

Fiat Denies Speculation on Chrysler Merger Opt Out; Shares Fall

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Fiat shares fall as much as 7.2%, currently trade 3.8% lower after being halted twice; worst performer on FTSE MIB Index, SXAP. Vol. is 1.54x 3-mo. daily avg.; Fiat down for seventh session, longest losing streak since Dec. 2013 Earlier: Fiat says denies certain “market rumours” it go notices to exercise cash exit rights for shareholders for Chrysler merger; term for exercise cash exit rights begins today.

Co. statement

Qualifying shareholders may exercise the withdrawal right for a period of 15 days

NOTE: Closing of merger subject to limited cash out of EU500m to be paid by Fiat to shareholders in case of exercising recesso

Redemption price payable to Fiat withdrawing shareholders EU7.727

Aug. 1: Fiat investors approve merger with Chrysler

North Square Blue Oak Event Driven analyst Alex Olvera says likely EU500m amount available to cash out dissenters may have not been breached. Following talk with Chrysler, Olvera says company cited Fiat CEO comment that it will not waive the max. amount condition of EU500m and if it is breached merger will be called off

Co. would relaunch merger with a lower withdrawal price (based on 6-mo. avg.)

Last month, Equita said establishment of a cap creates a classic prisoner’s dilemma; had said Fiat has all the interest stock price will not fall significantly below threshold

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