

Dear Stakeholders,

Today, Chrysler LLC submitted its viability plan to U.S. Treasury Secretary Geithner in line with the government's deadline. It gives detailed information on how we will achieve and sustain long-term viability. We believe our submission meets the terms of the federal loan demonstrating our viability as a stand-alone company, as well as the potential benefits of a strategic alliance.

You'll recall that in December, Chrysler requested a \$7 billion working capital loan to help bridge the current economic crisis brought on by the credit market freeze, energy price volatility and the collapse of consumer confidence. Last month, we were awarded \$4 billion of this original request. These funds have played a critical role in our ability to support ongoing operations, make payments to our employees and suppliers and continue our investment in fuel-efficient vehicles and technologies to support our national objectives.

Since December, we have continued to see an unprecedented decline in the automotive sector. The continued lack of available credit affects consumers and dealers, leading to reduced wholesale orders for Chrysler.

Due to this continued lack of consumer credit, we are revising our Seasonally Adjusted Annual Rate (SAAR) forecast in the plan submitted today, which is conservatively based and reflects the reality of a declining automotive industry. We are now projecting a SAAR level of 10.1 million units for this year, (which is a forty-year low for our industry) and an average SAAR level of 10.8 million units for 2009-2012. This is a reduction from our original December submission of 7.2 million units, or on average, 1.8 million units annually during the four years. For Chrysler, this represents a sales decline of approximately 720,000 units, (or an average 180,000 units per year) assuming a 10-percent market share.

For Chrysler, this results in approximately \$18 billion in lost revenue and a \$3.6 billion decline in cash inflows during the four years.

Based on this, we will require incremental financial support to continue our orderly and effective restructuring. In addition to the original \$7 billion, \$4 billion of which has been received, Chrysler is requesting an additional \$2 billion (for a total of \$9 billion) to support ongoing operations due to the continued deterioration in the economy, which has led to an unprecedented decline in the automotive sector since our Dec. 2 plan submission.

As we have indicated all along, shared sacrifice is necessary for Chrysler LLC's survival. We will need to continue making tough choices in the days ahead, and it will be absolutely critical that every stakeholder - creditor groups, shareholders, suppliers, dealers, the UAW and our own employees - make concessions.

To meet the terms of the federal loan, we were required to include a scenario in our plan for what would happen if Chrysler LLC failed. This is why today's submission includes a plan describing an orderly wind down of all operations through a court-supervised liquidation. I want to emphasize that this is not a course of action we are recommending.

To be absolutely clear: we are confident we can succeed given the requested government loans, availability of consumer and dealer credit and constituent concessions. We are working hard to implement our plan by the March 31 deadline.

We have consistently and openly said that we are aggressively pursuing strategic partnerships and alliances to enhance our product portfolio, improve our cost structure and support our growth. Although our plan demonstrates we are viable as a stand-alone company, a potential global alliance with Fiat would enhance our long-term prospects by providing us access to additional small vehicles, fuel-efficient engines and technologies, a global distribution network and purchasing synergies.

The plan we submitted today includes a commitment to meet current CAFE requirements as well as details on how Chrysler LLC will achieve compliance through a combination of:

More fuel-efficient powertrains such as the all-new Phoenix V-6 engine

Gas-electric hybrid technology such as the two-mode hybrid system that will be available on Dodge Ram next year

The electric-drive program developed by our ENVI group, with the first electric-drive vehicle coming in 2010 and other vehicles to follow

A changing portfolio mix that will include more small, fuel-efficient vehicles

Going forward, we are prepared to work with all constituents to reach agreement on a federal-state fuel-economy solution resulting in a single national standard.

Our plan also emphasizes the importance of credit availability for automotive customers and dealers. When Chrysler Financial received a U.S. Treasury loan of \$1.5 billion to support retail financing in mid-January, it was estimated that this amount would provide adequate financing capacity through March or April of this year. However, this is not a long-term solution. Because of the continued lack of credit market liquidity, Chrysler Financial submitted several follow-on proposals for a long-term solution to ensure its continued financing capacity. We support the resolution of these proposals, as adequate retail and wholesale financing capacity for Chrysler Financial is critical to our viability.

We are looking forward to working with the President's designee and the Presidential Task Force on Autos as they review our submission. As stated, our plans are based on a conservative estimate of economic trends, continued aggressive restructuring activities, a commitment to substantially improve fuel economy and a clear vision to reinvent our business model. (To view either a summary or the complete text of the viability plan submitted today, see Attached Files on the right).

We believe that Chrysler can be viable and play a vital role in supporting the recovery of the U.S. economy while preserving American

jobs. We further believe that our continued orderly restructuring, together with the completion of our stand alone viability plan, enhanced by a strategic alliance with Fiat, is the best option for Chrysler LLC, our employees, our unions, dealers, suppliers, customers and the U.S. taxpayers. Our viability plan demonstrates that Chrysler LLC will repay the U.S. Government loans in full, with a premium beginning in 2012.

I continue to be impressed and grateful for the continued enthusiasm of our Chrysler team and all our stakeholders. I know we have the right mix of talent and dedication to succeed and return to profitability if we receive the assistance we need to weather this unprecedented industry downturn. Thank you in advance for your continued focus and support.

For a copy of the viability plan and the executive summary, please access the pdf files to the right under Attached Files.

Bob (Chrysler Chief Executive Robert Nardelli)