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Press Conference: Chrysler LLC Vehicle Reveals at 2009 NAIAS, Detroit

Jim Press

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Frank Klegon

Executive Vice President - Product Development, Chrysler LLC

2009 North American International Auto Show
Chrysler 200C EV Concept, Jeep® Patriot EV, Jeep Wrangler Unlimited EV,
Dodge Circuit EV and Chrysler Town & Country EV Reveals
Detroit, Michigan
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JIM PRESS

Good afternoon ... and welcome to the Chrysler auto show press conference.

I'm here to announce that we are alive and well in Auburn Hills. Thank you for joining us today. Best way to re-cap 08 is to look at it as two different years in one.

The first half was a pretty decent year, highlighted by our aggressive restructuring, we saw good progress and positive results. June year-to-date we were ahead of our profit plan and exceeded our production estimate for the period. Then came the second half and our world changed over night. As we entered an unprecedented period of challenge, we had to learn how to cope with a new market reality.

We saw:

- fuel prices spike,
- consumer confidence fall, and
- credit markets freeze ... a hat trick for an automotive nightmare.

As a result, U.S. auto sales fell to the lowest levels in 26 years. The first half gave us confidence our restructured company would succeed. The second half took its toll on every manufacturer. To fully assess our results we have to consider the tough actions we took to improve our future competitiveness.

Before you conclude anything about our year-end sales results, you have to consider that:

- We slashed fleet by 1/3 taking 200,000 units out.
- We de-stocked our dealers reducing their inventory by 12 percent.
- We eliminated four models, reducing fixed costs ... but lost significant volume.

The best thing you could say about '08 is that we learned a hell of a lot! For '09, we anticipate the market will continue pretty much the way '08 ended. We don't see much growth. However ... for Chrysler ... we are confident we will see a better year. And let me tell you why.

First, we've been restructuring ever since we became independent 17 months ago. We've reduced our fixed costs by more than \$2.4 billion, took out 1.2 million units of capacity and eliminated 32,000 positions.

Today, we're leaner, more nimble, product focused and customer-centric. And, we thank America and the Treasury Department for making available an initial \$4 billion loan. I'm happy to report we are making good progress to qualify for a total of \$7 billion, which puts us in a really good financial position.

Second, without a doubt, the biggest cause of our sales difficulties has been restricted credit. Our dealers have reported 20-25 percent sales loss due to credit issues alone. I'm optimistic that Chrysler Financial will benefit from the same TARP assistance as GMAC very soon. I know our brothers at Chrysler Financial are working very hard for this and it will significantly improve our sales situation.

Third, we have the best dealers in the industry. They proved it last year by their achievements in a very difficult environment.

And finally, we ARE building products that people want and love. As we go into '09, the core strength of our product offerings has never been stronger.

First, our quality has never been better. According to internal warranty data, we have achieved the lowest claim rate in the history of the company ... with a 30 percent improvement in the last 12 months alone. In addition, last year Chrysler had the fewest number of recalls of any manufacturer.

Second, we continue to improve fuel efficiency. Seventy-three percent of our vehicles for the 2009 model year have improved mileage over the last year.

Third, we've never built safer vehicles. Eighty-eight percent of our '09 vehicles are rated 5-star.

If you want proof of how strong our '09s are, look no further than the 2009 Dodge Ram pickup. For our truck customers, it delivers an unprecedented level of quality, craftsmanship and NVH with innovations like RamBox and rear coil suspension. And that's why Ram is doing well in a down market ... sales were up 10 percent from November to December.

We have continued to invest in future products. We have 24 major launches on tap in our product plan that we'll roll out over the next 48 months ... eight in the next year and a half alone! Our core strength is based on our ability to build emotionally compelling, viscerally rewarding, environmentally responsible, high-value, high-quality cars and trucks that don't ask our customers to compromise anything.

Engineering and innovation are at the core of what we are about. The cornerstone of our future product strategy is our capability as an electric vehicle company. Today, with our GEM unit, Chrysler is already the largest

producer of electric-drive vehicles in the United States. We've made electric drive a primary path to developing clean vehicles for all of our product lines.

And, thanks to that sharp focus we're making great progress ... and fast!

We'll have 100 ENVI advanced-propulsion electric-drive vehicles in fleet service this year. We'll build our first Chrysler electric vehicle for retail customers next year. And by 2013, we'll have three additional models in production. And we're talking about some very exciting vehicles at that!

Now, I'm going to ask Frank Klegon, our Executive Vice President of Product Development, to come out and put some show to our tell! Frank?

FRANK KLEGON

Thank you, Jim.

A year ago at the Detroit Auto Show we introduced three electric-drive concept vehicles developed by the ENVI group — our in-house, cross-functional team whose mission is to rapidly develop alternative-propulsion vehicles.

Last year's concepts combined advanced technology along with Chrysler, Jeep and Dodge brand values in a vision of highly fuel-efficient vehicles people will really want to own and drive.

Some of you may have wondered if these were just nice design exercises or whether we were indeed serious about developing new propulsion systems. We put those doubts to rest in September when we introduced three all-new electric vehicle prototypes ... and some of you got the chance to drive them.

Here you see two of them that feature our Range-extended Electric Vehicle technology — the Chrysler Town & Country EV and the Jeep Wrangler Unlimited EV.

ENVI Range-extended Electric Vehicles combine the electric-drive components of an electric vehicle with an integrated, gasoline auxiliary power unit and generator to power the electric drive when needed. The system provides a total range of about 400 miles, including 40 miles of zero-emissions, all-electric operation. Forty miles is kind of a magic number, by the way. That's because about 80 percent of Americans drive less than 40 miles a day.

With that kind of fuel efficiency, the Chrysler Town & Country EV is the perfect family vehicle. Twenty-five years ago we invented the minivan, and the Town & Country EV is the latest example of how we have remained the minivan leader by constantly re-inventing this product.

The Jeep Wrangler Unlimited EV prototype demonstrates that you can roam the planet in a socially responsible manner. Now, this prototype is a two-wheel-drive Wrangler. But the ENVI organization also is exploring four-wheel drive with in-wheel electric motors that will provide instant high torque and the ability to precisely control each wheel independently.

So, in other words, it will give off-road enthusiasts the capability they expect from Jeep. With no compromises in on-road drive quality.

Our next prototype features ENVI's all-electric technology.

Let's see it now ... the Dodge Circuit EV!

This prototype features all-new front and rear designs, and a stunning new interior from the version I hope you saw in the fall. It's an all-electric sports car and the expressive design makes it unmistakably a Dodge ... wouldn't you agree?

The exterior ... done in an all-new "Tangoreen" color ... signals this is a no-compromise performance car. As an engineer, I'd call the color ... "orange." But now with the Design office part of Product Development, I'm learning it's "Tangoreeeeeen!"

The Dodge Circuit EV puts up some pretty impressive numbers, like zero-to-60 in less than five seconds, a quarter mile in 13 seconds and top speed of 125 miles per hour. But its most impressive number is zero ... as in zero gasoline consumption and zero tailpipe emissions. The Dodge Circuit has a driving range of 150 to 200 miles using an all-electric powertrain that includes an electric motor to drive the wheels, an advanced lithium-battery system and a controller that manages energy flow.

By the way, to recharge either an ENVI All-Electric or Range-extended Electric Vehicle, you just plug it into a standard 110-volt household outlet. The recharge time can be cut in half by using a typical 220-volt power outlet.

Flexibility is the beauty of ENVI's approach. These electric-drive technologies can be applied rapidly across different platforms. And that brings me to our newest ENVI prototype ... let's take the wraps off of it.

Ladies and gentlemen, meet the newest member of the Jeep family — the Jeep Patriot EV!

The Patriot EV features our ENVI range-extended electric vehicle system that dramatically reduces the carbon footprint of the world's most capable compact SUV. The refined and clean front appearance matches the refined and clean powertrain. It has the signature Jeep grille with a unique road wheel that gives the Patriot EV a wide stance and adds to its sporty look.

Hey Jim, we've shown our guests four prototypes ... from a sports car to a family minivan to go-anywhere Jeep vehicles that demonstrate our future direction in technology.

JIM PRESS

These four vehicles make a very strong statement about the future of our company. But we've got one more to show.

It's our sedan of the future ... the Chrysler 200C EV!

The Chrysler 200C EV Concept has both beauty and brains. It represents an inspired and soulful look at what a Chrysler sports sedan should be. The 200C EV features our ENVI range-extended electric powertrain. In total, this concept evokes a timeless beauty that marries the organic form and language of our design roots with a level of sophistication and technology never before embodied so elegantly in a Chrysler vehicle.

Our design team ... as always ... kept fuel efficiency a primary objective, keenly focusing on the aerodynamics of the car. With attention to every detail, the design team married breathtaking design with wind-cheating shape. The sophisticated, fresh and appealing design of this concept vehicle represents a coming-out party for what the New Chrysler is going to be.

Our engineering heritage is part of our DNA and as we apply it to our future products it will truly set us apart. The Chrysler 200C EV is a high-value vehicle that doesn't ask our customers to compromise.

And, as Frank gives you the "inside story," you'll see it is packed with forward-thinking technology.

FRANK KLEGON

Inside the 200C EV, natural, luxurious, organic materials and modern furniture design served as inspiration for the team in our Advance Interior Design

Studio. The team of designers and engineers in this studio are working up front together, and using state-of-the-art design software and computer modeling, to dramatically improve the quality and fit and finish of our interiors. You can see for yourself the outstanding results they are producing!

Their key objectives in creating the interior of the Chrysler 200C EV were to maximize interior comfort, utilize space and create a connected environment. The interior space of the 200C EV is defined by a modern, sculptural form and language that doesn't sacrifice an open and spacious feel.

Now, you remember at last year's Detroit Auto Show we told you we were working aggressively to develop leading edge in-vehicle connectivity. Building off of our hands-free Bluetooth communication system, SIRIUS Backseat TV and our 30-gig multimedia infotainment system with navigation and real-time traffic monitoring, we promised Wi-Fi hot spots in our vehicles. And in August of last year, we made it real and available from Mopar.

The 200C EV Concept demonstrates Chrysler's 'uconnect future' ... a host of unique, trend-setting innovations that will ultimately provide unprecedented convenience to consumers. And make no mistake ... going forward you will see much more under the "uconnect" brand.

What makes the Chrysler 200C EV even more meaningful is the use of technology that will make traveling and managing your life an absolute pleasure. The 200C EV is a connectivity portal to the world outside, creating a driving experience that celebrates the human instinct ... to be connected to our world. The advanced connectivity applications on the 200C reflect our focus on convenience, socialization and synchronization. A personalized profile system welcomes the driver with operator-specific options that are displayed on-screen. Audio tagging will allow you to purchase music just by clicking on the Mopar icon.

If you have young drivers in the household, you'll appreciate the "teen setting." This feature allows you not just to limit the vehicle's speed, but also warn you if the vehicle is being driven erratically or out of a specific range from home. For those of us with teenage drivers, this is the next best thing to a virtual chaperone!

The next-generation navigation system can link you to city-street cameras, allowing you to view traffic situations in specific intersections, roadways and airport security terminals in real-time. This nav system also can anticipate and provide you with fuel-efficient route recommendations.

With the 200C EV, social networking comes to the vehicle. Using a format similar to Web sites like Facebook and Twitter, Chrysler's system allows you to put together a "buddy vehicles" list. Among other capabilities, this feature can show vehicle locations of friends, share directions and music, send "instant messages" and even direct you to where they are.

Touch the smooth glass surface and a personal touch screen deploys from the instrument panel. Passengers can surf the Internet, scroll through their personal media library, schedule maintenance or send information to the driver display. Synchronization is reflected in the seamless, harmonious link between the vehicle and the home and office. The technology also links the vehicle with a "smart phone."

How smart is it, you ask? Well, it can be programmed to start the vehicle, adjust power windows and locks, and set vehicle temperature ... among others.

In addition, an in-vehicle camera can monitor security of the vehicles. If your vehicle is lost or stolen, the phone can even disable the vehicle and locate it using satellite imaging. The connectivity story is an important part of Chrysler's future ... and it's coming soon. So important ... and so soon, in fact, that we've created unique "Connectivity Kiosks" that you can interact with and try out

Of course ... Chrysler is known for bringing the element of passion into our vehicles. The 200C EV boasts 268 horsepower that gives it a zero-to-60 times of about seven seconds. And it is built on a proven platform that delivers outstanding ride and handling.

Flexibility is another important part of the story. While this concept is a Range-extended Electric vehicle, the 200C EV is truly a pallet for other powertrain system. It's also well suited for a hybrid application or a high-performance version of our all-new Phoenix V-6 engine. And while it utilizes our versatile rear-wheel-drive platform ... much of the design and engineering that went into the vehicle can be applied to front-wheel drive as well.

Those are just a few of the highlights of the Chrysler 200C EV Concept. I hope you'll take some time for a closer look at the exterior design and all the amenities inside.

Hey Jim ... what do you think?

JIM PRESS

This is the new Chrysler. We've gone through tough times. We've made good progress on our major restructuring.

You've seen evidence of our on-going commitment and investment in the future. At Chrysler we are executing a prosperity plan. We've continued to invest in products so that we could bring our great engineering capabilities to meet

customer needs with style, technology and innovation. We now have a special bond with the American public and we're committed to fulfilling our side of the bargain by "Driving America" and giving customers products they want to buy, enjoy driving and want to buy again.

As you can see from these vehicles, we are well on our way. These great new electric-drive vehicles show the innovation and technology we plan to put to work to do just that. And with the 200C EV Concept, you see an inspired new look that tells you a lot about the future product direction for the Chrysler brand.

We invite you to come on up and take a closer look at the future of Chrysler, but first we'd like to give the photo journalists a few minutes to take some shots.

Thank you.

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Additional information and news from Chrysler LLC is available at: <http://www.media.chrysler.com>