Company Financial Statements

AT DECEMBER 31, 2015

Income Statement

for the Years Ended December 31, 2015 and 2014

		For the Years Ended December 31,	
		2015	2014
	Note	(€ million)	
Result from investments	(1)	630	890
Other operating income	(2)	32	63
Personnel costs	(3)	(14)	(28)
Other operating costs	(4)	(173)	(132)
Net financial expenses	(5)	(400)	(475)
Profit before taxes		**75**	**318**
Income taxes	(6)	8	9
Profit from continuing operations		**83**	**327**
Profit from discontinued operations		251	241
Profit		**334**	**568**

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

Statement of Financial Position

At December 31, 2015 and 2014

		At December 31,	
		2015	2014
	Note	(€ million)	
ASSETS			
Property, plant and equipment	(7)	28	29
Investments in Group companies and other equity investments	(8)	21,523	22,227
Other financial assets	(9)	3,658	1,329
Total Non-current assets		**25,209**	**23,585**
Current financial assets	(10)	1,565	—
Trade receivables	(11)	14	14
Other current receivables	(12)	373	326
Cash and cash equivalents	(13)	2	11
Total Current assets		**1,954**	**351**
TOTAL ASSETS		**27,163**	**23,936**
EQUITY AND LIABILITIES			
Equity	(14)		
Share capital		17	17
Capital reserves		3,805	3,742
Legal reserves		13,053	10,556
Retained profit/(loss)		(1,117)	(1,458)
Profit for the year		334	568
Total Equity		**16,092**	**13,425**
Provisions for employee benefits and other provisions	(15)	34	27
Non-current debt	(16)	2,928	197
Other non-current liabilities	(17)	15	15
Deferred tax liabilities	(6)	—	8
Total Non-current liabilities		**2,977**	**247**
Provisions for employee benefits and other current provisions	(18)	3	2
Trade payables	(19)	24	19
Current debt	(20)	7,271	9,714
Other financial liabilities	(9)	285	135
Other debt	(21)	511	394
Total Current liabilities		**8,094**	**10,264**
TOTAL EQUITY AND LIABILITIES		**27,163**	**23,936**

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's 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, also the Company's functional currency, representing the currency in which the main transactions of the Company are denominated.

The Statements of Income and of Financial Position and Notes to the Financial Statements are presented in millions 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, 2015.

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 (refer to *Note 19 Equity* within the Consolidated Financial Statements).

Ferrari Spin-off and Discontinued Operations

On October 26, 2015, Ferrari N.V., a subsidiary of FCA, completed its initial public offering ("IPO") in which FCA sold 10 percent of Ferrari N.V. common shares ("Ferrari IPO") and received net proceeds of approximately €0.9 billion, which resulted in FCA owning 80 percent of Ferrari N.V. common shares, Piero Ferrari owning 10 percent of common shares and public shareholders owning the remaining 10 percent of common shares. The Ferrari IPO was accounted for as an equity transaction.

In October 2015, in connection with the Ferrari IPO and in preparation for the spin-off of the remaining common shares of Ferrari N.V.. owned by FCA, FCA carried out an internal corporate restructuring. As part of this reorganization, FCA transferred its shares of Ferrari S.p.A. to Ferrari N.V. and provided a capital contribution to Ferrari N.V., while Ferrari N.V. issued a note payable to FCA in the amount of €2.8 billion. This internal restructuring was a common control transaction and did not have an accounting impact on FCA's Financial Statements. As a result and in connection with the transactions in which Piero Ferrari exchanged his shares in Ferrari S.p.A. for Ferrari N.V. shares, FCA paid €280 million to Piero Ferrari as consideration for the dilution of his share value due to the issuance of the €2.8 billion note payable.

On December 3, 2015, an extraordinary general meeting of FCA shareholders was held, whereby the transactions intended to separate FCA's remaining ownership interest in Ferrari N.V. and to distribute that ownership interest to holders of FCA shares and mandatory convertible securities were approved. The transactions to separate Ferrari N.V. from the Group were completed on January 3, 2016 (as referenced in Note 32 to the Consolidated Financial Statements).

As the spin-off of Ferrari N.V. became highly probable with the aforementioned shareholders' approval and since it was available for immediate distribution at that date, the results of Ferrari have been excluded from continuing operations, and are shown as a single line item in the Profit from discontinued operations line item for the year ended December 31, 2015 and 2014.

ACCOUNTING POLICIES

Basis of preparation

The 2015 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, joint ventures and associates are accounted for using the net equity value in the Company Financial Statements.

The amendments to Section 9 of Book 2 of the Netherlands Civil Code (effective for financial years starting on or after 1 January 2016) have not been early adopted in the preparation of the 2015 Company Financial Statements.

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 table summarizes the Result from investments:

	For the Years Ended December 31,	
	2015	2014
	(€ million)	
Share of the profit/(loss) of Group companies	625	883
Dividends from other companies	5	7
Total Result from investments	**630**	**890**

Result from investments relates primarily to the Company's share in the net profit or loss of subsidiaries and associates, in addition to dividends received from CNH Industrial N.V. ("CNHI").

The share of the profit of Ferrari was recognized within the line item Profit from discontinued operations within the Income Statement.

2. Other operating income

The following table summarizes Other operating income:

	For the Years Ended December 31,	
	2015	2014
	(€ million)	
Revenues from services rendered to, and other income from, Group companies and other related parties	30	61
Other revenues and income from third parties	2	2
Total Other operating income	**32**	**63**

Revenues from services rendered to Group companies consisted of services rendered to the principal subsidiaries of the Group. The decrease from 2014 relates to the reduced scope of activities of the Company during the year as a consequence of the re-organization.

3. Personnel costs

The following table summarizes Personnel costs:

	For the Years Ended December 31,	
	2015	2014
	(€ million)	
Wages and salaries	(10)	(16)
Defined contribution plans and social security contributions	(2)	(7)
Other personnel costs	(2)	(5)
Total personnel costs	**(14)**	**(28)**

The average number of employees decreased from 140 in 2014 to 53 in 2015 due to the reshape of the Company functions following the reorganization.

4. Other operating costs

Other operating costs primarily includes costs for services rendered by Group companies (support and consulting in administration, IT systems, press activities, payroll, security and facility management), costs for legal, administrative, financial and IT services in addition to the compensation component from stock grant plans representing the notional cost of the Long Term Incentive Plan awarded to the Chief Executive Officer and Executives (net of the portion already attributed to the relevant subsidiaries), which was recognized directly in the equity reserve, as reported in Note 20 Share-based compensation within the Consolidated Financial Statements.

5. Net financial expenses

The following table summarizes Net financial expenses:

	For the Years Ended December 31,	
	2015	2014
	(€ million)	
Financial income	269	85
Financial expense	(668)	(564)
Currency exchange gains	191	143
Net losses on derivative financial instruments	(192)	(139)
Total Net financial expenses	**(400)**	**(475)**

Financial income primarily relates to interest receivable on the U.S.$5.4 billion of loans extended to Fiat Chrysler Automobiles North America Holdings LLC (“FCA NAH LLC”), as included within Other financial assets and Current financial receivables.

Financial expense primarily relates to interest payable on the intercompany debt included within Current debt, in addition to the interest on the unsecured senior debt securities of U.S.$3.0 billion issued in April 2015.

The increase in both financial income and financial expense relates to the issuance of the U.S.$3.0 billion unsecured senior debt securities and the equivalent intercompany loan extended to FCA NAH LLC.

Currency exchange gains and net losses on derivative financial instruments, primarily related to the U.S.$1.5 billion loan reported in Current financial receivables, which is fully hedged into Euro.

6. Income taxes

Income taxes were a gain of €8 million in 2015 (gain of €9 million in 2014) and primarily relate to compensation receivable for tax losses carried forward contributed to the United Kingdom 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.

7. Property, plant and equipment

At December 31, 2015, the gross carrying amount of property, plant and equipment was €68 million (€68 million at December 31, 2014) and accumulated depreciation was €40 million (€39 million at December 31, 2014), of which €24 million related to land and buildings, mainly consisting of the Company’s property in Turin (€24 million at December 31, 2014).

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 within Other operating costs.

8. Investments in Group companies and other equity investments

The following table summarizes Investments in Group companies and other equity investments:

	At December 31,		
	2015	2014	Change
		(€ million)	
Investments in Group companies	21,320	22,103	(783)
Other equity investments	203	124	79
Total Investments in Group companies and equity investments	**21,523**	**22,227**	**(704)**

Investments in Group companies were subject to the following changes during 2015 and 2014:

	2015	2014
	(€ million)	
Balance at beginning of year	22,103	12,397
Acquisition of minorities	17	1,325
Capital injection into joint ventures	99	—
Transactions related to Ferrari reorganization	(2,509)	—
Disposal of subsidiaries to Group companies	(726)	—
Net contributions made to subsidiaries	10	6,537
Result from investments in continuing operations	625	883
Result from investments in discontinued operations	251	241
Cumulative translation adjustments and other OCI movements	1,534	738
Other	(84)	(18)
Balance at end of year	**21,320**	**22,103**

The main change for 2015 relates to the transactions carried on the investments in Ferrari where, before the IPO, FCA sold the original 90 percent ownership held in Ferrari S.p.A. to Ferrari N.V., then subscribing a capital increase in the same company. The sale originated a capital gain which was eliminated in the equity valuation of the investment (refer to *Principal Activities* in the Consolidated Financial Statements for further detail on the Ferrari transactions).

The other significant movement in 2015 was the disposal of the US subsidiaries acquired in 2014, referred to below.

The main change for 2014 related to the acquisition of minorities, through which Chrysler became fully owned by the Group.

Net contributions made to subsidiaries in 2014 related 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, 2015, Other equity investments mainly included the investment in CNHI for €101 million (€107 million at December 31, 2014). At December 31, 2015, the investment in CNHI consisted of 15,948,275 common shares for an amount of €101 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, 2015, Other financial assets amounted to €3,658 million (€1,329 million at December 31, 2014), primarily represented by U.S.$3.9 billion of intercompany loans to Fiat Chrysler Automobiles North America Holdings LLC.

In January 2015, a loan of U.S.$881.6 million, expiring December 2022, was extended to fund the acquisition of certain subsidiaries based in the US. The carrying amount of €810 million at December 31, 2015, related only to the outstanding principal, with no accrued interest receivable due. In April 2015, a further U.S.$2.97 billion was extended in two loans of U.S.$1,485 million, expiring in April 2020 and April 2023. The carrying amount of €2,831 million at December 31, 2015 includes principal of €2,728 million and accrued interest of €103 million.

These loans are hedged into Euro by currency swaps with Fiat Chrysler Finance S.p.A. and Fiat Chrysler Finance Europe S.A., resulting in €285 million of intercompany payables at December 31, 2015 reported within Other financial liabilities (€135 million at December 31, 2014).

10. Current financial assets

At December 31, 2015, Current financial assets related to a loan of U.S.$1.5 billion extended in January 2014 to Fiat Chrysler Automobiles North America Holdings LLC, expiring in September 2016, to partially fund the acquisition of 41.5% of FCA US. The carrying amount at December 31, 2015 of €1,565 million includes principal of €1,378 million (€1,236 million at December 31, 2014) and accrued interest of €188 million (€77 million at December 31, 2014), translated into Euro at the year-end exchange rate of 1.089. At December 31, 2014 these amounts were included with Other financial assets.

11. Trade receivables

At December 31, 2015, trade receivables totaled €14 million (of which €9 million related to Group companies), in line with year-end 2014.

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.

12. Other current receivables

At December 31, 2015, Other current receivables amounted to €373 million, a net increase of €47 million compared to December 31, 2014, and consisted of the following:

	At December 31,		
	2015	2014	Change
	(€ million)		
Receivable from Group companies for consolidated Italian corporate tax	227	141	86
VAT receivables	88	136	(48)
Italian corporate tax receivables	38	38	—
Other	20	11	9
Total Other current receivables	**373**	**326**	**47**

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 2015 and prior years.

13. Cash and cash equivalents

At December 31, 2015, Cash and cash equivalents totaled €2 million (€11 million as at December 31, 2014) and are represented by amounts held in both Euro and U.S. Dollar. 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.

14. Equity

Changes in shareholders' equity during 2015 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 securities	—	—	—	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**
Allocation of prior year result	—	—	—	—	568	(568)	**—**
Distributions	—	(17)	—	—	—	—	**(17)**
Share-based payments	—	80	—	—	—	—	**80**
Ferrari initial public offering	—	—	—	—	866	—	**866**
Net profit for the year	—	—	—	—	—	334	**334**
Current period change in OCI, net of taxes	—	—	1,569	—	—	—	**1,569**
Legal Reserve	—	—	—	928	(928)	—	**—**
Other changes	—	—	—	—	(165)	—	**(165)**
At December 31, 2015	**17**	**3,805**	**1,309**	**11,744**	**(1,117)**	**334**	**16,092**

Shareholders' equity increased by €2,667 million in 2015, primarily due to movements in OCI of €1,569 million relating to foreign exchange differences and the remeasurement of defined benefit plans, the impact of the Ferrari 10 percent initial public offering of €866 million and profit for the year of €334 million.

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, 2015, the fully paid-up share capital of FCA amounted to €17 million (€17 million at December 31, 2014) and consisted of 1,288,956,011 common shares and of 408,941,767 special voting shares, all with a par value of €0.01 each (1,284,919,505 common shares and of 408,941,767 special voting shares, all with a par value of €0.01 each at December 31, 2014). 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 U.S.$1,065 million (€849 million) comprised of gross proceeds of U.S.$1,100 million (€877 million) less U.S.$35 million (€28 million) of transaction costs.

Upon the completion of the Merger, which took the form of a reverse merger resulting 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. Awards granted during 2015 under the framework equity incentive plan are detailed in *Note 20 Share-based compensation* in the Consolidated Financial Statements.

Capital reserves

At December 31, 2015, capital reserves amounting to €3,805 million (€3,742 million at December 31, 2014) 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 as an increase to the capital reserves.

Legal reserves
At December 31, 2015, legal reserves amounted to €11,744 million (€10,816 million at December 31, 2014) and mainly related to development costs capitalized by subsidiaries of €8,358 million (€7,105 million at December 31, 2014), the equity component of the Mandatory Convertible Securities of €1,910 million (€1,910 million at December 31, 2014), the earnings of subsidiaries subject to certain restrictions to distributions to the parent company of €1,472 million (€1,797 million at December 31, 2014), and the reserve in respect of special voting shares of €4 million (€4 million at December 31, 2014). Legal reserves also included unrealized currency translation gains and losses and other OCI components of €1,309 million (negative €260 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 2014, in connection with the Merger, FCA assumed the obligation for 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 (detailed in *Note 20 Share-based compensation* in the Consolidated Financial Statements).

15. Provisions for employee benefits and other provisions

At December 31, 2015, provisions for employee benefits and other provisions totaled €34 million, a €7 million increase over year-end 2014, relating primarily to the recognition of historic pension liabilities previously recognized in other Group companies. At 31 December 2015, provisions consisted primarily of post-employment benefits accruing to employees, former employees and Directors under supplemental company or individual agreements, which are unfunded.

16. Non-current debt

At December 31, 2015, non-current debt totaled €2,928 million, representing an increase of €2,731 million over December 31, 2014, and consisted of the following:

	At December 31,		
	2015	2014	Change
		(€ million)	
Third-party debt:			
- Unsecured senior debt securities	2,730	—	2,730
Total third-party debt	**2,730**	**—**	**2,730**
Intercompany debt:			
- Intercompany financial payables	198	197	1
Total intercompany debt	**198**	**197**	**1**
Total Non-current debt	**2,928**	**197**	**2,731**

As described in more detail in *Note 23 Debt* to the Consolidated Financial Statements, in April 2015, FCA issued €1.4 billion (U.S.$1.5 billion) principal amount of 4.5 percent unsecured senior debt securities due April 15, 2020 (the "Initial 2020 Notes") and €1.4 billion (U.S.$1.5 billion) principal amount of 5.25 percent unsecured senior debt securities due April 15, 2023 (the "Initial 2023 Notes") at an issue price of 100 percent of their principal amount. The Initial 2020 Notes and the Initial 2023 Notes, collectively referred to as "the Initial Notes", rank *pari passu* in right of payment with respect to all of FCA's existing and future senior unsecured indebtedness and senior in right of payment to any of FCA's future subordinated indebtedness and existing indebtedness, which is by its terms subordinated in right of payment to the Initial Notes.

On June 17, 2015, subject to the terms and conditions set forth in our prospectus, we commenced an offer to exchange up to €1.4 billion (U.S.$1.5 billion) aggregate principal amount of new 4.5 percent unsecured senior debt securities due 2020 ("2020 Notes"), for any and all of our outstanding Initial 2020 Notes issued on April 14, 2015, and up to €1.4 billion (U.S.$1.5 billion) aggregate principal amount of new 5.25 percent unsecured senior debt securities due 2023 ("2023 Notes"), for any and all of our outstanding Initial 2023 Notes issued on April 14, 2015. The 2020 Notes and the 2023 Notes, collectively referred to as "the Notes", were identical in all material respects to the Initial Notes, except that the Notes did not contain restrictions on transfer. The exchange offer expired on July 23, 2015. Substantially all of the Initial Notes were tendered for the Notes.

Intercompany financial payables primarily 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.

17. Other non-current liabilities

At 31 December 2015, other non-current liabilities totaled €15 million, in line with 31 December 2014:

	At December 31,		
	2015	2014	Change
		(€ million)	
Other non-current liabilities	15	15	—
Total Other non-current liabilities	**15**	**15**	**—**

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.

18. Provisions for employee benefits and other current provisions

Employee benefit provisions reflect the best estimate for variable components of compensation:

	At December 31,		
	2015	2014	Change
		(€ million)	
Provisions for employee benefits and other current provisions	3	2	1
Total Provisions for employee benefits and other current provisions	**3**	**2**	**1**

19. Trade payables

At December 31, 2015, trade payables totaled €24 million, an increase of €5 million from December 31, 2014, and consisted of the following:

	At December 31,		
	2015	2014	Change
		(€ million)	
Trade payables due to third parties	13	14	(1)
Intercompany trade payables	11	5	6
Total trade payables	**24**	**19**	**5**

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

20. Current debt

At December 31, 2015, current debt totaled €7,271 million, a €2,443 million decrease over December 31, 2014 and related to:

	At December 31,		
	2015	2014	Change
		(€ million)	
Intercompany debt:			
- Current account with Fiat Chrysler Finance S.p.A.	3,663	6,662	(2,999)
- Short term loans from Fiat Chrysler Finance Europe S.A.	3,357	2,682	675
Total intercompany debt	**7,020**	**9,344**	**(2,324)**
Third party debt:			
- Mandatory Convertible Securities liability component	199	346	(147)
- Advances on factored receivables	24	24	—
- Accrued interest payable	28	—	28
Total third party debt	**251**	**370**	**(119)**
Total current debt	**7,271**	**9,714**	**(2,443)**

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.

Current intercompany debt of €7,020 million (€9,344 million at December 31, 2014) is denominated in Euros and the carrying amount is in line with fair value.

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. In December 2015, the first coupon payment of U.S.$225 million was paid. At December 31, 2015, the financial liability component was U.S $216 million (€199 million) (U.S.$420 million or €346 million at December 31, 2014).

Advances on factored receivables relate to advances on income tax receivables in Italy totaling €24 million (€25 million at December 31, 2014).

Accrued interest payable of €28 million relates to the unsecured senior debt securities referred to in *Note 16 Non-current debt*.

21. Other debt

At December 31, 2015, Other debt totaled €511 million, a net increase of €117 million over December 31, 2014, and included the following:

	At December 31,		
	2015	2014	Change
		(€ million)	
Intercompany other debt:			
- Consolidated Italian corporate tax	209	124	85
- Consolidated VAT	167	222	(55)
- Other	50	27	23
Total intercompany other debt	**426**	**373**	**53**
Other debt and taxes payable:			
- Distribution payable	17	—	17
- Taxes payable	2	—	2
- Accrued expenses	8	9	(1)
- Other payables	58	12	46
Total Other debt and taxes payable	**85**	**21**	**64**
Total Other debt	**511**	**394**	**117**

At December 31, 2015, intercompany debt relating to consolidated VAT of €167 million (€222 million at December 31, 2014) consisted of VAT credits of Italian subsidiaries transferred to FCA as part of the consolidated VAT regime.

Intercompany debt relating to consolidated Italian corporate tax of €209 million (€124 million at December 31, 2014) 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.

22. Guarantees granted, commitments and contingent liabilities

Guarantees granted

At December 31, 2015, guarantees issued totaled €14,095 million (€16,380 million at December 31, 2014) wholly provided on behalf of Group companies. The decrease of €2,285 million compared to 31 December 2014 related principally to the repayment of €1.5 billion of bonds from Fiat Chrysler Finance Europe S.A.

The main guarantees outstanding at 31 December 2015 were as follows:

- €10,745 million for bonds issued;
- €1,677 million for borrowings, of which €497 million in favor of the subsidiaries in Brazil mainly related to the construction of the new plant in Pernambuco and the remaining primarily to Fiat Chrysler Finance S.p.A
- €191 million for credit lines, primarily to Fiat Chrysler Finance Europe S.A. and Fiat Chrysler Finance S.p.A.
- €1,387 million for VAT receivables related to the VAT consolidation in Italy.

In addition, in 2005, in relation to the advance received by FCA Partecipazioni S.p.A. on the consideration for the sale of the aviation business, FCA as the successor of Fiat S.p.A. is jointly and severally liable with the fully owned subsidiary FCA Partecipazioni S.p.A. to the purchaser, Avio Holding S.p.A., should FCA 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 FCA 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, 2105 to which reference should be made.

23. 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)	2015	2014
Audit fees	22,107	22,518
Audit-related fees	791	492
Tax fees	696	247
Total	**23,594**	**23,257**

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

24. 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.

25. Subsequent events

The Group has evaluated subsequent events through February 29, 2016, which is the date the financial statements were authorized for issuance. On January 3, 2016, as fully described in *Note 32 Subsequent Events* to the Consolidated Financial Statements, the spin-off of Ferrari was completed.

February 29, 2016

The Board of Directors

John Elkann
Sergio Marchionne
Andrea Agnelli
Tiberto Brandolini d'Adda
Glenn Earle
Valerie A. 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.

In order to further fund the capital requirements of the Group's five-year business plan, the Board of Directors has decided not to recommend a dividend on FCA common shares for 2015.

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 2015, the issued share capital of the Company consisted of 1,288,956,011 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. The Company does not operate an employee share participation scheme as mentioned in article 1 sub 1(e) of the Decree.
f. 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.

g. 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 U.S.$ 2,500,000,000 in aggregate notional amount of the "Mandatory Convertible Securities".

h. 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. 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.

i. 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.

j. 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.

k. Under the terms of the current Company's Equity Incentive Plan (attached as Exhibit 4.2. to the Registration Statement on Form S-8 filed by the Company with the Securities Exchange Commission on January 12, 2015) vesting of awards under the plan may be accelerated in the event that within 24 months of the occurrence of a Change of Control (as defined therein) employment of a participant is involuntarily terminated by the Company or is terminated for Good Reason (as defined therein) by the participant.