FCA

FIAT CHRYSLER AUTOMOBILES

Second Quarter 2018 Results

July 25, 2018

Safe Harbor Statement

This document, and in particular the section entitled "2018 guidance – revised", contains forward-looking statements. In particular, these forward-looking statements include statements regarding future financial performance and the Company's expectations as to the achievement of certain targeted metrics, including net cash/(debt) and net industrial cash/(debt), revenues, industrial free cash flows, vehicle shipments, capital investments, research and development costs and other expenses at any future date or for any future period are forward-looking statements. These statements may include terms such as "may", "will", "expect", "could", "should", "intend", "estimate", "anticipate", "believe", "remain", "on track", "design", "target", "objective", "goal", "forecast", "projection", "outlook", "prospects", "plan", or similar terms. Forward-looking statements are not guarantees of future performance. Rather, they are based on the Group's current state of knowledge, future expectations and projections about future events and are by their nature, subject to inherent risks and uncertainties. They relate to events and depend on circumstances that may or may not occur or exist in the future and, as such, undue reliance should not be placed on them.

Actual results may differ materially from those expressed in forward-looking statements as a result of a variety of factors, including: the Group's ability to launch new products successfully and to maintain vehicle shipment volumes; changes in the global financial markets, general economic environment and changes in demand for automotive products, which is subject to cyclicality; changes in local economic and political conditions, changes in trade policy and the imposition of global and regional tariffs or tariffs targeted to the automotive industry, the enactment of tax reforms or other changes in tax laws and regulations; the Group's ability to expand certain of the Group's brands globally; the Group's ability to offer innovative, attractive products; the Group's ability to develop, manufacture and sell vehicles with advanced features including enhanced electrification and autonomous driving characteristics; various types of claims, lawsuits, governmental investigations and other contingent obligations affecting the Group, including product liability and warranty claims and environmental claims, investigations and lawsuits; material operating expenditures in relation to compliance with environmental, health and safety regulations; the intense level of competition in the automotive industry, which may increase due to consolidation; exposure to shortfalls in the funding of the Group's defined benefit pension plans; the Group's ability to provide or arrange for access to adequate financing for the Group's dealers and retail customers and associated risks related to the establishment and operations of financial services companies, including capital required to be deployed to financial services; the Group's ability to access funding to execute the Group's business plan and improve the Group's business, financial condition and results of operations; a significant malfunction, disruption or security breach compromising the Group's information technology systems or the electronic control systems contained in the Group's vehicles; the Group's ability to realize anticipated benefits from joint venture arrangements; the Group's ability to successfully implement and execute strategic initiatives and transactions, including the Group's plans to separate certain businesses; disruptions arising from political, social and economic instability; risks associated with our relationships with employees, dealers and suppliers; increases in costs, disruptions of supply or shortages of raw materials; developments in labor and industrial relations and developments in applicable labor laws; exchange rate fluctuations, interest rate changes, credit risk and other market risks; political and civil unrest; earthquakes or other disasters and other risks and uncertainties.

Any forward-looking statements contained in this document speak only as of the date of this document and the Company disclaims any obligation to update or revise publicly forward-looking statements. Further information concerning the Group and its businesses, including factors that could materially affect the Company's financial results, is included in the Company's reports and filings with the U.S. Securities and Exchange Commission, the AFM and CONSOB.

Highlights

Q2 '18 Group Adjusted EBIT at €1.7B, with margin at 5.7%

NAFTA record Q2 Adjusted EBIT at €1.4B; U.S. market share up 60 bps to 13.0%

LATAM Adjusted EBIT up 68% to €101M, with margin up 180 bps to 4.8%; market leader in Brazil with 18.4% share

Net industrial cash position achieved for first time, €0.5B at June 30

Industrial free cash flows of €1.5B, improved by €0.8B over prior year

Strong performance of Jeep brand, with global sales up 21% y-o-y

Continued progress of all-new Ram 1500 launch, with total shipments of Classic and all-new models up 12% y-o-y

2018 – 2022 Business Plan presented on June 1

€B

2018 guidance – revised

Remaining 2018 – 2022 Business Plan financial targets are unchanged

Net revenues	115 – 118	from ~ 125	Adjusted net profit*	~ 5.0	Confirmed
Adjusted EBIT*	7.5 – 8.0	from ≥ 8.7	Net industrial cash*	~ 3.0	from ~ 4.0

Amounts do not include any impacts from the previously announced potential spin-off of the Magneti Marelli business

* Refer to Appendix for definitions of supplemental financial measures and reconciliations to applicable IFRS metrics. Guidance is not provided on the most directly comparable IFRS financial statement line item for Adjusted EBIT and Adjusted net profit as the income or expense excluded from these non-GAAP financial measures in accordance with our policy are, by definition, not predictable and uncertain.

Products

GRAND COMMANDER

Jeep

Premium seven-passenger SUV exclusive to Chinese market

Production of all-new Jeep Grand Commander commenced in Q2 '18 at China JV plant in Changsha

Premium interiors inspired by business-class cabins

Equipped with 2.0-liter turbo engine featuring a 9-speed automatic transmission

RENEGADE

Jeep

Restyled Renegade

Revealed in Jun '18 at dedicated media event in Europe

Addition of innovative turbo-gasoline engine options that offer enhanced fuel efficiency and outstanding on- and off-road performance

Advanced safety features available, including forward collision warning with active emergency braking

PACIFICA HYBRID

CHRYSLER

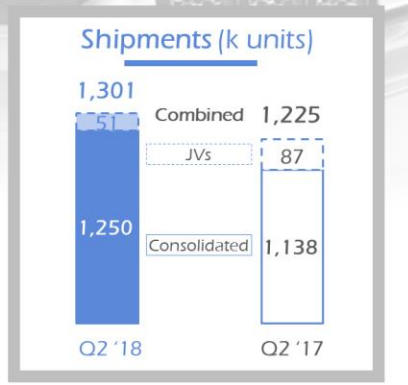
Waymo partnership expanded

FCA to deliver up to 62,000 additional Chrysler Pacifica Hybrid minivans to Waymo's self-driving fleet

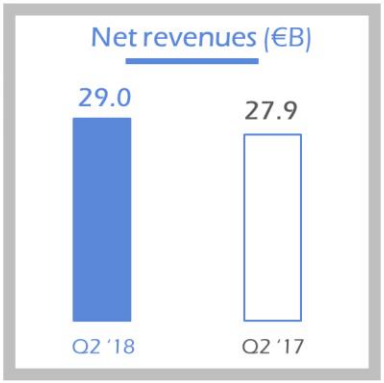
Deliveries expected to begin in late 2018

Initiated discussions for potential retail applications of Waymo's self-driving technology in an FCA manufactured vehicle

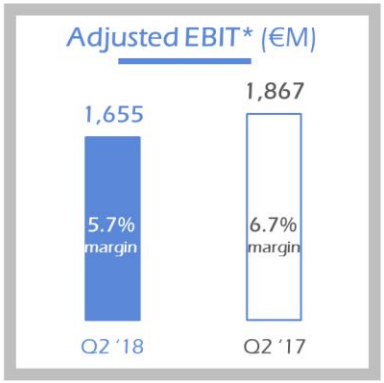
Q2 '18 summary



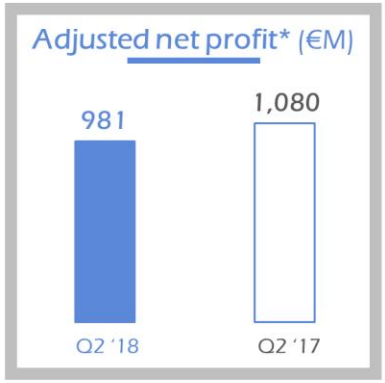
- Consolidated shipments up 10%, primarily due to growth in NAFTA and LATAM
- Lower China JV shipments



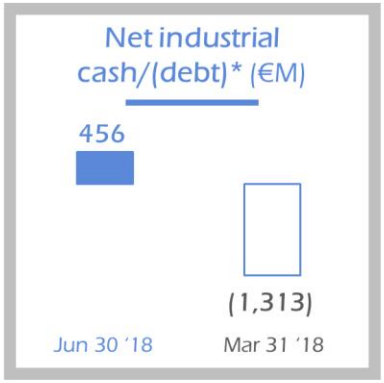
- Up 4%; up 11% at constant exchange rates (CER)
- Higher shipments and positive pricing



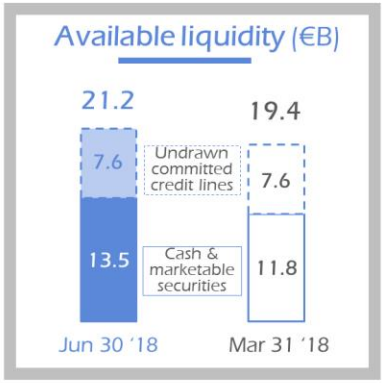
- Down11%; down 3% at CER
- Margin down 100 bps y-o-y



- Down 9%; flat at CER
- Lower financial charges and tax expense
- Net profit of €0.8B, compared to €1.2B in Q2 '17



- Achieved Net industrial cash position
- Industrial free cash flows* of €1.5B, €0.8B better than Q2 '17



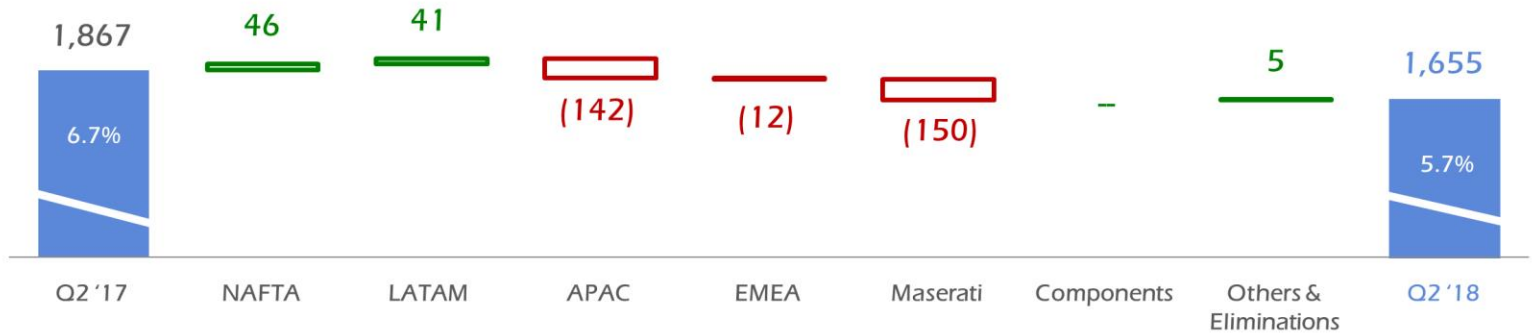
- Liquidity remained strong, up €1.8B from Mar '18

* Refer to Appendix for definitions of supplemental financial measures and reconciliations to applicable IFRS metrics. Figures may not add due to rounding.

Q2 '18 Adjusted EBIT walk

€M
% = Adjusted EBIT margin

By segment



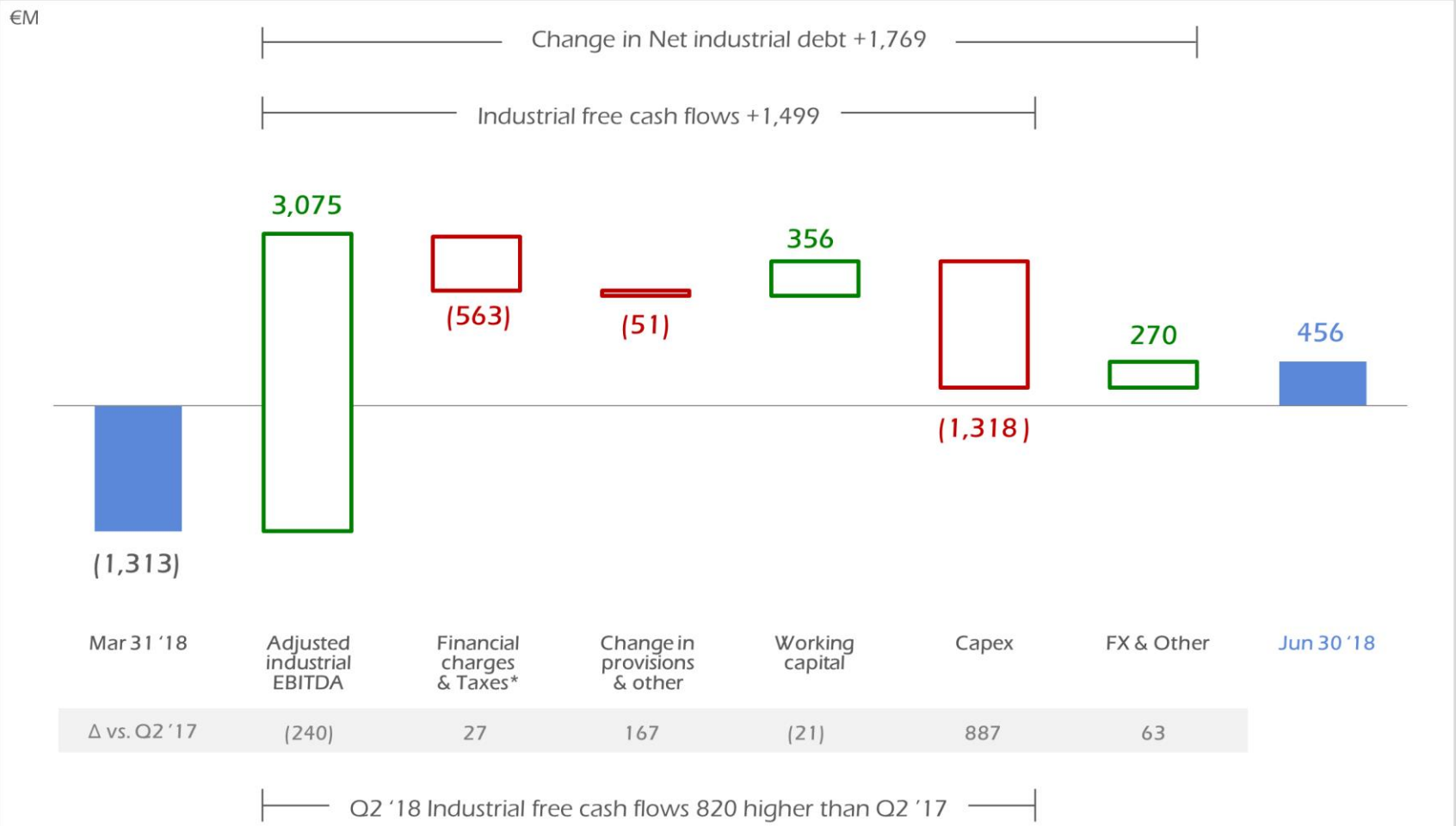
	NAFTA	LATAM	APAC	EMEA	Maserati	Components	Others & Eliminations	Q2 '18
B/(W) Q1 '18	181	27	(108)	6	(84)	12	10	44

By operational driver

	Volume & Mix	Net price	Industrial costs	SG&A	Other	Q2 '18
B/(W) Q1 '18	(52)	61	159	(90)	(34)	44

Refer to Appendix for definitions of supplemental financial measures and reconciliations to applicable IFRS metrics. Figures may not add due to rounding.

Q2 '18 Net industrial cash walk



* Net of IAS 19

Refer to Appendix for definitions of supplemental financial measures and reconciliations to applicable IFRS metrics. Figures may not add due to rounding.

NAFTA

Sales [1] (k units)	Market share	U.S. dealer inventories [2] (days of supply)	Shipments (k units)	Net revenues (€B)	Adjusted EBIT margin
↑	↑ NAFTA / ↑ U.S. Retail	↑	↑	↑	↓
693 Q2 '18	Q2 '18: 12.4% / 12.8%	82 Jun '18	676 Q2 '18	17.5 Q2 '18	8.0% Q2 '18
664 Q2 '17	Q2 '17: 12.1% / 12.0%	71 Jun '17	576 Q2 '17	16.1 Q2 '17	8.4% Q2 '17

- U.S. sales up 8%; Canada down 16%; Mexico down 6%
- U.S. share at 13.0% (+60 bps) with retail share at 12.8% (+80 bps); U.S. fleet mix at 22% vs. 21%
- Jeep sales up 21% mainly due to all-new Wrangler and Compass, as well as new Cherokee; Ram down 4% due to lower fleet sales with Ram U.S. retail up 5%; Chrysler down 22% primarily due to discontinuance of 200; Dodge flat

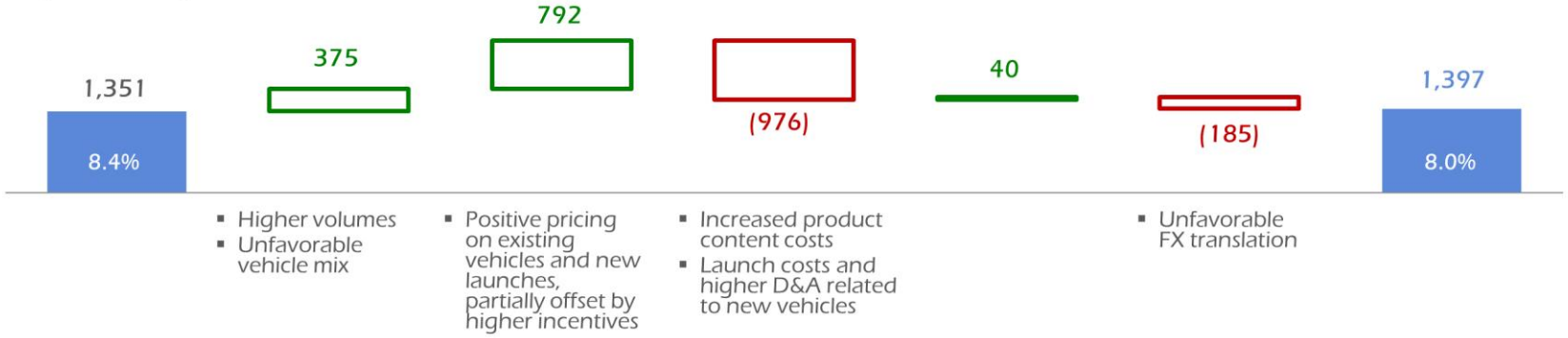
- In line with prior quarter
- Y-o-y increase primarily due to launch of all-new Ram 1500 and Jeep products

- Increase driven by new products – Jeep Cherokee, Wrangler and Compass, as well as Ram 1500; higher Dodge Journey volumes
- Ram HD lower due to plant retooling for next generation model

- Up 18% at CER
- Higher shipments
- Positive net pricing

Adjusted EBIT walk

€M
% = Adjusted EBIT margin



	Q2 '17	Volume & Mix	Net price	Industrial costs	SG&A	Other	Q2 '18
B/(W) Q1 '18		(108)	97	225	(39)	6	181

(1) Represents sales to retail and fleet customers and limited deliveries to Group-related persons. Sales by dealers to customers are reported through a new-vehicle delivery system.
(2) Calculated using dealer inventories, as well as total sales including fleet.

LATAM

Sales (k units)	Market share	Inventories [1] (days of supply)	Shipments (k units)	Net revenues (€B)	Adjusted EBIT margin
148 Q2 '18	13.4% Q2 '18	35 Jun '18	150 Q2 '18	2.1 Q2 '18	4.8% Q2 '18
127 Q2 '17	12.6% Q2 '17	33 Jun '17	132 Q2 '17	2.0 Q2 '17	3.0% Q2 '17

- Brazil industry up 13% y-o-y
- Market leader in Brazil with 18.4% share (up 80 bps y-o-y); sales at 110k units, up 18%
- Argentina market share up 110 bps to 13.7%; sales at 30k units, up 11%
- Jeep remained leader in Brazil SUV segments with combined share of 23.6% (up 190 bps y-o-y); Compass continues to be top selling SUV

- In line with prior year and prior quarter

- Higher volumes primarily driven by all-new Fiat Argo and Cronos, as well as Pernambuco-built vehicles, partially offset by discontinued vehicles

- Up 26% at CER
- Volumes up 14%
- Favorable vehicle mix

Adjusted EBIT walk

€M
% = Adjusted EBIT margin

Q2 '17	Volume & Mix	Net price	Industrial costs	SG&A	Other	Q2 '18
	▪ Higher volumes ▪ Positive vehicle mix	▪ Positive pricing, partially offset by higher incentives	▪ Higher D&A and R&D for new vehicles ▪ Inefficiencies from truckers' strike	▪ Higher advertising for new vehicle launches	▪ Unfavorable FX translation	
B/(W) Q1 '18	45	17	(20)	(7)	(8)	27

(1) Calculated using dealer and Group inventories, as well as total sales.

APAC

Sales (k units)	Combined	JV
Q2 '18	55	34
Q2 '17	72	52

Market share [1]	
0.7%	1.0%
Q2 '18	Q2 '17

Inventories [2] (days of supply)	
129	98
Jun '18	Jun '17

Shipments (k units)	Combined	JV
Q2 '18	53	33
Q2 '17	80	58

Net revenues (€M)	
652	976
Q2 '18	Q2 '17

Adjusted EBIT margin	
(15.0)%	4.5%
Q2 '18	Q2 '17

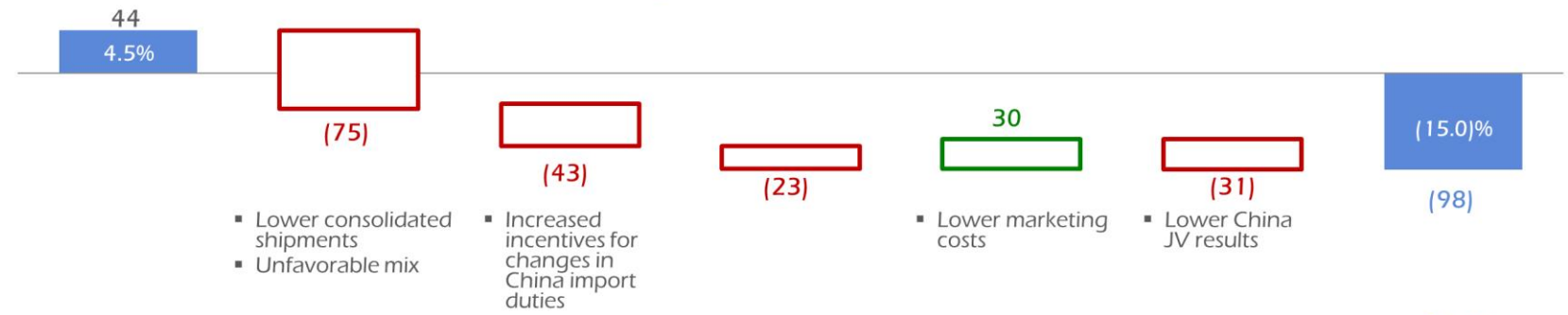
- China share down 40 bps to 0.8% largely due to lower China JV
- India share up 50 bps to 0.6% mainly due to all-new Jeep Compass

- Increase driven by launch of Alfa Romeo and new Jeep products, including Grand Commander, as well as lower Q2 '18 sales
- Up from 91 days at Mar '18

- Lower China JV and Jeep import volumes
- Increased shipments of all-new Jeep Compass locally produced in India

- Down 28% at CER
- Lower consolidated shipments
- Unfavorable mix
- Unfavorable net pricing

Adjusted EBIT walk



	Volume & Mix	Net price	Industrial costs	SG&A	Other	Q2 '18
B/(W) Q1 '18	(9)	(42)	(31)	(7)	(19)	(108)

(1) Reflects aggregate for major markets where Group competes (China, Australia, Japan, South Korea and India). Market share is based on retail registrations, except in India where market share is based on wholesale volumes, as well as management's estimates of industry sales data, which use certain data provided by third party sources.

(2) Calculated using dealer and Group inventories, as well as total combined sales.

EMEA

Sales (k units)		
	432	432
	Q2 '18	Q2 '17

EU 28 + EFTA market share	PCs	LCVs
Q2 '18	6.9%	12.5%
Q2 '17	7.2%	13.2%

Inventories[1] (days of supply)		
	62	62
	Jun '18	Jun '17

Shipments (k units)		
	396	395
	Q2 '18	Q2 '17

Net revenues (€B)		
	6.3	6.0
	Q2 '18	Q2 '17

Adjusted EBIT margin		
	3.0%	3.3%
	Q2 '18	Q2 '17

- EU 28 + EFTA (EU) passenger car (PC) industry up 5%, with major markets up, except Italy (-1%); share down 30 bps, primarily due to Italy
- EU LCV industry up 9%, with major markets up, except Italy (flat); share down 70 bps due to declines in all major markets
- PC sales in the region substantially flat; higher Jeep (+72%) and Alfa Romeo (+4%), offset by lower Fiat (-9%)
- LCV sales up 1% mainly due to Fiat Talento

- In line with prior year and prior quarter

- In line with prior year
- Higher volumes of all-new Jeep Compass and Alfa Romeo Stelvio
- Lower Fiat Panda and Lancia Ypsilon

- Up 6% at CER
- Positive vehicle mix
- Unfavorable net pricing

Adjusted EBIT walk

€M
% = Adjusted EBIT margin

- Positive vehicle mix
- Unfavorable channel mix

- Higher incentives in major markets
- Unfavorable FX, primarily for GBP

- Purchasing and manufacturing efficiencies
- Favorable FX, primarily for USD

Q2 '17	Volume & Mix	Net price	Industrial costs	SG&A	Other	Q2 '18
B/(W) Q1 '18	43	(28)	22	(39)	8	6

(1) Calculated using dealer and Group inventories, as well as total sales.

Maserati

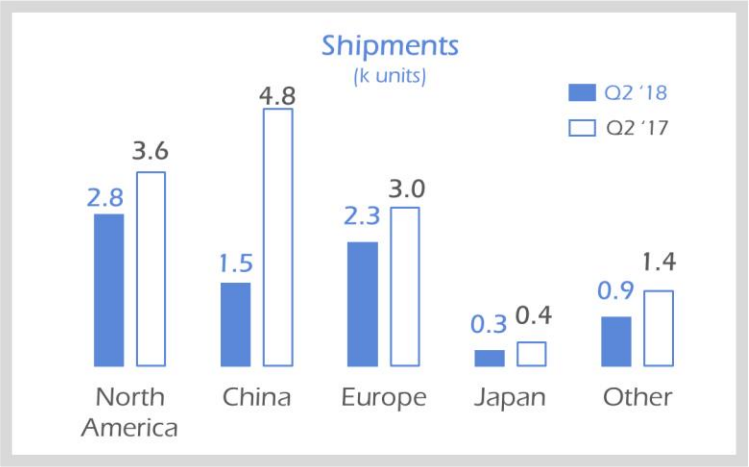
Sales (k units)	Shipments (k units)	Net revenues (€M)	Adjusted EBIT (€M)	Adjusted EBIT margin
8.7 Q2 '18	7.8 Q2 '18	568 Q2 '18	2 Q2 '18	0.4% Q2 '18
13.4 Q2 '17	13.2 Q2 '17	1,074 Q2 '17	152 Q2 '17	14.2% Q2 '17

Commercial performance

- Lower shipments and sales across all markets, with China significantly down due to impact from import duty reduction effective July '18

Financial performance

- Lower Net revenues primarily due to lower volumes and unfavorable mix due to China volume reduction
- Adjusted EBIT decrease primarily due to lower volumes and negative pricing in connection with China duty reduction



Components

Net revenues (€B)	Adjusted EBIT (€M)	Adjusted EBIT margin
2.6 Q2 '18	130 Q2 '18	5.0% Q2 '18
2.7 Q2 '17	130 Q2 '17	4.9% Q2 '17

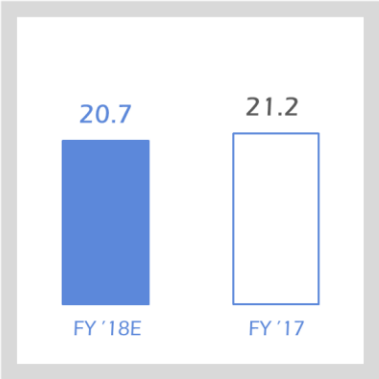
Operational highlights

- Net revenues slightly down compared to prior year (up 4% at CER), primarily due to higher Magneti Marelli volumes, more than offset by unfavorable FX
- Adjusted EBIT in line with prior year (up 7% at CER), with higher Magneti Marelli volumes, offset by lower pricing at Comau and unfavorable FX
- Continued Adjusted EBIT and margin growth for Magneti Marelli
- Magneti Marelli non-captive Net revenues at 66% and Comau at 91%

Industry outlook

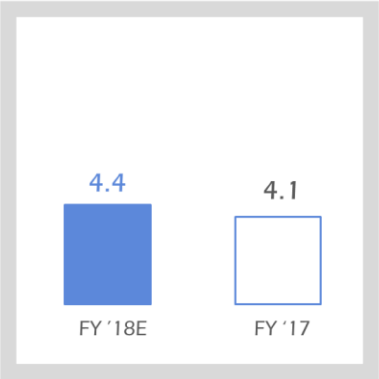
M units

NAFTA
(total vehicle sales including medium/heavy trucks)



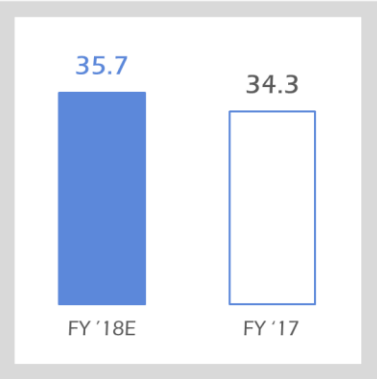
- H1 '18 U.S. SAAR at 17.6M units, +1% y-o-y

LATAM
(passenger cars and LCVs)



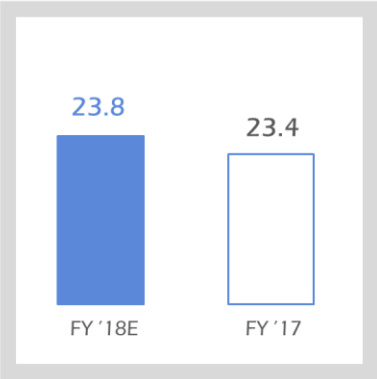
- H1 '18 Brazil industry at 1.1M units, +14% y-o-y

APAC [1]
(passenger cars only)



- H1 '18 China industry at 10.2M units, +6% y-o-y

EMEA
(passenger cars and LCVs)



- H1 '18 EU industry at 8.7M units, +3% y-o-y

FY '18E for all regions reflects estimates in 2018-2022 Business Plan presented at June 1 Capital Markets Day

(1) APAC industry reflects aggregate for major markets where Group competes (China, Australia, Japan, South Korea and India)

Source: IHS Global Insight, Wards and Group estimates

2018 guidance – revised

€B

	Revised	Original Jan '18
Net revenues	115 – 118	~ 125
Adjusted EBIT*	7.5 – 8.0	≥ 8.7
Adjusted net profit*	Confirmed	~ 5.0
Net industrial cash*	~ 3.0	~ 4.0

Remaining 2018 – 2022 Business Plan financial targets are unchanged

Note: Amounts do not include any impacts from the previously announced potential spin-off of the Magneti Marelli business

* Refer to Appendix for definitions of supplemental financial measures and reconciliations to applicable IFRS metrics. Guidance is not provided on the most directly comparable IFRS financial statement line item for Adjusted EBIT and Adjusted net profit as the income or expense excluded from these non-GAAP financial measures in accordance with our policy are, by definition, not predictable and uncertain.

Appendix

Supplemental financial measures

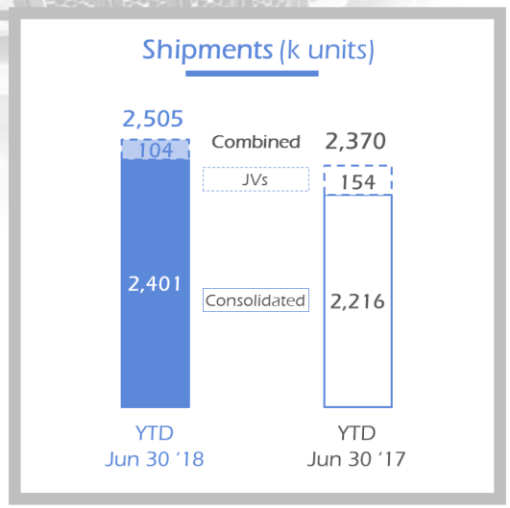
FCA monitors its operations through the use of various supplemental financial measures that may not be comparable to other similarly titled measures of other companies. Accordingly, investors and analysts should exercise appropriate caution in comparing these supplemental financial measures to similarly titled financial measures reported by other companies. Group management believes these supplemental financial measures provide comparable measures of its financial performance which then facilitate management's ability to identify operational trends, as well as make decisions regarding future spending, resource allocations and other operational decisions.

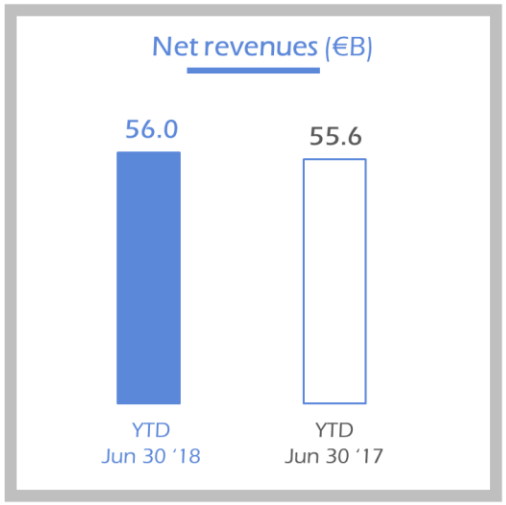
FCA's supplemental financial measures are defined as follows:

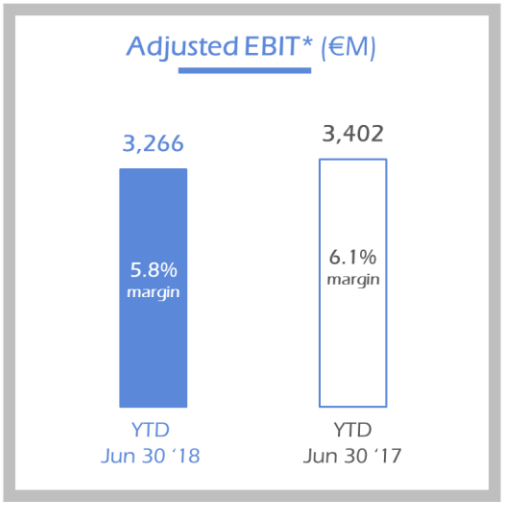
- Earnings before interest, taxes, depreciation and amortization ("EBITDA") is computed starting with Net profit and adding back Net financial expenses, Tax expense/(benefit) and depreciation and amortization expense
- Adjusted earnings before interest and taxes ("Adjusted EBIT") excludes certain adjustments from Net profit including: gains/(losses) on the disposal of investments, restructuring, impairments, asset write-offs and unusual income/(expenses) that are considered rare or discrete events that are infrequent in nature, and also excludes Net financial expenses and Tax expense/(benefit)
- Adjusted net profit is calculated as Net profit excluding post-tax impacts of the same items excluded from Adjusted EBIT, as well as financial income/(expenses) and tax income/(expenses) considered rare or discrete events that are infrequent in nature
- Adjusted diluted EPS is calculated by adjusting Diluted EPS for the post-tax impact of the same items excluded from Adjusted EBIT, as well as financial income/(expenses) and tax income/(expenses) considered rare or discrete events that are infrequent in nature
- Industrial free cash flows is calculated as Cash flows from operating activities less: cash flows from operating activities related to financial services, net of eliminations; Investment in property, plant and equipment and intangible assets for industrial activities; and adjusted for discretionary pension contributions in excess of those required by the pension plans
- Net industrial cash/(debt) is computed as: Debt plus derivative financial liabilities related to industrial activities less (i) cash and cash equivalents, (ii) certain current debt securities, (iii) current financial receivables from Group or jointly controlled financial services entities and (iv) derivative financial assets and collateral deposits; therefore, debt, cash and cash equivalents and other financial assets/liabilities pertaining to financial services entities are excluded from the computation of Net industrial cash/(debt)

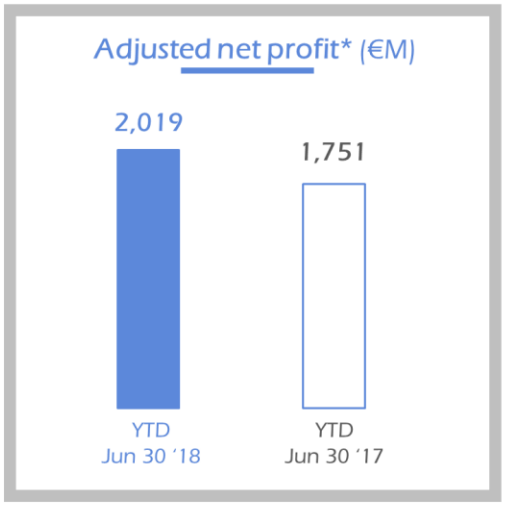
  Net industrial cash/(debt) should not be considered as a substitute for cash flows or other financial measures under IFRS; in addition, Net industrial cash/(debt) depends on the amount of cash and cash equivalents at each balance sheet date, which may be affected by the timing of monetization of receivables and the payment of accounts payable, as well as changes in other components of working capital, which can vary from period to period due to, among other things, cash management initiatives and other factors, some of which may be outside of the Group's control. Net industrial cash/(debt) should therefore be evaluated alongside these other measures as reported under IFRS for a more complete view of the Company's capital structure and liquidity.

YTD summary









* Refer to definitions of supplemental financial measures and reconciliations to applicable IFRS metrics, included herein.
Figures may not add due to rounding.

YTD Adjusted EBIT walk

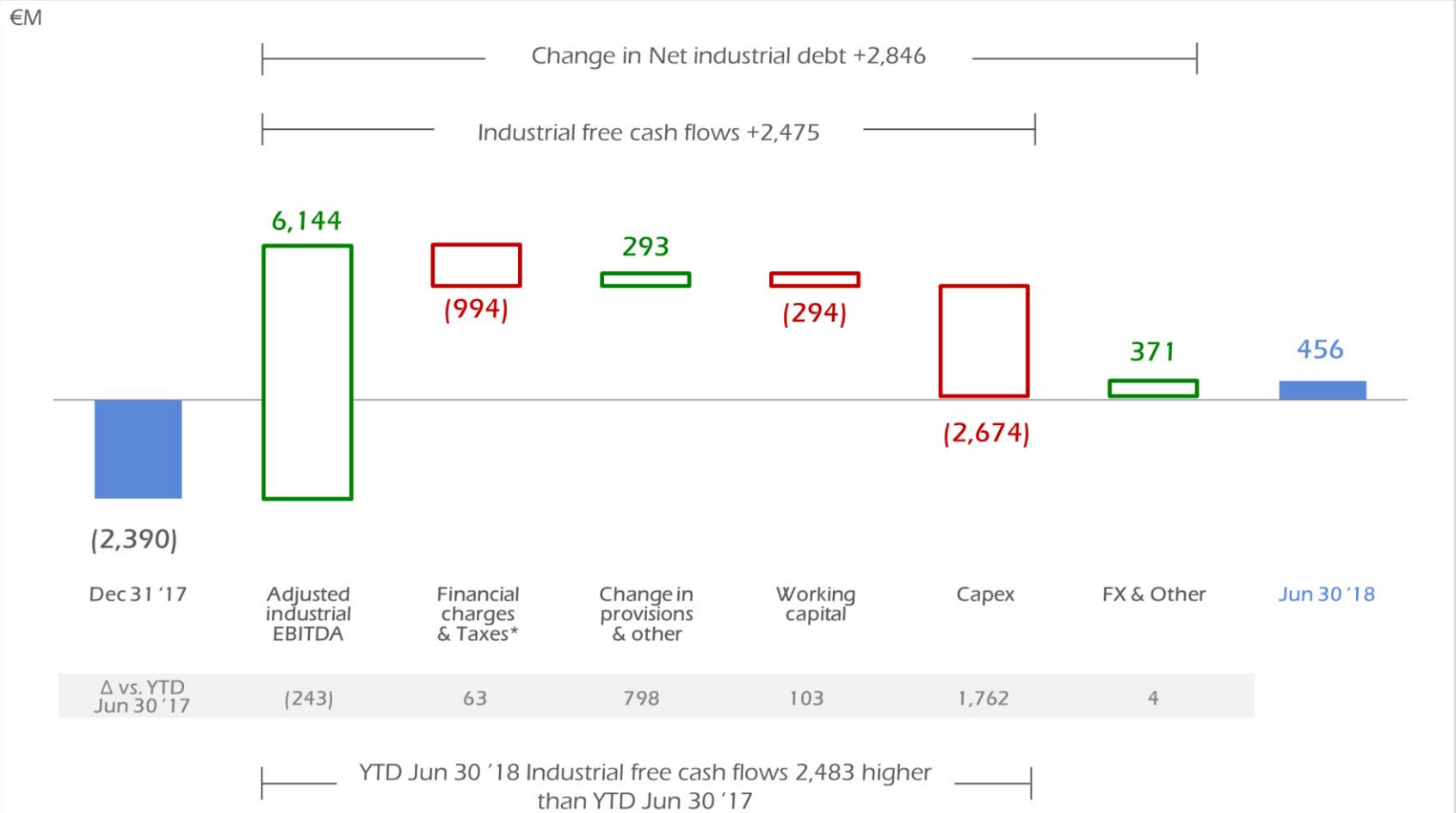
€M
% = Adjusted EBIT margin

By segment

By operational driver

Refer to definitions of supplemental financial measures and reconciliations to applicable IFRS metrics, included herein. Figures may not add due to rounding.

YTD Net industrial cash walk

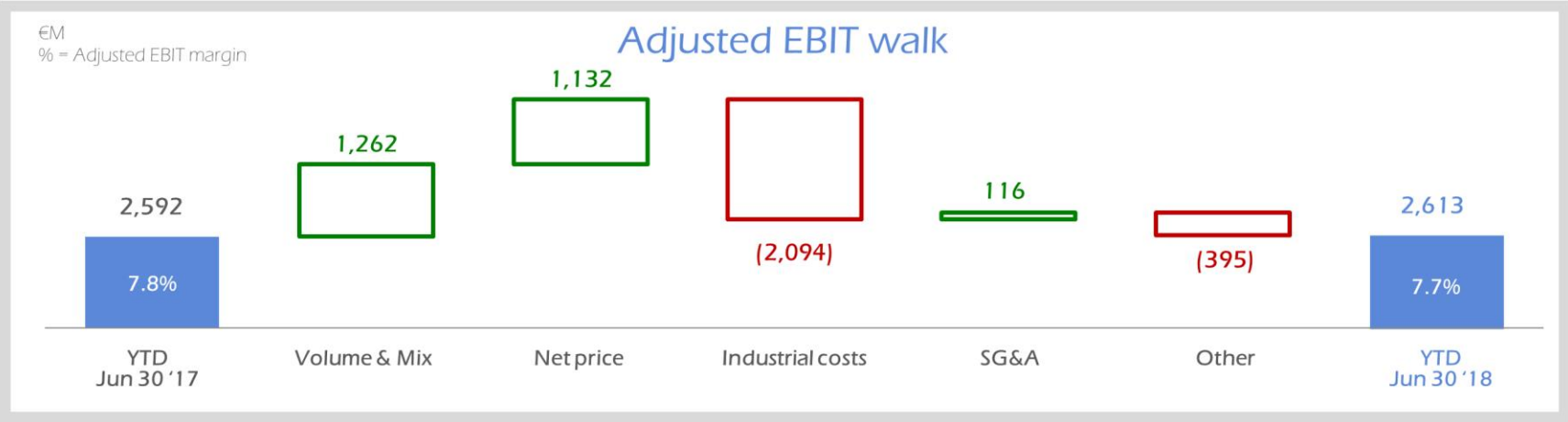


* Net of IAS 19

Refer to definitions of supplemental financial measures and reconciliations to applicable IFRS metrics, included herein. Figures may not add due to rounding.

YTD NAFTA

Sales (1) (k units)		Market share	NAFTA	U.S. Retail	Shipments (k units)		Net revenues (€B)		Adjusted EBIT margin	
1,287	1,260	YTD '18	12.2%	12.4%	1,322	1,185	34.0	33.2	7.7%	7.8%
YTD '18	YTD '17	YTD '17	12.1%	11.9%	YTD '18	YTD '17	YTD '18	YTD '17	YTD '18	YTD '17



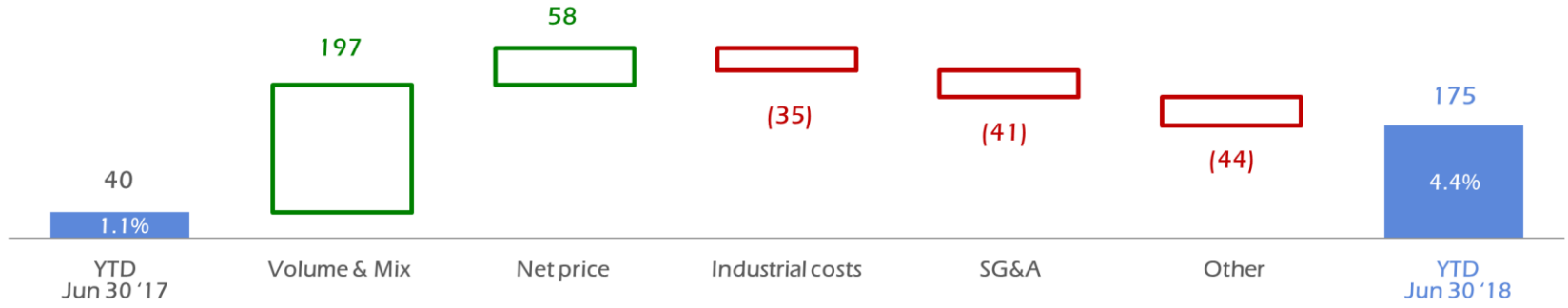
(1) Represents sales to retail and fleet customers and limited deliveries to Group-related persons. Sales by dealers to customers are reported through a new-vehicle delivery system.

YTD LATAM

Sales (k units)	Market share	Shipments (k units)	Net revenues (€B)	Adjusted EBIT margin
275 YTD '18	12.7% YTD '18	282 YTD '18	4.0 YTD '18	4.4% YTD '18
240 YTD '17	12.3% YTD '17	233 YTD '17	3.7 YTD '17	1.1% YTD '17

Adjusted EBIT walk

€M
% = Adjusted EBIT margin



YTD APAC

Sales (k units)	Combined	JV
YTD '18	117	76
YTD '17	134	95

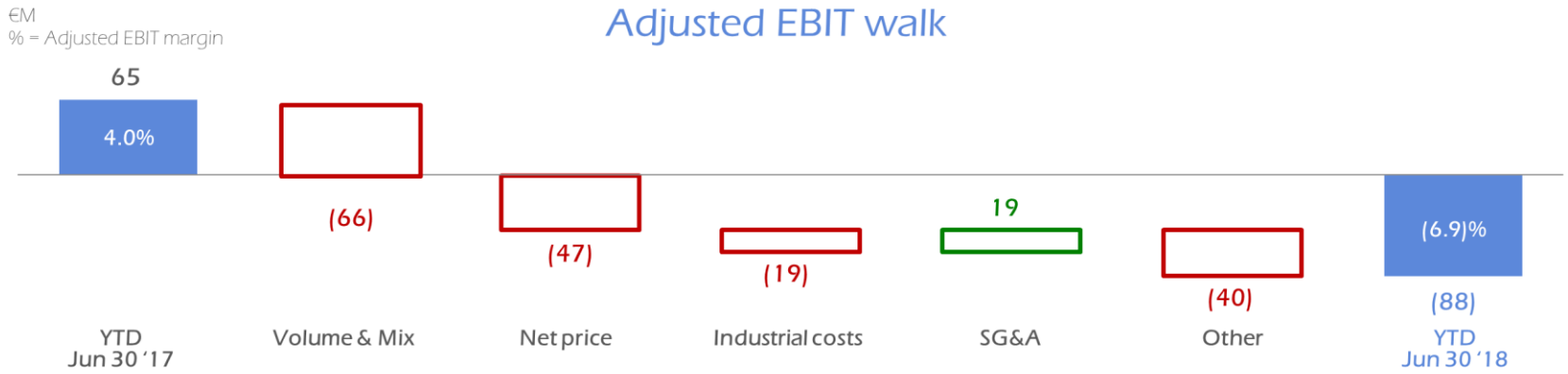
Market share [1]	
0.7%	0.9%
YTD '18	YTD '17

Shipments (k units)	Combined	JV
YTD '18	109	70
YTD '17	146	108

Net revenues (€B)	
1.3	1.6
YTD '18	YTD '17

Adjusted EBIT margin	
(6.9)%	4.0%
YTD '18	YTD '17

Adjusted EBIT walk



(1) Reflects aggregate for major markets where Group competes (China, Australia, Japan, South Korea and India). Market share is based on retail registrations, except in India where market share is based on wholesale volumes, as well as management's estimates of industry sales data, which use certain data provided by third party sources.

YTD EMEA

Sales (k units)	YTD '18	YTD '17
	822	830

EU 28 + EFTA market share	PCs	LCVs
YTD '18	6.8%	12.0%
YTD '17	7.1%	12.1%

Shipments (k units)	YTD '18	YTD '17
	741	735

Net revenues (€B)	YTD '18	YTD '17
	12.0	11.6

Adjusted EBIT margin	YTD '18	YTD '17
	3.1%	3.2%

Adjusted EBIT walk

€M
% = Adjusted EBIT margin

YTD Maserati and Components

Sales (k units)	Shipments (k units)	Net revenues (€M)	Adjusted EBIT (€M)	Adjusted EBIT margin
18.0 YTD '18	17.2 YTD '18	1,322 YTD '18	88 YTD '18	6.7% YTD '18
25.1 YTD '17	25.1 YTD '17	2,023 YTD '17	259 YTD '17	12.8% YTD '17

Net revenues (€B)	Adjusted EBIT (€M)	Adjusted EBIT margin
5.1 YTD '18	248 YTD '18	4.9% YTD '18
5.2 YTD '17	248 YTD '17	4.8% YTD '17

Key performance metrics

€M, except as otherwise stated

Three months ended Jun 30			Six months ended Jun 30	
2018	2017		2018	2017
1,301	1,225	Combined shipments [1] ('000s units)	2,505	2,370
1,250	1,138	Consolidated shipments [1] ('000s units)	2,401	2,216
28,993	27,925	Net revenues	56,020	55,644
1,655	1,867	Adjusted EBIT*	3,266	3,402
75	106	of which Result from investments	162	202
(294)	(369)	Net financial expenses	(603)	(805)
1,149	2,307	Profit before taxes	2,396	3,376
(395)	(1,152)	Tax expense	(621)	(1,580)
754	1,155	Net profit	1,775	1,796
981	1,080	Adjusted net profit*	2,019	1,751
0.48	0.74	Diluted earnings per share (EPS) (€)	1.13	1.15
0.62	0.69	Adjusted diluted EPS* (€)	1.29	1.12

(1) Combined shipments include all shipments by the Group's unconsolidated joint ventures, whereas consolidated shipments only include shipments from the Group's consolidated subsidiaries.

* Refer to definitions of supplemental financial measures and reconciliations to applicable IFRS metrics, included herein.

Reconciliation of Net profit to Adjusted EBIT

€M, except as otherwise stated

Three months ended Jun 30			Six months ended Jun 30	
2018	2017		2018	2017
754	1,155	Net profit	1,775	1,796
395	1,152	Tax expense	621	1,580
294	369	Net financial expenses	603	805
		Adjustments:		
—	—	U.S. special bonus payment	115	—
164	55	Impairment expense and supplier obligations [(A)]	164	55
78	—	Employee benefits settlement losses [(B)]	78	—
1	44	Restructuring costs	4	79
—	43	Resolution of certain Components legal matters	—	43
(43)	—	Recovery of costs for recall – airbag inflators [(C)]	(43)	—
—	—	Recovery of costs for recall – contested with supplier	(63)	—
—	(49)	Gains on disposal of investments	—	(49)
—	(895)	Reversal of a Brazilian indirect tax liability	—	(895)
12	(7)	Other	12	(12)
212	(809)	Total adjustments	267	(779)
1,655	1,867	Adjusted EBIT	3,266	3,402

Q2 '18 Adjusted EBIT excludes adjustments primarily related to:

(A) Impairment expense of €109M, primarily in EMEA and APAC, and supplier obligations of €55M, resulting from changes in product plans in connection with the updated Business Plan

(B) Charge arising on settlement of a portion of a supplemental retirement plan in NAFTA

(C) Recovery of amounts accrued in 2016 in relation to costs for recall campaigns related to Takata airbag inflators

Reconciliation of Net profit to Adjusted net profit and Diluted EPS to Adjusted diluted EPS

€M, except as otherwise stated

Three months ended Jun 30			Six months ended Jun 30	
2018	2017	Net profit to Adjusted net profit	2018	2017
754	1,155	Net profit	1,775	1,796
212	(809)	Total adjustments (per Page 27)	267	(779)
15	—	Tax impact on adjustments [(A)]	(23)	—
—	453	Brazil deferred tax assets write-off	—	453
—	281	Reduction of deferred tax assets related to reversal of a Brazilian indirect tax liability	—	281
227	(75)	Total adjustments, net of taxes	244	(45)
981	1,080	Adjusted net profit	2,019	1,751

(A) Reflects tax impact on adjustments excluded from Adjusted EBIT noted on Page 27

Three months ended Jun 30			Six months ended Jun 30	
2018	2017	Diluted EPS to Adjusted diluted EPS	2018	2017
0.48	0.74	Diluted EPS (€)	1.13	1.15
0.14	(0.05)	Impact of adjustments, net of taxes, on Diluted EPS (€)	0.16	(0.03)
0.62	0.69	Adjusted diluted EPS (€)	1.29	1.12
1,568,497	1,553,791	Weighted average number of shares outstanding for Diluted EPS ('000s)	1,567,360	1,551,364

Reconciliation of Debt to Net industrial cash/(debt) and Cash flows from operating activities to Industrial free cash flows

€M

Debt to Net industrial cash/(debt)	Jun 30 '18	Mar 31 '18	Dec 31 '17
Debt	(16,362)	(16,242)	(17,971)
Current financial receivables from jointly-controlled financial services companies	296	362	285
Derivative financial assets/(liabilities), net and collateral deposits	326	226	206
Current debt securities	284	172	176
Cash and cash equivalents	13,243	11,579	12,638
Net cash/(debt)	(2,213)	(3,903)	(4,666)
Exclude: Net financial services debt	2,669	2,590	2,276
Net industrial cash/(debt)	456	(1,313)	(2,390)

Three months ended Jun 30			Six months ended Jun 30	
2018	2017	Cash flows from operating activities to Industrial free cash flows	2018	2017
2,836	2,941	Cash flows from operating activities	5,184	4,518
(19)	(57)	Less: Operating activities not attributable to industrial activities	(35)	(90)
(1,318)	(2,205)	Less: Capital expenditures for industrial activities	(2,674)	(4,436)
1,499	679	Industrial free cash flows	2,475	(8)

Debt maturity schedule

€B

Outstanding Jun 30 '18		6M 2018	2019	2020	2021	2022	Beyond
6.6	Bank debt	3.5	1.2	0.7	0.4	0.3	0.5
8.7	Capital markets debt	0.7	1.7	1.3	1.0	1.4	2.5
0.7	Other debt	0.4	0.1	0.1	0.0	0.0	0.1
15.9	Total cash maturities *	4.6	3.1	2.1	1.4	1.7	3.1
13.5	Cash and marketable securities						
7.6	Undrawn committed revolving facilities						
21.2	Total available liquidity						
9.0	Sale of receivables (IFRS de-recognition compliant)						
5.6	*of which receivables sold to financial services JVs (FCA Bank)*						

Note: Numbers may not add due to rounding

* Excludes accruals and asset back financing of €0.5B at Jun 30 '18

Research and development costs and expenditures

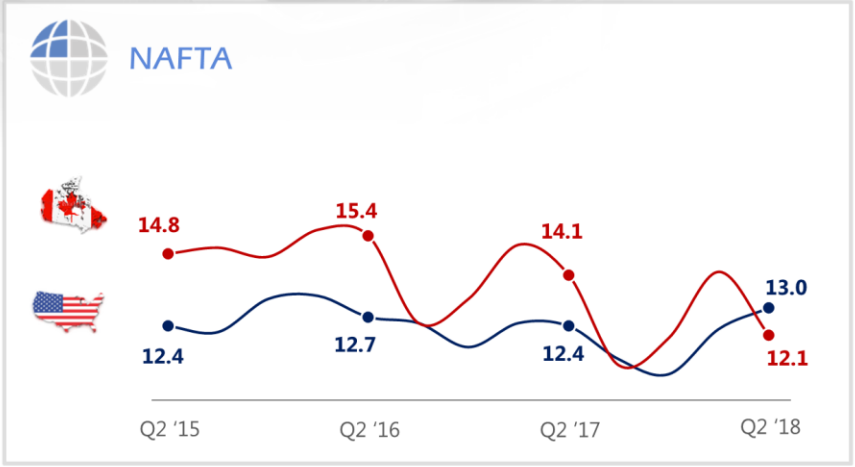
€M

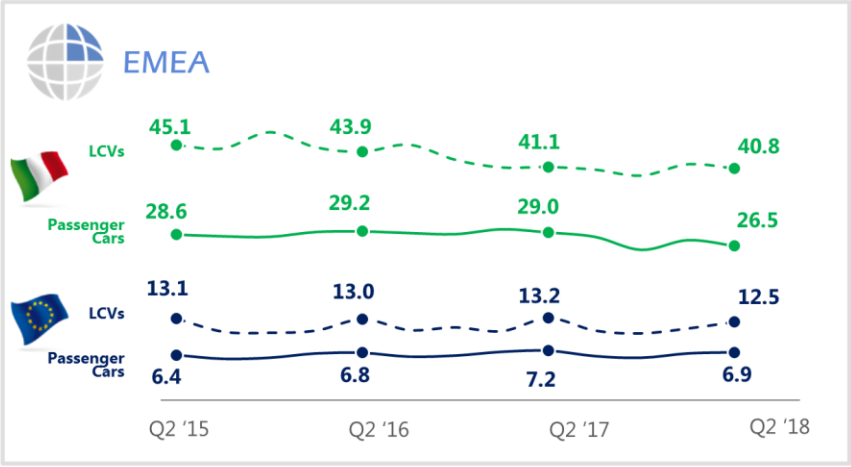
Three months ended Jun 30			Six months ended Jun 30	
2018	2017	Research and development costs	2018	2017
398	440	Research and development expenditures expensed	860	869
386	402	Amortization of capitalized development expenditures	798	816
66	12	Impairment and write-off of capitalized development expenditures	66	15
850	854	Total research and development costs	1,724	1,700

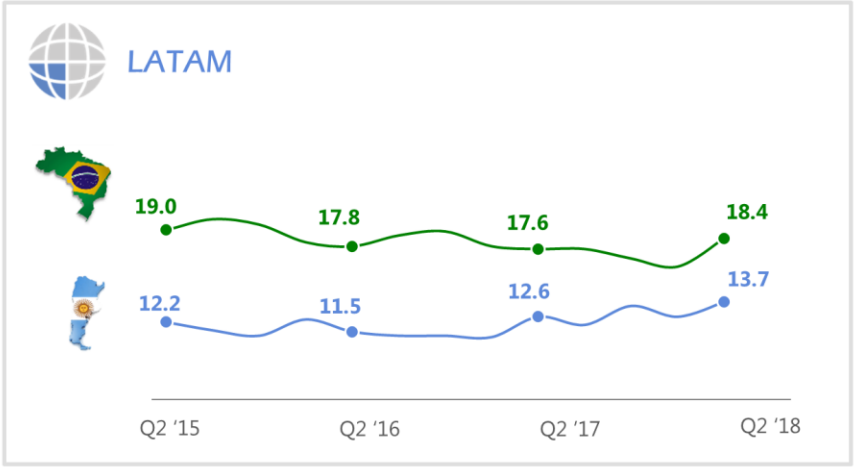
		Research and development expenditures		
528	677	Capitalized development expenditures	988	1,351
398	440	Research and development expenditures expensed	860	869
926	1,117	Total research and development expenditures	1,848	2,220

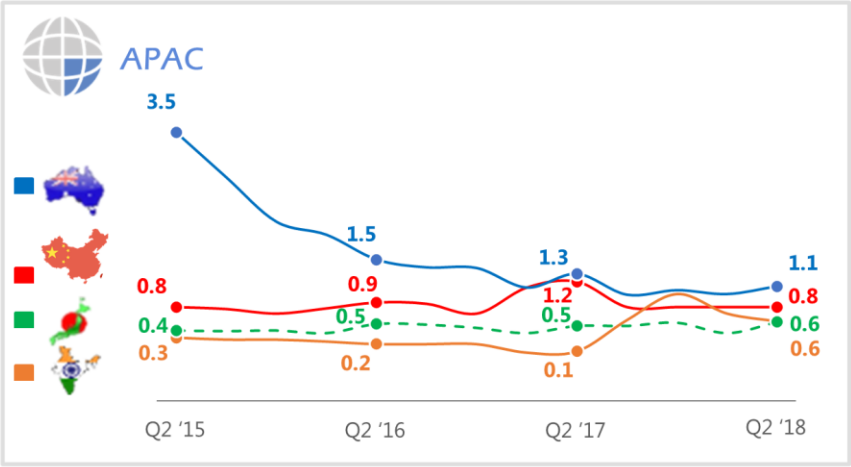
Market share – mass market brands

Market share (%)









APAC industry reflects aggregate for major markets where Group competes (China, Australia, Japan, South Korea and India). Market share is based on retail registrations except in India where market share is based on wholesales.

FCA

FIAT CHRYSLER AUTOMOBILES