHRYSLER

- Chrysler's subsidiary, Global Electric Motor Cars LLC (GEM), is the largest producer of electric-drive vehicles in the U.S. today.
- Chrysler's internal group, known as "ENVI," has focused on electric drive as a primary path to developing future clean vehicles.
- Chrysler electric-drive technology will be applied to front-wheel-drive, rear-wheel-drive, and body-on-frame four-wheel-drive platforms – across all three brands (Chrysler, Dodge and Jeep®).
- In addition to all-electric vehicles, Chrysler will offer Range-extended Electric Vehicles that combine the drive components of an electric vehicle with an integrated, gasoline auxiliary power unit and generator to power the electric drive when needed.
- The range-extended system provides a total range of about 400 miles, including 40 miles of zero-emissions, all-electric operation.
- Chrysler will have more than 66 ENVI advanced propulsion electric-drive vehicles in fleet service this year.
- The first Chrysler electric-drive vehicle will be available for retail customers in 2010, with additional models in production by 2013.

Chrysler Has An Aggressive Vehicle "Electrification" Plan to Respond to a Broad Range Of Customer Demands

CHRYSLER

	2009	2010	2011	2012	2013		2014
Battery Electric Vehicle *(NEV, CEV, BEV)*	GEM/Peapod Renewal NEV >200 mpg	ENVI #1 BEV >200 mpg	ENVI #2 City EV >200 mpg				
Range-Extended Electric Vehicles *(ReEV)*				ENVI #3 ReEV (or HEV) 55-65 mpg	*ENVI #4* ReEV *>45 mpg* *alternative* *In DOE Plan* *ENVI #4* HEV 40-45 mpg	ENVI #5 ReEV 60-70 mpg	ENVI #6 ReEV 40-50 mpg
Hybrid Electric Vehicles *(HEV)*		Dodge RAM 1500 HEV Gen 1 25-27 mpg		HEV 28-30 mpg		Dodge RAM 1500 HEV Gen 2 26-28 mpg	

NOTE: Denotes inclusion in Chrysler's 10Nov2008 ATVM Loan Program Submission to DOE

Chrysler's Electrification Plan Includes Addition of a Battery Electric Vehicle (NEV) Starting in 2009 and Continues With Additional BEVs, Range Extended Vehicles, and Hybrids

Innovation and Features to Meet Customer Needs

CHRYSLER

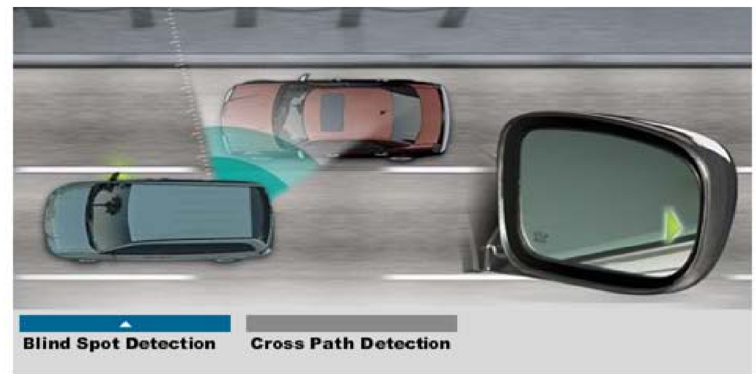
- Chrysler has continuously invested in innovation that meets real customer needs. Here are some examples of current or planned innovations:
- uconnect: this is Chrysler's umbrella for technologies addressing consumer need for connectivity and information.
  - uconnect builds off of Chrysler's hands-free Bluetooth communication system, SIRIUS Backseat TV, and our 30 gigabyte multimedia infotainment system with navigation and real-time traffic monitoring.
  - Dealer-installed Mopar systems now can turn a vehicle into a Wi-Fi hot spot.
  - As an example of a uconnect feature that is coming: a "smart" phone can be programmed to start the vehicle, adjust power windows and locks and set vehicle temperature. In addition, an in-vehicle camera can monitor security of the vehicle. If a vehicle is lost or stolen, the phone can even disable the vehicle and locate it using satellite imaging.
- Blind Spot Monitoring: introduced on 2009 Chrysler Town & Country and Dodge Grand Caravan minivans, this system detects a possible unseen vehicle when changing lanes.
- Active Transfer Case and Front Axle Disconnect System: new on the 2009 Chrysler 300 and Dodge Charger, this system offers the efficiency of a two-wheel drive system and the safety and performance of all-wheel drive when needed.
- Rear Cross Path: this system, available on 2009 minivans, notifies the driver of a car crossing their path when backing up.

Chrysler Has Continuously Invested In Innovation And Features To Meet Customer Needs

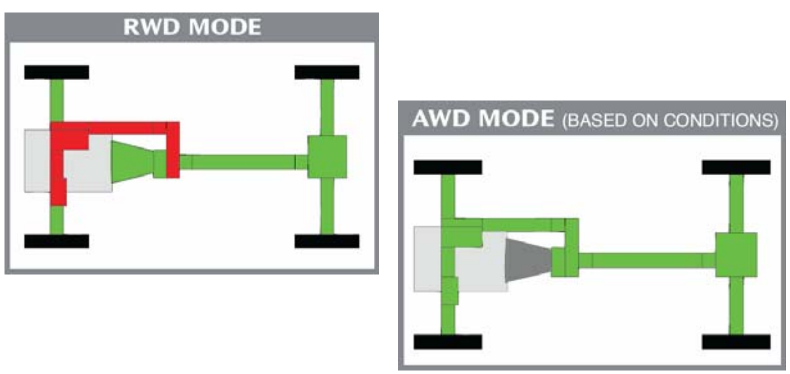
uconnect is Chrysler's umbrella for technologies addressing the consumer need for connectivity & information

Example: Chrysler only Sirius back-seat TV

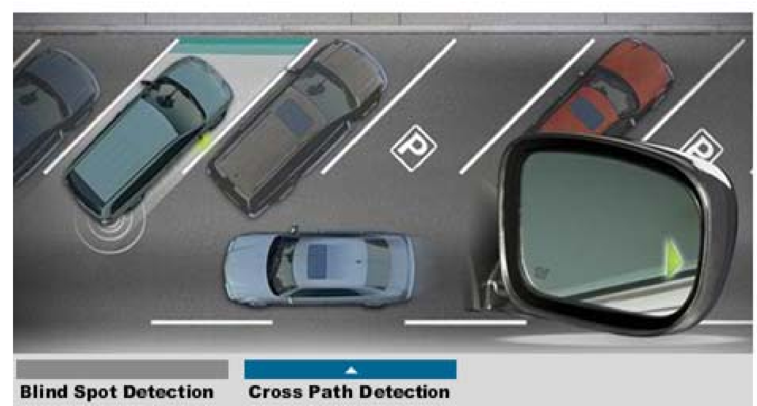
Blind Spot Monitor alerts the driver of a vehicle in the blind spot to avoid accidents



Active Transfer Case and Front Axle Disconnect System: Enables improved fuel economy and AWD mode



Rear Cross Path informs the driver about a vehicle crossing its path (Chrysler first to market in 2009



Innovation - Chrysler 200C / Connectivity

CHRYSLER

- Chrysler has set itself apart over the years based on its ability to apply its engineering expertise and spirit of innovation to building emotionally compelling, high-value cars and trucks.
- The Chrysler 200C EV Concept is a Range-extended Electric Vehicle that shows the Chrysler brand's future direction.
- The 200C EV's design evokes a timeless beauty that marries the organic form and language of the Company's design roots with a level of sophistication and technology never before embodied so elegantly in a Chrysler vehicle.
- The vehicle also showcases Chrysler's "uconnect" future – a host of unique, trend-setting innovations that will ultimately provide unprecedented convenience to consumers.
- To cite one example, a "smart" phone can be programmed to start the vehicle, adjust power windows and locks and set vehicle temperature. In addition, an in-vehicle camera can monitor security of the vehicle.
- If the vehicle is lost or stolen, the phone can even disable the vehicle and locate it using satellite imaging.

Automotive Innovation – Chrysler 200C Presented at 2009 Detroit Autoshow

Showcasing Connectivity Features & Innovative Range-Extended Electric Driving

Next Generation Jeep Grand Cherokee

- Chrysler's revenue in the near term will get a boost with the debut of a redesigned Jeep Grand Cherokee.
- Jeep is an iconic American brand whose roots go back to World War II, when the U.S. military needed a go-anywhere, do-anything vehicle to support American troops in every theater of the war.
- Today, Jeep is one of the best-known and strongest automotive brands in the world.
- Jeep Grand Cherokee set the trend as the first luxury SUV.
- The new fourth-generation Jeep Grand Cherokee will be built in the United States and will feature improved fuel economy and a best-in-class interior.

Short-term Revenue Coming From New Grand Cherokee in 2010 ….

All- New Chrysler 300

CHRYSLER

- Chrysler 300 is the Company’s flagship sedan.
- The Chrysler 300C has won more awards than any car ever – including North American Car of the Year, Motor Trend Car of the Year, Automobile Magazine’s Automobile of the Year, and Car and Driver’s Ten Best list.
- The next generation Chrysler 300 will feature stylish new exterior and interior designs, improved fuel efficiency and unprecedented “uconnect” connectivity.
- Powertrain options will include an all-new fuel-efficient six-cylinder engine in addition to the HEMI eight-cylinder engine. The HEMI engine features Chrysler’s Multiple Displacement System (MDS) that automatically deactivates engine cylinders for enhanced fuel economy.
- Safety features available on the new Chrysler 300 include:
    - Rear Cross Path and Blind Spot Monitoring systems to warn drivers of unseen vehicles
    - Electronic Stability Control, all speed traction control, and four-wheel anti-lock brakes
    - Energy-absorbing steering column, rear-sill reinforcement and structure, and available side-curtain and seat mounted side air bags.

…. and the New Chrysler 300 in 2010

CHRYSLER

Most Awarded New Car in Automotive History!

Chrysler LLC Product Launch Cadence

- Chrysler has continued to make substantial investments in new products and technology and will launch 24 new vehicles during the next 48 months – eight of these new products arrive in the next year and a half.

- This means the Company will renew more than 60 percent of its total sales volume in key market segments, with vehicles that include the next-generation Jeep® Grand Cherokee, Dodge Charger, Dodge Durango, Chrysler 300 and several exciting new small cars.

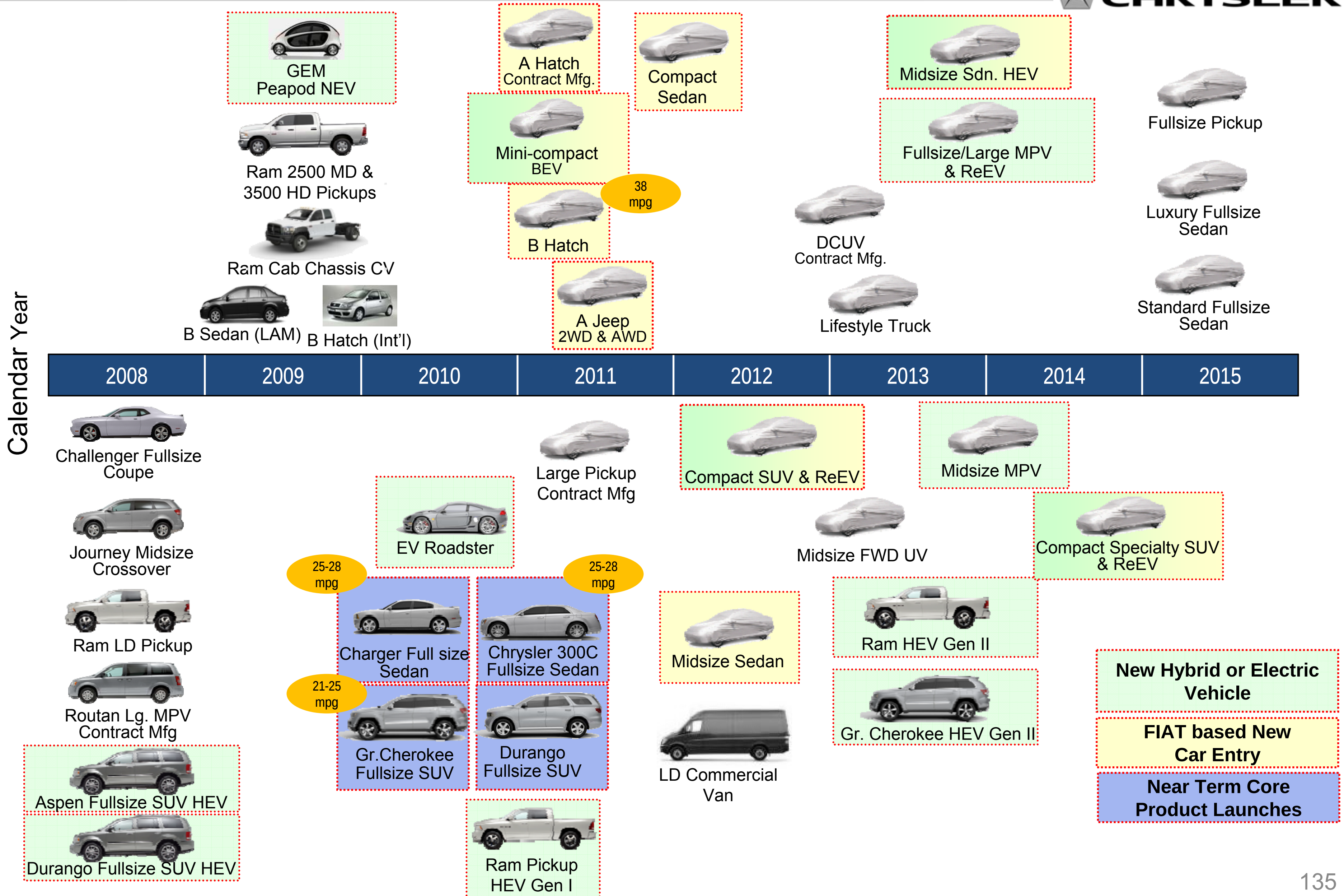
- Electric drive will be a primary path to developing clean vehicles for all Chrysler product lines.

- Led by Chrysler's internal advanced alternative propulsion vehicle development team called "ENVI," the Company is making rapid progress and will have 66 ENVI advanced propulsion electric-drive vehicles in fleet service this year.

- The first Chrysler electric-drive vehicle will be available for retail customers in 2010, with additional models in production by 2013.

Chrysler Product Launch Cadence With the Addition of Fiat's Vehicles Allows Us to Meet Customer Demands

CHRYSLER



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Manufacturing Plan Objectives

- Continue Plant Health & Safety Improvement Record
- Continue Manufacturing Productivity Leadership
  - Best Manufacturing Hours per Vehicle (HPV) in 2007
  - 2008 not published
  - Competitive hourly labor cost
- Objective of Fiat alliance is to improve U.S. job situation
  – no reduction forecasted
- Add shifts to handle capacity increase
- Capital improvement – new product mix and implementation productivity results in $182M in savings over original submission

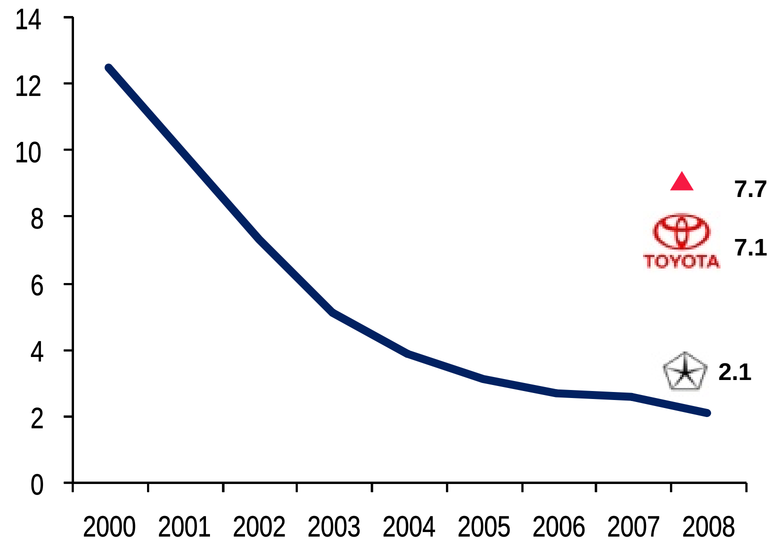
Chrysler Health and Safety
Record of Continuous Improvement

- Chrysler incorporates two primary metrics to measures its health and safety record: Lost Work Day Incident Rate (LWDI) and Incident Rate. Both are monitored and measured by federal governing bodies.
- The LWDI is a widely used injury indicator that measures the rate of missed or restricted-activity workdays associated with injury and illness per 100 employees.
- Incident Rate, as defined by OHSA, is the number of incidents resulting in days away from work for each 100 full-time employees per year, based on 2,000 hours worked per employee per year.
- National Safety Council has recognized Chrysler facilities for improved and benchmark health and safety performance for a number of years.
- Excellence in health and safety performance helps stabilize, and even lower Company costs.
- Chrysler's record shows continuous improvement in health and safety.

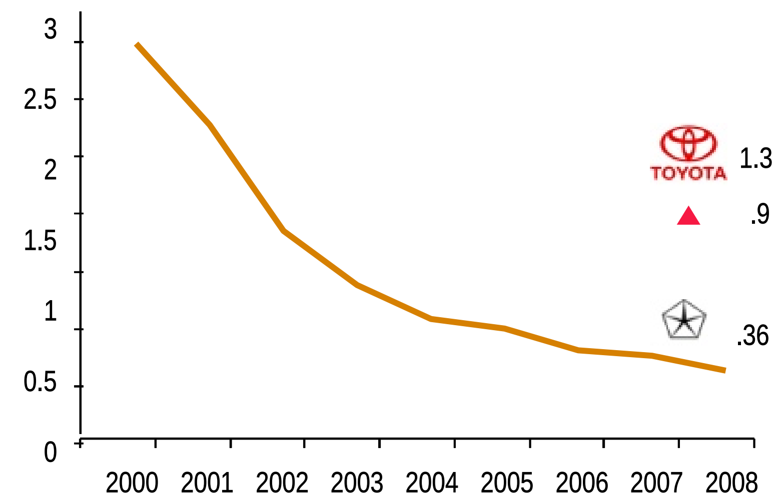
Chrysler Health and Safety
Record of Continuous Improvement

CHRYSLER

U. S. Incident Rate



U. S. Lost Workday Rate



▲ 2008 Industry Average Rate = GM, Ford, Toyota, Honda & Daimler AG/U.S.

- Occupational Excellence – Lost Work Day Incident (LWDI) 50% SIC (Standard Industrial Classification System) with 32 Qualifying Locations
- Significant Improvement – 20% LWDI with 24 Qualifying Locations
- Perfect Record – Zero LWDI with 10 Qualifying Locations
- Safety Leadership – 5 years Zero LWDI - Memphis PDC
- Million Work Hours – Zero LWDI - Pilot Process Verification Center & Memphis PDC

Manufacturing Productivity
Harbour Actual

- Chrysler manufacturing productivity improved by 31.4 percent over the last seven years, taking nearly fourteen hours out of the average time it takes to assemble a vehicle, including its major components.
- In 2007 alone, Chrysler improved 7.7 percent, with total HPV of 30.37, tied in North America productivity with Toyota to become the benchmark.
- Industry productivity data for 2008 are not yet published, however HPV deterioration is expected for the entire industry, due to significant decrease in volumes.

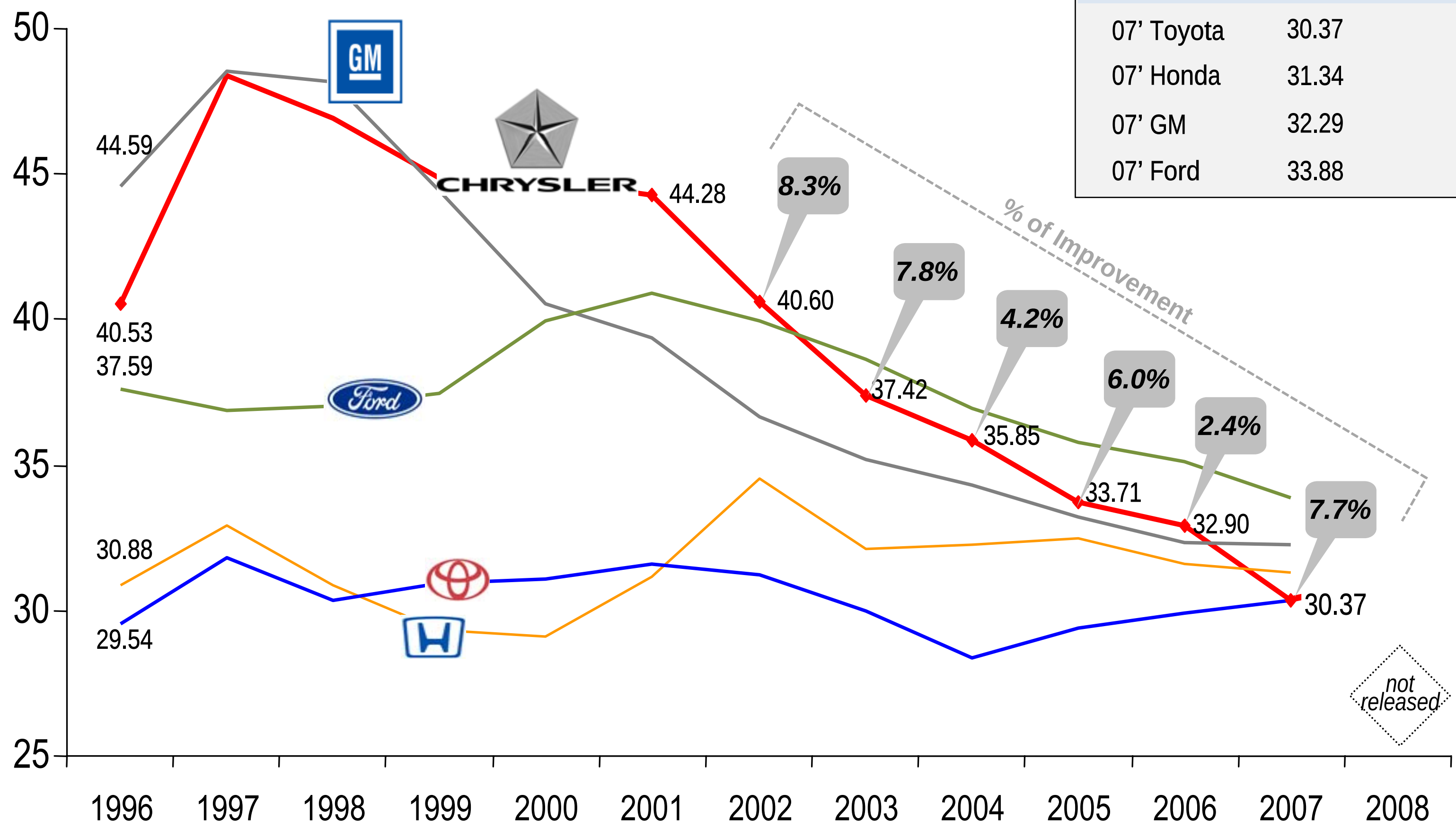
Manufacturing Productivity
Harbour Actual

Hours Per Vehicle

(Assembly, Stamping, Engine & Transmission)

2007 HARBOUR RESULTS

	HPV	Var. to Chrysler
07' Chrysler	30.37	------
07' Toyota	30.37	------
07' Honda	31.34	+0.97
07' GM	32.29	+1.92
07' Ford	33.88	+3.51



Chrysler is the Most Efficient Automaker in North America

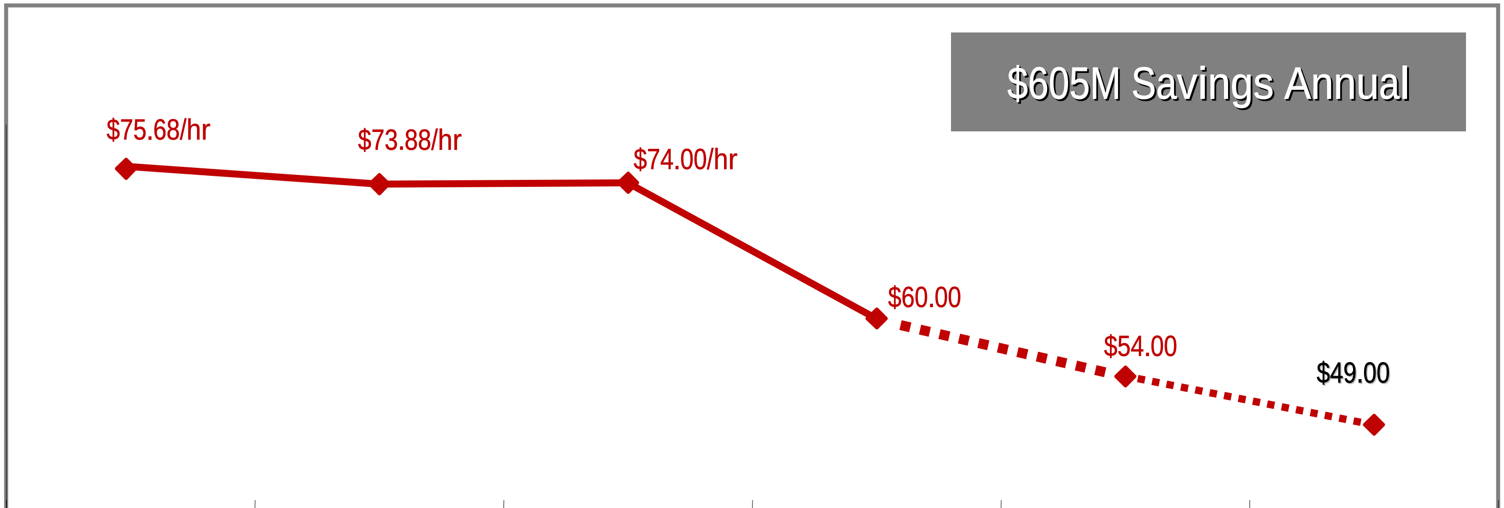
Chrysler Hourly Labor Cost Projection
Annual and Per-Hour-Worked Basis

CHRYSLER

- Chrysler UAW hourly wage rates were based upon previous labor agreements and of an industry that had the ability to price vehicles competitively in order to cover operational costs, including labor wages.
- As a result of a landmark labor agreement with the UAW in 2007, Chrysler will see a dramatic decline in the hourly labor cost per employee in two phases:
  - VEBA (Voluntary Employee Beneficiary Association), beginning in 2010.
  - Hiring of employees at the Tier II hourly wage structure, which was permitted in 2008.
- The VEBA shifts a significant cost from current employees and retirees from Chrysler's cost structure to a third-party organization.
- As sales increase and the need to add production/shifts back at Chrysler U.S. plants, a hiring opportunity will include a new Tier II wage structure.

Chrysler UAW Hourly Labor Cost Projection

(Per Hour Worked Basis)



	2006 Actual	2007 Actual	Current State	Post VEBA	80%Tier I / 20% Tier II	U.S. Transplant Level
				• VEBA Implemented	• VEBA Implemented	• VEBA Implemented
	Existing contract provides for Tier II wages and benefits ($30/hr) for up to 20% of the workforce			• Tier II Not Implemented	• 20% Tier II	• 20% Tier II • Contract Modifications
Annual Hours Worked	*83.2M*	*76M*	*55M*	→	→	→

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Procurement Plan

- Background: Purchasing Activity
- Supplier Concessions
- Risks to Plan
- Procurement Summary

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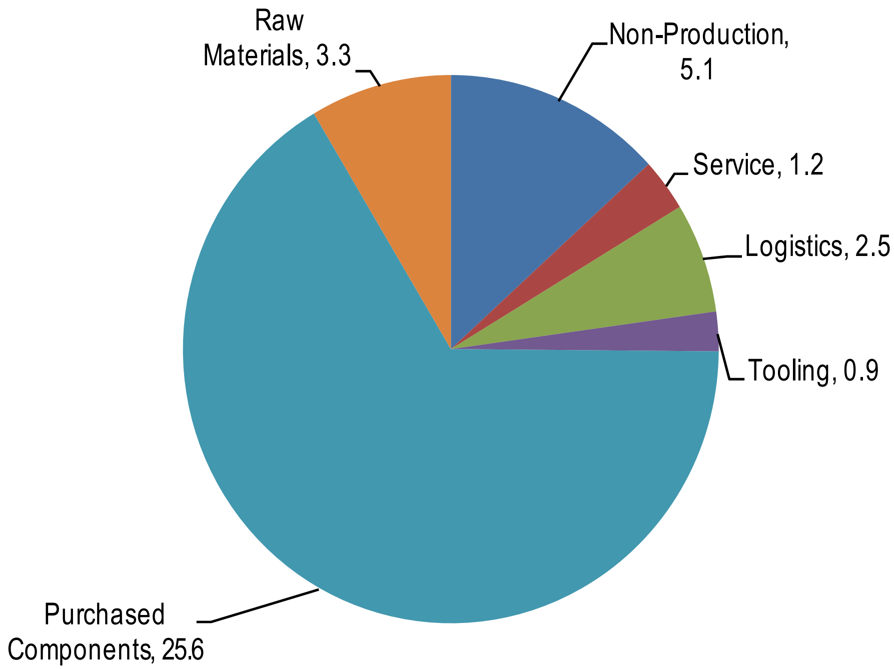
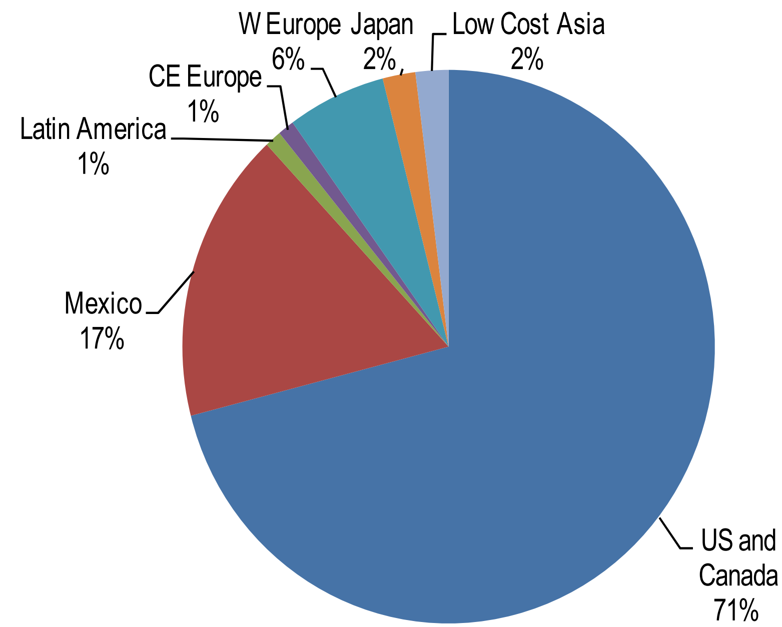
Procurement Plan – Background – Purchasing Activity

($ Millions)

2008 Annual Value of Business	88% of Purchases Are in NAFTA Region





Total AVOB: $38.6B

96% of Chrysler's Top 100 Suppliers (80% of AVOB) Shared with Either GM or Ford

Procurement Plan – Supplier Concessions

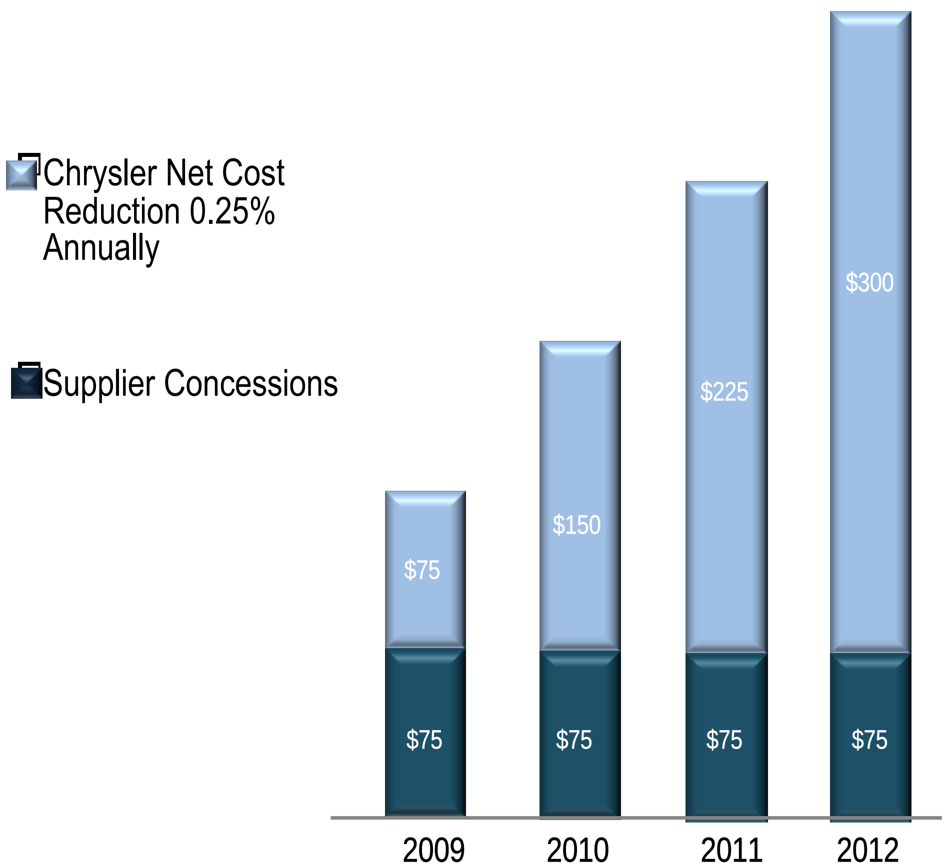
CHRYSLER

- Base plan assumes $75M net savings in 2009.
- Concessions:
  - Price reduction effective April 1, 2009
  - No (non contractual) material price increases in 2009
  - Shared savings on supplier generated cost savings ideas
  - 5% reduction continues for non-production material
- Letter to suppliers – January 26, 2009.
- An incremental $75M cost reduction in 2009.

Procurement Plan – Supplier Concessions
Chrysler Base Plan

CHRYSLER

($ Millions)



Procurement Plan yields
$150M net savings in 2009

CHRYSLER

Scott R. Garberding
Senior Vice President &
Chief Procurement Officer
Global Sourcing

January 26, 2009

Dear Supplier Partner:

As you are no doubt aware, the U.S. Government's bridge loan to Chrysler came with the requirement that we provide the President's designee with a plan to achieve and sustain the long-term viability of our Company. This Viability Plan update is due Feb. 17, 2009, and it requires that all stakeholders, including owners, executives, employees, dealers, lenders and suppliers contribute in a substantial way. In addition to providing the plan, we must also submit regular written certifications detailing the status of our plan implementation. The final review will take place on March 31, 2009, so we need to show tangible progress by that date.

We recognize that the financial crisis which has brought hardship to Chrysler has created similar challenges for all our constituents, including our suppliers. Accordingly, before finalizing this plan, my team and I have had one-on-one discussions with numerous supplier executives and also a roundtable discussion with a subset of our Supplier Advisory Council. We have not taken this responsibility lightly and have tried to the greatest extent possible to balance supplier concerns in creating the plan.

Nonetheless, the task which has been set before us is to achieve overall net cost reductions with our suppliers. Please understand that we are committed to working collaboratively with you to achieve these goals so that we may collectively maintain our mutual and sustained viability for the long-term. The supplier contribution toward our Viability plan is described below:

(1) Effective April 1, 2009, Chrysler will require cost decreases from all production suppliers. We will communicate with you shortly to discuss your contribution toward the overall objective stated above. To the extent you are one of the many suppliers who already have agreements in place committing you to annual price decreases, those contractual decreases will count toward your cost reduction target;

(2) To further enable you to reach your cost target, 90% of the value of any cost reduction ideas presented and implemented, whether through value engineering or otherwise, may be applied toward your target. This is a departure from the 50/50 cost sharing in our current policy. We also commit that the Chrysler process for handling cost reduction proposals will be streamlined substantially in order that we may collectively reach decisions quickly in support of timely change implementation. Our goal is to take cost out of the system, not just price. We will also be working with select suppliers in the near future on longer-term business agreements for current and future programs;

(3) During 2009, we will not grant price increases for raw materials or other factors; and

(4) For all indirect suppliers, the 5% price reduction enacted last year will remain in effect.

The net supply chain cost reduction requirement contained above is one part of the total concessions required to ensure our mutual success. We will also continue to work closely with representatives from groups like OESA and MEMA to support them in formulating strategies to seek government support for the supply base. We look forward to constructive discussions with you in the days and weeks ahead. We can get through this difficult time if we all work together.

Sincerely,

Scott Garberding
Senior Vice President &
Chief Procurement Officer

Procurement Plan – Risks to Plan

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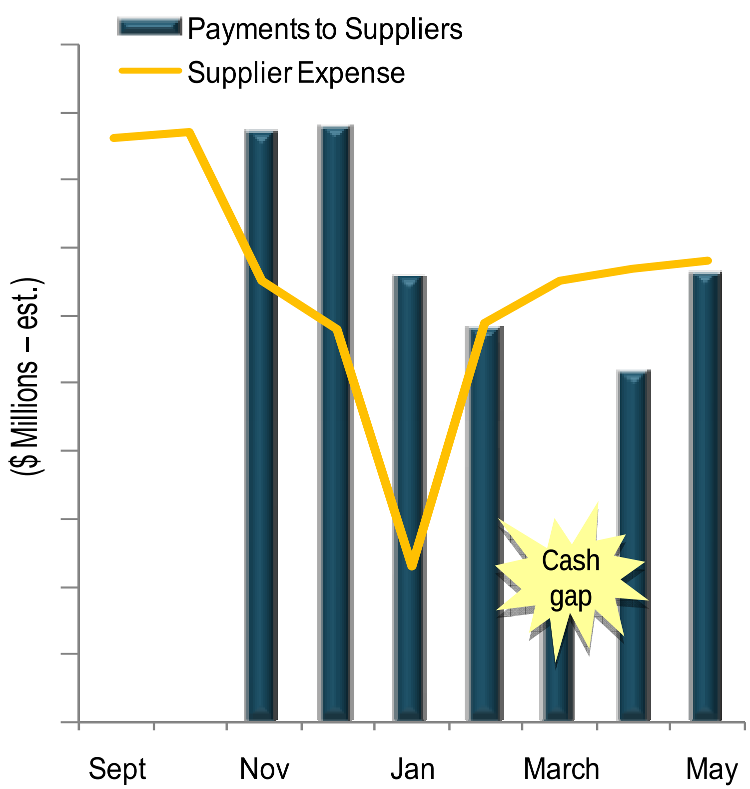
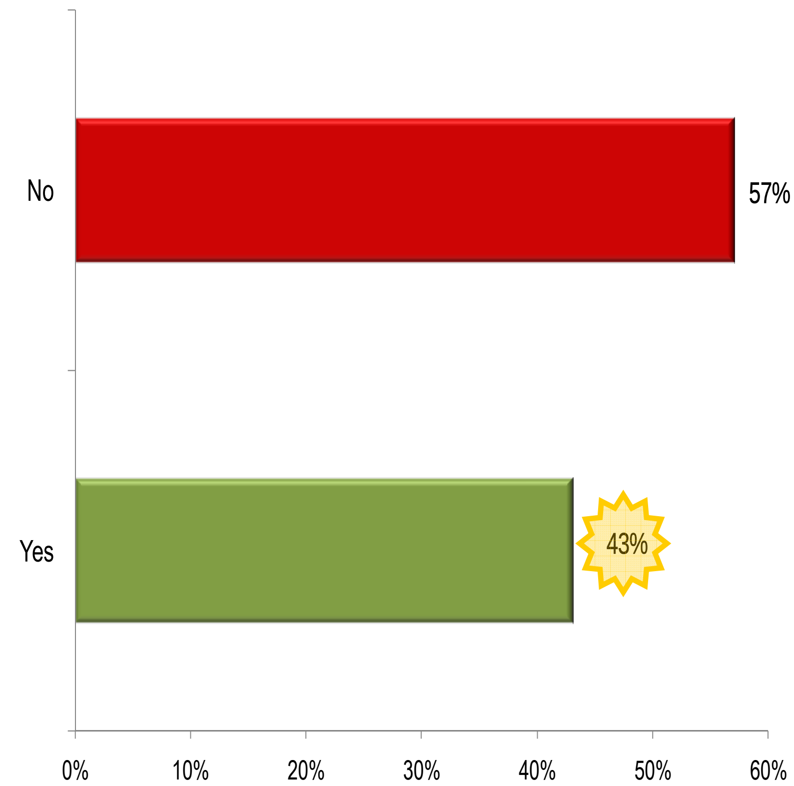
- U.S. supply base viability is tenuous
- Strong negative pressures on supplier cash flow
  - Significant volume reductions
  - Lack of December & January OEM production creates Accounts Receivable gap for suppliers in February & March while funding is required to support production
  - Sub-tier suppliers aggressively shortening payment terms
  - Financially troubled suppliers continue to grow – now 22% of Chrysler's spend

Procurement Plan – Risks to Plan

CHRYSLER





Lack of December and January OEM Production Creates A/R Gap for Suppliers in February and March While Funding is Required to Support Production

(illustrative)
Payment Estimates: Chrysler, Ford & GM
Source: Ducker Worldwide

Sub-tier Suppliers Aggressively Shortening Payment; 43% of Tier 1 Suppliers Have Received Requests From Sub-tiers For Payment Term Compression

Responses: 95
Source: Original Equipment Suppliers Association (OESA) Supplier Barometer January 2009

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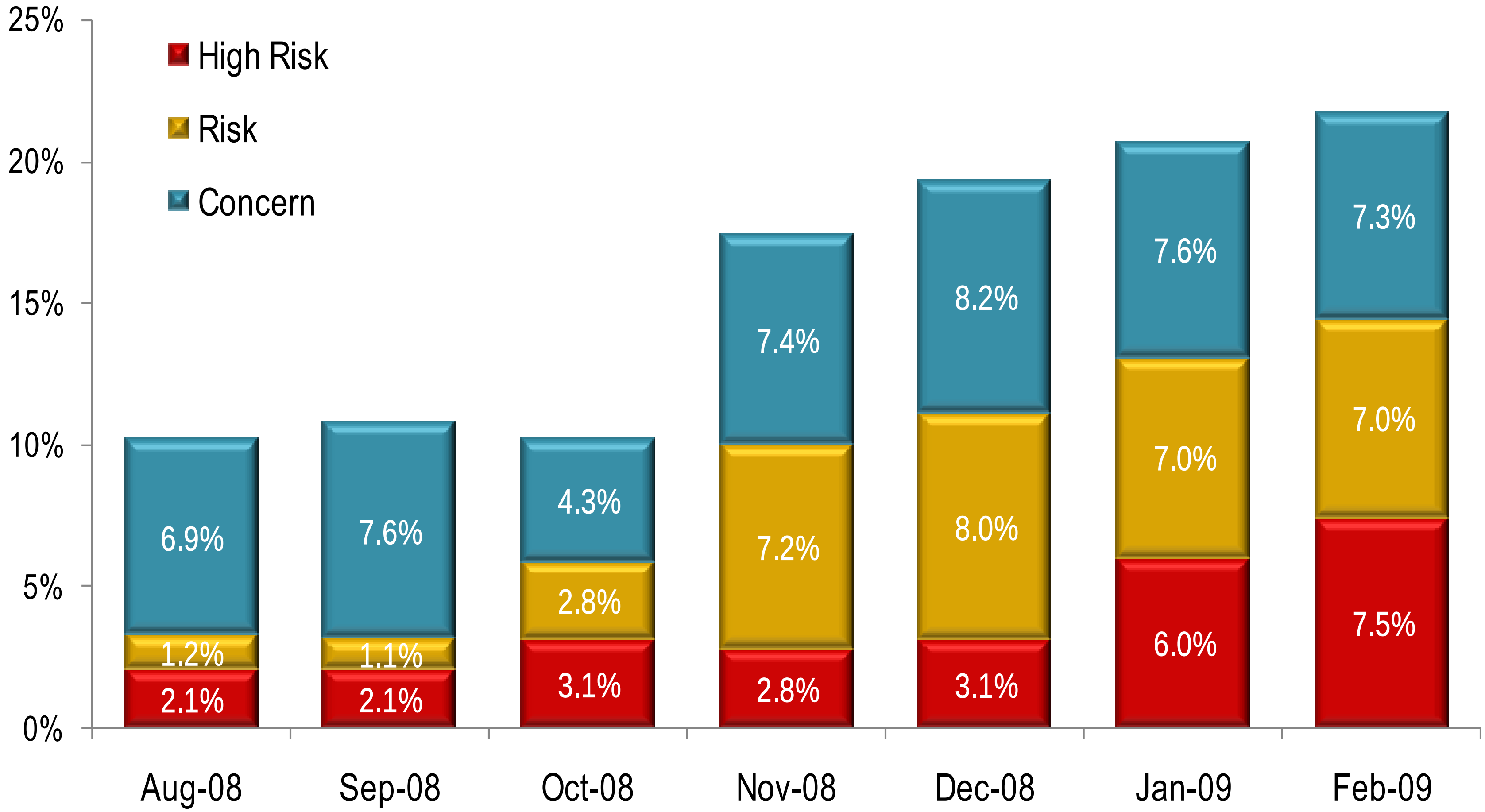
Procurement Plan – Risks to Plan



Financially Troubled Suppliers Continue to Grow – Now 22% of Chrysler's Spend

Note: Data as of 2/6/2009

How Government Assistance of Suppliers Helps US

CHRYSLER

- Guarantee of OEM Accounts Payable
  - Enables us to maintain current payment terms for all suppliers versus the demands for payment pull ahead required by certain suppliers who continue to threaten us with "stop ship", which started in Q4 2008; immediate cash benefit of $166M.
  - Allows and encourages lenders to cooperate with their supplier customers.

- "Quick Pay Program"
  - Allows suppliers to factor receivables if they choose to do so.
  - Allows some suppliers to clear covenant hurdles with their lenders

- Direct Loans
  - Relieves Chrysler from cash burden of funding DIP loan for numerous suppliers.

Reduces Cash Assistance for Troubled Suppliers by more than $50M

Procurement Summary

- Variable cost savings achievable – accretive to Viability Plan
- Industry conditions now force OEMs to fund elements of future programs in advance
- Industry conditions require substantial and coordinated restructuring of supply base:
  - OEMs must concentrate business in "surviving suppliers"
  - The U.S. Government may have to provide liquidity for automotive suppliers to ensure an orderly consolidation

Availability of Credit is Vital to Orderly Reorganization of Industry

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VII. Potential U.S. Industry Consolidation Study

U.S. Industrial Consolidation Example
Qualitative Benefits

- A U.S. Industrial Consolidation would create a company better positioned to compete with Toyota and other non-U.S. automakers.
- Ability to reduce costs results in significant improved competitive positioning throughout the Business Cycle
  - Platform Consolidation and Capacity Rationalization
  - Research and Development Synergies
  - Elimination of Duplicate Corporate and Operational Staff
  - Purchasing Synergies
  - Sales and Marketing Efficiencies
- Cost synergies will release capital which can be deployed for further technological innovation and potentially reduce DOE 136 funding.
  - Green Technologies
  - Next Generation Vehicles
- Combining the Finance Companies would give Chrysler's dealers and customers access to deposit funding.

Source: J.P. Morgan

U.S. Industrial Consolidation Example
Estimated Synergy and Benefits

($Billions)

Area	Approach	Cash Flow Impact ** Total 09 – 16	EBITDA Impact ** Total 09 – 16
Purchasing	Combined Global Sourcing of over $100 billion allowing for supplier consolidation and common parts		
Product / Platform and Powertrain Sharing	Common platforms and engineering with common powertrains to reduce capital and cost	$36 - $54 *	$40 – $58 *
Distribution	Global growth through focused brands and international network		
Other Opportunities	Manufacturing, logistics, advanced technology, and overall fixed cost synergies		

Combined Synergies Realized In Aggregate By Both Companies

Source: J.P. Morgan

* *discounted for lower future industry assumptions*

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VIII. Orderly Wind Down Scenario

Rejection of Chrysler's Funding Request Leads to Ultimately Higher Government Outlays

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Failure to grant incremental Government funding request and concessions would lead to Chapter 11 with DIP financing estimated at $24 billion.

Inability to secure $24 billion of bankruptcy DIP financing leads to liquidation over a 24 to 30 month period with the following consequences:

- 29 manufacturing facilities and 22 parts depots closed immediately.
- 40,000 direct Chrysler U.S. employees lose their jobs.
- 3,300 dealers with 140,000 employees go out of business.
- $7 billion in outstanding auto supplier invoices go unpaid.
- 31 million vehicle owners lose significant value, warranties, parts, and service.

Government would be saddled with enormous social and economic costs:

- Risk of U.S. Auto Industry collapse.
- 2-3 million U.S. jobs lost nationwide.
- $65 billion of personal income taxes lost over first 3 years.
- $55 billion of social security receipts lost over first 3 years.

Sources: Center for Automotive Research (Nov '08); IRS Data Book (2007); Company Records

Loan Request Considerations

CHRYSLER

NO GOVERNMENT SUPPORT

CHAPTER 11
RESTRUCTURING

- No $25B DIP Financing Available
- Customers Will Not Buy Vehicles

CHAPTER 11
LIQUIDATION

Gone:

- 40,000 Chrysler U.S. Jobs
- $35B Annual Supplier Payments
- $20B Healthcare Obligations
- $7B Payables
- $2B Annual Pension Payments

COMMUNITY DISTRESS

- 3,300 Dealers Close, resulting in 140,000 Jobs Lost
- $100B Annual Sales Disappear From Local Economies

INDUSTRY COLLAPSE

- Supplier Bankruptcies
- Competitor Insolvency
- 2-3 Million Jobs Lost
- $150B Annual Personal Income Lost Nationwide
- 31.4 Million Customer Vehicles Cannot Get Spare Parts / Service

Domestic Auto Industry Collapse

U.S. Government Lost Revenue per U.S. Tax filer

$1,117

- *Welfare & Unemployment* — $256
- *Lost Social Security Receipts* — $396
- *Lost Personal Income Taxes* — $465

WITH GOVERNMENT SUPPORT

Chrysler Continued Operations

Cost per U.S. Tax filer for Government Loans

- *Total ($9B)* — $65
- *Current Request ($5B)* — $36
- *Dec '08 Loan ($4B)* — $29

Granting Loan Request for $5 Billion is in Best Interest of U.S. Taxpayers

Sources: *Center for Automotive Research (Nov '08); IRS Data Book (2007); Company Records*

Note: *Total Taxpayers = Estimated 140 Million individual income tax filings; See appendix for detailed calculations*

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Continuing Production DIP Forecast
Cash Flow Summary

(amounts in $ millions)	4/30/09	5/31/09	6/30/09	7/31/09	8/31/09	9/30/09	10/31/09	11/30/09	12/31/09	1/31/10	2/28/10	3/31/10	First 12 Months	Second 12 Months
US SAAR (planned)	10,700	10,700	10,700	10,900	10,900	10,900	11,200	11,200	11,200	11,500	11,500	11,500	11,075	12,000
Chrysler Share (US)	5.0%	6.0%	6.0%	6.0%	6.0%	6.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	8.6%	8.0%
Monthly All World Shipments	63	75	75	76	76	76	92	92	92	94	94	94	999	1,346
Gross Revenue / Unit	25,219	25,219	25,219	25,219	25,219	25,219	25,219	25,219	25,219	25,219	25,219	25,219	25,219	25,219
MOPAR / Unit	3,999	3,332	3,332	3,271	3,271	3,271	2,729	2,729	2,729	2,658	2,658	2,658	3,003	2,229
Net Revenue / Unit	23,374	22,841	22,841	22,792	22,792	22,792	22,358	22,358	22,358	22,301	22,301	22,301	22,578	23,330
Variable Profit / Unit	2,568	2,981	2,981	3,019	3,019	3,019	3,355	3,355	3,355	3,399	3,399	3,399	3,185	5,037
MOPAR / Parts	250	250	250	250	250	250	250	250	250	250	250	250	3,000	3,000
Gross Revenue	1,577	1,892	1,892	1,927	1,927	1,927	2,310	2,310	2,310	2,372	2,372	2,372	25,190	33,948
Discounts / Incentives	(365)	(428)	(428)	(435)	(435)	(435)	(512)	(512)	(512)	(524)	(524)	(524)	(5,638)	(5,542)
Net Revenue	1,461	1,714	1,714	1,742	1,742	1,742	2,048	2,048	2,048	2,098	2,098	2,098	22,552	31,406
Variable Costs	1,301	1,490	1,490	1,511	1,511	1,511	1,741	1,741	1,741	1,778	1,778	1,778	19,371	24,626
Variable Profit	161	224	224	231	231	231	307	307	307	320	320	320	3,181	6,780
Fixed Costs (Cash)	652	652	649	652	663	679	649	655	654	657	654	649	7,866	7,861
EBITDA	(492)	(429)	(426)	(422)	(432)	(449)	(342)	(348)	(346)	(338)	(334)	(329)	(4,685)	(1,081)
Recurring Operating Expenditures														
Capital Expenditures	170	170	167	136	218	243	118	98	105	202	181	204	2,013	2,013
Restructuring Payments	40	40	40	40	40	40	40	40	40	33	33	33	461	397
Taxes	17	17	17	17	17	17	17	17	17	17	17	17	200	200
	227	226	224	193	275	300	175	155	162	251	231	254	2,673	2,610
Cash Flows Related to Bankruptcy														
Inflows														
Retiree Healthcare	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rabbi Trust Access	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FINCO	500	-	-	-	-	-	-	-	-	-	-	-	500	-
	500	-	-	-	-	-	-	-	-	-	-	-	500	-
Outflows														
Adequate Protection (1st Lien Interest)	37	37	37	37	37	37	37	37	37	37	37	37	449	449
DIP Interest	-	-	29	52	59	66	73	88	93	99	107	113	779	1,856
DIP Line Fees	250	-	-	-	-	-	-	-	-	-	-	-	250	-
Employee Incentive Plan	-	-	10	-	-	-	-	-	-	-	-	-	10	20
New Warranty Fundings	63	75	75	76	76	76	92	92	92	94	94	94	999	1,346
Professional Fees Disbursed	1	11	9	8	10	10	10	10	10	10	10	10	109	120
Required Vendor Payments	-	2,400	-	-	-	-	-	-	-	-	-	-	2,400	-
Utility Deposits	65	-	-	-	-	-	-	-	-	-	-	-	65	-
Pre-Funding of Trust Taxes	(4)	(4)	(2)	-	-	-	-	-	-	-	-	-	(10)	-
	412	2,519	158	174	183	190	212	226	232	241	248	255	5,051	3,790
Working Capital Related Cash Flow														
Floorplan Financing	1,240	1,544	2,142	106	-	-	1,149	-	-	186	-	-	6,367	1,370
Trade Credit	(457)	(79)	-	(9)	-	-	(96)	-	-	(15)	-	-	(656)	(268)
	783	1,465	2,142	97	-	-	1,054	-	-	170	-	-	5,711	1,102
Net Cash Inflows (Outflows)	(1,413)	(4,639)	(2,950)	(886)	(890)	(939)	(1,783)	(729)	(741)	(1,000)	(813)	(838)	(17,621)	(8,583)
Beginning of Month Cash Balance	2,446	1,033	-	-	-	-	-	-	-	-	-	-	2,446	-
Ending (Cash)/DIP Balance*	**(1,033)**	**3,607**	**6,556**	**7,442**	**8,332**	**9,270**	**11,053**	**11,782**	**12,523**	**13,523**	**14,336**	**15,175**	**15,175**	**23,757**

* Initial DIP draws are supplemented by starting cash balance of $2.4 billion

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Liquidation Analysis

($ Millions)

The Liquidation Analysis results in $929 million and $3.2 billion available to pay creditors in the lower recovery and higher recover scenarios, respectively. A summary of the assumed cost of the liquidation and assumed proceeds from asset sales is shown below:

	Recovery Scenarios	
	Lower	Higher
Forecasted U.S. Cash at Filing (April 1, 2009)	$ 1,340	$ 1,340
Wind Down Expenses		
Payroll Related Costs	(1,999)	(1,274)
Plant Maintenance and Security	(545)	(437)
Bankruptcy Related Costs	(195)	(205)
Total Liquidation Costs	(2,739)	(1,917)
Cash/(deficit) before Asset Sales	(1,399)	(576)
Assumed Proceeds from Asset Sales	2,328	3,817
Assumed Proceeds Available for Claimants before Causes of Action	$ 929	$ 3,241

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Liquidation Analysis – 1st Lien Lender's Recovery

($ Millions)

Recovery to First Lien Lenders	Recovery Scenarios: Lower	Recovery Scenarios: Higher
Total Assumed Proceeds Asset Sales	$ 2,328	$ 3,817
Less: Proceeds allocated to US Treasury		
Mopar Inventory	(149)	(261)
Real Estate	(21)	(43)
Total Assumed Proceeds to First Lien Lenders	2,157	3,513
Projected Cash at April 1, 2009	1,340	1,340
Total Assumed Proceeds to First Lien Lenders	3,497	4,853
Total Wind down Costs	(2,739)	(1,917)
Wind down Costs Allocated to US Treasury	5	10
Net Wind down Costs Allocated to First Lien Lenders	(2,734)	(1,907)
Net Assumed Proceeds to First Lien Lenders	763	2,947
First Lien Lender Secured Claims at Filing	$ 6,904	$ 6,904
Percent Recovery to First Lien Lenders	11%	43%
NPV of Assumed Proceeds to First Lien Lenders (a)	$ 654	$ 2,605
Percent Recovery to First Lien Lenders	9%	38%

(a) Calculated using a 6.17% annual interest rate

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Liquidation Analysis – U.S. Treasury Recovery

($ Millions)

Recovery to US Treasury	Recovery Scenarios: Lower	Recovery Scenarios: Higher
Assumed Proceeds from Asset Sales		
MOPAR Inventory Liquidation	$ 149	$ 261
Chrysler Realty Liquidation	21	43
Proceeds from Liquidations	171	304
Wind down Costs Allocated to US Treasury	(5)	(10)
Net Assumed Proceeds to US Treasury	166	294
US Treasury Secured Claims at Filing	$ 4,267	$ 4,267
Percent Recovery to US Treasury	4%	7%
NPV of Assumed Proceeds to US Treasury (a)	$ 146	$ 266
Percent Recovery to US Treasury	3%	6%

(a) Calculated using a 5% annual interest rate

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III. Hypothetical Recovery Analysis

($ Millions)

Expected Recovery to First Lien Lenders

The previous analysis showed the hypothetical ranges of recoveries assuming low and high recovery scenarios. It is likely that actual recoveries will fall within that range. Assuming that the asset recoveries are at 85% of the High Scenario and expenses are the average of the Lower and Higher Scenarios, the net "likely" recovery would be $2 billion or 29% as follows:

Total Assumed Proceeds to First Lien Lenders - Higher Scenario	$	3,513
Assumed 85% recovery	$	2,986
Cash at April 1, 2009		1,340
Average of Expenses - Lower and Higher Scenario		(2,320)
Net Assumed Proceeds to First Lien Lenders	$	2,006
First Lien Lender Secured Claims at Filing	$	6,904
Percent Recovery to First Lien Lenders		29%
NPV of Assumed Proceeds to First Lien Lenders (a)	$	1,720
Percent Recovery to First Lien Lenders		25%

(a) Calculated using a 6.17% annual interest rate, based on 30 months

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IX. Chrysler LLC Request

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Chrysler Requests for Funding and Strategic Alliance to Execute Restructuring Plan

CHRYSLER

$5 Billion Funding		Strategic Alliance With Fiat	
Request:	Government loan of $5 billion by March 31, 2009 for working capital and other operating expenses	Request:	Government approval of Fiat acquiring an ownership interest in Chrysler - initially 35% - option in increase to 55%
Reason: (1)	Unusually severe and swift industry decline in demand for new vehicles has created shortage of cash from sales	Reason: (1)	Prior approval is required by Loan and Security Agreement
(2)	Money is needed urgently to maintain current operations	(2)	Accelerates Chrysler's access to key technologies, small fuel efficient vehicles, and new international markets
(3)	Rejection of request would result in insolvency and potentially adverse ripple effects throughout the auto Industry and U.S. economy	(3)	Rejection of request would result in expensive and time-consuming development of equivalent technology, products, and markets