Company Financial Statements

AT DECEMBER 31, 2014

Income Statement

for the years ended December 31, 2014 and 2013

	Note	For the years ended December 31, 2014	2013
		(€ million)	
Result from investments	(1)	**1,131**	1,127
Other operating income	(2)	**63**	83
Personnel costs	(3)	**(28)**	(39)
Other operating costs	(4)	**(132)**	(72)
Financial income/(expense)	(5)	**(475)**	(210)
PROFIT BEFORE TAXES		**559**	**889**
Income taxes	(6)	**9**	15
PROFIT FROM CONTINUING OPERATIONS		**568**	**904**
Profit from discontinued operations		**—**	—
PROFIT		**568**	**904**

The accompanying notes are an integral part of the Company Financial Statements.

Statement of Financial Position

At December 31, 2014 and 2013

		2014	2013
		(€ million)	
ASSETS			
Property, plant and equipment	(7)	29	30
Equity investments	(8)	22,227	12,695
Other financial assets	(9)	1,329	14
Total Fixed Assets		**23,585**	**12,739**
Trade receivables	(10)	14	7
Other current receivables	(11)	326	191
Cash and cash equivalents	(12)	11	1
Total current assets		**351**	**199**
TOTAL ASSETS		**23,936**	**12,938**
EQUITY AND LIABILITIES			
Equity	(13)		
Share capital		17	4,477
Capital reserve		3,742	—
Legal reserves		10,556	6,081
Retained profit/(loss)		(1,458)	(3,136)
Profit/(loss) for the year		568	904
Total equity		**13,425**	**8,326**
Provisions for employee benefits and other provisions	(14)	27	143
Non-current debt	(15)	197	414
Other non-current liabilities	(16)	15	16
Deferred tax liabilities	(6)	8	12
Total non-current liabilities		**247**	**585**
Provisions for employee benefits and other current provisions	(17)	2	11
Trade payables	(18)	19	19
Current debt	(19)	9,714	3,780
Other financial liabilities	(9)	135	—
Other debt	(20)	394	217
Total current liabilities		**10,264**	**4,027**
TOTAL EQUITY AND LIABILITIES		**23,936**	**12,938**

The accompanying notes are an integral part of the Company Financial Statements.

Notes to the Company Financial Statements

PRINCIPAL ACTIVITIES

On January 29, 2014, the Board of Directors of Fiat approved a proposed corporate reorganization resulting in the formation of Fiat Chrysler Automobiles N.V. ("FCA" or the "Company") as a fully integrated global automaker. The Board determined that a redomiciliation into the Netherlands with a listing on the NYSE and an additional listing on the Mercato Telematico Azionario ("MTA") would be the structure most suitable to Fiat's profile and its strategic and financial objectives. FCA principal executive offices were established in London - United Kingdom.

The principal steps in the reorganization were:

- Fiat Chrysler Automobiles N.V. was incorporated as a public limited liability company (*naamloze vennootschap*) under the laws of the Netherlands on April 1, 2014 under the name Fiat Investments N.V.,
- on June 15, 2014 the Board of Directors of Fiat approved the merger plan and,
- at the extraordinary general meeting held on August 1, 2014, the shareholders of Fiat SpA ("Fiat") approved the merger which became effective on October 12, 2014.

FCA financial statements are prepared in euros, the Company's functional currency.

The Statements of Income and of Financial Position and Notes to the Financial Statements are presented in million of euros, except where otherwise stated.

As parent company, FCA has also prepared consolidated financial statements for FCA Group for the year ended December 31, 2014.

The FCA Merger

As reported above, on June 15, 2014, the Board of Directors of Fiat approved the terms of a cross-border legal merger of Fiat into its 100 percent owned direct subsidiary Fiat Investments N.V. (the "Merger"), subject to several conditions precedent. At that time, Fiat ordinary shares were listed on the Mercato Telematico Azionario ("MTA") organized and managed by Borsa Italiana S.p.A, as well as Euronext Paris and Frankfurt stock exchange. On October 7, 2014, Fiat announced that all conditions precedent for the completion of the Merger were satisfied:

- Fiat shareholders had voted and approved the Merger at their extraordinary general meeting held on August 1, 2014. The New York Stock Exchange ("NYSE") had provided notice that the listing of Fiat Chrysler Automobiles N.V. common shares was approved on October 6, 2014 subject to issuance of these shares upon effectiveness of the Merger. On the same day Borsa Italiana S.p.A. had approved the listing of the common shares of Fiat Chrysler Automobiles N.V. on the MTA,
- the creditors' opposition period provided under the Italian law had expired on October 4, 2014, and no creditors' oppositions were filed,
- exercise of the Cash Exit Rights by Fiat shareholders resulted in a total exercise of 60,002,027 Fiat shares, equivalent to an aggregate amount of €464 million at the €7.727 per share exit price, and
- pursuant to the Italian Civil Code, a total of 60,002,027 Fiat shares (equivalent to an aggregate amount of €464 million at the €7.727 per share exit price) were offered to Fiat shareholders not having exercised the Cash Exit Rights. On October 7, 2014, at the completion of the offer period, Fiat shareholders elected to purchase 6,085,630 shares out of the total of 60,002,027 shares for a total of €47 million; as a result, concurrent with the Merger, on October 12, 2014, 53,916,397 Fiat shares were canceled in the Merger with a resulting net aggregate cash disbursement of €417 million.

The Merger was completed and became effective on October 12, 2014. The Merger, which took the form of a reverse merger resulted in Fiat Investments N.V. being the surviving entity which was then renamed Fiat Chrysler Automobiles N.V.. On October 13, 2014, FCA common shares commenced trading on the NYSE and on the MTA. The last day of trading of Fiat ordinary shares on the MTA, Euronext France and Deutsche Börse was October 10, 2014. The Merger is recognized in FCA's financial statements from January 1, 2014 and FCA, as successor of Fiat, is the parent company. As the Merger resulted in FCA being the surviving entity, all Fiat ordinary shares outstanding as of the Merger date (1,167,181,255 ordinary shares) were canceled and exchanged. FCA allotted one new FCA common share (each having a nominal value of €0.01) for each Fiat ordinary share (each having a nominal value of €3.58). FCA also issued special voting shares (non-tradable) which were allotted to eligible Fiat shareholders who had elected to receive special voting shares. On the base of the requests received, FCA issued a total of 408,941,767 special voting shares.

SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The 2014 Company financial statements represent the separate financial statements of the parent company, Fiat Chrysler Automobiles N.V., and have been prepared in accordance with the legal requirements of Title 9, Book 2 of the Dutch Civil Code. Section 362 (8), Book 2, Dutch Civil Code, allows companies that apply IFRS as adopted by the European Union in their consolidated financial statements to use the same measurement principles in their company financial statements. The accounting policies are described in a specific section, Significant accounting policies, of the Consolidated Financial Statements included in this Annual Report. However, as allowed by the law, investments in subsidiaries and associates are accounted for using the net equity value in the Company financial statements.

With reference to the Merger, it has been accounted for using the "pooling of interest method", therefore comparative figures for the year ended December 31, 2013 have been adjusted as if the companies had always been merged.

Format of the financial statements

Given the activities carried out by FCA, presentation of the Company Income Statement is based on the nature of revenues and expenses. The Consolidated Income Statement for FCA is classified according to function (also referred to as the "cost of sales" method), which is considered more representative of the format used for internal reporting and management purposes and is in line with international practice in the industry.

COMPOSITION AND PRINCIPAL CHANGES

1. Result from investments

The following is a breakdown of the result of investments:

	For the years ended December 31,	
	2014	2013
	(€ million)	
Share of the profit/(loss) of subsidiaries and associates	1,124	1,120
Dividends from other companies	7	7
Total result of investments	**1,131**	**1,127**

The item includes primarily the Company's share in the net profit or loss of the subsidiaries and associates, in addition to dividends received from CNH Industrial N.V.

2. Other operating income

The following is a breakdown of other operating income:

	For the years ended December 31,	
	2014	2013
	(€ million)	
Revenues from services rendered to, and other income from, Group companies and other related parties	61	80
Other revenues and income from third parties	2	3
Total Other operating income	**63**	**83**

Revenues from services rendered to Group companies consisted of services rendered by FCA and its managers to the principal subsidiaries of the Group. The decrease from 2013 is due to the reduced scope of activities of the company during the year as a consequence of the re-organization.

3. Personnel costs

Personnel costs consisted of the following:

	For the years ended December 31,	
	2014	2013
	(€ million)	
Wages and salaries	(16)	(24)
Defined contribution plans and social security contributions	(7)	(10)
Other personnel costs	(5)	(5)
Total personnel costs	**(28)**	**(39)**

The average number of employees decreased from 236 in 2013 to 140 in 2014 due to the reshape of the Company functions following the reorganization. As described in Note 2, some of the Company's managers carried out their activities at the principal subsidiaries of the Group and the associated costs were charged back to the companies concerned.

4. Other operating costs

The following is a breakdown of other operating costs:

	For the years ended December 31,	
	2014	2013
	(€ million)	
Costs for services rendered by Group companies and other related parties	(25)	(25)
Costs for services rendered by third parties	(34)	(24)
Compensation component from stock grant plans	(2)	(6)
Depreciation and amortization	(2)	(2)
Leases and rentals	(3)	(4)
Other	(66)	(11)
Total other operating costs	**(132)**	**(72)**

Costs for services rendered by Group companies primarily consisted of support and consulting services in the administrative area, as well as IT systems, public relations, payroll, security and facility management.

Costs for services rendered by third parties principally included legal, administrative, financial and IT services. Increase in 2014 primarily reflects the costs incurred for the reorganization, including the Merger and the listing of the Company to the NYSE and MTA in Milan.

The compensation component from stock grant plans represents the notional cost of the Long Term Incentive Plan awarded to the Chief Executive Officer, which was recognized directly in the equity reserve.

Increase in other costs primarily refers to Directors compensations as reported in details into the section "Remuneration of Directors" in the Report on Operations.

5. Net financial income/(expenses)

The breakdown of financial income and expense was as follows:

	For the years ended December 31,	
	2014	2013
	(€ million)	
Financial income	85	8
Financial expense	(564)	(249)
Currency exchange gains/(losses)	143	—
Net gains/(losses) on derivative financial instruments	(139)	31
Total financial income/(expense)	**(475)**	**(210)**

Financial income are most entirely related to the USD 1.5 billion loan extended in January 2014 to Fiat Chrysler Automobiles North America Holdings LLC (previously named Fiat North America LLC) to fund partially the acquisition of 41.5% of FCA US (previously named Chrysler Group LLC).

Increase in financial expense is driven by increase in debt due to the acquisition of the whole capital of Fiat Chrysler Automobiles North America Holdings LLC from FCA Italy S.p.A in October 2014 for a €7.25 billion consideration.

Currency exchange gains/(losses) and losses on derivatives are related to the USD 1.5 billion loan mentioned above which is fully hedged into euro. Net gains on derivative financial instruments of €31 million in 2013 essentially related to the closure, in December 2013, of the equity swaps contracts entered into as hedges on stock options granted to the Chief Executive Officer in 2004 and 2006.

6. Income taxes

Income taxes were a gain of €9 million in the current year (gain of €15 million in 2013) and relate to compensation receivable for tax losses carried forward contributed to the Italian tax consolidation scheme.

The Company reported losses for tax purposes as the result from investments resulting from the adoption of the equity method is tax neutral.

Deferred tax liabilities refer to the impact of Italian local tax on certain temporary differences.

7. Property, plant and equipment

At December 31, 2014, the gross carrying amount of property, plant and equipment was €68 million (€65 million as at December 31, 2013) and accumulated depreciation was €39 million (€36 million as at December 31, 2013), of which €24 million (€25 million as at December 31, 2013) was for land and buildings which mainly consists of the Company's property at Via Nizza 250, Turin.

No buildings were subject to liens, pledged as collateral or restricted in use.

Depreciation of property, plant and equipment is recognized in the income statement under other operating costs.

8. Equity investments

At December 31, 2014, Equity investments in subsidiaries and associates totaled €22,103 million and Other equity investments totaled €124 million.

		At December 31,	
	2014	2013	Change
		(€ million)	
Investments in subsidiaries and associates	22,103	12,397	9,706
Other equity investments	124	298	(174)
Total equity investments	**22,227**	**12,695**	**9,532**

Equity investments in subsidiaries and associates were subject to the following changes during the year:

	2014
	(€ million)
Balance at beginning of year	12,397
Acquisition of minorities	1,325
Net contributions made to subsidiaries	6,537
Result from investments	1,124
Cumulative translation adjustments and other OCI movements	738
Other	(18)
Balance at end of year	**22,103**

Acquisition of minorities is primarily due to the transaction by which Chrysler became fully owned by the Group.

Net contributions made to subsidiaries refer almost entirely to the following intercompany transactions:

- acquisition of 100% of Fiat Chrysler Automobiles North America Holdings LLC from FCA Italy S.p.A for a consideration of €7,250 million;
- acquisition of Magneti Marelli Inc., Comau Inc. and Alfa Romeo USA Inc. for an aggregate of €725 million;
- sale of Fiat Partecipazioni S.p.A.to FCA Italy S.p.A. for an amount of €1,450 million.

At December 31, 2014, other equity investments include the investment in CNH Industrial N.V. for €107 million (€282 million at December 31, 2013), the investment in Fin. Priv. S.r.l. for €14 million (€14 million at December 31, 2013) and the investment in Assicurazioni Generali S.p.A. for €3 million (€3 million at December 31, 2013). At December 31, 2014, the investment in CNHI consisted of 15,948,275 common shares for an amount of €107 million. During 2014, 18,059,375 CNHI shares of the investment balance existing at December 31, 2013 were sold following the exercise of stock options.

9. Other financial assets

At December 31, 2014, Other financial assets amounted to €1,329 million, as represented below:

	At December 31,		
	2014	2013	Change
		(€ million)	
Other financial assets	1,313	—	1,313
Fees receivable for guarantees given	16	14	2
Total other financial assets	**1,329**	**14**	**1,315**

Other financial assets is represented by the USD 1.5 billion loan extended in January 2014 and expiring in September 2016, to Fiat Chrysler Automobiles North America Holdings LLC (previously named Fiat North America LLC) to fund partially the acquisition of 41.5% of FCA US. The amount of €1,313 million includes principal of €1,236 million and accrued interest of €77 million, both translated into euro at the year end exchange rate of 1.2141. The loan is hedged into euro by a currency swap with Fiat Chrysler Finance Europe S.A. resulting in a €135 million intercompany payable at December 31, 2014 reported under other financial liabilities.

10. Trade receivables

At December 31, 2014, trade receivables totaled €14 million (of which €7 million from Group companies) a net increase of €7 million over year-end 2013.

The carrying amount of trade receivables is deemed to approximate their fair value.

All trade receivables are due within one year and there are no overdue balances.

11. Other current receivables

At December 31, 2014, other current receivables amounted to €326 million, a net increase of €135 million compared to December 31, 2013, and consisted of the following:

	At December 31,		
	2014	2013	Change
		(€ million)	
Receivable from Group companies for consolidated Italian corporate tax	141	119	22
VAT receivables	136	22	114
Italian corporate tax receivables	38	42	(4)
Other	11	8	3
Total other current receivables	**326**	**191**	**135**

Receivables from Group companies for consolidated Italian corporate tax relate to tax calculated on the taxable income contributed by Italian subsidiaries participating in the domestic tax consolidation program.

VAT receivables essentially relate to VAT credits for Italian subsidiaries participating in the VAT tax consolidation.

Italian corporate tax receivables include credits transferred to FCA. by Italian subsidiaries participating in the domestic tax consolidation program in 2014 and prior years.

12. Cash and cash equivalents

At December 31, 2014, Cash and cash equivalents totaled €11 million (€1 million as at December 31, 2013) and are almost entirely represented by amounts held in Euro. The carrying amount of cash and cash equivalents is deemed to be in line with their fair value.

Credit risk associated with cash and cash equivalents is considered limited as the counterparties are leading national and international banks.

13. Equity

Changes in shareholders' equity during 2014 were as follows:

(€ million)	Share Capital	Capital Reserves	Legal Reserves: Cumulative translation adjustment reserve / OCI	Legal Reserves: Other	Retained profit/ (loss)	Profit/ (loss) for the year	Total equity
At December 31, 2013	4,477	—	(618)	6,699	(3,136)	904	**8,326**
Allocation of prior year result	—	—	—	—	904	(904)	**—**
Capital increase	2	989	—	—	—	—	**991**
Merger	(4,269)	4,269	—	—	—	—	**—**
Mandatory convertible	—	—	—	1,910	—	—	**1,910**
Exit Rights	(193)	(224)	—	—	—	—	**(417)**
Share-based payment	—	35	—	—	(31)	—	**4**
Purchase of shares in subsidiaries from non-controlling interests	—	—	(308)	880	753	—	**1,325**
Net profit for the year	—	—	—	—	—	568	**568**
Current period change in OCI, net of taxes	—	—	666	—	52	—	**718**
Legal Reserve	—	(1,327)	—	1,327	—	—	**—**
At December 31, 2014	**17**	**3,742**	**(260)**	**10,816**	**(1,458)**	**568**	**13,425**

Shareholders' equity increased by €5,099 million in 2014 primarily due to: the issuance of mandatory convertible securities (see notes to the consolidated financial statements) resulting in an increase of €1,910 million, the placement of 100 million common shares and the exercise of stock options resulting in an aggregate increase of €991 million, the positive impact of €1,325 million from the acquisition of the remaining 41.5% of FCA US, the increase in OCI (mainly driven by cumulative exchange differences on translating foreign operations of €782 million) and profit for the year of €568 million, net of the €417 million reduction for the reimbursement to Fiat shareholders who exercised the cash exit rights upon the Merger.

Share capital

At December 31, 2014, fully paid-up share capital of FCA amounted to €17 million (€4,477 million of Fiat at December 31, 2013) and consisted of 1,284,919,505 common shares and of 408,941,767 special voting shares, all with a par value of €0.01 each (1,250,687,773 ordinary shares with a par value of €3.58 each of Fiat at December 31, 2013). On December 12, 2014, FCA issued 65,000,000 new common shares and sold 35,000,000 of treasury shares for aggregate net proceeds of $1,065 million (€849 million) comprised of gross proceeds of $1,100 million (€877 million) less $35 million (€28 million) of transaction costs.

Upon the completion of the Merger, which took the form of a reverse merger, resulted in FCA being the surviving entity, all Fiat ordinary shares outstanding as of the Merger date (1,167,181,255 ordinary shares) were canceled and exchanged. FCA allotted one new FCA common share (each having a nominal value of €0.01) for each Fiat ordinary share (each having a nominal value of €3.58). The original investment of FCA in Fiat which consisted of 35,000,000 common shares was not canceled resulting in 35,000,000 treasury shares in FCA. On December 12, 2014, FCA completed the placement of these treasury shares on the market.

The following table provides the detail for the number of Fiat ordinary shares outstanding at December 31, 2013 and the number of FCA common shares outstanding at December 31, 2014:

	Fiat S.p.A.					FCA			
Thousand of shares	At December 31, 2013	Share-based payments and exercise of stock options	Exit Rights	Cancellation of treasury shares upon the Merger	At the date of the Merger	FCA share capital at the Merger	Issuance of FCA Common shares and sale of treasury shares	Exercise of Stock Options	At December 31, 2014
Shares issued	1,250,688	320	(53,916)	(29,911)	1,167,181	35,000	65,000	17,738	1,284,919
Less: treasury shares	(34,578)	4,667	—	29,911	—	(35,000)	35,000	—	—
Shares issued and outstanding	**1,216,110**	**4,987**	**(53,916)**	**—**	**1,167,181**	**—**	**100,000**	**17,738**	**1,284,919**

On October 29, 2014, the Board of Directors of FCA resolved to authorize the issuance of up to a maximum of 90,000,000 common shares under the framework equity incentive plan which had been adopted before the closing of the Merger. No grants have occurred under such framework equity incentive plan and any issuance of shares thereunder in the period from 2014 to 2018 will be subject to the satisfaction of certain performance/retention requirements. Any issuances to directors will be subject to shareholders approval.

Capital reserves

At December 31, 2014, capital reserves amounting to €3,742 million consisted mainly of the effects of the Merger resulting in a different par value of FCA common shares (€0.01 each) as compared to Fiat S.p.A. ordinary shares (€3.58 each) where the consequent difference between the share capital before and after the Merger was recognized to increase the capital reserves.

Legal reserve

At December 31, 2014, legal reserve amounted to €10,816 million (€6,699 million at December 31, 2013) and mainly refers to development costs capitalized by subsidiaries and their earnings subject to certain restrictions to distributions to the parent company. Legal reserve also refers to unrealized currencies translation gain and losses and other OCI components for a net negative amount of €260 million. The legal reserve includes the reserve for the equity component of the Mandatory Convertible Securities of €1,910 million at December 31, 2014.

Pursuant to Dutch law, limitations exist relating to the distribution of shareholders' equity up to at least the total amount of the legal reserve. By their nature, unrealized losses relating to OCI components reduce shareholders' equity and thereby distributable amounts.

Share-based compensation

In connection with the Merger, FCA assumed the obligation of the former Fiat Stock option plans and Stock Grant plans. On the effective date of the Merger, the unvested equity rewards under the former Fiat plans became convertible for common shares of FCA on a one-for-one basis. (See notes to the Consolidated Financial Statements for details on the stock option and stock grant plans).

14. Provisions for employee benefits and other provisions

At December 31, 2014, provisions for employee benefits and other provisions totaled €27 million, a €116 million decrease over year-end 2013, relating primarily to the exercise of stock options granted in previous years. At 31 December 2014, provisions consisted primarily of post-employment benefits accruing to employees, former employees and Directors under supplemental company or individual agreements. Those plans are unfunded.

15. Non-current debt

At December 31, 2014, non-current debt totaled €197 million, representing a decrease of €217 million over December 31, 2013, and consisted of the following:

	At December 31,		
	2014	2013	Change
	(€ million)		
Intercompany financial payable	181	400	219
Financial guarantees	16	14	(2)
Total Non-current debt	**197**	**414**	**217**

Intercompany financial payable relate to the euro-denominated loans due December 30, 2017, entered into with Magneti Marelli S.p.A. (€162 million), Comau S.p.A. (€19 million) and FCA Italy S.p.A. (€0.2 million) following the acquisition of certain subsidiaries based in the US on December 30, 2014.

Financial guarantees represent the fair value of the liabilities assumed in relation to guarantees issued. Following an assessment of potential risks requiring recognition of contingent liabilities and given that those liabilities essentially related to guarantees provided on loans to Group companies, the present value of fees receivable is considered the best estimate of the fair value of those guarantees.

16. Other non-current liabilities

At December 31, 2014, other non-current liabilities totaled €15 million, representing a net decrease of €1 million over December 31, 2013.

	At December 31,		
	2014	2013	Change
	(€ million)		
Other non-current liabilities	15	16	(1)
Total Other non-current liabilities	**15**	**16**	**(1)**

Other non-current liabilities relate to non-current post-employment benefits, being the present value of future benefits payable to a former CEO and management personnel that have left the Company.

17. Provisions for employee benefits and other current provisions

This item reflects the best estimate for variable components of compensation:

	At December 31,		
	2014	2013	Change
	(€ million)		
Provisions for employee bonuses and similar provisions	2	11	(9)
Provisions for employee bonuses and similar provisions	**2**	**11**	**(9)**

18. Trade payables

At December 31, 2014, trade payables totaled €19 million, in line with December 31, 2013, and consisted of the following:

	At December 31,		
	2014	2013	Change
		(€ million)	
Trade payables to third parties	14	13	1
Intercompany trade payables	5	6	(1)
Total trade payables	**19**	**19**	**—**

Trade payables are due within one year and their carrying amount at the reporting date is deemed to approximate their fair value.

19. Current debt

At December 31, 2014, current debt totaled €9,714 million, a €5,934 million increase over December 31, 2013 and related to:

	At December 31,		
	2014	2013	Change
		(€ million)	
Intercompany debt:			
- Current account with Fiat Chrysler Finance S.p.A.	6,662	739	5,923
- Short term loans from Fiat Chrysler Finance Europe S.A.	2,682	—	2,682
- Short term loans from Fiat Chrysler Finance S.p.A.	—	3,000	(3,000)
- Other intercompany loans	—	17	(17)
Total intercompany debt	**9,344**	**3,756**	**5,588**
Third party debt:			
- Mandatory Convertible Securities liability component	346	—	346
- Advances on factored receivables	24	24	—
Total third party debt	**370**	**24**	**346**
Total current debt	**9,714**	**3,780**	**5,934**

Current account with Fiat Chrysler Finance S.p.A. represents the overdraft as part of the Group's centralized treasury management.

Loans from Fiat Chrysler Finance Europe S.A. consists of euro-denominated financing due within 12 months.

As described in more detail in the notes to the consolidated financial statements, FCA issued aggregate notional amount of U.S.$2,875 million (€2,293 million) of mandatory convertible securities on December 16, 2014. The obligation to pay coupons as required by the mandatory convertible securities meets the definition of a financial liability as it is a contractual obligation to deliver cash to another entity. The fair value amount determined for the liability component at issuance of the mandatory convertible securities was U.S.$419 million (€335 million) calculated as the present value of the coupon payments due less allocated transaction costs of U.S.$9 million (€7 million) that are accounted for as a debt discount. Subsequent to issuance, the financial liability for the coupon payments is accounted for at amortized cost. At December 31, 2014 the financial liability component was U.S.$420 million (€346 million).

Advances on factored receivables relate to advances on income tax receivables in Italy totaling €25 million.

Current intercompany debt of €9,344 million is denominated in euros and the carrying amount is deemed to be in line with fair value.

20. Other debt

At December 31, 2014, Other debt totaled €394 million, a net increase of €177 million over December 31, 2013, and included the following:

	At December 31,		
	2014	2013	Change
	(€ million)		
Intercompany other debt:			
- Consolidated Italian corporate tax	124	107	17
- Consolidated VAT	222	92	130
- Other	27	—	27
Total intercompany other debt	**373**	**199**	**174**
Other debt and taxes payable:			
- Taxes payable	—	5	(5)
- Accrued expenses	9	2	7
- Other payables	12	11	1
Total Other debt and taxes payable	**21**	**18**	**3**
Total current debt	**394**	**217**	**177**

At December 31, 2014, intercompany debt for consolidated VAT of €222 million consisted of VAT credits of Italian subsidiaries transferred to FCA as part of the consolidated VAT regime.

Intercompany debt for consolidated Italian corporate tax of €124 million (€107 million at December 31, 2013) consisted of compensation payable for tax losses and Italian corporate tax credits contributed by Italian subsidiaries participating in the domestic tax consolidation program for 2014 in relation to which the Italian branch of FCA is the consolidating entity.

Other debt and taxes payable are all due within one year and their carrying amount is deemed to approximate their fair value.

21. Guarantees granted, commitments and contingent liabilities

Guarantees granted

At December 31, 2014, guarantees issued totaled €16,380 million wholly provided on behalf of Group companies. The increase of €1,358 million over December 31, 2013 related principally to the increase in borrowings in Brazil to fund the construction of the new plant in Pernambuco and new bonds issued by the subsidiary Fiat Chrysler Finance Europe S.A. net of repayments.

Main guarantees outstanding at 31 December 2014 were as follows:

- €12,531 million for bonds issued;
- €1,898 million for borrowings, of which €822 million in favor of the subsidiaries in Brasil mainly related to the construction of the new plant in Pernambuco and the remaining primarily to Fiat Chrysler Finance S.p.A
- €755 million for credit lines, primarily to Fiat Chrysler Finance Europe S.A. and Fiat Chrysler Finance S.p.A.
- €984 million for VAT receivables related to the VAT consolidation in Italy.

In addition, in 2005, in relation to the advance received by Fiat Partecipazioni S.p.A. on the consideration for the sale of the aviation business, FCA as he successor of Fiat S.p.A. is jointly and severally liable with the fully owned subsidiary Fiat Partecipazioni S.p.A. to the purchaser, Avio Holding S.p.A., should Fiat Partecipazioni S.p.A. fail to honor (following either an arbitration award or an out-of-court settlement) undertakings provided in relation to the sale and purchase agreement signed in 2003. Similarly, in connection with sale of a controlling interest in its rail business, Fiat S.p.A. provided guarantees to the purchaser, Alstom N.V., for any failure of the seller (now Fiat Partecipazioni S.p.A.) to meet its contractual obligations.

Other commitments, contractual rights and contingent liabilities

FCA has important commitments and rights derived from outstanding agreements in addition to contingent liabilities that are described in the notes to the Consolidated Financial Statements at December 31, 2014, to which reference should be made.

22. Audit fees

The following table reports fees paid to the independent auditor Ernst & Young or entities in their network for audit and other services:

	For the years ended December 31,	
(€ thousand)	2014	2013
Audit fees	22,518	16,093
Audit-related fees	492	884
Tax fees	247	520
All other fees	—	—
TOTAL	**23,257**	**17,497**

In 2014, approximately €2.0 million audit fees related to the Merger transaction and approximately €0.9 million audit fees related to the attestation activities regarding the issue of ordinary shares and the mandatory convertible bond.

Audit fees of Ernst & Young Accountants LLP amount to €100 thousand. No other services were performed by Ernst & Young Accountants LLP.

23. Board remuneration

Detailed information on Board of Directors compensation (including their shares and share options) is included in the Remuneration of Directors section of this Annual Report.

24. Subsequent Events

The Group has evaluated subsequent events through March 5, 2015, which is the date the financial statements were authorized for issuance. There were no subsequent events.

March 5, 2015

The Board of Directors

John P. Elkann
Sergio Marchionne
Andrea Agnelli
Tiberto Brandolini D'Adda
Glenn Earle
Valerie Mars
Ruth J. Simmons
Ronald L. Thompson
Patience Wheatcroft
Stephen M. Wolf
Ermenegildo Zegna

Other Information

Independent Auditor's Report

The report of the Company's independent auditor, Ernst & Young Accountants LLP, the Netherlands is set forth following this Annual Report.

Dividends

Dividends will be determined in accordance with the articles 23 of the Articles of Association of Fiat Chrysler Automobiles N.V. The relevant provisions of the Articles of Association read as follows:

1. The Company shall maintain a special capital reserve to be credited against the share premium exclusively for the purpose of facilitating any issuance or cancellation of special voting shares. The special voting shares shall not carry any entitlement to the balance of the special capital reserve. The Board of Directors shall be authorized to resolve upon (i) any distribution out of the special capital reserve to pay up special voting shares or (ii) re-allocation of amounts to credit or debit the special capital reserve against or in favor of the share premium reserve.
2. The Company shall maintain a separate dividend reserve for the special voting shares. The special voting shares shall not carry any entitlement to any other reserve of the Company. Any distribution out of the special voting rights dividend reserve or the partial or full release of such reserve will require a prior proposal from the Board of Directors and a subsequent resolution of the meeting of holders of special voting shares.
3. From the profits, shown in the annual accounts, as adopted, such amounts shall be reserved as the Board of Directors may determine.
4. The profits remaining thereafter shall first be applied to allocate and add to the special voting shares dividend reserve an amount equal to one percent (1%) of the aggregate nominal value of all outstanding special voting shares. The calculation of the amount to be allocated and added to the special voting shares dividend reserve shall occur on a time-proportionate basis. If special voting shares are issued during the financial year to which the allocation and addition pertains, then the amount to be allocated and added to the special voting shares dividend reserve in respect of these newly issued special voting shares shall be calculated as from the date on which such special voting shares were issued until the last day of the financial year concerned. The special voting shares shall not carry any other entitlement to the profits.
5. Any profits remaining thereafter shall be at the disposal of the general meeting of Shareholders for distribution of profits on the common shares only, subject to the provision of paragraph 8 of this article.
6. Subject to a prior proposal of the Board of Directors, the general meeting of Shareholders may declare and pay distribution of profits and other distributions in United States Dollars. Furthermore, subject to the approval of the general meeting of Shareholders and the Board of Directors having been designated as the body competent to pass a resolution for the issuance of shares in accordance with Article 6, the Board of Directors may decide that a distribution shall be made in the form of shares or that Shareholders shall be given the option to receive a distribution either in cash or in the form of shares.
7. The Company shall only have power to make distributions to Shareholders and other persons entitled to distributable profits to the extent the Company's equity exceeds the sum of the paid in and called up part of the share capital and the reserves that must be maintained pursuant to Dutch law and the Company's Articles of Association. No distribution of profits or other distributions may be made to the Company itself for shares that the Company holds in its own share capital.
8. The distribution of profits shall be made after the adoption of the annual accounts, from which it appears that the same is permitted.

9. The Board of Directors shall have power to declare one or more interim distributions of profits, provided that the requirements of paragraph 7 hereof are duly observed as evidenced by an interim statement of assets and liabilities as referred to in Section 2:105 paragraph 4 of the Dutch Civil Code and provided further that the policy of the Company on additions to reserves and distributions of profits is duly observed. The provisions of paragraphs 2 and 3 hereof shall apply mutatis mutandis.
10. The Board of Directors may determine that distributions are made from the Company's share premium reserve or from any other reserve, provided that payments from reserves may only be made to the Shareholders that are entitled to the relevant reserve upon the dissolution of the Company.
11. Distributions of profits and other distributions shall be made payable in the manner and at such date(s) - within four weeks after declaration thereof - and notice thereof shall be given, as the general meeting of Shareholders, or in the case of interim distributions of profits, the Board of Directors shall determine.
12. Distributions of profits and other distributions, which have not been collected within five years and one day after the same have become payable, shall become the property of the Company.

On January 28, 2015 the Board of Directors has declined to recommend a dividend payment on FCA common shares in order to further fund capital requirements of the Group's five-year business plan presented on May 6, 2014.

Disclosures pursuant to Decree Article 10 EU-Directive on Takeovers

In accordance with the Dutch Besluit artikel 10 overnamerichtlijn (the Decree), the Company makes the following disclosures:

a. For information on the capital structure of the Company, the composition of the issued share capital and the existence of the two classes of shares, please refer to Note 13 to the Company financial statements in this Annual Report. For information on the rights attached to the common shares, please refer to the Articles of Association which can be found on the Company's website. To summarize, the rights attached to common shares comprise pre-emptive rights upon issue of common shares, the entitlement to attend the general meeting of Shareholders and to speak and vote at that meeting and the entitlement to distributions of such amount of the Company's profit as remains after allocation to reserves. For information on the rights attached to the special voting shares, please refer to the Articles of Association and the Terms and Conditions for the Special Voting Shares which can both be found on the Company's website and more in particular to the paragraph "Loyalty Voting Structure" of this Annual Report in the chapter "Corporate Governance". As at 31 December 2014, the issued share capital of the Company consisted of 1,284,919,505 common shares, representing 76 per cent. of the aggregate issued share capital and 408,941,767 special voting shares, representing 24 per cent. of the aggregate issued share capital.
b. The Company has imposed no limitations on the transfer of common shares. The Articles of Association provide in Article 13 for transfer restrictions for special voting shares.
c. For information on participations in the Company's capital in respect of which pursuant to Sections 5:34, 5:35 and 5:43 of the Dutch Financial Supervision Acts (Wet op het financieel toezicht) notification requirements apply, please refer to the chapter "Major Shareholders" of this Annual Report. There you will find a list of Shareholders who are known to the Company to have holdings of 3% or more at the stated date.
d. No special control rights or other rights accrue to shares in the capital of the Company.
e. No restrictions apply to voting rights attached to shares in the capital of the Company, nor are there any deadlines for exercising voting rights. The Articles of Association allow the Company to cooperate in the issuance of registered depositary receipts for common shares, but only pursuant to a resolution to that effect of the Board of Directors. The Company is not aware of any depository receipts having been issued for shares in its capital.

f. The Company is not aware of the existence of any agreements with Shareholders which may result in restrictions on the transfer of shares or limitation of voting rights except the Lock-Up Agreements that the Company's Directors, members of the Company's GEC and Exor have entered into with the underwriters for a period of 90 days after the date of the Prospectus dated December 4, 2014 and concerning the public offering of 87,000,000 common shares of the Company concurrently with the offering of $ 2,500,000,000 in aggregate notional amount of the "Mandatory Convertible Securities". The rules governing the appointment and dismissal of members of the Board of Directors are stated in the Articles of Association of the Company. All members of the Board of Directors are appointed by the general meeting of Shareholders. The term of office of all members of the Board of Directors is for a period of approximately one year after appointment, such period expiring on the day the first Annual General Meeting of Shareholders is held in the following calendar year. The general meeting of Shareholders has the power to suspend or dismiss any member of the Board of Directors at any time.

g. The rules governing an amendment of the Articles of Association are stated in the Articles of Association and require a resolution of the general meeting of Shareholders which can only be passed pursuant to a prior proposal of the Board of Directors.

h. The general powers of the Board of Directors are stated in the Articles of Association of the Company. For a period of five years from October 12, 2014, the Board of Directors has been irrevocably authorized to issue shares and rights to subscribe for shares up to the maximum aggregate amount of shares as provided for in the Company's authorized share capital as set out in Article 4.1 of the Articles of Association, as amended from time to time. The Board of Directors has also been designated for the same period as the authorized body to limit or exclude the rights of pre-emption of shareholders in connection with the authority of the Board of Directors to issue common shares and grant rights to subscribe for common shares as referred to above. In the event of an issuance of special voting shares, shareholders have no right of pre-emptions. The Company has the authority to acquire fully paid-up shares in its own share capital, provided that such acquisition is made for no consideration. Further rules governing the acquisition of shares by the Company in its own share capital are set out in article 8 of the Articles of Association.

i. The Company is not a party to any significant agreements which will take effect, will be altered or will be terminated upon a change of control of the Company as a result of a public offer within the meaning of Section 5:70 of the Dutch Financial Supervision Acts (Wet ophet financieel toezicht), provided that some of the loan agreements guaranteed by the Company and certain bonds guaranteed by the Company contain clauses that, as it is customary for such financial transactions, may require early repayment or termination in the event of a change of control of the guarantor or the borrower. In certain cases, that requirement may only be triggered if the change of control event coincides with other conditions, such as a rating downgrade.