



## Chrysler plant shutdown update

Feb-5-2008

The Chrysler dispute with its plastics supplier, which has caused the supplier to go into bankruptcy, is a "fluid" situation, with new developments occurring continuously. Below is our most current update:

- Production was idled at four U.S. Chrysler assembly plants on Monday, February 4, due to bankruptcy filing by plastics supplier, Plastech Engineered Products, Inc., which makes some 500 parts for Chrysler vehicles.
- Plants and models immediately affected are:
  - Belvidere, IL - Caliber/Compass/Patriot
  - Newark, DE - Durango/Aspen
  - Sterling Heights, IL - Sebring/Avenger
  - Toledo, OH - Wrangler/Liberty/Nitro
- Production will be reactivated almost immediately, hopefully by the end of this week, as an agreement has been reached to allow Plastech to resume shipping on an interim basis.
- Chrysler's initial goal is to get Plastech on line again in order to resume production.
- Chrysler's secondary goal is to assure minimum future interruptions. To accomplish this, Chrysler will take physical possession of the Chrysler-owned tools being used by Plastech to produce the parts.
- According the Oakland Press, one industry analyst predicts the production down time may be short because (due to the current competitive supplier environment) Chrysler should have little trouble finding a replacement supplier.

PHH will be in frequent contact with Chrysler Fleet Operations, and will keep you informed of any impact to your orders, should this situation become extended.