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Chrysler Group Reports Second-Quarter 2014 Net Income of \$619 Million

Modified Operating Profit Was \$985 Million, Up 22 Percent From the Prior Year; Free Cash Flow Was \$1 Billion; Guidance for the Year Is Confirmed

- Chrysler Group reported net income of \$619 million in the second quarter of 2014, up 22 percent from a year ago
- Net revenue for the second quarter was \$20.5 billion, up 14 percent from a year ago
- Modified Operating Profit(b) grew 22 percent to \$985 million for the quarter, from \$808 million a year earlier
- Free Cash Flow(e) for the second quarter was \$1 billion, compared with \$91 million a year ago
- Cash(d) as of June 30, 2014, was \$13.3 billion
- Net Industrial Cash(f) at the end of the quarter was \$331 million, an improvement from Net Industrial Debt(f) of \$551 million at March 31, 2014, and Net Industrial Debt of \$656 million at June 30, 2013
- Worldwide vehicle shipments were 727,000 for the quarter, up 10 percent from 660,000 a year ago
- Worldwide vehicle sales for the quarter were 723,000, up 12 percent from a year ago
- U.S. market share was 12.1 percent for the quarter, up from 11.4 percent a year ago; market share in Canada was 15.3 percent for the quarter, up from 15.1 percent a year ago
- Full-year 2014 guidance is confirmed

August 6, 2014, Auburn Hills, Mich. - Chrysler Group LLC today reported preliminary financial results for the second quarter and first half of 2014, including net income of \$619 million for the quarter, up 22 percent from \$507 million in the year-ago quarter.

Adjusted Net Income(a) for the first half of 2014 was \$1.1 billion, up from \$696 million in the first half of 2013. The Adjusted Net Income of \$1.1 billion excludes the unfavorable effects of infrequent items recorded in the first quarter of 2014, related to the Company's prepayment of a note held by the UAW Retiree Medical Benefits Trust (VEBA Trust Note) and a charge for commitments associated with the January memorandum of understanding signed with the UAW. Including the infrequent items, net loss for the first half of the year was \$71 million.

Net revenue for the second quarter was \$20.5 billion, up 14 percent from \$18 billion a year ago. Net revenue for the first half of the year was \$39.4 billion, compared with \$33.4 billion a year ago. Increased shipments of vehicles such as the Ram pickup and the all-new Jeep Cherokee drove the year-over-year improvements.

Modified Operating Profit was \$985 million in the second quarter, or 4.8 percent of net revenue, up from \$808 million reported in the prior-year period. The 22 percent increase was mainly the result of higher shipment volumes, improved mix, and pricing to recover vehicle content enhancements, partially offset by increased incentive spending on legacy products, industrial and advertising costs and adverse foreign exchange effects. Modified Operating Profit for the first half of 2014 was \$1.6 billion, or 4 percent of net revenue, up from \$1.2 billion in the first half of 2013.

Full press release available to the right under Attached.

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