Business Plan Update
2014 – 2018

January 27, 2016
Safe Harbor Statement

This document, and in particular the section entitled “2016 Guidance”, contains forward-looking statements. These statements may include terms such as “may”, “will”, “expect”, “could”, “should”, “intend”, “estimate”, “anticipate”, “believe”, “remain”, “on track”, “design”, “target”, “objective”, “goal”, “forecast”, “projection”, “outlook”, “prospects”, “plan”, “intend”, or similar terms. Forward-looking statements are not guarantees of future performance. Rather, they are based on the Group’s current expectations and projections about future events and, by their nature, are subject to inherent risks and uncertainties. They relate to events and depend on circumstances that may or may not occur or exist in the future and, as such, undue reliance should not be placed on them. Actual results may differ materially from those expressed in such statements as a result of a variety of factors, including: the Group’s ability to reach certain minimum vehicle sales volumes; developments in global financial markets and general economic and other conditions; changes in demand for automotive products, which is highly cyclical; the Group’s ability to enrich the product portfolio and offer innovative products; the high level of competition in the automotive industry; the Group’s ability to expand certain of the Group’s brands internationally; changes in the Group’s credit ratings; the Group’s ability to realize anticipated benefits from any acquisitions, joint venture arrangements and other strategic alliances; potential shortfalls in the Group’s defined benefit pension plans; the Group’s ability to provide or arrange for adequate access to financing for the Group’s dealers and retail customers; the Group’s ability to access funding to execute the Group’s business plan and improve the Group’s business, financial condition and results of operations; various types of claims, lawsuits and other contingent obligations against the Group; disruptions arising from political, social and economic instability; material operating expenditures and other effects from and in relation to compliance with environmental, health and safety regulation; developments in labor and industrial relations and developments in applicable labor laws; increases in costs, disruptions of supply or shortages of raw materials; exchange rate fluctuations, interest rate changes, credit risk and other market risks; political and civil unrest; earthquakes or other disasters and other risks and uncertainties.

Any forward-looking statements contained in this document speak only as of the date of this document and the Company does not undertake any obligation to update or revise publicly forward-looking statements. Further information concerning the Group and its businesses, including factors that could materially affect the Company’s financial results, is included in the Company’s reports and filings with the U.S. Securities and Exchange Commission, the AFM and CONSOB.
Before we begin

“Before we begin

The reports of my death have been greatly exaggerated.

Mark Twain

“
Our scorecard to date

MAY 2014

FCA PERFORMANCE TO PLAN

- Unlocked value of Ferrari
- NAFTA margins already at 2018 plan level
- EMEA profitable one year ahead of plan
- Jeep brand performance stronger than anticipated
- Favorable FX tailwinds
- Reinforced capital structure with MCS
- Net debt reduction significantly ahead of schedule even after adjusting for MCS and Ferrari spin-off

- Brazil market down significantly with uncertain recovery path
- China exhibiting tough market conditions especially on imported vehicles
  - Maserati growth plan slowed in ’15
  - Alfa Romeo product cadence re-assessed
- More stringent regulatory environment including higher recall costs

2018E

- Volumes ~7.0M
- Net Revenues ~€132B
- Adjusted EBIT €8.7-9.8B
- Adjusted Net Profit €4.7-5.5B
- Net Industrial Debt €0.5-1.0B

All-in-all a stronger capital structure.
Decisive and flexible in reacting to market trends.
## Financial Plan Targets

### 2014A *

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Net Revenues</td>
<td>€96B</td>
<td>€113B</td>
<td>~€129B</td>
<td>~€136B</td>
</tr>
<tr>
<td>Adjusted EBIT Margin %</td>
<td>€3.8B</td>
<td>€5.3B</td>
<td>€8.3-9.4B</td>
<td>€8.7-9.8B</td>
</tr>
<tr>
<td>Adjusted Net Profit</td>
<td>€1.1B</td>
<td>€2.0B</td>
<td>€4.5-5.3B</td>
<td>€4.7-5.5B</td>
</tr>
<tr>
<td>Net Industrial (Debt) Cash</td>
<td>(€7.7)B</td>
<td>€(5.0)B</td>
<td>€1.9-2.4B</td>
<td>€4.0-5.0B</td>
</tr>
</tbody>
</table>

All targets exceeded for 2014 and 2015. Original 2018 targets revised upwards despite spin-off of Ferrari.

✓ Achieved or exceeded target

* Figures for 2014 and 2015 include Ferrari to be consistent with prior periods and with previously provided guidance

** After giving effect to the January 3, 2016 Ferrari spin-off

Note: Figures for “2018E May ’14 Plan ex-Ferrari” include the impact of the December 2014 equity capital markets transactions.
Key actions since May 2014 Business Plan to strengthen balance sheet

5-Year Business Plan
(May ‘14)
- Executing premium strategy
- Transition away from mass market focus in Europe
- Jeep globalization and localization
- Increasing volumes globally
- Achieving financial objectives around growth, margin, deleveraging and liquidity

Merger Effective and Dual-Listing
(October ‘14)
- Merger of Fiat S.p.A with and into Fiat Investment N.V. became effective October 12
- Surviving entity renamed Fiat Chrysler Automobiles N.V. (FCA)
- October 13, FCA listed for trading on Milan and New York (NYSE) exchanges

U.S. Equity Capital Market Transactions
(December ‘14)
- 100M shares of common stock issued on NYSE
- $2.875B of mandatory convertible securities (MCS) issued

U.S. Unsecured Notes Offering
(April ‘15)
- Issued $3.0B of USD-denominated senior unsecured notes
- Proceeds used for the redemption of FCA U.S.’s senior secured notes due 2019

Ferrari IPO
(October ‘15)
- Ferrari N.V. (NYSE: RACE) successfully placed 10% of shares for $982M

Spin-off of Ferrari
(Jan ’16)
- FCA’s remaining 80% shareholding distributed to FCA shareholders and MCS holders
- Unlock hidden value of Ferrari

Terminate FCA US $1.3B Revolving Credit Facility
(November ‘15)
- To be replaced by 2nd tranche of €5.0B RCF upon elimination of ring-fencing

Redeem $3.1B FCA US 2021 Sr. Secured Notes
(Dec ‘15)
- Repaid with cash on hand

Net industrial debt reduced by €3.8B as a result of the above transactions
### NAFTA region update

**SALES NAFTA & U.S.**

(Total vehicle sales including medium/heavy trucks)

<table>
<thead>
<tr>
<th>Year</th>
<th>NAFTA</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>~16.3</td>
<td>~17.0</td>
</tr>
<tr>
<td>2015</td>
<td>~16.6</td>
<td>~16.9</td>
</tr>
<tr>
<td>2016E</td>
<td>~17.0</td>
<td>~17.0</td>
</tr>
<tr>
<td>2018E</td>
<td>~17.0</td>
<td>~17.0</td>
</tr>
</tbody>
</table>

**Current Plan**

- *2014*: ~19.9
- *2015*: 21.1
- *2016E*: 21.5
- *2018E*: 19.5

**May ’14 Plan**

- *2014*: ~19.5
- *2015*: 19.9
- *2016E*: 19.5
- *2018E*: 20.0

**Update since May 2014**

- 2015-16 now seen as industry peak years
- Low gas prices now seen as permanent condition
- Market shift from cars to trucks and UVs now seen as permanent shift in demand

**Implications for FCA**

- Margin expansion at a faster pace
- Industrial footprint realigned to match market demand
- Partnering opportunities to address compact and mid-size car segments

**Adjusted EBIT margin**

<table>
<thead>
<tr>
<th>Year</th>
<th>NAFTA</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>4.2%</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>6.4%</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>6 - 7%</td>
<td></td>
</tr>
<tr>
<td>2018 May ’14 Plan</td>
<td>~9%</td>
<td></td>
</tr>
<tr>
<td>2018 Current Plan</td>
<td>~9%</td>
<td></td>
</tr>
</tbody>
</table>

**2018 Margin Target Increased**

- Portfolio shift supports margin improvement
- Efficiencies from cost reductions and streamlined operations
- Technology enhancements on new vehicles recovered through pricing actions

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**Source:** IHS & Group estimates

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2014-2018 Business Plan Update
LATAM region update

Units (M)

Sales LATAM & Brazil
(passenger cars and LCVs)

<table>
<thead>
<tr>
<th>Year</th>
<th>LATAM</th>
<th>Brazil</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>5.8</td>
<td>5.2</td>
</tr>
<tr>
<td>2015</td>
<td>5.0</td>
<td>4.1</td>
</tr>
<tr>
<td>2016</td>
<td>6.3</td>
<td>4.0</td>
</tr>
<tr>
<td>2018E</td>
<td>6.9</td>
<td>4.4</td>
</tr>
</tbody>
</table>

Source: IHS & Group estimates

**Update Since May 2014**
- Unexpected industry decline with uncertain duration
- Intensified competitive pressures from non-major OEMs
- Currency devaluation pressures

**Implications for FCA**
- Profitable despite lower volumes due in Brazil
- Offsetting inflation with pricing actions
- No impact on Pernambuco strategy
- Opportunity to increase vehicle exports from Brazil

**Adjusted EBIT Margin**

- 2014: 3.3%
- 2015: -1.4%
- 2018 May ’14 Plan: > 10%
- 2018 Current Plan: > 7%

2018 Margin Target Lowered

- Maintain profitability through portfolio shift from Pernambuco products and pricing
- Brazil used as an export hub due to favorable currency
**APAC regional update**

**Update since May 2014**
- Slow down in demand for premium and imported vehicles in China
- More intense competition from Chinese local brands
- Significant weakening of AUD against USD

**Implications for FCA**
- Working to accelerate localization of Jeep production
- Re-cadence product launch plans for Alfa Romeo
- Increased pricing in Australia to maintain profitability

** Adjusted EBIT Margin**
- Localization of Jeep production provides key to competitive product offering in China
- Jeep volume target from local production remains at ~500k units in 2018
**Sales EMEA & EU28+EFTA**

- **EMEA**
- **EU28+EFTA**

<table>
<thead>
<tr>
<th>Year</th>
<th>EMEA</th>
<th>EU28+EFTA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>21.2</td>
<td>21.4</td>
</tr>
<tr>
<td>2015</td>
<td>22.0</td>
<td>16.1</td>
</tr>
<tr>
<td>2016E</td>
<td>22.9</td>
<td>16.1-16.6</td>
</tr>
<tr>
<td>2018E</td>
<td>25.0</td>
<td>16.7-17.2</td>
</tr>
</tbody>
</table>

**Adjust EBIT Margin**

- 2014: -0.2%
- 2015: 1.0%
- 2018 May '14 Plan: 2-3%
- 2018 Current Plan: >4%

**Update Since May 2014**

- EU industry recovery ahead of expectations
- Future emission standards tightened due to dieselgate
- Weaker Euro vs USD impacting imported product profits

**Implications for FCA**

- Margin improvement ahead of projections
- Higher industrial utilization with success of new products
- Strong performance of Jeep brand with launch of new vehicles

**2018 Margin Target Increased**

- Focus on cost control maintained
- Continued product mix improvement from Jeep and Fiat 500 family

Source: IHS & Group estimates
Maserati brand and Components update

**2018 Margin Target Confirmed**
- Volume growth driven by introduction of all-new Levante
  - China premium market assumed flat at FY’15 levels
  - Opportunity to strengthen dealer network through combination with Alfa Romeo

**2018 Margin Target Increased**
- Growth driven primarily by Magneti Marelli
- Leverage from higher volumes
- Mix shift to more profitable product lines, in particular lighting and engine controls

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### Maserati

**Adjusted EBIT Margin**

<table>
<thead>
<tr>
<th>Year</th>
<th>May ’14 Plan</th>
<th>Current Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>9.9%</td>
<td>~15%</td>
</tr>
<tr>
<td>2015</td>
<td>4.4%</td>
<td>~15%</td>
</tr>
</tbody>
</table>

### Components

**Adjusted EBIT Margin**

<table>
<thead>
<tr>
<th>Year</th>
<th>May ’14 Plan</th>
<th>Current Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>3.3%</td>
<td>4 - 5%</td>
</tr>
<tr>
<td>2015</td>
<td>4.0%</td>
<td>&gt;6%</td>
</tr>
<tr>
<td>2018</td>
<td>4 - 5%</td>
<td>&gt;6%</td>
</tr>
</tbody>
</table>
2018 volume target increased to ~2M units based on exceptional performance since 2009, with contribution from all vehicles and all regions

Sales (’000)

Sales Growth by Region (000s)

<table>
<thead>
<tr>
<th>Region</th>
<th>2009</th>
<th>2015</th>
<th>2018</th>
<th>%Δ 2009-15</th>
<th>%Δ 2015-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>NAFTA</td>
<td>277</td>
<td>967</td>
<td>~1,050</td>
<td>249%</td>
<td>~10%</td>
</tr>
<tr>
<td>EMEA</td>
<td>28</td>
<td>119</td>
<td>~250</td>
<td>325%</td>
<td>~110%</td>
</tr>
<tr>
<td>LATAM</td>
<td>19</td>
<td>46</td>
<td>~200</td>
<td>142%</td>
<td>~335%</td>
</tr>
<tr>
<td>APAC</td>
<td>14</td>
<td>106</td>
<td>~500</td>
<td>657%</td>
<td>~375%</td>
</tr>
</tbody>
</table>

Jeep: +266% (+24% CAGR)
UV industry: +172% (+18% CAGR)

2018 volume target increased to ~2M units based on exceptional performance since 2009, with contribution from all vehicles and all regions.

Sales Growth by Region (000s)

- NAFTA: 63K
- EMEA: 58K
- LATAM: 35K
- APAC: 2K

All New Discontinued Model

Localized production and new vehicle launches support future growth

Production:
- NAFTA: ~1,100k
- EMEA: ~200k
- LATAM: ~200k
- APAC: ~500k
Alfa Romeo update

- Commitment to overall brand and product strategy remains in place
- Primary focus on EMEA and NAFTA given import restrictions in China
- Launch cadence re-paced due to:
  - Uncertainties in China
  - Need to guarantee proper global distribution network execution
- R&D, manufacturing and product investment reduced through 2018
- Planned product line-up will now be completed by mid-2020

4C
4C Spider
Giulietta
Mito
Giulia (2016)
Mid-size UV (2016/17)
Full-size
UVs (2)
Specialty (2)
Hatchback

**NAFTA assembly plant loading update**

**US INDUSTRY SALES MIX***

<table>
<thead>
<tr>
<th>Year</th>
<th>Passenger Cars</th>
<th>MPVs</th>
<th>UVs</th>
<th>Truck/LCV</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>56%</td>
<td>29%</td>
<td>15%</td>
<td>7%</td>
</tr>
<tr>
<td>2015</td>
<td>46%</td>
<td>37%</td>
<td>17%</td>
<td>10%</td>
</tr>
</tbody>
</table>

*Excludes Medium+ Heavy Trucks + Buses

- Shift in US demand to UVs and trucks expected to be permanent
- Continuation of low gas prices expected - helping to support the shift
- Unmet demand for Wrangler, Ram pickups and Grand Cherokee, key high margin products
- Future “white-space” products planned - Jeep Grand Wagoneer and Jeep pickup truck

**Action Plan**

- Realign installed capacity to produce more pickups and Jeeps by end of 2017 to match shift in demand
- Accomplish within existing plant infrastructure – no new greenfield plants - with hourly headcount stable or higher
- Solidify partnering opportunities to maintain market presence in compact and mid-size sedan segments
- Regulatory compliance planned through new product technologies and architecture efficiency actions
Each region has a unique set of regulatory requirements

Prioritize vehicle efficiency improvements and powertrain technologies (1st application)

Apply battery / electric technologies, as needed for fleet compliance:

Plans in place to be compliant in all regions

Globally Optimized CO₂ Compliance Plan
US GHG compliance achieved by optimizing the mix of technologies and purchased credits
Next generation architectures become compliant with adaptation of advanced powertrain systems and reduced vehicle energy demand through:

- Significant weight reduction with extensive use of high strength steel and alternative materials
- Active aero systems to reduce drag
- Advanced electronic systems such as axle disconnect and electric steering systems
Europe diesel emissions compliance update

In light of recent sector issues related to vehicle emissions, FCA has taken the following actions:

- Extensively reviewed compliance requirements
- Conducted an audit of all current production software and emission calibrations
- Scheduled audits of external suppliers to validate their software development processes

The audit revealed all current production vehicle calibrations are compliant with applicable regulations and they operate in the same way on the road as they do in the laboratory under the same operating conditions.

To ensure on-going compliance, the following improvement actions are in place or in process:

- Formalized compliance training for all software and emission calibration engineers
- Established a “best practice” calibration and certification oversight group
- Instituted regular internal and supplier software and calibration audits
- Formalized a random, on-road emissions audit testing program
Key takeaways

- May 2014 Business Plan key initiatives remain intact
- Capital market transactions and the separation of Ferrari have strengthened the balance sheet and unlocked value
- Management has taken prompt and decisive action to changes in external factors to de-risk plan execution
- Original May 2014 Business Plan financial targets revised upwards despite spin-off of Ferrari
- Each of the remaining years of the Business Plan cash flow positive
FCA monitors its operations through the use of various supplemental financial measures that may not be comparable to other similarly titled measures of other companies. Accordingly, investors and analysts should exercise appropriate caution in comparing these supplemental financial measures to similarly titled financial measures reported by other companies. Group management believes these supplemental financial measures provide comparable measures of its financial performance which then facilitate management’s ability to identify operational trends, as well as make decisions regarding future spending, resource allocations and other operational decisions.

FCA’s supplemental financial measures are defined as follows:

- Adjusted Earnings Before Interest and Taxes ("Adjusted EBIT") is computed starting from EBIT and then adjusting to exclude gains and losses on the disposals of investments, restructuring, impairments, asset write-offs and other unusual items that are considered rare or discrete events that are infrequent in nature. These same items, on a tax effected basis, are factored into the calculation of Adjusted net profit and Adjusted basic EPS.

- Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA") is computed starting with EBIT and then adding back depreciation and amortization expense.

- Net Industrial Debt is computed as debt plus other financial liabilities related to Industrial Activities less (i) cash and cash equivalents, (ii) current securities, (iii) current financial receivables from Group or jointly controlled financial services entities and (iv) other financial assets. Therefore, debt, cash and other financial assets/liabilities pertaining to Financial Services entities are excluded from the computation of Net Industrial Debt.

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1 Refer to the presentation of FCA 2015 Full Year Results for a reconciliation of FCA’s supplemental financial measures to their most directly comparable IFRS measures.