

To the Men and Women of the New Chrysler:

Today marks a new beginning for Chrysler and the North American automotive industry, as Chrysler Group LLC, a new company formed in alliance with Fiat Group, has completed its acquisition of substantially all of Chrysler LLC's assets and will begin operations immediately.

It is my great privilege to greet you as your new chief executive officer and to join all of you in building a great future for the new Chrysler. Although we have many challenges yet to overcome, there is no doubt in my mind that we will get the job done. Chrysler will be back--strong and competitive and a rewarding place to work.

You have been through a great deal of hardship and uncertainty over the recent past and I want to start by recognizing your commitment to Chrysler and acknowledge the many sacrifices you have made to help get an American icon back on its feet. Because of your commitment, and the hard work of a range of interested parties, including President Obama and his Automotive Task Force, Chrysler is now a more focused and nimble company that will benefit greatly from its new global strategic alliance with Fiat. The new company moves forward with significant strategic advantages, including a healthy balance sheet, a competitive cost structure, a leaner and more efficient dealer network, sound supplier agreements and significantly improved product quality and operational efficiency.

For those reasons, today is a day for optimism. Chrysler, Jeep and Dodge vehicles will once again roll out of our plants, into our dealers' showrooms, and soon thereafter onto America's roads and highways. We have much to look forward to. But we must also not forget what we have learned. The past few years have offered several painful lessons on what it will take to survive in the modern-day automotive industry. The alliance is a bold first step to implement those lessons we've learned, but it is only a first step. Now we must prove we can make it work.

We are already moving in that direction. Over the next several months, we will begin the process of transferring Fiat's technology, platforms and powertrains for small- and medium-sized cars into Chrysler's manufacturing facilities. This award-winning technology will be critical to helping Chrysler round out its product line and give the company a strategic advantage in many markets around the world. Work is already underway to develop new environmentally friendly, fuel-efficient, high-quality vehicles, including Chrysler's electric-vehicle program. In the meantime, we will begin working together to find the most effective ways to combine our R&D and distribution networks so that we can begin to reap the many benefits this alliance will provide.

On the leadership side, we are very fortunate that Bob Kidder has agreed to serve as our board chairman. Bob is an experienced executive with a great track record of helping grow companies, and I'm looking forward to working with him. Several other Board seats will be filled in the coming weeks. We will keep you updated as appropriate.

As you know, Chrysler is now majority owned by the Voluntary Employee Beneficiary Association (VEBA). Fiat will initially hold a 20 percent ownership stake in Chrysler, with the ability to increase its ownership stake an additional 15 percent over time by delivering on its commitments to the company. The U.S. and Canadian governments own the rest.

Combined, Chrysler and Fiat today rank as the world's sixth largest automaker, giving us the scale to compete and win in nearly every market in the world. But while this scale is critical, events have proven that only size managed well will be effective. I ask each one of you to take on a leadership role and work with me to restore Chrysler to being a fully competitive and profitable company once again. Numbers are important in assessing performance, but more important in my mind is how we lead people and lead change.

Five years ago, I stepped into a very similar situation at Fiat. It was perceived by many as a failing, lethargic automaker that produced low-quality cars and was stymied by endless bureaucracies. But most of the people capable of remaking Fiat had been there all the time. Through hard work and tough choices, we have remade Fiat into a profitable company that produces some of the most popular, reliable and environmentally friendly cars in the world. We created a far more efficient company while investing heavily in our technologies and platforms. And, importantly, we created a culture where everyone is expected to lead.

We can and will accomplish the same results here. The people who will lead that charge are for the most part already at Chrysler. We plan to bring that same drive and commitment to innovation to Chrysler as we look to make it one of the driving forces again in our industry.

I am confident that we can get there together.

Thank you again for your commitment to Chrysler. I look forward to meeting and working with all of you in the months and years ahead.

Sincerely,

Sergio Marchionne