

# Fiat No Closer To Deal On Chrysler Stake

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MILAN (AP) — Fiat and Chrysler CEO Sergio Marchionne said Friday that he is no closer to a deal for the Italian carmaker to take full ownership of Chrysler and in the meantime was moving ahead on the formalities of a public offering for the U.S. group.

Marchionne told reporters in Turin, where Fiat has its headquarters, that talks were continuing with a United Auto Workers health care trust, which owns 41.5 percent of Chrysler. But the two sides continue to disagree on price. Fiat took control of Chrysler as it emerged from bankruptcy in 2009 and now [owns a 58.5 percent stake](#) [1].

Marchionne said the trust wants \$5 billion for its stake, which is too much. "They should buy a lottery ticket," he was quoted as saying by the LaPresse news agency.

Failure to reach a deal could force Fiat's hand on a public offer for Detroit's No. 3 carmaker, as the autoworker's health care trust presses to cash out of its Chrysler holding.

The trust has asked Fiat to begin working on the IPO, but can't force it to follow through.

Marchionne conceded that an IPO of Chrysler could delay his plans to fully merge Fiat with Chrysler.

A Chrysler IPO would be technically ready by the end of the year, Marchionne added, but that the markets would probably be better positioned in the first quarter of next year. The SEC filing will be ready by the end of the month, he said.

Marchionne has said he favors buying the trust's stake outright over selling shares in Chrysler to the public in order for the trust to make money from its stake. That would allow him eventually to list a combined Fiat-Chrysler.

The two sides are at stalemate despite a July ruling from a Delaware judge siding with Fiat over the formula for setting the price for a 3.3-percent tranche of Chrysler shares. The judge declined to issue a final ruling, saying he wanted to hear more evidence.

The court's ruling, if a settlement isn't reached first, would be a benchmark for the pricing of 16.6 percent of the minority shareholder's stake. The remaining would be up for negotiation.

Fiat already has already exercised three call options of 3.3 percent each, and has options on two more in January and July 2014.

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Marchionne skipped the Frankfurt auto show this week, fueling speculation about the status of negotiations for the Chrysler stake. Marchionne cited "work commitments," without elaborating.

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