



**CHRYSLER**

# Financial Review 2010 - 2014 Plan

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Chrysler Group LLC 2010-14 Business Plan

November 4, 2009

**DODGE**

**Jeep**

**CHRYSLER**



## Sales volume highlights

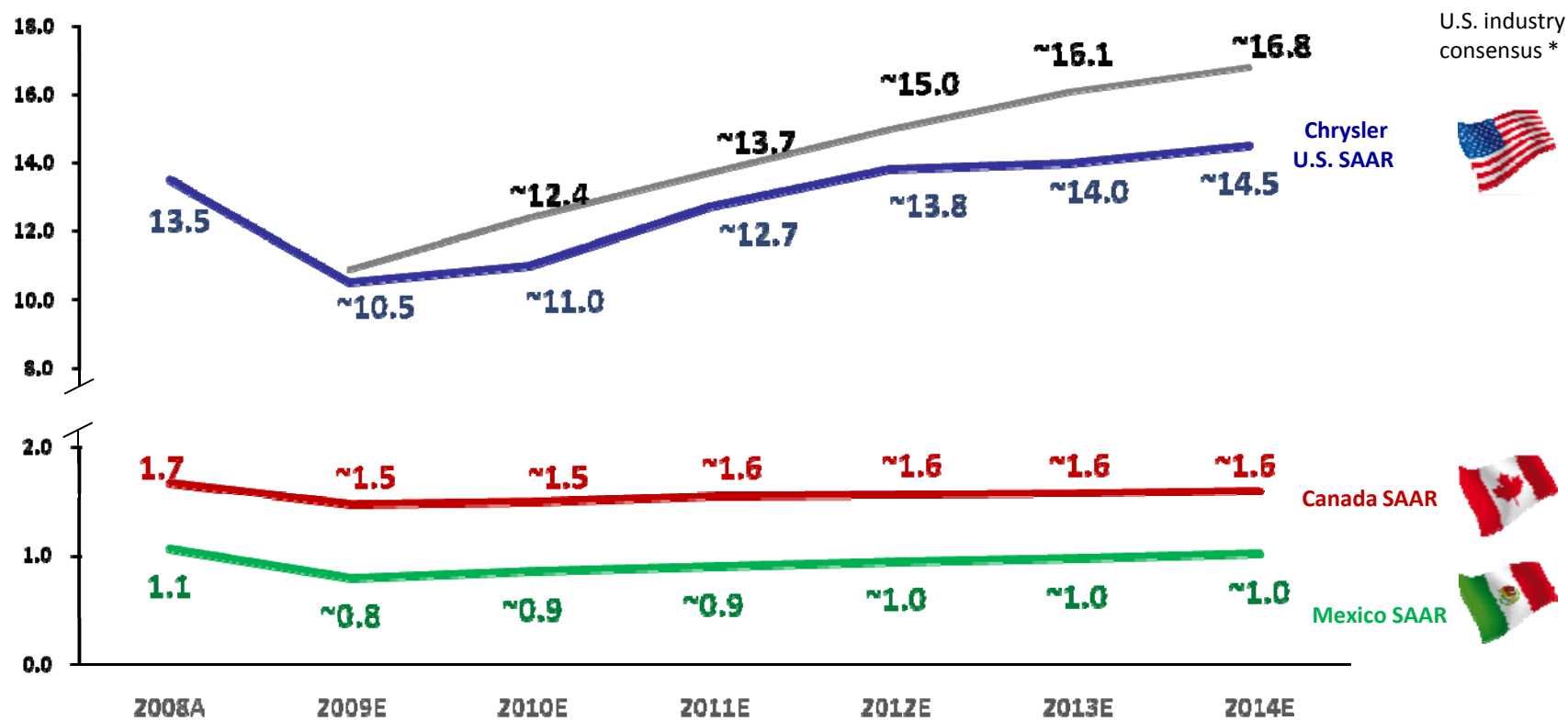


- Total units sold more than double from **~1.3M** in 2009 to **~2.8M** in 2014 with growth in all geographies
  - U.S. from ~950k in 2009 to ~2.0M in 2014
  - Canada from ~160k in 2009 to ~220k in 2014
  - Mexico from ~80k in 2009 to ~120k in 2014
  - International from ~150k in 2009 to ~500k in 2014
- All brands growing significantly with 2014 volumes at
  - Jeep ~800k (CAGR ~18%)
  - Dodge ~600k (CAGR ~5%)
  - Chrysler ~600k (CAGR ~20%)
  - Ram ~400k (CAGR ~8%)
  - Fiat ~100k (from zero in 2009)
  - Contract - Fiat Group brands (from zero to ~300k)
- U.S. market growth from 10.5M in 2009 to 14.5M in 2014
- U.S. share growth from less than **9%** in 2009 to slightly over **13%** in 2014

## NAFTA SAAR assumptions



Vehicle sales – Units millions

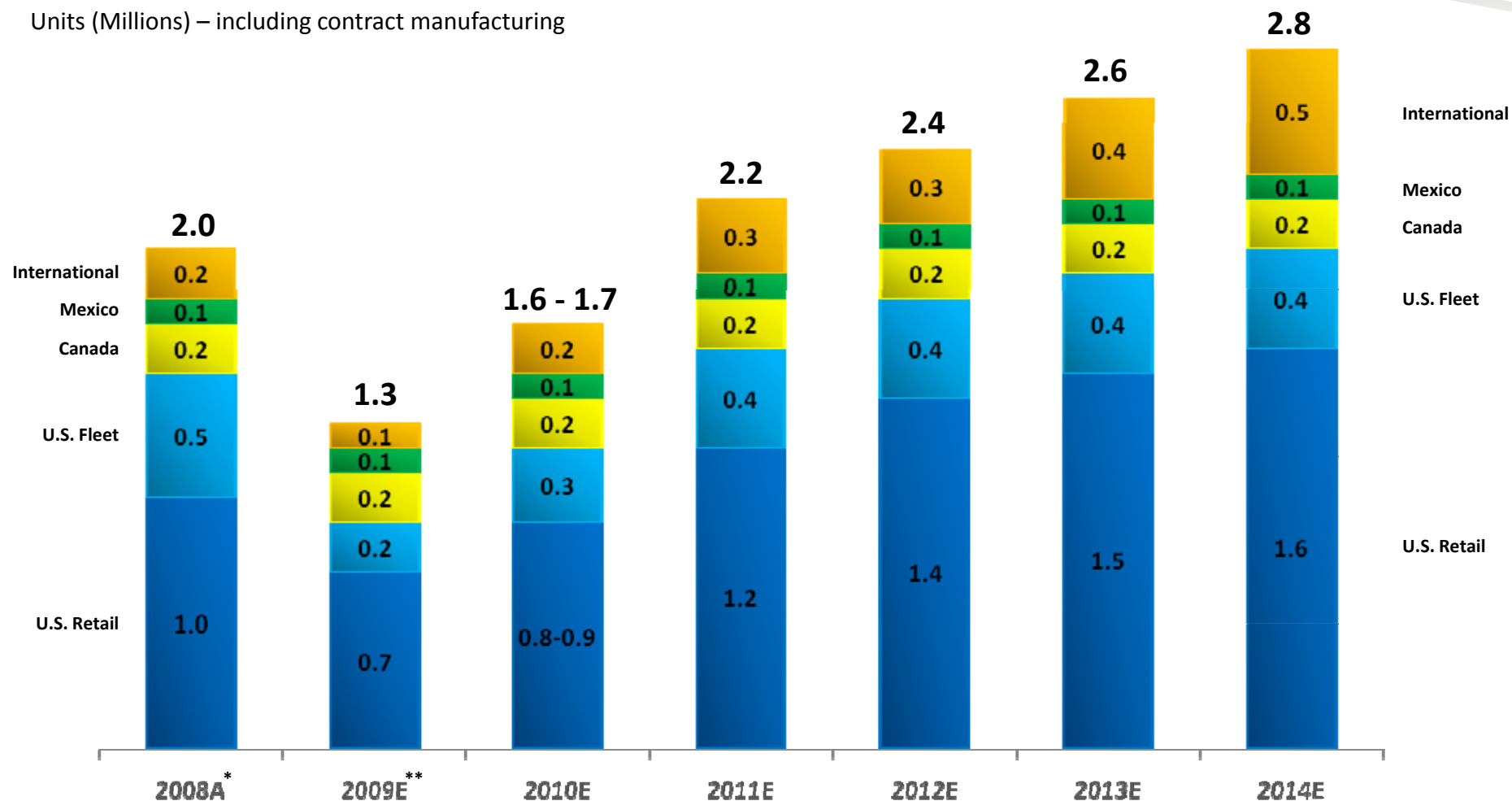


\* Includes JD Power, Global Insight, CSM Worldwide, major Investment Banks, and industry peers

## 2008 – 2014 worldwide sales by market



Units (Millions) – including contract manufacturing



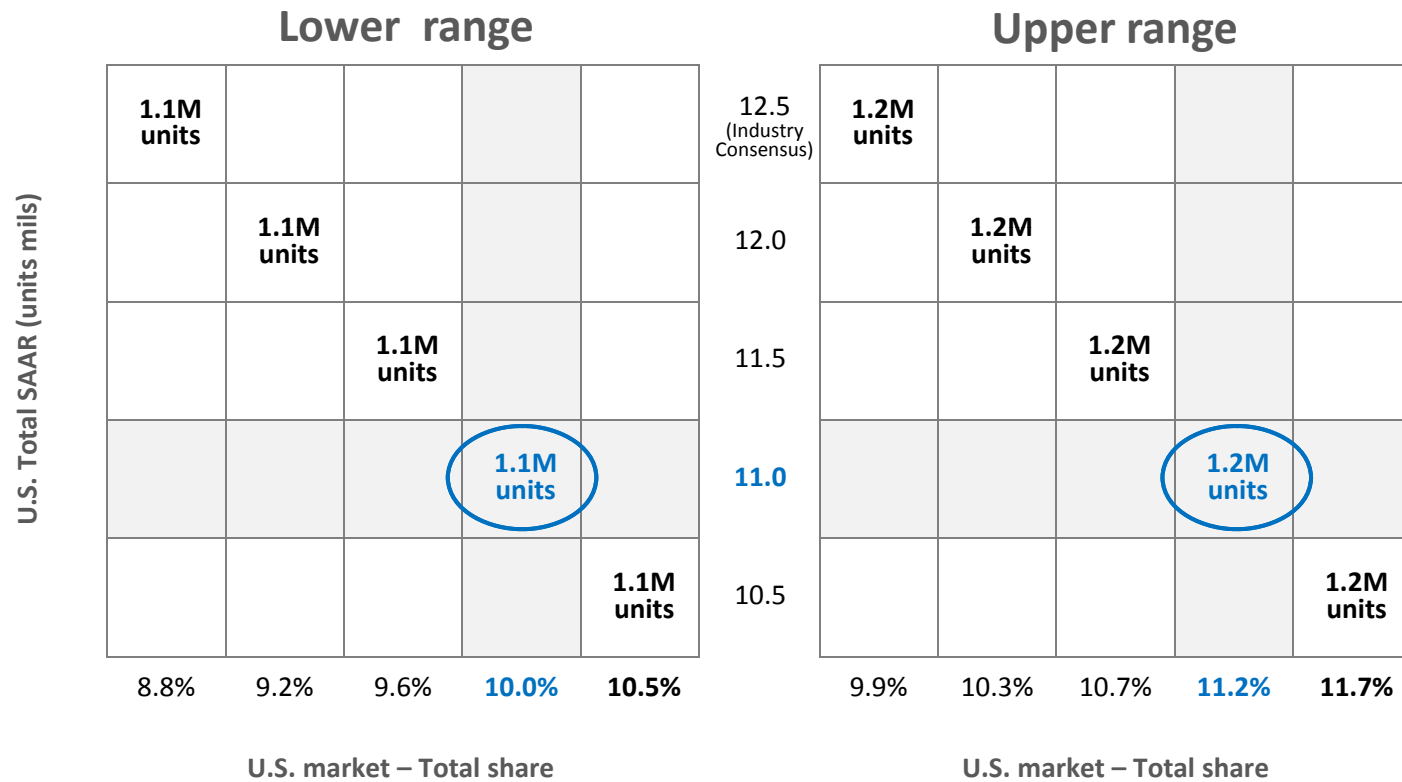
\* 2008 represents FY for Old Chrysler

\*\* 2009 represents sum of Old Chrysler period (Jan 1 – Jun 9, 2009) and period for Chrysler Group LLC (Jun 10 – Dec 31, 2009)

## 2010 U.S. volume sensitivities



### Chrysler Group LLC U.S. sales (retail and fleet)

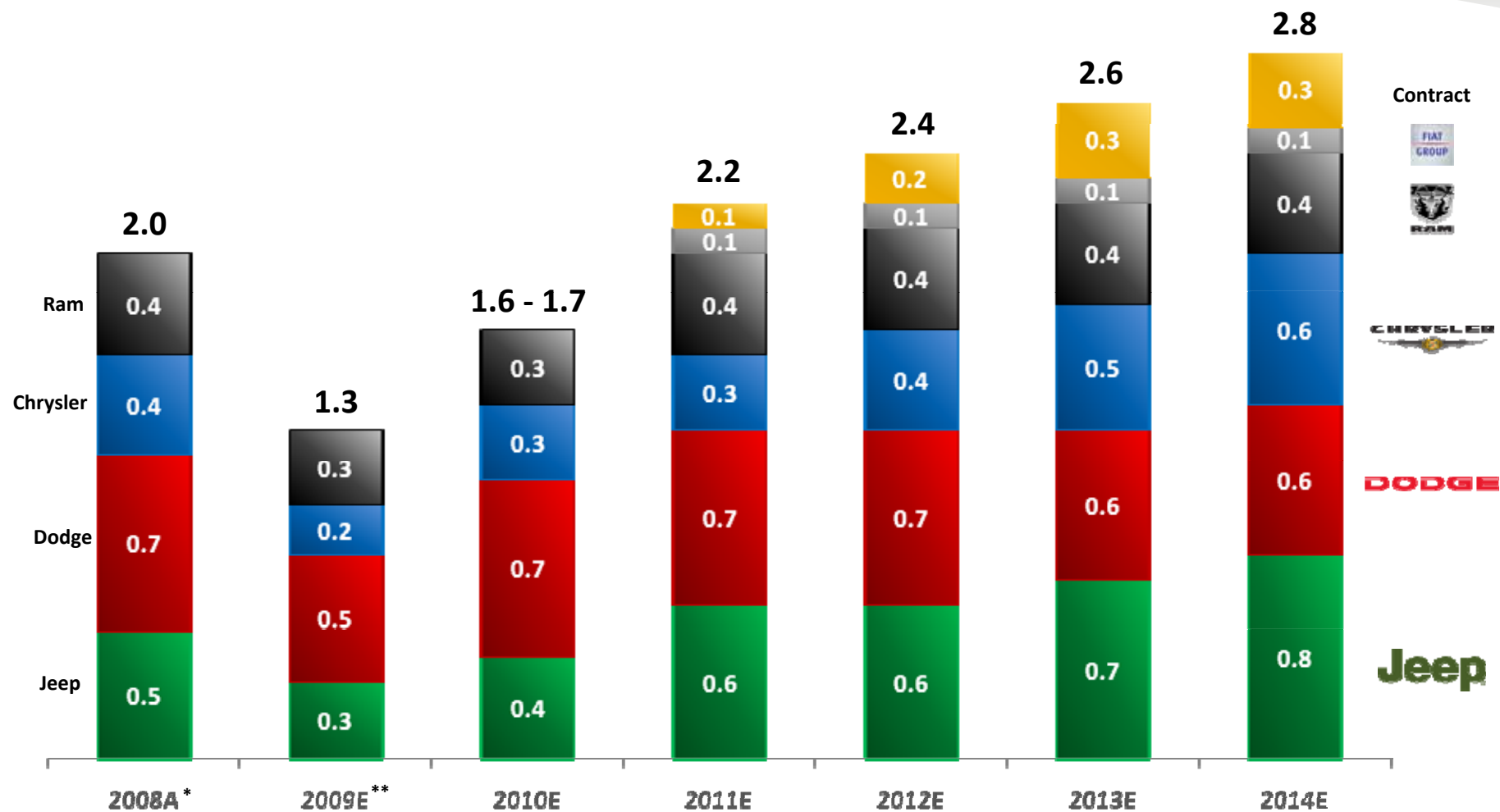


2010  
Plan

## 2008 – 2014 worldwide sales by brand



Units (Millions)



\* 2008 represents FY for Old Chrysler

\*\* 2009 represents sum of Old Chrysler period (Jan 1 – Jun 9, 2009) and period for Chrysler Group LLC (Jun 10 – Dec 31, 2009)

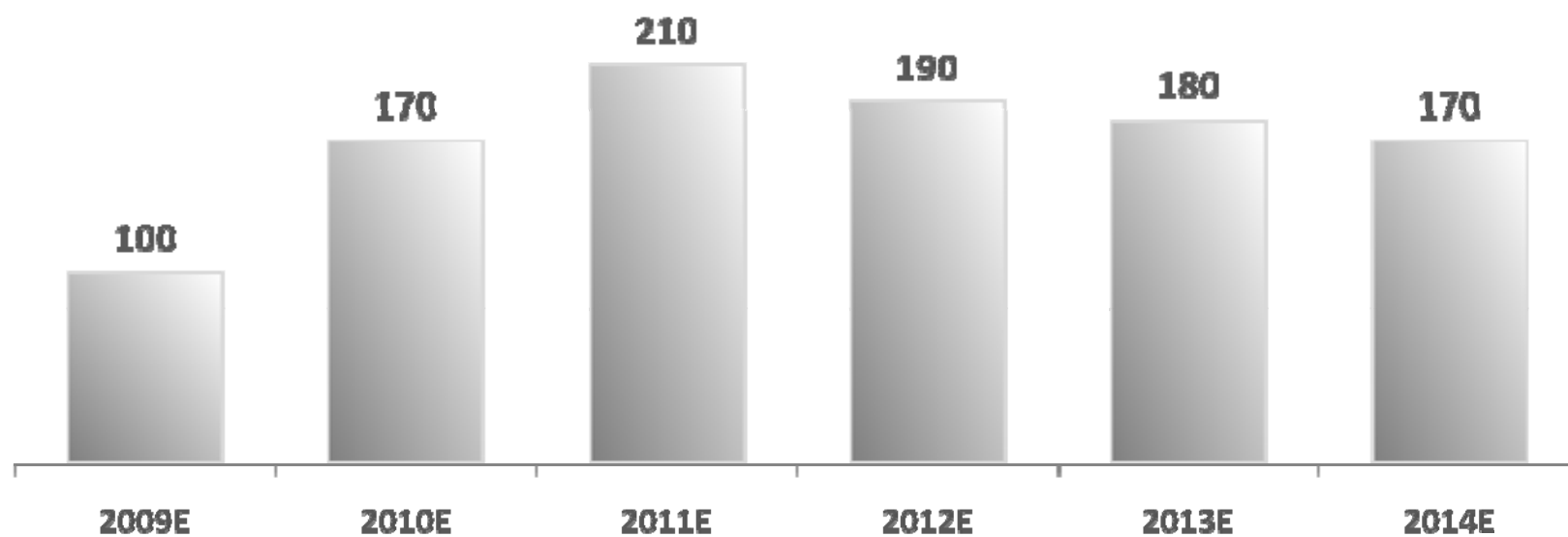
## Advertising spending



2009 = 100

## U.S. retail expense per unit

(indexed to 2009 value)



## Financial highlights



- Total units sold increase to 2.8M in 2014 driven by 13% share of 14.5M U.S. market and International volumes of ~500k
- Net revenue CAGR of 20% to reach \$65-70B in 2014
- Average variable margin per unit stable through the plan with World Class Manufacturing and purchasing savings partially offset by price erosion and negative segment mix
- Operating profit break-even in 2010, increasing to ~\$5B, or about 7% of net revenues by 2014. Total operating profit generation of ~\$14B over plan period
- Net income break-even in 2011, increasing to ~\$3B, or 5% of net revenues by 2014
- Product spending (R&D and Capex) averages \$4.5B per year for a cumulative spending in the period of \$23B (Capex is \$15B, which is in line with D&A)
- Operating cash flow positive from 2011 and generates ~\$15B in plan period
- TARP and EDC borrowing fully paid back by 2014; DoE debt\* of ~\$2B at end of 2014

\* Loan application pending

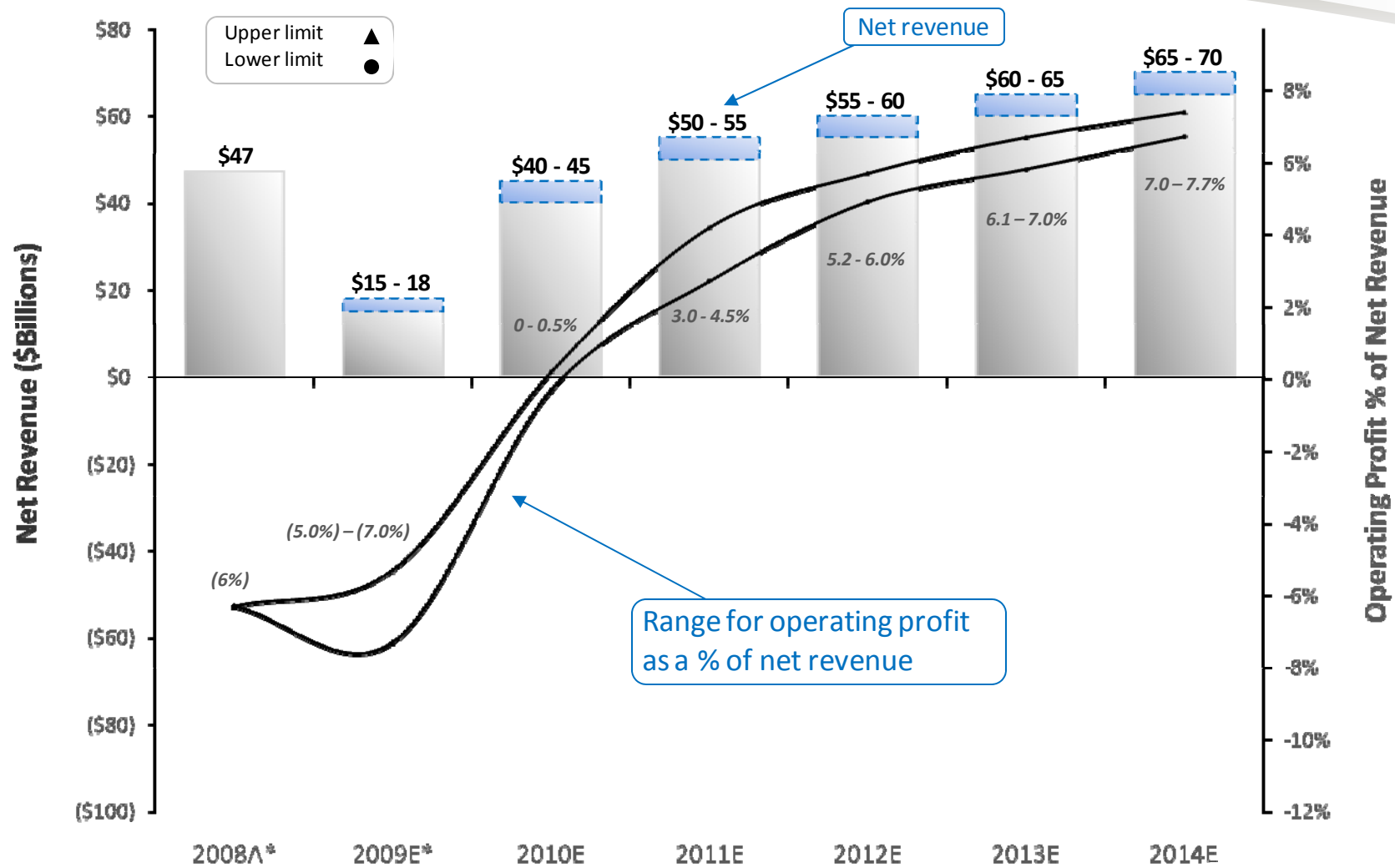


**Financial highlights**  
**Chrysler Group LLC 2009 forecast**



	Forecast Jun 10-Dec 31
U.S. SAAR (Full Year)	~10.5M
U.S. market share (retail & fleet)	8.0 - 8.5%
Net Revenue	~\$17B
EBITDA	\$0 - .5B
Cash	>\$5.0B

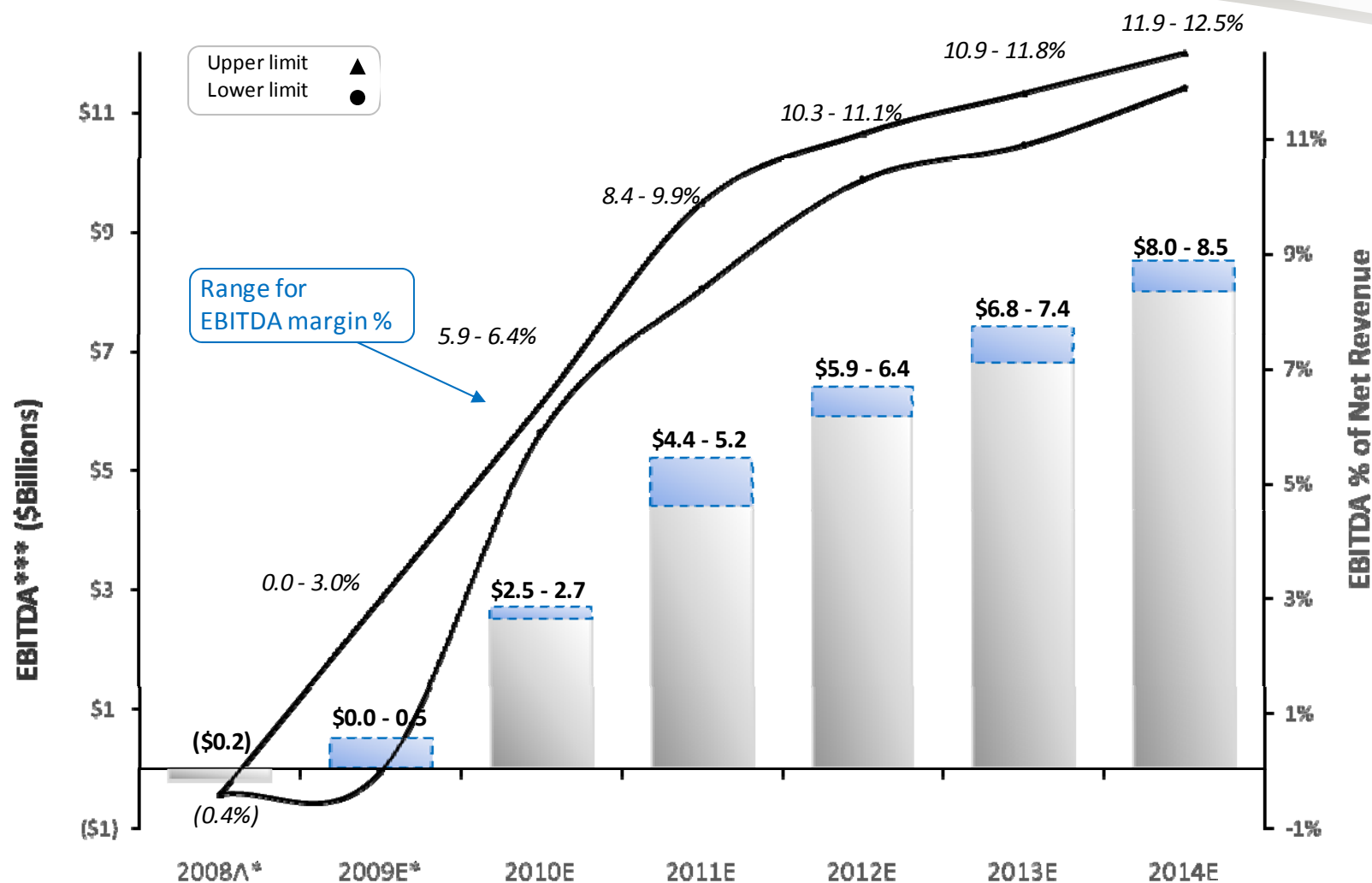
## Financial targets



\* 2008 represents FY for Old Chrysler

\*\* 2009 represents period for Chrysler Group LLC (Jun 10 - Dec 31, 2009)

# EBITDA generation



\* 2008 represents FY for Old Chrysler

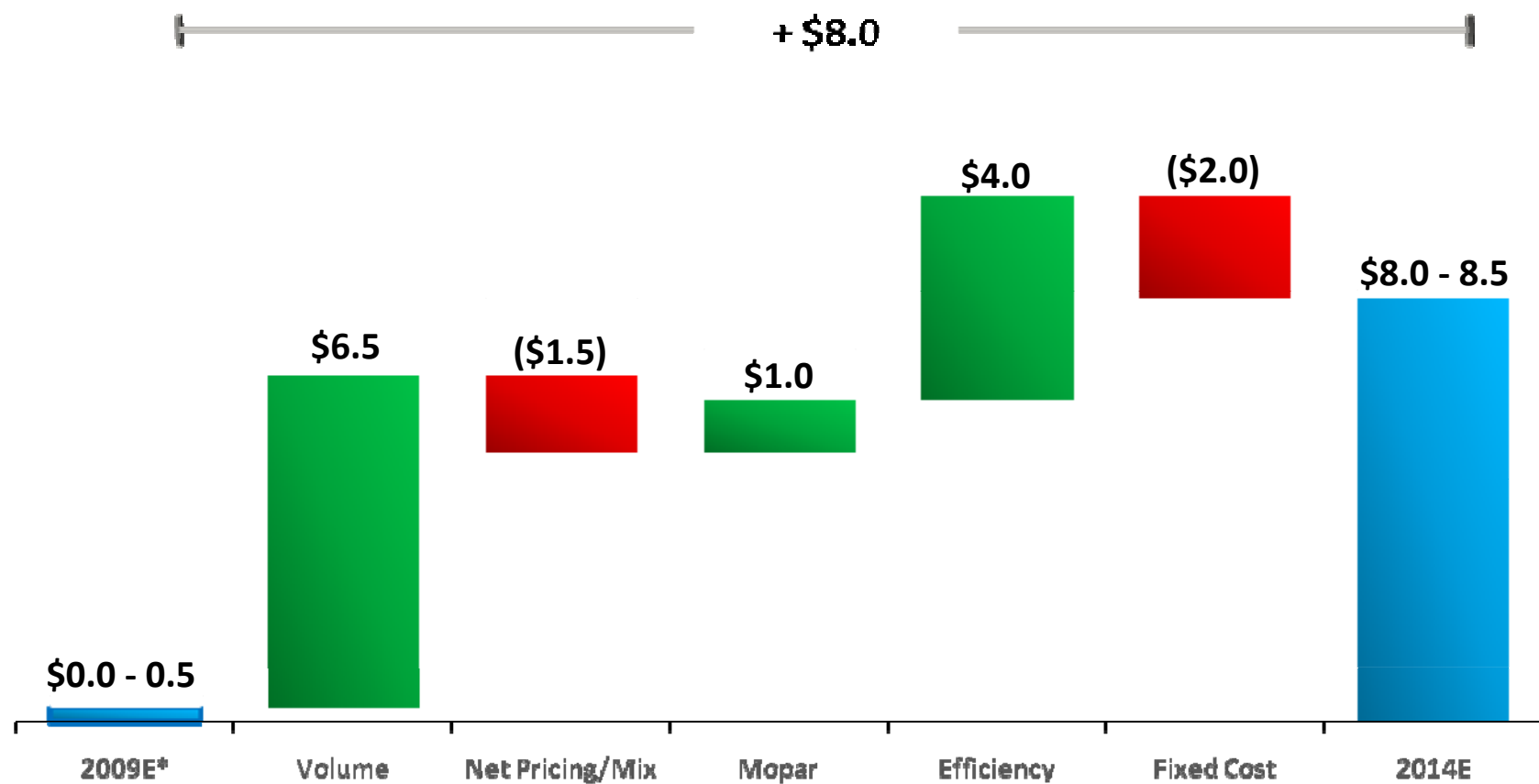
\*\* 2009 represents period for Chrysler Group LLC (Jun 10 – Dec 31, 2009)

\*\*\* EBITDA excludes non-operating costs

## EBITDA bridge



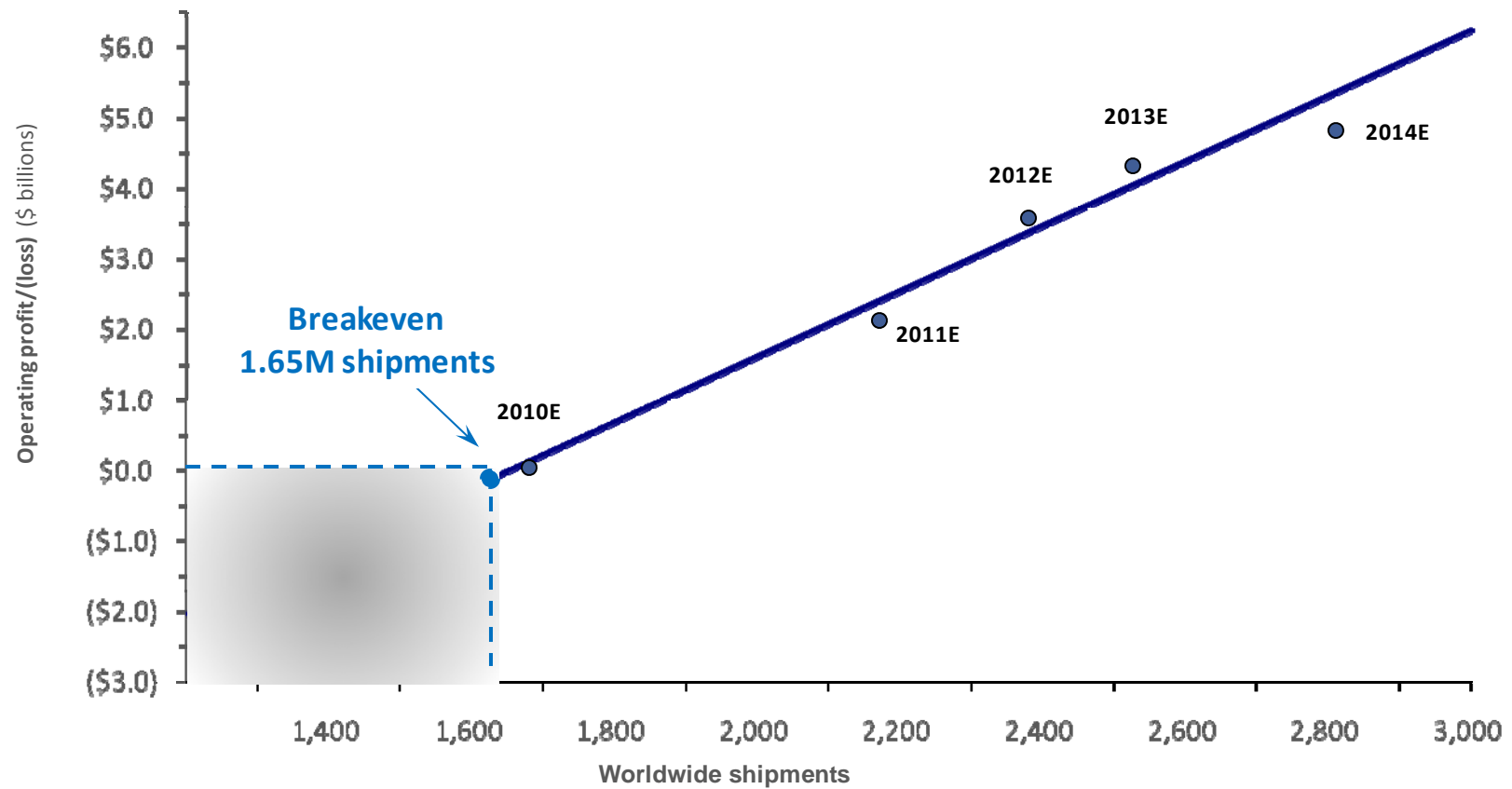
(\$Billions)



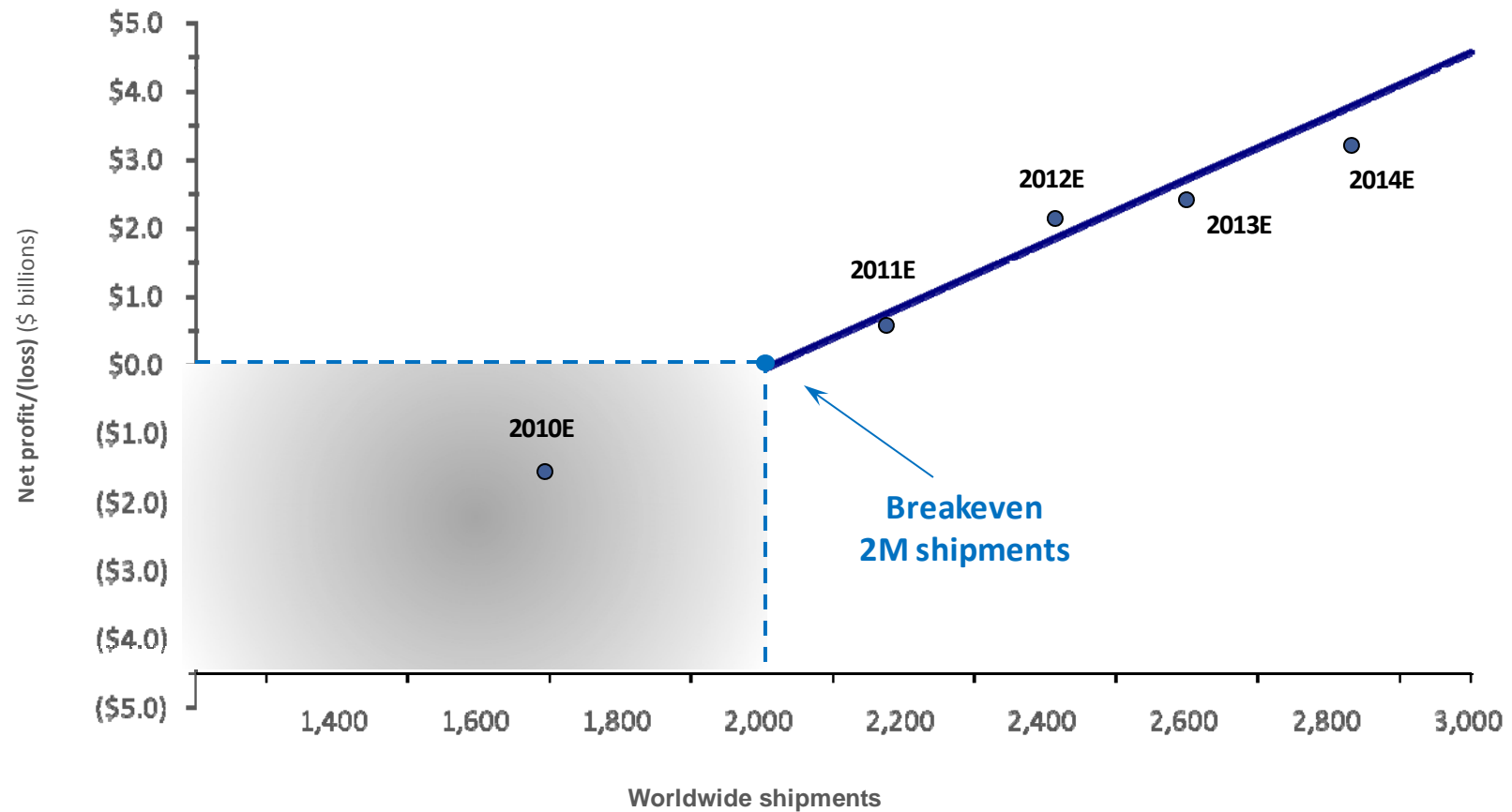
\* 2009 represents period for Chrysler Group LLC (June 10 – December 31, 2009)  
EBITDA excludes non-operating costs

## 2010 - 2014 Plan

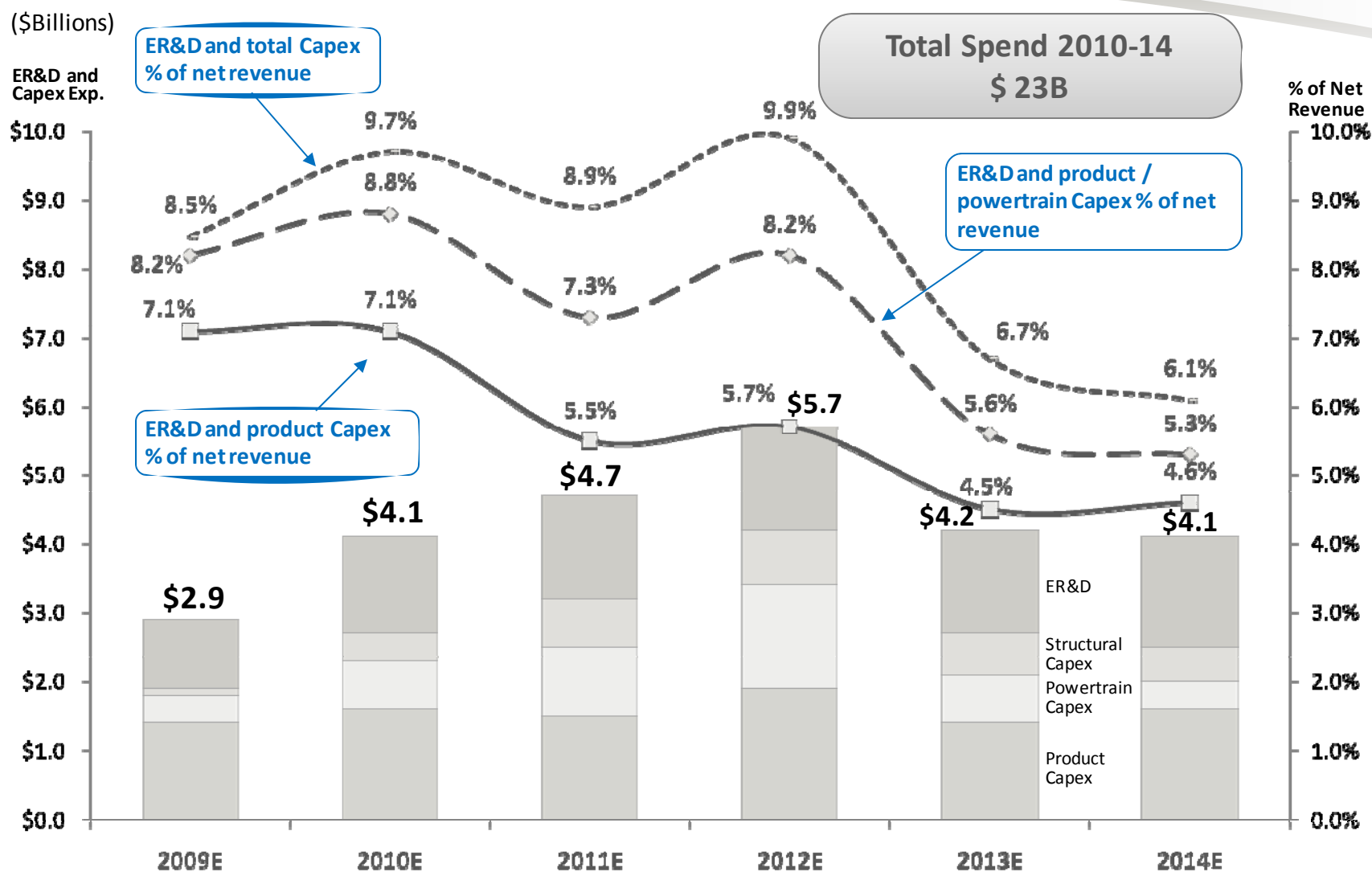
Operating leverage: "Idiot proof", again



## 2010 - 2014 Plan Net profit breakeven analysis



# ER&D and Capex expense



\* 2009 ER&D and Capex % based on net revenue normalized for de-stocking effect

## Leverage analysis



(\$Billions)

	Forecast 12/31/2009	Plan 12/31/2014
<b>Total Unrestricted Cash &amp; Marketable Securities*</b>	<b>&gt;\$5.0</b>	<b>\$4.0</b>
UST Loan	\$5.7	\$0.0
U.S. Treasury Zero Coupon Note	0.1	-
Department of Energy**	-	2.3
UAW VEBA Note	4.6	4.5
CAW Healthcare Trust (Pro-forma)	0.9	0.8
Canada EDC Government Loan	1.5	-
Financial Liabilities & Other Debt	0.2	0.4
<b>Total Debt</b>	<b>\$13.0</b>	<b>\$8.0</b>
<b>Net Debt***</b>	<b>\$8.0</b>	<b>\$4.0</b>

\*excludes \$2.3B of undrawn UST / EDC debt

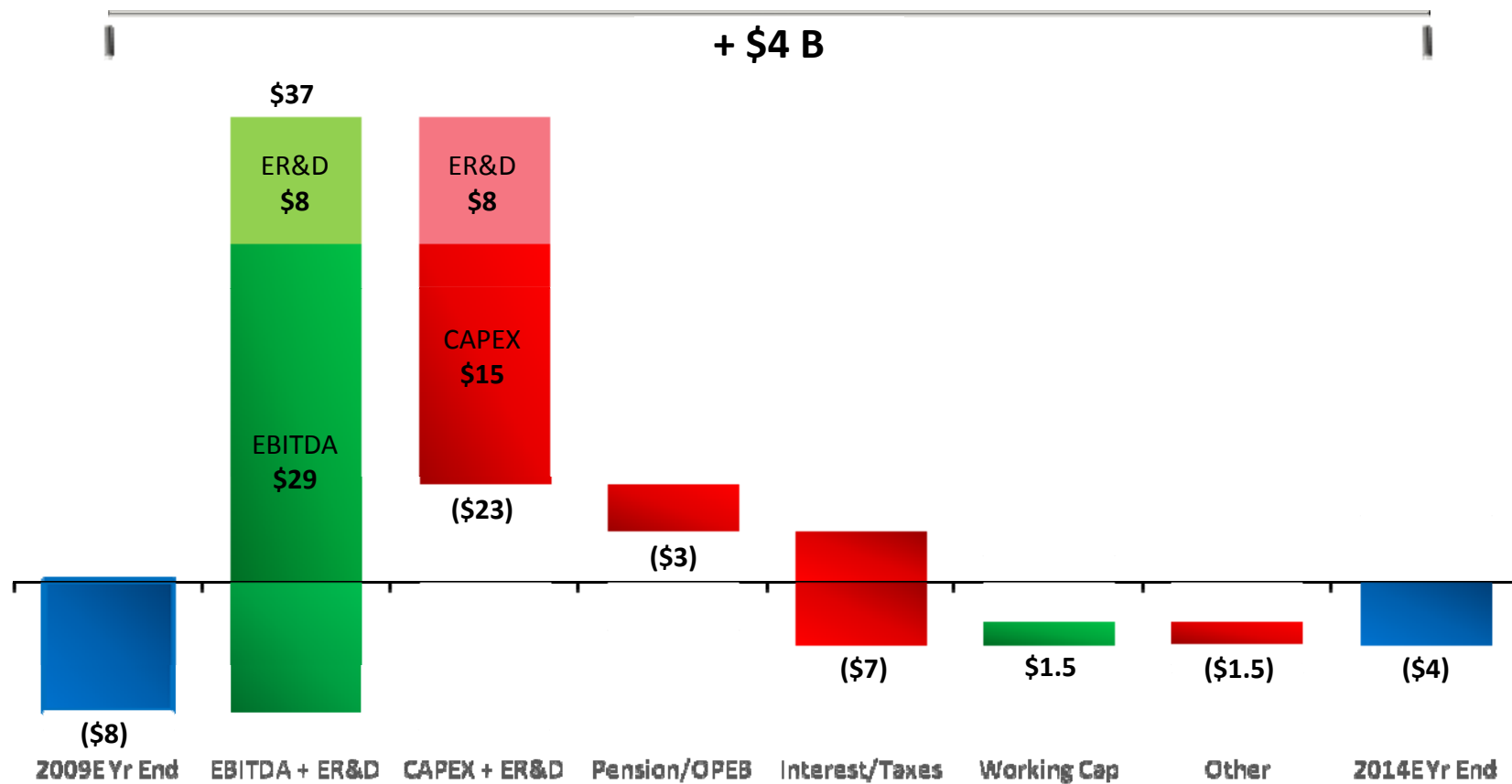
\*\* Loan application pending

\*\*\* Change in net debt includes PIK interest accrued and paid as principal for ~\$0.4B and accrued interest for VEBA / HCT trust and other for ~\$0.6B



# Net Debt walk

(\$Billions)



Note: Change in net debt includes PIK interest accrued and paid as principal for ~\$0.4B and accrued interest for VEBA / HCT trust and other for ~\$0.6B



### Assumptions

- Base case 2011 plan
- Volumes down ~20% across U.S. market
- Cost containment complete within 6 months

### Results

- Revenues ~\$7B lower
- \$1.8B reduction in operating profit without corrective actions
- \$0.4B in operating profit recoverable through interventions in cost
- Net cash at ~\$3B before utilization of undrawn facility of \$2.3B and after \$2.6B of TARP repayment

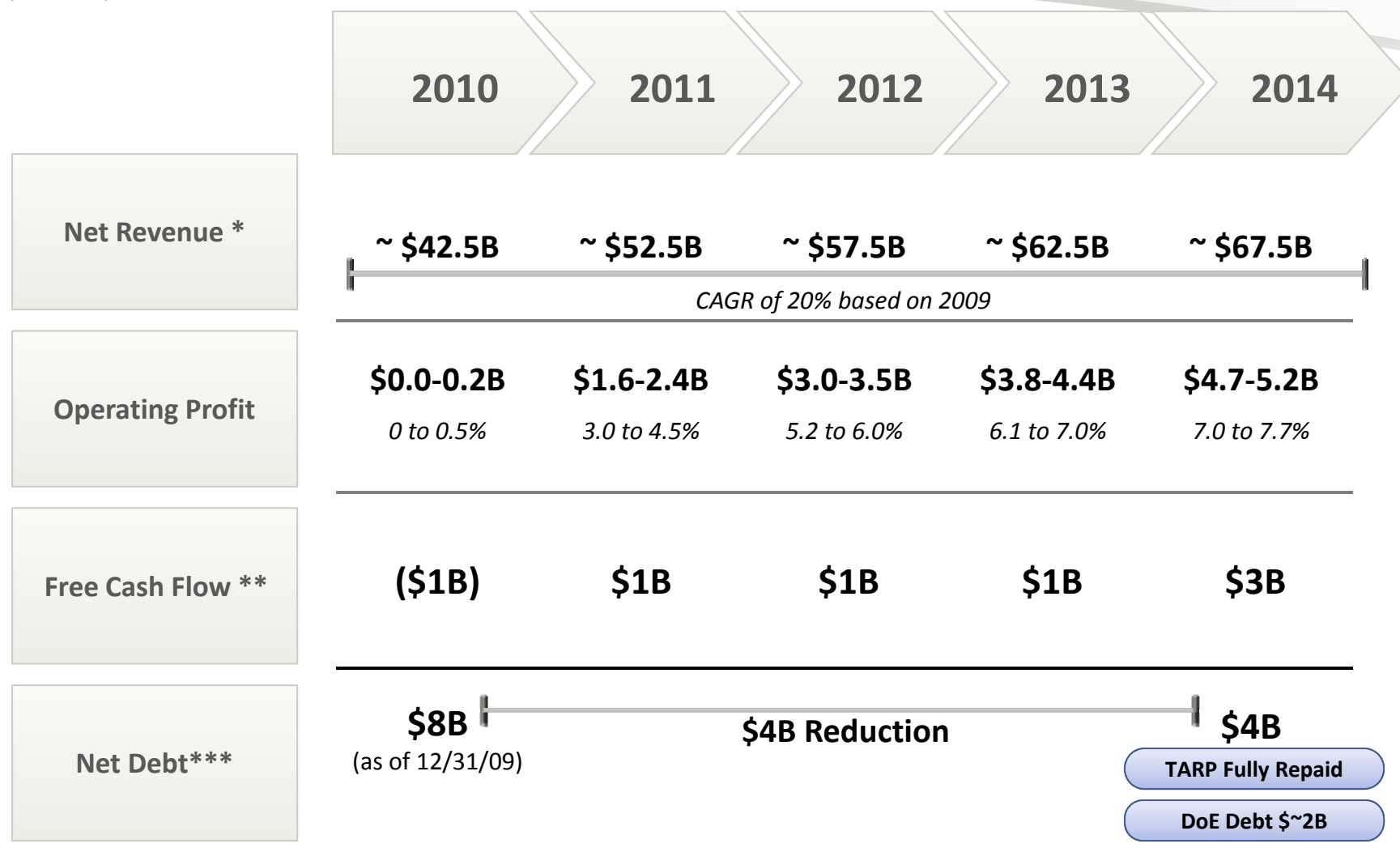


- Cash-on-hand plus undrawn facilities at end 2009 of ~\$7B
- Cash available not less than \$5B even in stress tested scenarios
- IPO to be decided by Board of Directors/Members, but highly unlikely to occur earlier than 2011
- Accelerated TARP/EDC debt repayment from 2011-2014, paid in full by 2014. Department of Energy funding of \$1B per year for 2010, 2011, and 2012 for a total of \$3B

## Summary of financial targets



(\$Billions)



\* Using Mid -Point Convention

\*\* Free cash flow after pension contributions and before debt changes

\*\*\* Change in net debt includes PIK interest accrued and paid as principal for ~\$0.4B and accrued interest for VEBA / HCT trust and other for ~\$0.6B. DoE loan application pending



- Audited capsule Financial Statements for Q4 2009 and 2009 Financial Year will be available by April 30, 2010
- Subsequent Financial Statements will be available 60 days after end of quarter, or 90 days after year-end



## Credit Agreements – Major Terms



	Tranche	Facility amount (M)	Maturity
US Treasury	B	\$2,000	Dec 2011 <sup>2)</sup>
	C	4,292	2016 / 2017 <sup>3)</sup>
	Additional C <sup>1)</sup>	350	2016 / 2017 <sup>3)</sup>
	Assumed Debt	500	2016 / 2017 <sup>3)</sup>
		\$7,142	
	Additional Note	288	2016 / 2017 <sup>3)</sup>
	Zero-Coupon Note	100	2016 / 2017 <sup>3)</sup>
EDC / Canada	Existing	C\$1,209	US\$500 Dec 2011 <sup>2)</sup> Remainder 2016/2017 <sup>3)</sup>
	X-2	1,116	
		C\$2,325	
VEBA		\$4,587	2023

1) Available for GMAC risk sharing

2) Option to defer \$400 million UST into Tranche C, and defer \$100 million EDC

3) 50% of commitment due 2016, remainder in 2017