

FCA

FIAT CHRYSLER AUTOMOBILES



Third Quarter 2018 Results

October 30, 2018



Safe Harbor Statement

This document, and in particular the section entitled “2018 guidance”, 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 cyclical; 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*

Record Adjusted EBIT at €2.0B, up 13%, and margin at 6.9%, up 20 bps

NAFTA record results, with Adjusted EBIT up 51% to €1.9B and margin at 10.2%, up 220 bps

LATAM Adjusted EBIT up 41% to €83M, with margin at 4.2%, up 140 bps, despite impacts from Argentina economic deterioration

Continued strong performance of Jeep brand, with global sales up 10% y-o-y

All-new Ram 1500 launch progressing, with total shipments of all-new and Classic models up 40% y-o-y

Moody's improved outlook on FCA's rating to positive from stable

Agreement to sell Magneti Marelli with transaction value of €6.2B

Accelerated discretionary U.S. pension plan contribution, net of tax, of €0.6B, reflected in €0.2B Net industrial debt position at Sep '18

€0.7B charge recognized for estimated costs related to U.S. diesel emissions matters

€B

2018 guidance

Operating metrics confirmed. Net industrial cash adjusted from ~3.0 to 1.5 – 2.0 for production realignment to expected demand and accelerated discretionary pension contribution, net of tax.

Net revenues	115 – 118	Adjusted net profit ⁽¹⁾	~ 5.0
Adjusted EBIT ⁽¹⁾	7.5 – 8.0	Net industrial cash ⁽¹⁾	1.5 – 2.0

* Group results and guidance include Magneti Marelli for comparability with prior periods and previously provided guidance. In accordance with IFRS, Magneti Marelli will be presented as a discontinued operation in the Group's financial statements for current and prior periods. Guidance does not include any impacts from the announced sale of Magneti Marelli or U.S. diesel emissions matters.
 (1) 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.



Agreement to sell Magneti Marelli



- FCA entered into agreement to sell Magneti Marelli S.p.A. (MM) to CK Holdings Co., LTD (CK)
- Transaction helps secure a strong future for MM given attractive industrial fit with CK – revenues of new combined business will rank as world's 7th largest independent automotive supplier
- Combined business will operate under the name Magneti Marelli CK Holdings
- Key terms of transaction:
 - Transaction value of €6.2B
 - FCA will enter into multi-year supply agreement with new combined entity
 - Combined entity to maintain existing MM operational headquarters in Corbetta, Milan
 - Transaction anticipated to be completed in H1 '19 subject to regulatory approvals and other customary closing conditions
 - Expected net cash proceeds of ~€6B subject to customary adjustments at transaction closing
- Transaction allows Group to:
 - Align our liquidity to levels of our peers
 - Continue to strengthen balance sheet to accelerate achievement of investment grade status
- Transaction also enables payment of an extraordinary dividend of €2B at transaction closing, which is in addition to the commencement of an annual ordinary dividend in Spring '19 of 20% of earnings, as presented at Jun '18 Capital Markets Day; both subject to Board of Directors and shareholder approval



Products



New 500X

Presented in Sep '18 at the National Museum of Cinema in Turin (Italy)

Features restyled exterior with full-LED headlights and new interiors

Available with new generation of FireFly turbo 1.0 and 1.3-liter engines, with up to 20% improvement in fuel efficiency

Traffic sign recognition, speed advisor and lane assist features standard on all models

WRANGLER CHEROKEE



European launch of all-new Wrangler and new Cherokee

Wrangler presented in Jul '18 at European Camp Jeep event in Austria; all-new powertrain options available, including a 2.0-liter turbo and a 2.2-liter MultiJet II turbo diesel

Cherokee presented in Sep '18 at dedicated event in Sicily (Italy); features more premium design and new powertrain options enhancing performance and fuel efficiency

Both vehicles available with more than 75 advanced safety and security features available



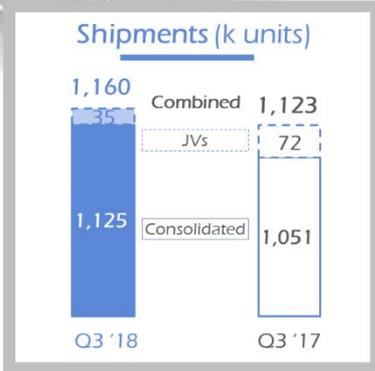
Investments in new technologies

Began preparations to produce new Jeep Renegade Plug-in Hybrid Electric Vehicle at Melfi (Italy) plant, with market launch in early 2020. Investments of more than €200M for new powertrain launch, including training all workers on application of this new technology

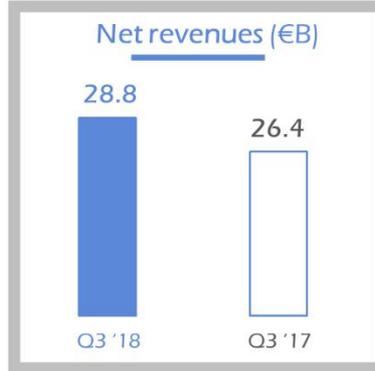
Opened all-new facility at FCA's Chelsea (Michigan) proving grounds dedicated to testing of autonomous driving and other advanced driver-assist technologies



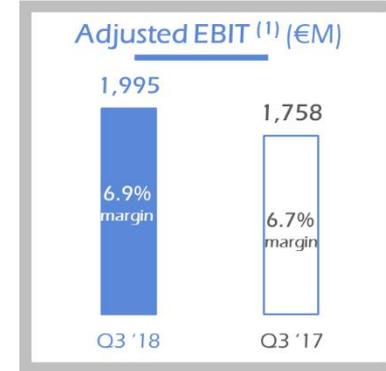
Q3 '18 summary*



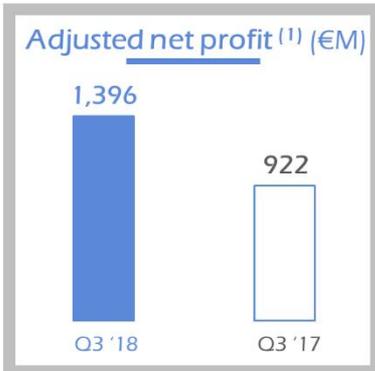
- Consolidated shipments up 7%, primarily due to growth in NAFTA
- Lower JV shipments



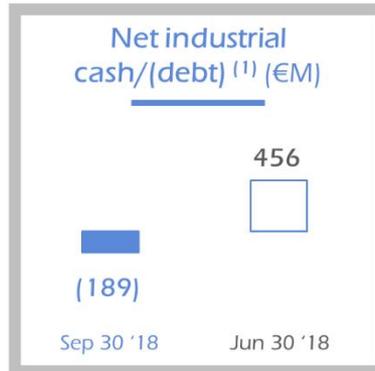
- Up 9%; up 11% at constant exchange rates (CER)
- Higher shipments, positive pricing and favorable mix



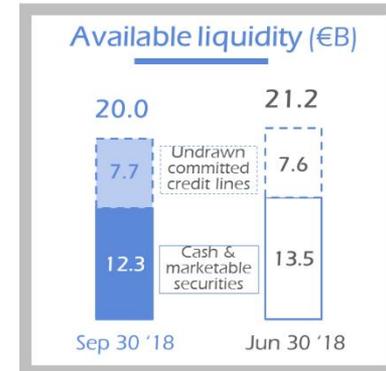
- Record quarter, up 13%, up 16% at CER, with record margin, up 20 bps y-o-y
- Excludes €0.7B charge for U.S. diesel emissions matters



- Up 51%; up 54% at CER
- Strong operating performance, reduced financial charges and taxes
- Net profit of €0.6B, compared to €0.9B in Q3 '17



- Includes €0.6B accelerated discretionary U.S. pension plan contribution, net of tax benefit



- Available liquidity remained strong at €20.0B, down €1.2B q-o-q, reflecting gross debt repayments at maturity and accelerated discretionary pension contribution

* Group results include Magneti Marelli for comparability with prior periods and previously provided guidance. In accordance with IFRS, Magneti Marelli will be presented as a discontinued operation in the Group's financial statements for current and prior periods.

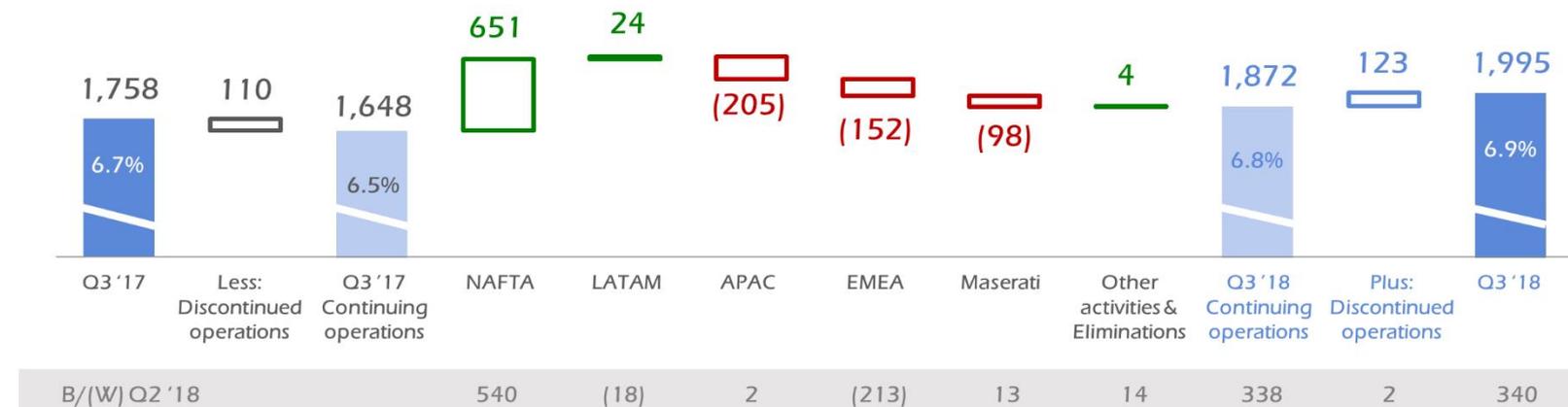
(1) Refer to Appendix for definitions of supplemental financial measures and reconciliations to applicable IFRS metrics
Figures may not add due to rounding



Q3 '18 Adjusted EBIT walk*

€M
% = Adjusted EBIT margin

By segment



By operational driver

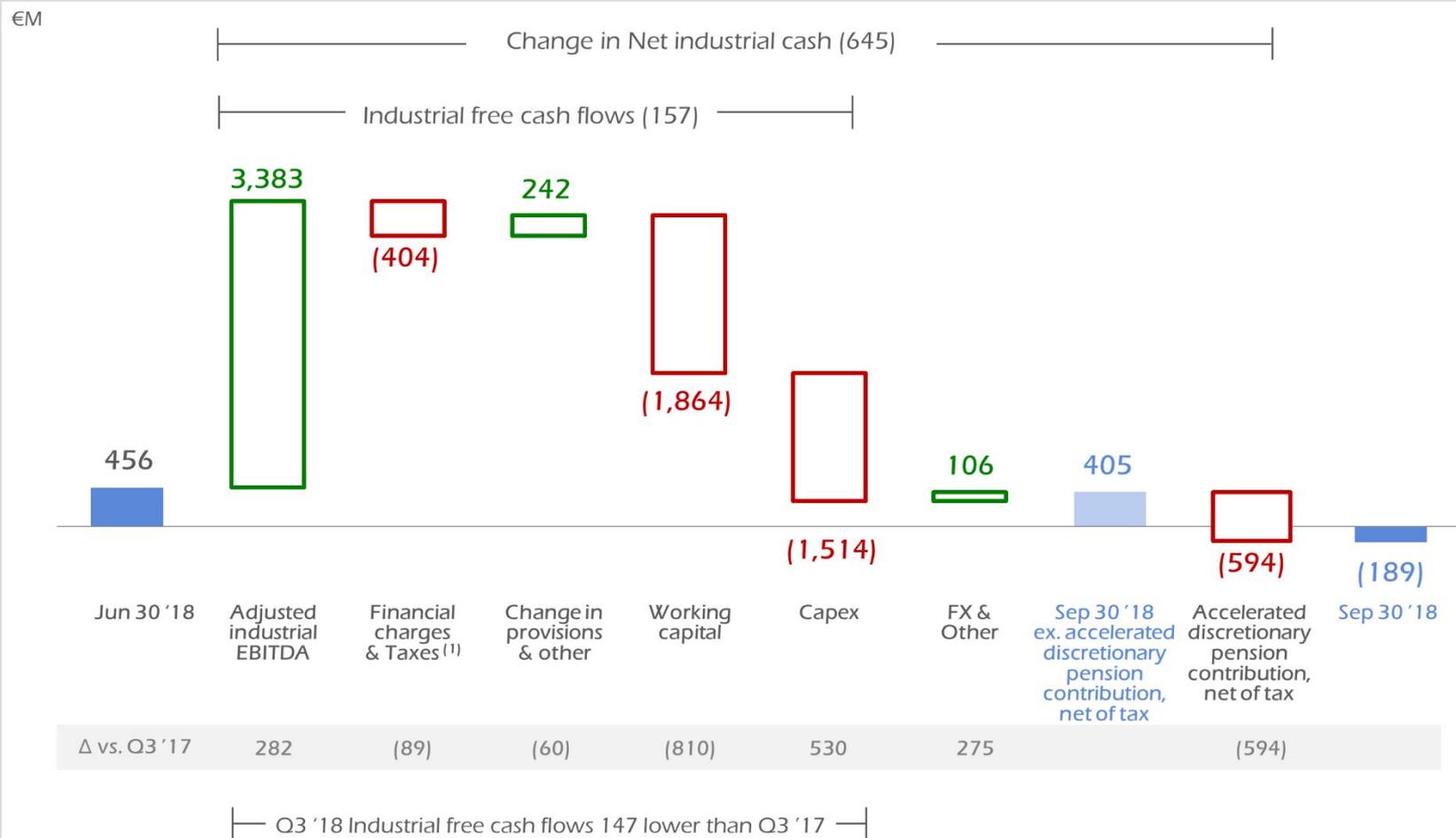


* Group results include Magneti Marelli for comparability with prior periods and previously provided guidance. In accordance with IFRS, Magneti Marelli will be presented as a discontinued operation in the Group's financial statements for current and prior periods. The remaining Components activities are no longer considered a separate reportable segment and are included within "Other activities".

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



Q3 '18 Net industrial debt walk*



* Group results include Magneti Marelli for comparability with prior periods and previously provided guidance. In accordance with IFRS, Magneti Marelli will be presented as a discontinued operation in the Group's financial statements for current and prior periods.

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(1) Net of IAS 19



NAFTA

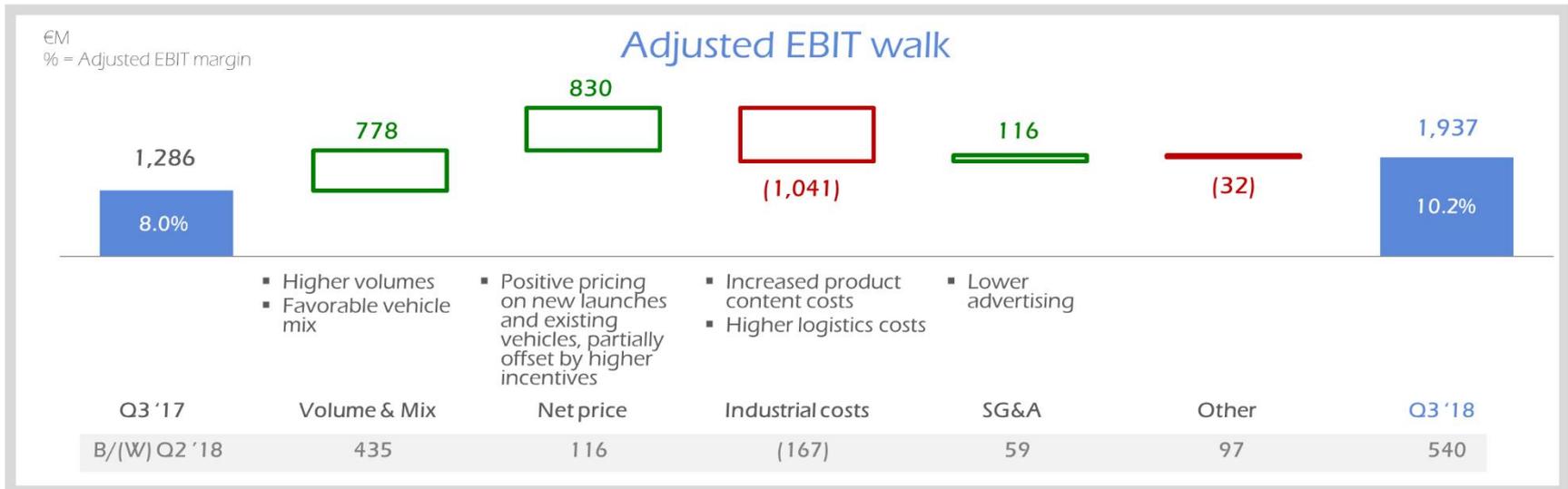


- U.S. sales up 10%; Canada down 17%; Mexico down 15%
- U.S. share at 12.9% (+160 bps) with retail share at 12.7% (+150 bps); U.S. fleet mix at 17% vs. 15%
- Jeep sales up 14% mainly due to all-new Wrangler, new Cherokee and Compass; Ram up 8% with U.S. retail up 8%; Chrysler down 8% due to discontinuance of 200; Dodge down 2%

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

- Increase driven by all-new Ram 1500 and Jeep Wrangler, as well as new Cherokee

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



(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

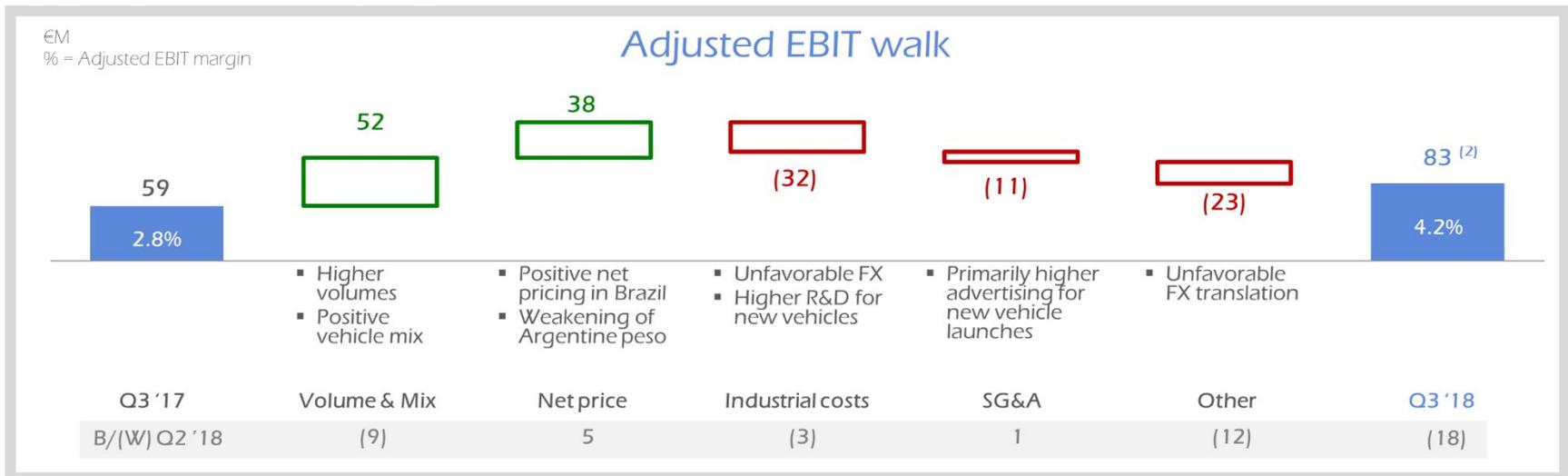


- Brazil industry up 12% y-o-y; Argentina industry down 25% y-o-y
- Market leader in Brazil with 18.2% share, up 60 bps y-o-y; sales at 119k units, up 16%
- Argentina market share up 70 bps to 12.7%; sales at 23k units, down 21%
- Jeep remained leader in Brazil SUV segments with combined share of 21.0%, down 110 bps y-o-y; Compass continues to be top selling SUV

- In line with prior year; slight increase over prior quarter

- Higher volumes primarily driven by all-new Fiat Argo and Cronos, as well as Jeep Compass, partially offset by discontinued vehicles
- Market weakness in Argentina

- Up 14% at CER
- Volumes up 8%
- Favorable vehicle mix
- Positive net pricing



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

(2) Excludes €36M reversal of previously recorded restructuring costs and €47M of credits recognized related to indirect taxes in Brazil



APAC



- Q3 '18 China industry down 10% y-o-y, with total SUV segments down 11% y-o-y
- Continuation of challenges in China market, with share down 10 bps to 0.7% largely due to lower China JV sales
- Launch of all-new Jeep Grand Commander progressing
- Down from 129 days at Jun '18
- Continued lower than expected sales in China
- Lower China JV and Jeep import volumes, impacted by China market weakness and increased competition
- Down 24% at CER
- Lower consolidated shipments
- Unfavorable market and product mix
- Unfavorable net pricing
- Q3 '17 margin at 2.8% excluding Tianjin (China) insurance recoveries



(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

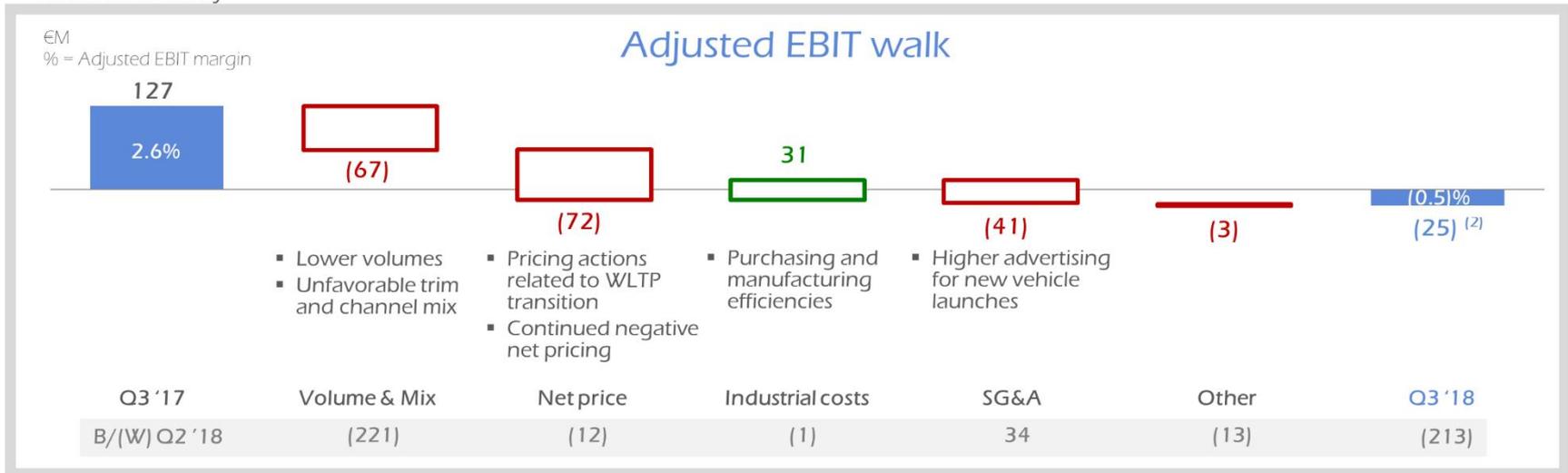
(3) Excludes €129M impairment of inventory in connection with acceleration of new emissions standards in China and slower than expected sales



EMEA



- EU 28 + EFTA (EU) passenger car (PC) industry up 1%, with major markets up, except Italy (-7%) and U.K. (-10%); share up 10 bps, up in all major markets except Italy
- EU LCV industry flat, with major markets up, except Italy (-6%) and U.K. (-4%); share down 30 bps, primarily due to Italy (-250 bps)
- PC sales in the region flat; higher Jeep (+64%) and Alfa Romeo (+5%), offset by lower Fiat (-4%)
- LCV sales down 14% mainly due to market weakness in Turkey
- Increase primarily due to lower Sep '18 sales, following unusually high Jul and Aug '18 sales in connection with WLTP transition
- Higher Jeep shipments, more than offset by lower Fiat volumes
- Flat at CER
- Positive vehicle mix
- Lower shipments
- Unfavorable net pricing



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

(2) Excludes €60M of restructuring costs



Maserati

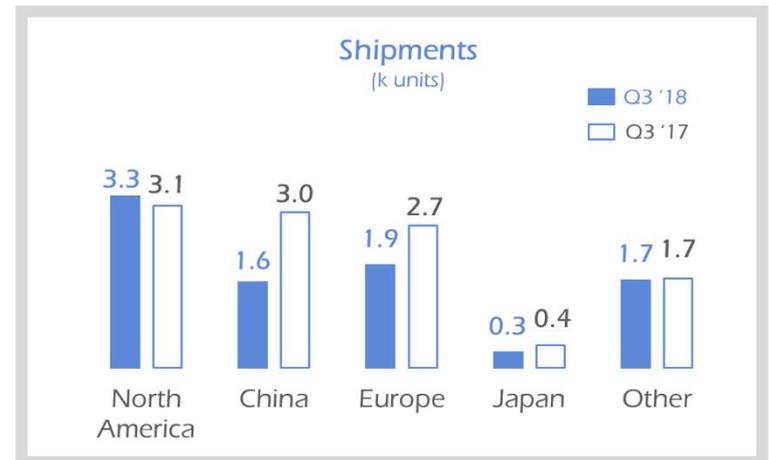


Commercial performance

- Lower shipments, primarily due to continued market challenges in China, inventory management actions and lower volumes in Europe, partially offset by slight increase in North America

Financial performance

- Lower Net revenues mainly due to lower volumes and unfavorable market mix
- Adjusted EBIT decrease primarily due to lower volumes, unfavorable market mix and higher R&D





Industry outlook



NAFTA

(total vehicle sales including medium/heavy trucks)



- Outlook unchanged
- Q3 and YTD '18 U.S. SAAR in line with prior year at 17.3M and 17.6M units, respectively
- Q4 '18 U.S. SAAR expected at 17.2M units, down 4% y-o-y



LATAM

(passenger cars and LCVs)



- Outlook unchanged
- Q3 '18 Brazil industry at 0.7M units, +12% y-o-y; YTD '18 at 1.8M units, +13% y-o-y
- Q4 '18 Brazil industry expected at 0.7M units, +9% y-o-y



APAC ⁽¹⁾

(passenger cars only)



- Outlook for region reduced from 35.7M units
- FY '18 China industry forecast reduced from 25.1M units to 22.3M
- Q4 '18 China industry expected at 6.7M units, down 13% y-o-y



EMEA

(passenger cars and LCVs)



- Outlook unchanged
- Q3 '18 EU industry at 4.2M units, +1% y-o-y; YTD '18 at 14.1M units, +3% y-o-y
- Q4 '18 EU industry expected at 4.1M units, flat y-o-y

(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

Operating metrics confirmed. Net industrial cash adjusted from ~3.0B to 1.5 – 2.0B for production realignment to expected demand and accelerated discretionary pension contribution, net of tax.

€B

Net revenues	115 – 118
Adjusted EBIT ⁽¹⁾	7.5 – 8.0
Adjusted net profit ⁽¹⁾	~ 5.0
Net industrial cash ⁽¹⁾	1.5 – 2.0

Note: Amounts include Magneti Marelli and do not include any impacts from the announced sale of Magneti Marelli or U.S. diesel emissions matters

(1) 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:

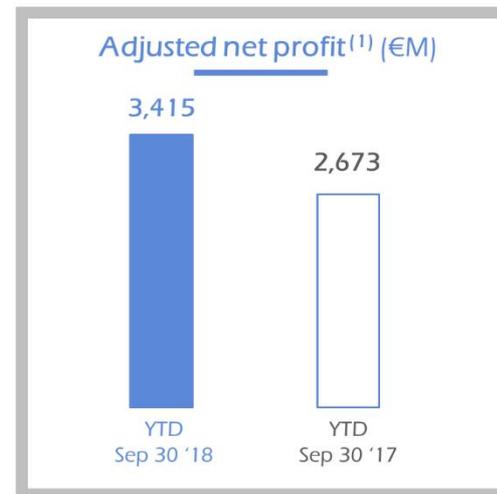
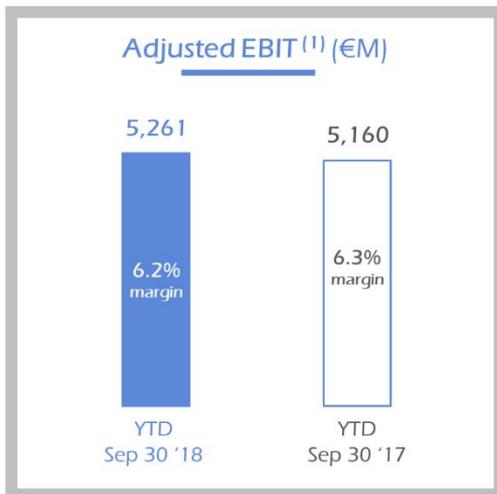
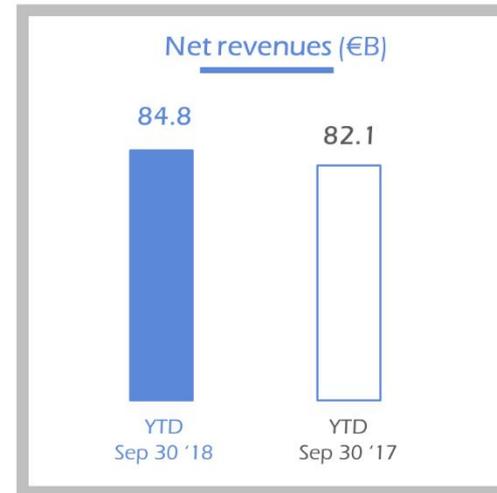
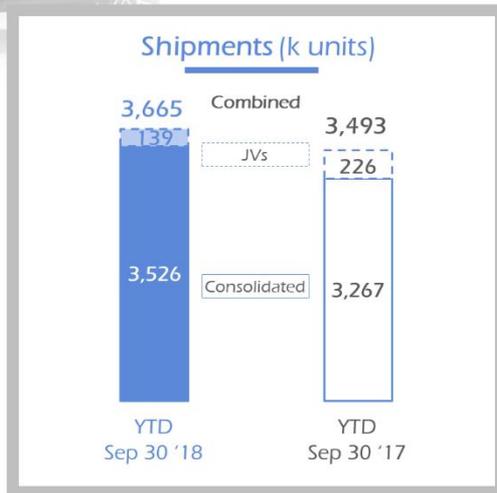
- Earnings before interest, taxes, depreciation and amortization ("EBITDA") is computed starting with Net profit and adding back Net financial expenses, Tax expense/(benefit) and depreciation and amortization expense
- Adjusted earnings before interest and taxes ("Adjusted EBIT") – continuing operations excludes certain adjustments from Net profit from continuing operations 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 EBIT includes both Adjusted EBIT – continuing operations and Adjusted EBIT – discontinued operations.
- Adjusted net profit – continuing operations is calculated as Net profit from continuing operations excluding post-tax impacts of the same items excluded from Adjusted EBIT – continuing operations, as well as financial income/(expenses) and tax income/(expenses) considered rare or discrete events that are infrequent in nature. Adjusted net profit includes both Adjusted net profit – continuing operations and Adjusted net profit – discontinued operations.

- Adjusted diluted EPS – continuing operations is calculated by adjusting Diluted EPS for the post-tax impact of the same items excluded from Adjusted EBIT – continuing operations, as well as financial income/(expenses) and tax income/(expenses) considered rare or discrete events that are infrequent in nature. Adjusted diluted EPS includes both Adjusted diluted EPS – continuing operations and Adjusted diluted EPS – discontinued operations.
- 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 of tax
- 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*



* Group results include Magneti Marelli for comparability with prior periods and previously provided guidance. In accordance with IFRS, Magneti Marelli will be presented as a discontinued operation in the Group's financial statements for current and prior periods.

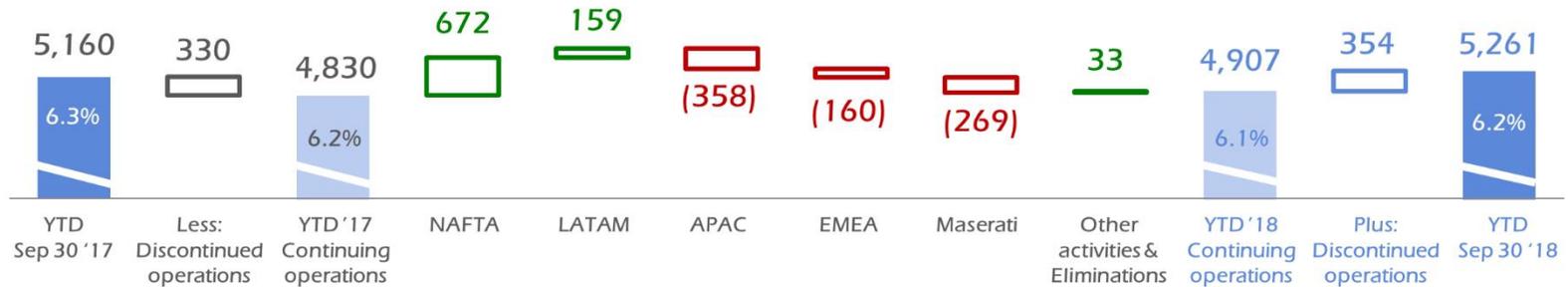
(1) Refer to Appendix for definitions of supplemental financial measures and reconciliations to applicable IFRS metrics
Figures may not add due to rounding



YTD Adjusted EBIT walk*

€M
% = Adjusted EBIT margin

By segment



By operational driver

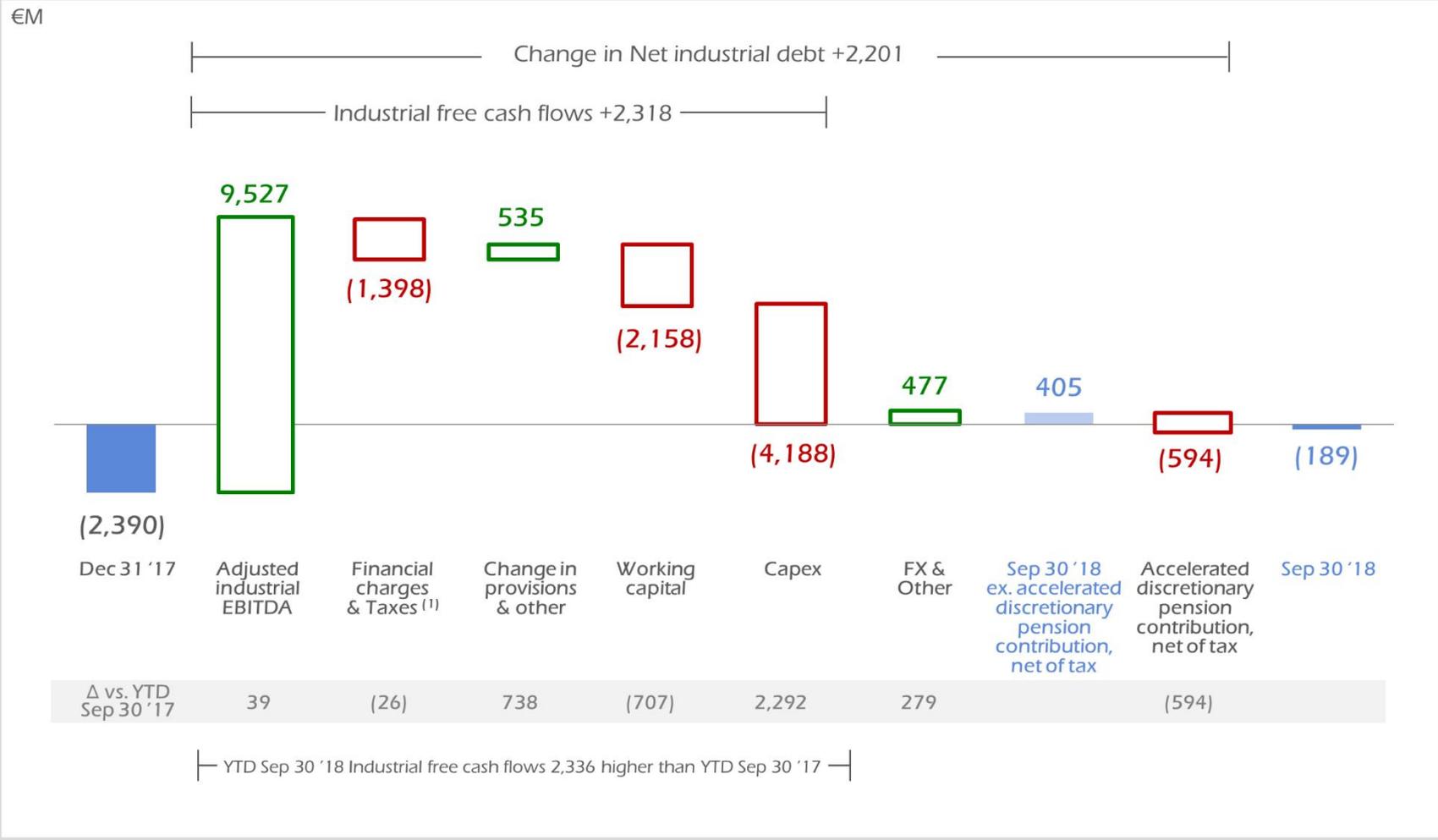


* Group results include Magneti Marelli for comparability with prior periods and previously provided guidance. In accordance with IFRS, Magneti Marelli will be presented as a discontinued operation in the Group's financial statements for current and prior periods. The remaining Components activities are no longer considered a separate reportable segment and are included within "Other activities".

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



YTD Net industrial debt walk*



* Group results include Magneti Marelli for comparability with prior periods and previously provided guidance. In accordance with IFRS, Magneti Marelli will be presented as a discontinued operation in the Group's financial statements for current and prior periods.

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

(1) Net of IAS 19



YTD NAFTA



(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.

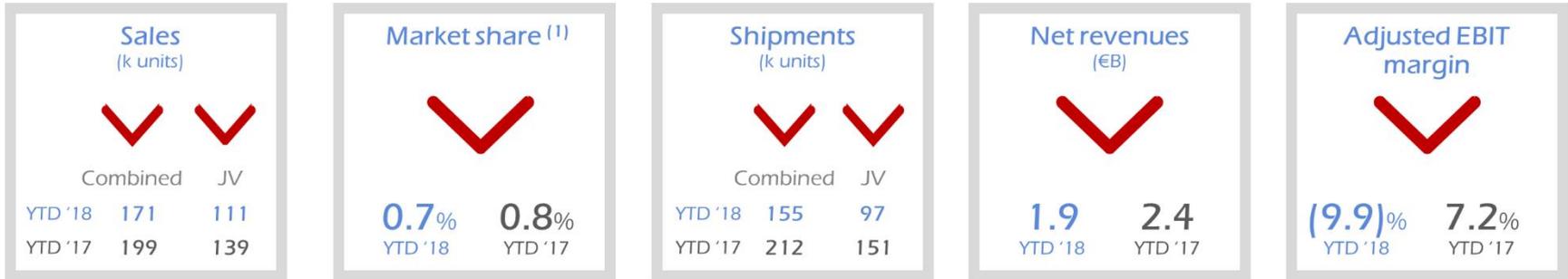


YTD LATAM





YTD APAC



(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





YTD Maserati





Key performance metrics*

€M, except as otherwise stated

Three months ended Sep 30		Group results – including Magneti Marelli <small>(Presented for comparability with prior periods and previously provided guidance)</small>	Nine months ended Sep 30	
2018	2017		2018	2017
1,160	1,123	Combined shipments ⁽¹⁾ ('000s units)	3,665	3,493
1,125	1,051	Consolidated shipments ⁽¹⁾ ('000s units)	3,526	3,267
28,771	26,414	Net revenues	84,791	82,058
1,995	1,758	Adjusted EBIT ⁽²⁾	5,261	5,160
564	910	Net profit	2,339	2,706
1,396	922	Adjusted net profit ⁽²⁾	3,415	2,673
0.36	0.58	Diluted earnings per share (EPS) (€)	1.48	1.73
0.89	0.59	Adjusted diluted EPS ⁽²⁾ (€)	2.17	1.71

Group results – excluding Magneti Marelli Continuing operations

27,594	25,192	Net revenues	80,938	78,148
1,872	1,648	Adjusted EBIT ⁽²⁾	4,907	4,830
249	292	Net financial expenses	801	1,010
791	1,339	Profit before taxes	3,027	4,615
277	517	Tax expense	868	2,065
514	822	Net profit	2,159	2,550
1,343	854	Adjusted net profit ⁽²⁾	3,215	2,504
0.33	0.53	Diluted EPS (€)	1.38	1.64
0.86	0.55	Adjusted diluted EPS ⁽²⁾ (€)	2.05	1.61

* As a result of the announced sale of Magneti Marelli and, in accordance with IFRS, Magneti Marelli will be presented as a discontinued operation in the Group's financial statements for current and prior periods. Magneti Marelli's results will be presented net of tax in a separate line item after Net profit from continuing operations.

(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

(2) 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 Sep 30			Nine months ended Sep 30	
2018	2017		2018	2017
564	910	Net profit	2,339	2,706
50	88	Less: Net profit – discontinued operations	180	156
514	822	Net profit from continuing operations	2,159	2,550
277	517	Tax expense	868	2,065
249	292	Net financial expenses	801	1,010
		Adjustments:		
713	—	Charge recognized for U.S. diesel emissions matters ^(A)	713	—
—	80	Impairment expense and supplier obligations	164	133
129	—	China inventory impairment ^(B)	129	—
—	—	U.S. special bonus payment	111	—
—	—	Employee benefits settlement losses	78	—
24	3	Restructuring costs, net of reversals ^(C)	26	80
—	(68)	Tianjin (China) port explosions insurance recoveries	—	(68)
—	—	Gains on disposal of investments	—	(49)
(3)	—	Recovery of costs for recall – airbag inflators	(46)	—
(47)	—	Brazilian indirect tax – reversal of liability/recognition of credits ^(D)	(47)	(895)
13	—	(Recovery of)/costs for recall – contested with supplier	(50)	—
3	2	Other	1	4
832	17	Total adjustments – continuing operations	1,079	(795)
1,872	1,648	Adjusted EBIT – continuing operations	4,907	4,830
123	110	Adjusted EBIT – discontinued operations	354	330
1,995	1,758	Adjusted EBIT	5,261	5,160

* As a result of the announced sale of Magneti Marelli and, in accordance with IFRS, Magneti Marelli will be presented as a discontinued operation in the Group's financial statements for current and prior periods. Magneti Marelli's results will be presented net of tax in a separate line item after Net profit from continuing operations.

Q3 '18 Adjusted EBIT excludes adjustments primarily related to:

(A) Charge recognized for estimated costs related to U.S. diesel emissions matters

(B) Impairment of inventory in connection with acceleration of new emissions standards in China and slower than expected sales

(C) Restructuring costs of €60M in EMEA partially offset by reversal of €36M of previously recorded restructuring costs in LATAM

(D) Credits recognized related to indirect taxes in Brazil

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

€M

Three months ended Sep 30			Nine months ended Sep 30	
2018	2017		2018	2017
			Net profit to Adjusted net profit	
564	910	Net profit	2,339	2,706
50	88	Less: Net profit – discontinued operations	180	156
514	822	Net profit from continuing operations	2,159	2,550
832	17	Total adjustments – continuing operations (per Page 27)	1,079	(795)
(3)	15	Tax impact on adjustments ^(A)	(23)	15
–	–	Brazil deferred tax assets write-off	–	281
–	–	Reduction of deferred tax assets related to reversal of a Brazilian indirect tax liability	–	453
829	32	Total adjustments, net of taxes – continuing operations	1,056	(46)
1,343	854	Adjusted net profit – continuing operations	3,215	2,504
53	68	Adjusted net profit – discontinued operations	200	169
1,396	922	Adjusted net profit	3,415	2,673

€, except as otherwise stated

			Diluted EPS to Adjusted diluted EPS	
0.36	0.58	Diluted EPS	1.48	1.73
0.03	0.05	Less: Diluted EPS – discontinued operations	0.11	0.09
0.33	0.53	Diluted EPS – continuing operations ^(B)	1.38	1.64
0.53	0.02	Impact of adjustments, net of taxes, on Diluted EPS – continuing operations	0.67	(0.03)
0.86	0.55	Adjusted diluted EPS – continuing operations	2.05	1.61
0.03	0.04	Adjusted diluted EPS – discontinued operations	0.12	0.10
0.89	0.59	Adjusted diluted EPS	2.17	1.71
1,568,788	1,558,936	Weighted average number of shares outstanding for Diluted EPS ('000s)	1,567,701	1,553,407

* As a result of the announced sale of Magneti Marelli and, in accordance with IFRS, Magneti Marelli will be presented as a discontinued operation in the Group's financial statements for current and prior periods. Magneti Marelli's results will be presented net of tax in a separate line item after Net profit from continuing operations.

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

(B) Figures may not add due to rounding

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)	Sep 30 '18	Jun 30 '18	Dec 31 '17
Debt	(15,426)	(16,362)	(17,971)
Current financial receivables from jointly-controlled financial services companies	350	296	285
Derivative financial assets/(liabilities), net and collateral deposits	272	326	206
Current debt securities	371	284	176
Cash and cash equivalents	11,926	13,243	12,638
Net cash/(debt)	(2,507)	(2,213)	(4,666)
Exclude: Net financial services debt	2,318	2,669	2,276
Net industrial cash/(debt)	(189)	456	(2,390)

Three months ended Sep 30			Nine months ended Sep 30	
2018	2017	Cash flows from operating activities to Industrial free cash flows	2018	2017
779	2,051	Cash flows from operating activities	5,963	6,569
(16)	(17)	Less: Operating activities not attributable to industrial activities	(51)	(107)
(1,514)	(2,044)	Less: Capital expenditures for industrial activities	(4,188)	(6,480)
594	—	Add back: Discretionary pension contribution, net of tax	594	—
(157)	(10)	Industrial free cash flows	2,318	(18)

* Group results include Magneti Marelli for comparability with prior periods and previously provided guidance. In accordance with IFRS, Magneti Marelli will be presented as a discontinued operation in the Group's financial statements for current and prior periods.



Debt maturity schedule*

€B

Outstanding Sep 30 '18		3M 2018	2019	2020	2021	2022	Beyond
6.3	Bank debt	2.8	1.3	0.7	0.4	0.7	0.4
8.1	Capital markets debt	0.1	1.8	1.3	1.0	1.4	2.5
0.7	Other debt	0.4	0.1	0.1	0.0	0.0	0.1
15.0	Total cash maturities ⁽¹⁾	3.2	3.2	2.1	1.4	2.1	3.1
12.3	Cash and marketable securities						
7.7	Undrawn committed revolving facilities						
20.0	Total available liquidity						
7.9	Sale of receivables (IFRS de-recognition compliant)						
5.0	<i>of which receivables sold to financial services JVs (FCA Bank)</i>						

* Group results include Magneti Marelli for comparability with prior periods and previously provided guidance. In accordance with IFRS, Magneti Marelli will be presented as a discontinued operation in the Group's financial statements for current and prior periods.

(1) Excludes accruals and asset backed financing of €0.4B at Sep 30 '18

Figures may not add due to rounding

Research and development costs and expenditures*

€M

Three months ended Sep 30			Nine months ended Sep 30	
2018	2017		2018	2017
Research and development costs (excluding Magneti Marelli)				
348	359	Research and development expenditures expensed	1,088	1,114
357	304	Amortization of capitalized development expenditures	1,095	1,051
—	33	Impairment and write-off of capitalized development expenditures	66	45
705	696	Total research and development costs	2,249	2,210

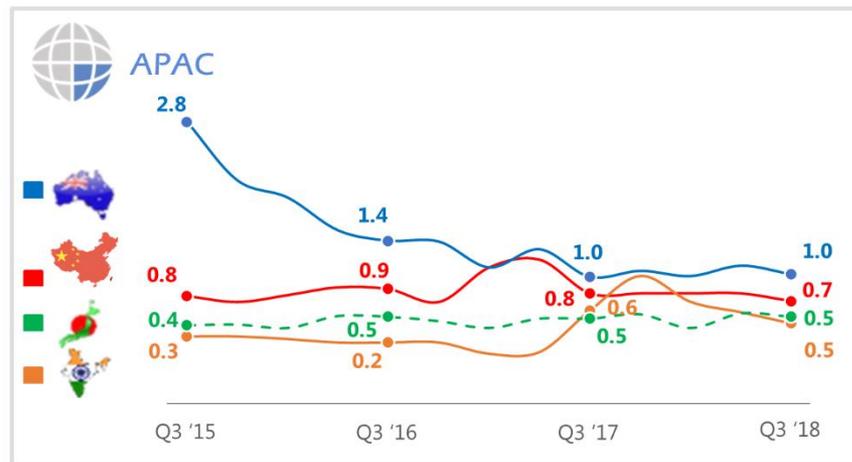
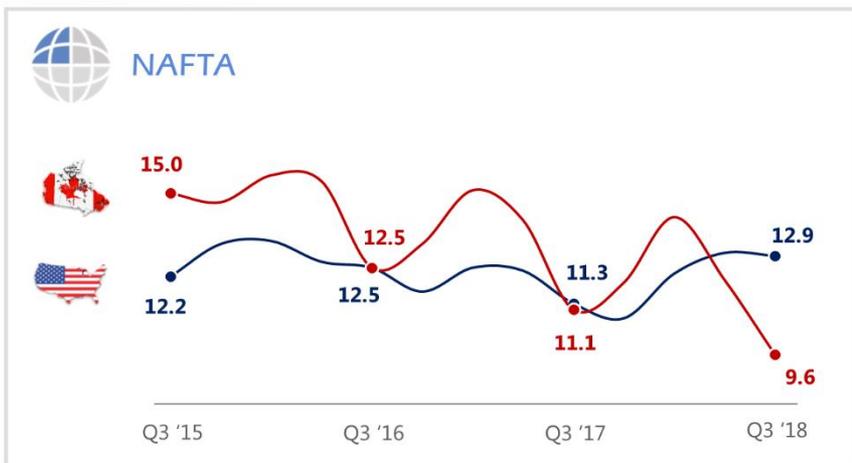
Research and development expenditures (excluding Magneti Marelli)				
557	547	Capitalized development expenditures	1,463	1,815
348	359	Research and development expenditures expensed	1,088	1,114
905	906	Total research and development expenditures	2,551	2,929

* As a result of the announced sale of Magneti Marelli and, in accordance with IFRS, Magneti Marelli will be presented as a discontinued operation in the Group's financial statements for current and prior periods. Magneti Marelli's results will be presented net of tax in a separate line item after Net profit from continuing operations.



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