# Interim Report
## for the period ended 30 September 2013

## Third Quarter 2013

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*In this document, the terms "Chrysler Group" or "Chrysler" are used to identify Chrysler Group LLC, together with its direct and indirect subsidiaries. The terms "Fiat", "Fiat Group" or "Group" are used to identify Fiat S.p.A., together with its direct and indirect subsidiaries, which from 1 June 2011 include Chrysler Group LLC and its direct and indirect subsidiaries.*

This document has been translated into English for the convenience of international readers.
The original Italian is the authoritative version.

Also available at www.fiatspa.com

**Fiat S.p.A.**
Registered Office: Via Nizza 250, Turin, ITALY
Share Capital: €4,477,374,964.84
Turin Companies Register/Tax Code: 00469580013

# BOARD OF DIRECTORS AND AUDITORS

## BOARD OF DIRECTORS

**Chairman**
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**Chief Executive Officer**
Sergio Marchionne

**Directors**
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Joyce Victoria Bigio [(1) (2)]
Tiberto Brandolini d'Adda
René Carron [(2) (3)]
Luca Cordero di Montezemolo
Gian Maria Gros-Pietro [(2) (3)]
Patience Wheatcroft [(1) (3)]

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Lionello Jona Celesia
Piero Locatelli

**Alternate Auditors**
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Fabrizio Mosca
Corrado Gatti

## INDEPENDENT AUDITORS

Reconta Ernst & Young S.p.A.

(1) Member of the Nominating, Corporate Governance and Sustainability Committee.

(2) Member of the Internal Control and Risk Committee.

(3) Member of the Compensation Committee.

# FIAT GROUP INTERIM REPORT

## INTRODUCTION

The Interim Report for the period ended 30 September 2013 has been prepared in accordance with Legislative Decree 58/1998, as amended, and the "Regolamento Emittenti" issued by *Commissione Nazionale per le Società e la Borsa* (Consob).

It also conforms with the requirements of the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and adopted by the European Union and has been prepared in accordance with IAS 34 – *Interim Financial Reporting*. The accounting principles applied are consistent with those used for preparation of the Consolidated Financial Statements at 31 December 2012, except as otherwise stated in "Accounting standards, amendments and interpretations adopted from 1 January 2013" in the Notes to the Interim Consolidated Financial Statements.

Following application of the amendment to IAS 19 (retrospectively) from 1 January 2013, figures previously reported in the statements of income and cash flows for the third quarter and nine months to September 2012 and the statement of financial position as of 31 December 2012 have been restated in accordance with the requirements of IAS 1 – *Presentation of Financial Statements*. Further information is provided in "Accounting standards, amendments and interpretations adopted from 1 January 2013" in the Notes to the Interim Consolidated Financial Statements.

This Report is unaudited.

# OPERATING PERFORMANCE

## HIGHLIGHTS

| 1.1-30.9 2013 | | 1.1-30.9 2012(*) | | | 3rd Quarter 2013 | | 3rd Quarter 2012(*) | |
|---|---|---|---|---|---|---|---|---|
| Fiat Group | Fiat excluding Chrysler | Fiat Group | Fiat excluding Chrysler | (€ million) | Fiat Group | Fiat excluding Chrysler | Fiat Group | Fiat excluding Chrysler |
| 62,815 | 26,377 | 62,182 | 26,415 | Net revenues | 20,733 | 8,416 | 20,437 | 8,490 |
| 2,463 | 177 | 2,654 | 229 | Trading profit/(loss) | 816 | 27 | 901 | 101 |
| 2,516 | 219 | 2,597 | 161 | EBIT | 856 | 64 | 830 | 57 |
| 5,862 | 1,914 | 5,702 | 1,748 | EBITDA(1) | 2,009 | 615 | 1,860 | 592 |
| 1,082 | (469) | 1,182 | (445) | Profit/(loss) before taxes | 367 | (176) | 366 | (132) |
| 655 | (729) | 672 | (808) | Profit/(loss) for the period | 189 | (247) | 171 | (284) |
| 44 | (766) | 37 | (830) | Profit/(loss) attributable to owners of the parent | (15) | (270) | (30) | (297) |
| 691 | (676) | 804 | (664) | Profit/(loss) excluding unusuals | 190 | (241) | 247 | (234) |
| | | | | (per share data in €) | | | | |
| 0.036 | - | 0.031 | - | Basic earnings per ordinary share(2) | (0.013) | - | (0.024) | - |
| 0.036 | - | 0.031 | - | Diluted earnings per ordinary share(2) | (0.013) | - | (0.024) | - |
| 0.072 | - | 0.143 | - | Basic earnings per ordinary share (excluding unusuals) | (0.009) | - | 0.030 | - |

(*) *Figures previously reported for the third quarter and nine months to September 2012 have been restated to reflect application of the amendment to IAS 19. For Q3, there was a reduction in net profit of €115 million (€3 million increase in net loss for Fiat excluding Chrysler), consisting of a €50 million increase in operating expense (€4 million for Fiat excluding Chrysler) and a €65 million increase in financial expense (€1 million decrease in financial expense for Fiat excluding Chrysler). For the nine months to September 2012, there was a reduction in net profit of €351 million (€8 million increase in net loss for Fiat excluding Chrysler), consisting of a €173 million increase in operating expense (€14 million for Fiat excluding Chrysler) and a €178 million increase in financial expense (€6 million decrease in financial expense for Fiat excluding Chrysler).*

(1) *EBIT plus depreciation and amortization.*

(2) *Note 12 to the Interim Consolidated Financial Statements provides additional information on the calculation of basic and diluted earnings per share.*

| | 30.9.2013 | | 31.12.2012(*) | |
|---|---|---|---|---|
| (€ million) | Fiat Group | Fiat excluding Chrysler | Fiat Group | Fiat excluding Chrysler |
| Net debt | 11,405 | 10,215 | 9,600 | 8,103 |
| *of which: Net industrial debt* | *8,307* | *7,117* | *6,545* | *5,048* |
| Available liquidity | 20,139 | 10,668 | 20,848 | 11,060 |
| Total equity | 9,229 | - | 8,639 | - |
| Equity attributable to owners of the parent | 6,217 | - | 6,187 | - |
| No. of employees at period end | 223,699 | - | 214,836 | - |

(*) *Figures for prior periods have been restated to reflect application of the amendment to IAS 19. Compared with the Consolidated Financial Statements at 31 December 2012, equity was reduced by €4,804 million, of which €2,872 million for equity attributable to owners of the parent and €1,932 million for non-controlling interests.*

**Disclaimer**

*This report, and in particular the section entitled "Outlook", contains forward-looking statements. These statements 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: volatility and deterioration of capital and financial markets, including further worsening of the Eurozone sovereign debt crisis, changes in commodity prices, changes in general economic conditions, economic growth and other changes in business conditions, weather, floods, earthquakes or other natural disasters, changes in government regulation (in each case, in Italy or abroad), production difficulties, including capacity and supply constraints and many other risks and uncertainties, most of which are outside of the Group's control. (See also chapter "Main risks and uncertainties to which Fiat S.p.A. and its subsidiaries are exposed" in Fiat's 2012 Annual Report).*

## GROUP RESULTS

### *Third Quarter*

| (€ million) | 3rd Quarter 2013 Fiat Group | 3rd Quarter 2013 Fiat excluding Chrysler | 3rd Quarter 2012(*) Fiat Group | 3rd Quarter 2012(*) Fiat excluding Chrysler |
|---|---|---|---|---|
| Net revenues | 20,733 | 8,416 | 20,437 | 8,490 |
| Cost of sales | 17,804 | 7,459 | 17,358 | 7,382 |
| Selling, general and administrative | 1,576 | 669 | 1,651 | 700 |
| Research and development | 555 | 268 | 467 | 261 |
| Other income/(expense) | 18 | 7 | (60) | (46) |
| **TRADING PROFIT/(LOSS)** | **816** | **27** | **901** | **101** |
| Result from investments | 41 | 43 | 5 | 6 |
| Gains/(losses) on disposal of investments | 6 | 6 | - | - |
| Restructuring costs | 14 | 15 | (4) | 1 |
| Other unusual income/(expense) | 7 | 3 | (80) | (49) |
| **EBIT** | **856** | **64** | **830** | **57** |
| Financial income/(expense) | (489) | (240) | (464) | (189) |
| **PROFIT/(LOSS) BEFORE TAXES** | **367** | **(176)** | **366** | **(132)** |
| Income taxes | 178 | 71 | 195 | 152 |
| **PROFIT/(LOSS)** | **189** | **(247)** | **171** | **(284)** |

*(*) Figures previously reported for Q3 2012 have been restated to reflect application of the amendment to IAS 19. The changes are as follows: a reduction in net profit of €115 million (€3 million increase in net loss for Fiat excluding Chrysler), consisting of a €50 million increase in operating expense (€4 million for Fiat excluding Chrysler) and a €65 million increase in financial expense (€1 million decrease in financial expense for Fiat excluding Chrysler).*

### *Nine Months to September*

| (€ million) | 1.1-30.9.2013 Fiat Group | 1.1-30.9.2013 Fiat excluding Chrysler | 1.1-30.9.2012(*) Fiat Group | 1.1-30.9.2012(*) Fiat excluding Chrysler |
|---|---|---|---|---|
| Net revenues | 62,815 | 26,377 | 62,182 | 26,415 |
| Cost of sales | 53,893 | 23,213 | 53,099 | 23,107 |
| Selling, general and administrative | 4,832 | 2,137 | 4,981 | 2,259 |
| Research and development | 1,611 | 851 | 1,378 | 784 |
| Other income/(expense) | (16) | 1 | (70) | (36) |
| **TRADING PROFIT/(LOSS)** | **2,463** | **177** | **2,654** | **229** |
| Result from investments | 89 | 95 | 75 | 76 |
| Gains/(losses) on disposals of investments | 8 | 8 | (91) | (91) |
| Restructuring costs | 9 | 18 | (39) | 4 |
| Other unusual income/(expense) | (35) | (43) | (80) | (49) |
| **EBIT** | **2,516** | **219** | **2,597** | **161** |
| Financial income/(expense) | (1,434) | (688) | (1,415) | (606) |
| **PROFIT/(LOSS) BEFORE TAXES** | **1,082** | **(469)** | **1,182** | **(445)** |
| Income taxes | 427 | 260 | 510 | 363 |
| **PROFIT/(LOSS)** | **655** | **(729)** | **672** | **(808)** |

*(*) Figures previously reported for the nine months to September 2012 have been restated to reflect application of the amendment to IAS 19. The changes are as follows: a reduction in net profit of €351 million (€8 million increase in net loss for Fiat excluding Chrysler), consisting of a €173 million increase in operating expense (€14 million for Fiat excluding Chrysler) and a €178 million increase in financial expense (€6 million decrease in financial expense for Fiat excluding Chrysler).*

**Third Quarter**

Group **revenues** were €20.7 billion for the third quarter of 2013, representing a 1.4% increase over the prior year or 8% at constant exchange rates (CER). NAFTA revenues were up 2% to €11 billion (CER +8%). LATAM reported revenues of €2.4 billion, down 17% in nominal terms but only 3% at constant exchange rates, against a peak in Q3 2012 attributable to sales tax incentives in Brazil. APAC was up 45% to €1.2 billion, driven by strong volume performance. For EMEA, revenues were up 1% to €3.9 billion (CER +3%) on the back of 4% volume growth, representing the first quarterly increase since Q1 2010. For Luxury brands, revenues were up 38% to over €0.9 billion, with Maserati contributing €0.4 billion. For Components, revenues were down 4% to €1.9 billion.

**Trading profit** totaled €816 million for the quarter (€901 million for Q3 2012, IAS 19 restated). NAFTA reported a trading profit of €535 million (€614 million for Q3 2012, IAS 19 restated), with positive volume and pricing more than offset by higher industrial costs, in addition to negative currency translation impacts (~€30 million). LATAM posted a trading profit of €165 million (€341 million for Q3 2012), primarily due to lower volumes, a less favorable production mix, net input cost inflation and negative currency translation impacts (~€30 million). APAC posted a trading profit of €96 million, up 32% over Q3 2012 (CER +43%), driven by strong volumes, partially offset by an increase in industrial and SG&A expenses to support the growth in the region. EMEA reduced the trading loss by €73 million or 31% to €165 million on the back of a more favorable product mix, moderate volume growth and cost containment actions. Luxury brands contributed €131 million, an increase of 47% with Ferrari up 16% and Maserati more than triple the prior year's level. For Components, trading profit was in line with the prior year at €38 million.

**EBIT** totaled €856 million for the quarter (€830 million for Q3 2012, IAS 19 restated), with the decrease in trading profit more than offset by lower net unusual expenses and an improved result from investments. NAFTA was down 13% to €536 million and APAC up 30% to €96 million. LATAM was €169 million, compared with €310 million in Q3 2012, which included €31 million in unusual charges. EMEA reduced losses by €100 million to €119 million (Q3 2012 included €24 million in unusual charges). EBIT for Luxury brands totaled €131 million (€89 million for Q3 2012) and for Components €37 million (in line with Q3 2012).

**Net financial expense** totaled €489 million (€464 million in Q3 2012, IAS 19 restated). Net of the positive contribution from the marking-to-market of the Fiat stock option-related equity swaps (€24 million gain in Q3 2013 versus a €1 million gain in Q3 2012), there was a €48 million increase over the prior year mainly attributable to a higher average debt level and exchange rate impacts.

**Profit before taxes** was €367 million (€366 million in Q3 2012, IAS 19 restated). The €85 million decrease in trading profit and a €25 million increase in net financial charges were offset by a €75 million decrease in net unusual charges and €36 million improvement in the result from investments.

**Income taxes** totaled €178 million. Excluding Chrysler, income taxes were €71 million and related primarily to taxable income of companies operating outside Italy and employment-related taxes in Italy.

**Net profit** was €189 million for the quarter (€171 million for Q3 2012, IAS 19 restated). There was a loss of €15 million attributable to owners of the parent (compared with a €30 million loss for Q3 2012). For Fiat excluding Chrysler, the net loss reduced by €37 million to €247 million.

**Net industrial debt** at 30 September 2013 was €8.3 billion, increased from €6.7 billion at June-end. For Fiat excluding Chrysler, net industrial debt was €7.1 billion, a €1.7 billion increase over June-end, reflecting seasonal cash absorption, in line with Q3 2012, and equity investments during the quarter. Cash used in operating activities, driven by the seasonal Q3 working capital swing, represented a €0.1 billion improvement over the prior year, offset by the increase in capital expenditure to €1 billion for the quarter. Chrysler reduced net industrial debt by €0.1 billion to €1.2 billion, with cash from operating activities covering capital expenditure. Although the cash generation for Chrysler was consistent with Q3 2012, it was negatively impacted by the shipment hold of the new Jeep Cherokee at quarter-end, which drove the working capital absorption of €0.4 billion, partially offsetting a €1.3 billion positive contribution from operating activities before working capital (+€0.4 billion over the prior year). Capex for Chrysler totaled €0.8 billion during the quarter.

**Total available liquidity**, inclusive of €3.1 billion in undrawn committed credit lines, was €20.1 billion, a €0.8 billion decrease over June-end, reflecting the €0.4 billion negative cash flow from operations, net of capex and new financing, and €0.4 billion in negative currency translation effects. For Fiat excluding Chrysler, total available liquidity was €10.7 billion (€10.9 billion at June-end) and for Chrysler the total was €9.5 billion, a reduction of €0.6 billion from June-end attributable to the impact of currency translation and the payment of debt maturities in the quarter. In July, Fiat issued a 6-year €850 million bond under the GMTN program, subsequently re-opened and increased by a further €400 million in September, in addition to increasing to €2.1 billion and successfully syndicating its revolving credit facility.

**Nine Months to September**

Group **revenues** were €62.8 billion for the period, up 1% in nominal terms, but 5% higher at constant exchange rates. On a regional basis, revenues in NAFTA were €32.5 billion, up 1% in nominal terms (CER +4%). LATAM reported revenues of €7.8 billion, a 5% decrease year-over-year (CER +5%). APAC increased 43% to €3.3 billion. In EMEA, revenues totaled approximately €13 billion, a 2% decrease mainly reflecting volume declines in Europe during the first half. Luxury brands increased revenues by 18% to €2.5 billion, driven by Maserati. For Components, revenues totaled €5.9 billion, down 1% over the prior year in nominal terms (CER +3%).

**Trading profit** totaled €2,463 million for the nine months to September 2013, a €191 million decrease over the same period in 2012 (IAS 19 restated), which included ~€140 million in negative currency translation impacts. NAFTA reported a trading profit of €1,600 million, a €288 million decrease over 2012 (IAS 19 restated) driven primarily by higher industrial costs related to product launches, in addition to negative currency translation impacts. LATAM posted a trading profit of €575 million, down €239 million; net of currency translation effects (approximately -€70 million), the decrease was mainly attributable to an unfavorable production mix and net input cost inflation. APAC increased 38% to €295 million. In EMEA, losses were reduced by €163 million or 28% to €420 million due to continued cost discipline and some improvement in product mix. For Luxury brands, trading profit increased by 18% to €312 million and Components were up €12 million to €131 million.

**EBIT** was €2,516 million (€2,597 million for the nine months to September 2012, IAS 19 restated). For mass-market brands by region, NAFTA reported EBIT of €1,669 million, a 14% decrease over 2012 (IAS 19 restated) mainly reflecting lower trading profit and higher positive net unusual items. LATAM posted EBIT of €520 million (€783 million in 2012), reflecting the trading profit performance and net unusual charges related to devaluation of the Venezuelan bolivar relative to the U.S. dollar. APAC increased by 23% to €270 million. During the period, EMEA reduced losses by €269 million to €304 million (including €1 million in unusual charges, compared with €114 million in unusual charges in 2012 relating mainly to the write-down of the investment in the SevelNord JV). EBIT for Luxury brands totaled €312 million (€264 million for the nine months to September 2012) and for Components €132 million (€118 million for 2012).

**Net financial expense** totaled €1,434 million, an increase of €19 million over the same period in 2012. Excluding the marking-to-market of the Fiat stock option-related equity swaps (gains of €60 million for the nine months to September 2013 and €30 million for the same period 2012), net financial expense increased by €49 million, mainly due to a higher average debt level.

**Profit before taxes** was €1,082 million (€1,182 million for the nine months to September 2012, IAS 19 restated). The €100 million decrease reflected the €81 million decrease in EBIT and higher net financial expense.

**Income taxes** totaled €427 million. Excluding Chrysler, income taxes were €260 million and related primarily to the taxable income of companies operating outside Italy and employment-related taxes in Italy.

**Net profit** was €655 million for the nine months to September 2013 (€672 million for the same period of 2012, IAS 19 restated), of which €44 million was attributable to owners of the parent (compared with €37 million for 2012). For Fiat excluding Chrysler, the net loss was reduced by €79 million over 2012 to €729 million.

**Net industrial debt** at 30 September 2013 was €8.3 billion, compared with €6.5 billion at year-end 2012. Absorption for Fiat ex-Chrysler was €2.1 billion, €0.9 billion better than last year. Net industrial debt for Chrysler decreased by €0.3 billion, less than the prior year reduction as a result of negative working capital performance mainly connected to the new Jeep Cherokee shipment hold at the end of Q3. Total capital expenditure for the Group was €5.3 billion (in line with 2012), of which €2.6 billion related to Fiat excluding Chrysler (€2.1 billion for the nine months to September 2012).

## *Results by Segment*

### *3rd Quarter*

| Net revenues | | | | EBIT(*) | | |
|---|---|---|---|---|---|---|
| *2013* | *2012* | *Change* | *(€ million)* | *2013* | *2012(*)* | *Change* |
| 10,965 | 10,759 | 206 | **NAFTA** (mass-market brands) | 536 | 618 | -82 |
| 2,446 | 2,955 | -509 | **LATAM** (mass-market brands) | 169 | 310 | -141 |
| 1,205 | 830 | 375 | **APAC** (mass-market brands) | 96 | 74 | 22 |
| 3,860 | 3,820 | 40 | **EMEA** (mass-market brands) | (119) | (219) | 100 |
| 922 | 667 | 255 | **Luxury Brands** (Ferrari, Maserati) | 131 | 89 | 42 |
| 1,877 | 1,951 | -74 | **Components** (Magneti Marelli, Teksid, Comau) | 37 | 36 | 1 |
| 216 | 232 | -16 | **Other** | (23) | (61) | 38 |
| (758) | (777) | 19 | **Eliminations and adjustments** | 29 | (17) | 46 |
| **20,733** | **20,437** | **296** | **Total** | **856** | **830** | **26** |

*(*) Figures previously reported for Q3 2012 have been restated to reflect application of the amendment to IAS 19. EBIT was reduced €46 million for NAFTA, €2 million for Components and €2 million for Eliminations and Adjustments.*

### *Nine Months to September*

| Net revenues | | | | EBIT(*) | | |
|---|---|---|---|---|---|---|
| *2013* | *2012* | *Change* | *(€ million)* | *2013* | *2012(*)* | *Change* |
| 32,474 | 32,113 | 361 | **NAFTA** (mass-market brands) | 1,669 | 1,930 | -261 |
| 7,753 | 8,166 | -413 | **LATAM** (mass-market brands) | 520 | 783 | -263 |
| 3,290 | 2,307 | 983 | **APAC** (mass-market brands) | 270 | 219 | 51 |
| 12,990 | 13,248 | -258 | **EMEA** (mass-market brands) | (304) | (573) | 269 |
| 2,491 | 2,105 | 386 | **Luxury Brands** (Ferrari, Maserati) | 312 | 264 | 48 |
| 5,932 | 5,988 | -56 | **Components** (Magneti Marelli, Teksid, Comau) | 132 | 118 | 14 |
| 685 | 712 | -27 | **Other** | (101) | (109) | 8 |
| (2,800) | (2,457) | -343 | **Eliminations and adjustments** | 18 | (35) | 53 |
| **62,815** | **62,182** | **633** | **Total** | **2,516** | **2,597** | **-81** |

*(*) Figures previously reported for the nine months to September 2012 have been restated to reflect application of the amendment to IAS 19. EBIT was reduced €159 million for NAFTA, €3 million for Components and €11 million for Eliminations and Adjustments.*

## Mass-market brands

### *NAFTA*

*3rd Quarter*

| *(€ million)* | *3rd Quarter 2013* | *3rd Quarter 2012* | *Change* |
|---|---|---|---|
| Net revenues | 10,965 | 10,759 | 206 |
| Trading profit(*) | 535 | 614 | -79 |
| EBIT(*) | 536 | 618 | -82 |
| Shipments (000s) | 505 | 504 | 1 |

(*) *Figures for Q3 2012 have been restated to reflect application of the amendment to IAS 19. Compared to figures previously reported, trading profit and EBIT were reduced by €46 million.*

Vehicle shipments in NAFTA totaled 505,000 units for Q3 2013, flat with Q3 2012. In the U.S., vehicle shipments were 426,000 (flat with Q3 2012), in Canada 58,000 (up 11%) and 21,000 for Mexico and other. The quarter benefited from strong shipments and sales of the Ram 1500 pickup truck.

Vehicle sales[1] in NAFTA totaled 536,000 for the quarter, an increase of 6% over Q3 2012. Sales increased 8% in the U.S. to 449,000 and 6% in Canada to 68,000. In the U.S., the Group has posted 42 consecutive months of year-over-year sales gains and the best third quarter sales since 2007. In Canada, September represented the Group's 46th consecutive month of year-over-year sales growth.

The **U.S. vehicle market** finished Q3 2013 up 9% year-over-year to 4.0 million vehicles. The Group's overall market share was down 0.1 p.p. versus the prior year to 11.2%. Jeep vehicle sales totaled 126,000 for the quarter, up 2% year-over-year, with increases for all currently produced vehicles, including the Jeep Grand Cherokee (+30%), Jeep Compass (+31%), Jeep Patriot (+27%) and the Jeep Wrangler (+12%). Dodge, the Group's number one selling brand in the region, posted sales of 144,000 vehicles, up 10% from the prior year mainly driven by the new Dart (+131%), the Durango (+90%), the Challenger (+24%), and the Charger (+21%). The Ram truck brand posted an increase of 23% to 94,000 vehicles, its best third quarter sales since 2007, with sales increases for both light-duty and heavy-duty pickups, which were up 25% and 18%, respectively. Chrysler brand sales totaled 74,000 vehicles during Q3 2013, flat versus the same period last year.

The **Canadian vehicle market** increased 6% year-over-year to 476,000 vehicles. The Group's total market share remained steady at 14.3%, mainly driven by strong performances of the Ram light-duty pickup, Dodge Dart and Chrysler Town & Country.

Fiat brand sales in the U.S. and Canada were down 5% year-over-year to 13,500 vehicles for the quarter. The new 500L launched in May is gaining momentum, with almost 4,000 vehicles sold during the third quarter.

NAFTA **revenues** were up 2% over the prior year to €11.0 billion, +8% at constant exchange rates.

**Trading profit** for Q3 2013 was down 13% over the prior year to €535 million (€614 million for Q3 2012, IAS 19 restated), with positive volume and pricing impacts being more than offset by higher industrial costs, including those associated with the delay in commencement of shipments of the new Jeep Cherokee to the fourth quarter, and the cost of content enhancements for new models, in addition to negative currency translation impacts. **EBIT** was €536 million, reflecting the trading profit performance for the period.

The Group received various awards and recognitions, including winning 15 of 24 awards issued by the Texas Auto Writers Association, including the Truck of Texas (Ram 1500 pickup), SUV of Texas (Jeep Grand Cherokee), Commercial Vehicle of Texas (Ram ProMaster), and Truck Line of Texas (Ram Trucks). In addition, J.D. Power and Associates named the Ram Truck Brand its highest ranking non-premium brand and the 2013 Fiat 500 the highest

[1] *"Sales" represents sales to end customers as reported by the Chrysler dealer network.*

ranking city car in its APEAL Study, while the 2013 Dodge Dart was named a Top Safety Pick+ by the Insurance Institute for Highway Safety.

*Nine Months to September*

| *(€ million)* | *1.1-30.9.2013* | *1.1-30.9.2012* | *Change* |
|---|---|---|---|
| Net revenues | 32,474 | 32,113 | 361 |
| Trading profit(*) | 1,600 | 1,888 | -288 |
| EBIT(*) | 1,669 | 1,930 | -261 |
| Shipments (000s) | 1,587 | 1,572 | 15 |

*(*) Figures for the nine months to September 2012 have been restated to reflect application of the amendment to IAS 19. Compared with figures previously reported, trading profit and EBIT were reduced by €159 million.*

Vehicle shipments in NAFTA totaled 1,587,000 units for September YTD 2013, representing a 1% increase over the same period in 2012. In the U.S., vehicle shipments were 1,314,000 (up 2% over September YTD 2012), in Canada 208,000 (up 3%). Shipments for Mexico and other were 65,000.

Vehicle sales in NAFTA totaled 1,626,000 for the period, an increase of 8% over September YTD 2012. Sales increased 9% in the U.S. to 1,357,000. In Canada, sales increased 7% to 207,000 vehicles, and vehicle sales in Mexico were 62,000.

The **U.S. vehicle market** for September YTD 2013 was up 8% year-over-year to 12 million vehicles. Overall market share was 11.3% for the nine months, compared to 11.2% for the same period in 2012. Jeep vehicle sales totaled 355,000 for the period, down 3% year-over-year, primarily due to lack of production of a Jeep D- SUV during the model changeover from the Jeep Liberty to its successor the new Jeep Cherokee. Dodge posted an 18% increase in sales to 462,000 vehicles, with the new Dart contributing for the full period compared with only a partial contribution in 2012. The Ram brand posted a sales increase of 23% to 269,000 vehicles. Chrysler brand sales totaled 238,000 vehicles for the nine months to September, down 2% compared with the prior year.

The **Canadian vehicle market** grew 3% year-over-year to 1.4 million vehicles. Total market share was 15.1% for the nine months to September, up 0.5 p.p. from the same period in 2012.

Fiat 500 sales in the U.S. and Canada totaled approximately 39,500 cars for the nine months to September, substantially in line with the same period of 2012.

The NAFTA region reported **revenues** of €32.5 billion for the nine months to September 2013, up 1% (CER +4%) over the same period last year primarily due to slightly higher volumes.

**Trading profit** for September YTD 2013 was €1,600 million, a €288 million decrease over 2012 (IAS 19 restated), driven primarily by higher industrial costs related to product launches and vehicle content enhancements, in addition to negative currency translation impacts. **EBIT** was €1,669 million, a 14% decrease over 2012 (IAS 19 restated) reflecting lower trading profit and higher positive net unusual items. In 2013, there was an unusual gain of €166 million with a corresponding net reduction to the pension obligation following the amendments of Chrysler's U.S. and Canadian salaried defined benefit pension plans. The U.S. plans were amended in order to comply with IRS regulations, consequently the accrual of future benefits will cease effective December 31, 2013, and Chrysler decided to enhance the retirement factors. The Canada amendment also ceases the accrual of future benefits effective December 31, 2014, and enhances the retirement factors. Unusual charges also included charge related to the June 2013 voluntary safety recall for the 1993-1998 Jeep Grand Cherokee and the 2002-2007 Jeep Liberty, as well as the customer satisfaction action for the 1999-2004 Jeep Grand Cherokee.

## *LATAM*

*3rd Quarter*

| *(€ million)* | *3rd Quarter 2013* | *3rd Quarter 2012* | *Change* |
|---|---|---|---|
| Net revenues | 2,446 | 2,955 | -509 |
| Trading profit | 165 | 341 | -176 |
| EBIT | 169 | 310 | -141 |
| Shipments (000s) | 235 | 271 | -36 |

In Q3 2013, Group shipments in LATAM decreased 13% year-over-year to a total of 235,000 vehicles.

The passenger car and LCV market in **Brazil** was down 10% over the prior year to 932,000 units. The overall Latam market was down 3% to 1,547,000 units.

The Group confirmed its leadership in the Brazilian market, with an overall share of 21.3%, 3.0 p.p. lower than Q3 2012 when an exceptional performance was driven by the Group's flexibility in responding to the sharp increase in demand following the government's introduction of incentives, but still 3.0 p.p. ahead of the nearest competitor. Group products continued to perform well, taking a combined 24% share of the A/B segment, driven by the continued success of the new Palio and Uno. In addition, the Siena and Grand Siena posted a combined 5% year-over-year increase in sales and the Strada was up 3% over the prior year, closing the quarter with a 51% segment share.

The Group shipped 191,000 passenger cars and LCVs in Brazil, representing a 22% decrease, compared with the peak in Q3 2012 which benefited from higher sales tax incentives. During the quarter, Fiat brand launched special versions of the Uno and Palio, both the best-selling vehicles in their respective segments: the Novo Uno and Palio Fire special Italia series, and the 500 with the new MultiAir engine and FlexFuel technology.

In **Argentina**, where the market was up 19% over Q3 2012 to 245,000 units, Group sales totaled approximately 30,000 units with share up 3.1 p.p. to 12.4%. In the A/B segment, share was 14.7%, with the Palio recording significant year-over-year growth (+26% vs. Q3 2012). Group shipments in Argentina totaled 30,000 vehicles, a 69% increase over the same period in 2012 facilitated by improved customs clearance for vehicle imports.

For other LATAM countries, shipments totaled approximately 15,000 units, an increase of 37% compared with Q3 2012 mainly attributable to the Fiat brand.

LATAM reported **revenues** of €2.4 billion, a decrease of 17% (CER -3%) against a peak in Q3 2012.

**Trading profit** was €165 million for the quarter (€341 million for Q3 2012), nearly half the prior year's level attributable primarily to lower volumes, a less favorable production mix, net input cost inflation and ~€30 million in negative currency translation impacts.

**EBIT** was €169 million, compared with €310 million in Q3 2012, which included €31 million in unusual charges.

*Nine Months to September*

| *(€ million)* | *1.1-30.9.2013* | *1.1-30.9.2012* | *Change* |
|---|---|---|---|
| Net revenues | 7,753 | 8,166 | -413 |
| Trading profit | 575 | 814 | -239 |
| EBIT | 520 | 783 | -263 |
| Shipments (000s) | 723 | 712 | 11 |

For the nine months to September, shipments in the region totaled 723,000 units, 2% higher than the same period in 2012.

In **Brazil**, the passenger car and LCV market was down 1% over the same nine month period in 2012 to 2,642,000 units: the Group's market share was 22.1%. Fiat models held a combined 26.1% share of the A and B segments and 51.1% of the light pickup segment.

The Group shipped a total of 596,000 passenger cars and LCVs in Brazil during the nine months, representing a 3% decline over the same period in 2012, when the Brazilian market performed stronger on the back of newly introduced government incentives for the automotive sector.

In **Argentina,** where the market was up 12% to 726,000 units, the Group sold approximately 90,000 units. Share for the period was up 1.6 percentage points over the prior year to 12.5%. Shipments increased by 40% to 88,000 vehicles.

In other LATAM countries, approximately 39,000 units were shipped, an increase of 10% over 2012.

**Revenues** totaled €7.8 billion, a 5% decrease in nominal terms, but up 5% at constant exchange rates mainly reflecting the volume trend.

**Trading profit** for the period was €575 million, down €239 million (-29%). Net of currency translation effects (approximately -€70 million), the decrease was mainly attributable to an unfavorable production mix and net input cost inflation.

**EBIT** was €520 million (€783 million in 2012), reflecting the trading profit performance and net unusual charges of €55 million of which €43 million related to the February 2013 devaluation of the Venezuelan bolivar (VEF) relative to the U.S. dollar and transactions that settled subsequent to the February 2013 devaluation of the VEF at the 4.3 versus 6.3 rate.

***APAC***

*3rd Quarter*

| *(€ million)* | *3rd Quarter 2013* | *3rd Quarter 2012* | *Change* |
|---|---|---|---|
| Net revenues | 1,205 | 830 | 375 |
| Trading profit | 96 | 73 | 23 |
| EBIT | 96 | 74 | 22 |
| Shipments (000s) | 45 | 26 | 19 |

Vehicle shipments in APAC (excluding JVs) totaled approximately 45,000 units in Q3 2013, up 73% from a year ago.

Regional demand[2] rose year-over-year led by growth in China, Australia, Japan and South Korea, while India was down over the prior year.

Group retail sales, including JVs, totaled 53,000 units for the quarter, up 92% over the prior year compared with a 7% growth for the industry, driven by strong performance in China and Australia. By brand, Jeep sales, which account for almost half of total Group sales in the region, were up 32% over the prior year. Sales growth for Fiat brand (+12,000 units over the prior year) was driven by the Chinese-produced Fiat Viaggio launched one year ago. Dodge brand sales were up significantly due to the re-launch of the Dodge Journey in China earlier in the year, currently the Group's third best-selling vehicle in the region.

APAC **revenues** totaled €1,205 million, up 45% over Q3 2012.

**Trading profit** totaled €96 million, up €23 million from Q3 2012 primarily driven by volume growth, partially offset by increased industrial and SG&A expenses to support regional growth, as well as unfavorable currency impact.

**EBIT** was €96 million up 30% compared to €74 million in Q3 2012.

In the third quarter, the Group successfully launched the all new Fiat Linea Classic and Fiat Punto Sport in India, two newly refreshed models since the Group took complete control of sales and distribution operations in Q2 (previously transitioning from joint-venture with Tata). Third-quarter group sales in India were up 34% over the prior year despite a contraction for the overall industry. The Fiat dealer network continues to expand across the country targeting 100 independent points of sale by early 2014.

*Nine Months to September*

| *(€ million)* | *1.1-30.9.2013* | *1.1-30.9.2012* | *Change* |
|---|---|---|---|
| Net revenues | 3,290 | 2,307 | 983 |
| Trading profit | 295 | 214 | 81 |
| EBIT | 270 | 219 | 51 |
| Shipments (000s) | 115 | 77 | 38 |

Vehicle shipments in the region totaled approximately 115,000 units for September year-to-date, up 49% over the same period in 2012.

Group retail sales, including JVs, totaled 137,500 units for the period, increasing 71% over the prior year – compared with 7% for the industry – driven by a strong performance in China and Australia.

APAC **revenues** were €3,290 million, up more than 40% compared to the same period in 2012.

**Trading profit** reached €295 million for the nine months to September, up 38% versus prior year (€214 million), driven by volume growth, partially offset by higher industrial and SG&A expenses in line with regional development, in addition to unfavorable currency effect.

**EBIT** was €270 million for the nine months to September, inclusive of the Chinese joint venture's industrial costs to support new products.

[2] *Reflects the aggregate of key markets where the Group competes (i.e. China, India, Australia, Japan, South Korea).*

***EMEA***

*3rd Quarter*

| (€ million) | 3rd Quarter 2013 | 3rd Quarter 2012 | Change |
|---|---|---|---|
| Net revenues | 3,860 | 3,820 | 40 |
| Trading profit/(loss) | (165) | (238) | 73 |
| EBIT | (119) | (219) | 100 |
| Shipments (000s) | 211 | 203 | 8 |

Passenger car and LCV shipments in EMEA totaled 211,000 units for the third quarter, an increase of approximately 8,000 units (+4%) over Q3 2012.

Passenger car shipments were up 6% to 168,000 units and LCV remained substantially unchanged at 43,000 units.

In **Europe** (EU27+EFTA), the **passenger car market** increased 3% to 2.9 million vehicles. The positive trend continued in the U.K., with demand up 12% year-over-year, and Spain posted a 7% increase, reflecting the positive impact of local incentive schemes. The negative trend continued in Italy, however, with demand down 3% over the prior year. Germany and France registered modest declines of 1% each. For the rest of Europe, demand was up 3% overall.

Group brands accounted for a combined 5.6% share of the European market, a decrease of 0.3 p.p. over Q3 2012, reflecting market conditions in Italy. Excluding Italy, Group share was unchanged over the prior year at 3.3%. The Fiat 500 was once again the best-selling model in the A segment, with a 14.0% share, followed by the Fiat Panda. The 500L further consolidated the successful performance of the 500 family in Europe, ranking as the best-selling Small MPV for the quarter with 17,500 units sold and an 18.8% segment share.

In Italy, market share was down 1.5 p.p. over Q3 2012 to 28.6% reflecting the Group's decision not to engage in value destructive price competition. Share was higher in Spain (+0.8 p.p. to 3.9%), France (+0.3 p.p. to 3.3%) and the U.K. (+0.1 p.p. to 3.4%). By contrast, share in Germany was down 0.2 p.p. to 2.6%.

The **European light commercial vehicle market** (EU27+EFTA) was substantially flat year-over-year at 363,000 units, once again reflecting negative performance in Italy (-8%).

Fiat Professional closed the quarter with European share[3] down slightly to 10.6% (-0.3 p.p.). In Italy, however, share was up 1.1 p.p. over the prior year to 42%. Excluding Italy, Fiat Professional's European market share contracted to 8.7% from 8.9% in Q3 2012.

EMEA closed the quarter with **revenues** of €3,860 million, slightly better than Q3 2012. The trading performance improved by €73 million, with a **trading loss** of €165 million for the quarter. The positive impact of moderate volume growth and better mix (primarily due to the success of the 500L), together with the benefits of cost containment actions, more than compensated for the impacts of continued negative pricing. **EBIT** of negative €119 million represented a €100 million improvement over the prior year attributable to the reduction in trading losses and lower unusual expense. The result from investments contributed €40 million (€43 million in Q3 2012).

During the third quarter, Fiat presented the new 500L Living and Trekking to the international media and launched the "Natural Power" versions of the 500L and 500L Living. At the Frankfurt Motor Show in September, Fiat presented the limited edition Panda 4x4 Antarctica to mark the Panda 4x4's 30th anniversary.

In July, the Alfa Romeo 4C made its appearance at the Goodwood "Festival of Speed" and in September the international media was invited to a test drive at the Group's Balocco Proving Ground. Alfa Romeo was also present at the Frankfurt Motor Show where it unveiled the new 2014 model year Giulietta with updated styling, engine options and infotainment features.

[3] *Due to unavailability of market data for Italy since January 2011, the figures reported are an extrapolation and marginal discrepancies with actual data may exist.*

Lancia chose the Frankfurt Motor Show as the venue for the premiers of the Voyager S and 2014 model year Delta, both of which will be available in major markets across Europe from January 2014. The brand also presented the Elefantino and “S MOMODESIGN” special series versions of the Ypsilon.

*Nine Months to September*

| *(€ million)* | *1.1-30.9.2013* | *1.1-30.9.2012* | *Change* |
|---|---|---|---|
| Net revenues | 12,990 | 13,248 | -258 |
| Trading profit/(loss) | (420) | (583) | 163 |
| EBIT | (304) | (573) | 269 |
| Shipments (000s) | 743 | 764 | -21 |

For the nine month period to September, the Group shipped a total of 743,000 passenger cars and LCVs in EMEA, a decrease of approximately 21,000 units (-3%) over the same period in 2012.

Passenger car shipments totaled 596,000 units (-3%), with significant decreases in Italy and Germany. LCV shipments totaled 147,000 units, in line with the nine months to September 2012.

For the nine months to September, the **European passenger car market** was down 4% to 9.3 million vehicles, mainly reflecting lower demand in Italy (-8%), France (-9%) and Germany (-6%).

Group brands recorded a combined 6.1% share of the European market for the period, a 0.3 p.p. year-over-year decline. In Italy, market share was down 0.7 p.p. to 29.0%.

The **European light commercial vehicle market** registered a 4% decrease in demand over the comparable nine month period in 2012 on the back of significant contractions in Italy (-19%), France (-8%) and Germany (-5%).

Fiat Professional’s European market share was in line with the prior year at 12.0%, however, share was significantly higher in each of the 5 major markets: Italy was up 0.4 p.p. to 43.1%, France +0.3 p.p. to 9.7%, Germany +0.3 p.p. to 13.1%, the U.K. +1.1 p.p. to 4.8% and Spain +1.3 p.p. to 9.5%.

EMEA closed the nine months to September with **revenues** of approximately €13 billion, down 2% over the same period in 2012, mainly reflecting the volume declines.

There was a €420 million **trading loss** for the period, which represented a €163 million improvement over the €583 million loss for the corresponding period in 2012. **EBIT** was negative at €304 million, compared with a negative €573 million for the nine months to September 2012 (including unusual charges of €91 million related to the write-down of the investment in the SevelNord joint venture). The result from investments was €117 million (€124 million for the same period in 2012).

## Luxury brands

| 1.1-30.9 2013 | 1.1-30.9 2012(*) | Change | (€ million) | 3rd Quarter 2013 | 3rd Quarter 2012(*) | Change |
|---|---|---|---|---|---|---|
| | | | **Ferrari** | | | |
| 1,711 | 1,604 | 107 | Net revenues | 534 | 505 | 29 |
| 264 | 220 | 44 | Trading profit | 88 | 76 | 12 |
| 264 | 220 | 44 | EBIT | 88 | 76 | 12 |
| | | | **Maserati** | | | |
| 883 | 559 | 324 | Net revenues | 444 | 184 | 260 |
| 48 | 44 | 4 | Trading profit | 43 | 13 | 30 |
| 48 | 44 | 4 | EBIT | 43 | 13 | 30 |
| | | | **LUXURY BRANDS** | | | |
| 2,491 | 2,105 | 386 | Net revenues(**) | 922 | 667 | 255 |
| 312 | 264 | 48 | Trading profit | 131 | 89 | 42 |
| 312 | 264 | 48 | EBIT | 131 | 89 | 42 |

(*) *Ferrari and Maserati stand-alone have been restated to reflect the allocation to Maserati of its activities in China conducted, from a legal entity standpoint, through the local Ferrari subsidiary.*

(**) *Net of eliminations.*

***Ferrari***

During the **third quarter**, Ferrari shipped 1,497 street cars to the network, representing a 7% reduction over Q3 2012 following the strategic decision announced earlier in the year to maintain 2013 production below the prior year's level to preserve the brand's exclusivity. Sales of 12-cylinder models were up 72%, driven primarily by the F12 Berlinetta that was released less than a year ago. Volumes for 8-cylinder models were down 21%. In the U.S., a total of 522 street cars were shipped, with year-over-year growth being capped at 4%, despite strong market demand. In Asia Pacific, shipments were reduced in both Hong Kong and China, while Japan was in line with Q3 2012. In Europe, overall performance was substantially in line with the prior year. Volumes were reduced in Germany and France. There was a 49% increase in the UK, on the back of continued strong demand. Performance in Switzerland was in line with the prior year, while Italy registered a 43% decrease in shipments. In the Middle East, there was a 44% year-over-year increase.

Ferrari's third quarter **revenues** totaled €534 million, representing a 6% increase over the prior year.

**Trading profit** and **EBIT** totaled €88 million, compared with €76 million for Q3 2012, reflecting a better sales mix and the contribution from licensing and the personalization program. Trading margin was 16.5% (15.0% in Q3 2012).

At the end of August, the brand released the first official photos and technical specifications for the 458 Speciale. The new 8-cylinder, which premiered at the Frankfurt Motor Show, is the product of Ferrari's industry-leading approach to research and innovation. Engine, aerodynamics and handling performance represent the major areas of innovation creating a car that is truly "Speciale" and brings an entirely new dimension to the sportscar concept.

For the **nine months to September**, Ferrari shipped a total of 5,264 street cars, in line with the corresponding period in 2012. While sales of 8-cylinder vehicles were down 7% for the period, 12-cylinder models registered a 28% increase. A total of 1,459 street cars were shipped in the U.S. during the period, representing an 8% increase over the prior year and accounting for 28% of Ferrari's total shipments worldwide. In Asia Pacific, a 17% increase in Japan only partially offset the 25% decrease in the China, Hong Kong, Taiwan market, while performance in other markets was stable; the region posted an overall decline of 11%. Growth in the UK (+15%), Switzerland (+10%) and the Middle East (+40%) more than compensated for declines in several European markets, particularly France (-18%) and Italy (-39%).

Ferrari closed the nine months with **revenues** of €1,711 million, up 7% over the same period in 2012.

**Trading profit** and **EBIT** totaled €264 million for the nine months to September, €44 million higher than the €220 million registered in 2012. Trading margin improved to 15.4% from 13.7%, reflecting a better sales mix and the strong contribution from licensing and the personalization program.

***Maserati***

Maserati shipped a total of 3,953 vehicles during the **third quarter**, more than double the 1,492 units shipped in Q3 2012. That significant result was entirely attributable to the performance of the new Quattroporte. The brand posted significant year-over-year gains in nearly all markets.

At the end of September, Maserati had 7,900 orders for the Ghibli, launched in September, and 9,900 for the new Quattroporte.

**Revenues** totaled €444 million for the quarter, more than double the Q3 2012 level.

**Trading profit** and **EBIT** came in at €43 million, representing a €30 million year-over-year increase. The significant year-over-year improvement was primarily driven by the sales result for the new Quattroporte.

At the Frankfurt Motor Show in September, Maserati showcased the diesel version of the Quattroporte along with the Ermenegildo Zegna Limited Edition concept version, a first step in the partnership with the premiere Italian fashion house.

For the **nine months to September**, brand shipments were up 63% over the same period in 2012 to 7,548 vehicles and **revenues** were 58% higher at €883 million. **Trading profit** and **EBIT** were €48 million, up €4 million over the nine months to September 2012.

## Components and Production Systems

| 1.1-30.9.2013 | 1.1-30.9.2012 | Change | (€ million) | 3rd Quarter 2013 | 3rd Quarter 2012 | Change |
|---|---|---|---|---|---|---|
| | | | **Magneti Marelli** | | | |
| 4,455 | 4,344 | 111 | Net revenues | 1,399 | 1,426 | -27 |
| 109 | 95 | 14 | Trading profit | 29 | 29 | - |
| 109 | 92 | 17 | EBIT | 28 | 26 | 2 |
| | | | **Teksid** | | | |
| 531 | 610 | -79 | Net revenues | 169 | 183 | -14 |
| (9) | 7 | -16 | Trading profit/(loss) | (2) | 1 | -3 |
| (7) | 10 | -17 | EBIT | (2) | 2 | -4 |
| | | | **Comau** | | | |
| 988 | 1,080 | -92 | Net revenues | 323 | 358 | -35 |
| 31 | 17 (*) | 14 | Trading profit | 11 | 7 (*) | 4 |
| 30 | 16 (*) | 14 | EBIT | 11 | 7 (*) | 4 |
| | | | **COMPONENTS AND PRODUCTION SYSTEMS** | | | |
| 5,932 | 5,988 | -56 | Net revenues(**) | 1,877 | 1,951 | -74 |
| 131 | 119 (*) | 12 | Trading profit | 38 | 37 (*) | 1 |
| 132 | 118 (*) | 14 | EBIT | 37 | 36 (*) | 1 |

(*) *Figures for 2012 have been restated to reflect application of the amendment to IAS 19. Compared to figures previously reported, trading profit and EBIT were reduced by €2 million for Q3 and by €3 million for the nine months to September.*

(**) *Net of eliminations.*

***Magneti Marelli***

For the **third quarter**, Magneti Marelli had **revenues** of €1,399 million, substantially in line with Q3 2012 (€1,426 million). At constant exchange rates, there was a 4% increase.

NAFTA and China registered increases at constant exchange rates, while Europe was substantially unchanged over the prior year despite contractions in Germany and the Czech Republic. In Brazil, third quarter revenues were down 6% over the prior year at constant exchange rates.

The Lighting business line posted a 3% increase in revenues (CER +7%) on the back of performance in China and in NAFTA, where several new products were launched during the second half of 2012. In Europe, revenues were substantially unchanged over Q3 2012. Revenues for the Electronic Systems business were in line with Q3 2012, with an increase for navigation systems offsetting lower sales of telematics boxes to non-captive customers. The Powertrain business posted an 8% decline in revenues (CER -3%) primarily due to the phase-out of carburetor sales to Edelbrock in the U.S. and lower volumes in China.

**Trading profit** for the quarter totaled €29 million, in line with Q3 2012. **EBIT** totaled €28 million (€26 million for Q3 2012).

For the **nine months to September**, Magneti Marelli reported **revenues** of €4,455 million, up 3% over the same period in 2012 (CER +6%).

**Trading profit** was higher at €109 million (€95 million in 2012) and **EBIT** improved to €109 million (vs. €92 million).

***Teksid***

The sector posted **third quarter revenues** of €169 million, an 8% decrease over the same period in 2012 (CER -2%) attributable to a decline in Cast Iron business in both Brazil and the U.S. For the Aluminum business unit, volumes were up 16% over the prior year.

Teksid closed the quarter with a **trading loss** of €2 million (trading profit of €1 million in Q3 2012), primarily reflecting the business trend. **EBIT** was a negative €2 million for the quarter, compared with a positive €2 million in Q3 2012.

For the **nine months to September**, Teksid recorded **revenues** of €531 million, a 13% year-over-year decrease (CER -9%) attributable to lower volumes for the Cast Iron business unit. For the Aluminum business unit, volumes were up 14% over the prior year.

There was a **trading loss** of €9 million for the period, compared with a €7 million profit for the same period in 2012, and an **EBIT loss** of €7 million, compared with a €10 million profit for the same period in 2012.

***Comau***

For the **third quarter**, Comau had **revenues** of €323 million, a decrease of 10% over Q3 2012 (CER -3%) attributable primarily to the Powertrain Systems business. Order intake for the Systems activities was substantially in line with Q3 2012 at €356 million.

**Trading profit** and **EBIT** were €11 million, compared to €7 million for the corresponding period in 2012. The increase mainly related to the Body Welding operations.

For the **nine months to September**, Comau reported **revenues** of €988 million, a 9% year-over-year decrease (CER -4%) attributable primarily to Powertrain Systems and Service activities.

Order intake for Systems totaled €1,170 million, an increase of 12% over the same period in 2012 attributable primarily to the Body Welding operations. At 30 September 2013, the order backlog totaled €1,125 million, a 28% increase over year-end 2012.

**Trading profit** was €31 million for the period, up €14 million over the prior year. **EBIT** totaled €30 million (€16 million for the same period in 2012): the €14 million increase was primarily attributable to Body Welding operations.

## CONSOLIDATED STATEMENT OF CASH FLOWS

Following is a summary statement of cash flows and related comments. A complete statement of cash flows is provided in "Interim Consolidated Financial Statements".

| (€ million) | 1.1-30.9.2013 | 1.1-30.9.2012 |
|---|---|---|
| A) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD | **17,657** | **17,526** |
| B) CASH FROM/(USED IN) OPERATING ACTIVITIES | **3,765** | **4,164** |
| C) CASH FROM/(USED IN) INVESTING ACTIVITIES | **(5,778)** | **(4,901)** |
| D) CASH FROM/(USED IN) FINANCING ACTIVITIES | **1,706** | **217** |
| Currency translation differences | (523) | (155) |
| E) NET CHANGE IN CASH AND CASH EQUIVALENTS | **(830)** | **(675)** |
| F) CASH AND CASH EQUIVALENTS AT END OF PERIOD | **16,827** | **16,851** |

For the nine months to September 2013, **operating activities** generated cash of €3,765 million, with income-related cash inflows (i.e., net profit plus amortization and depreciation, dividends, changes in provisions and items related to sales with buy-back commitments, net of gains/losses on disposals and other non-cash items) of €3,945 million only partially offset by the €180 million increase in working capital.

**Investing activities** absorbed €5,778 million in cash, consisting primarily of a €5,262 million increase in tangible and intangible fixed assets (including €1,479 million in capitalized development costs) and a €392 million increase in receivables from financing activities.

**Financing activities** generated €1.7 billion in cash. During the period, Fiat issued bonds totaling €2.5 billion and repaid a €1 billion bond that matured in March. In addition, there were new medium-term borrowings of approximately €1.5 billion, which more than covered maturity payments during the period.

In June, Chrysler successfully re-priced and amended its USD 3 billion Tranche B Term Loan and USD 1.3 billion Revolving Credit Facility. Fiat excluding Chrysler also completed renewal of its 3-year €2.0 billion Revolving Credit Facility in June. In July, following syndication, the facility was increased to €2.1 billion.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 SEPTEMBER 2013

**Total assets** were €85.1 billion at 30 September 2013, increasing €3.0 billion over the €82.1 billion at the beginning of the year.

**Non-current assets** totaled €46.5 billion. The increase of €1 billion for the nine-month period to September (€2.2 billion net of currency translation effects) primarily consisted of investments, net of depreciation and amortization for the period, and, to a lesser degree, the consolidation of VM Motori from 1 July 2013[4].

**Current assets** totaled €38.6 billion, an increase of approximately €2.0 billion for the period. At constant exchange rates, currents assets were €3.3 billion higher, resulting primarily from an increase of approximately €2.5 billion in net inventory, €0.3 billion in trade receivables and €0.4 billion in receivables from financing activities.

**Working capital** (net of items relating to vehicles sold under buy-back commitments) was a negative €9,401 million, representing a €530 million increase over the negative €9,931 million at 31 December 2012.

| (€ million) | | 30.9.2013 | 31.12.2012 | Change |
|---|---|---|---|---|
| Inventory | (a) | 9,936 | 8,340 | 1,596 |
| Trade receivables | | 2,873 | 2,702 | 171 |
| Trade payables | | (17,460) | (16,558) | -902 |
| Current taxes receivable/(payable) & Other current receivables/(payables) | (b) | (4,750) | (4,415) | -335 |
| **Working capital** | | **(9,401)** | **(9,931)** | **530** |

(a) *Inventory is reported net of the value of vehicles sold under buy-back commitments, which includes vehicles still in use by customers and vehicles that have been repurchased and are held for sale.*

(b) *Other current payables, included under current taxes receivable/(payable) & other current receivables/(payables), are stated net of amounts due to customers in relation to vehicles sold under buy-back commitments, which consist of the repurchase amount payable at the end of the lease period, together with the value of any lease installments received in advance. The value at the beginning of the contract period, equivalent to the difference between the sale price and the repurchase amount, is recognized on a straight-line basis over the contract period.*

At 30 September 2013, trade receivables, other receivables and receivables from financing activities with maturity after that date and sold without recourse – and, therefore, eliminated from the statement of financial position pursuant to the derecognition requirements of IAS 39 – *Financial Instruments: Recognition and Measurement* – totaled €3,353 million (€3,631 million at 31 December 2012). Those amounts include €2,062 million in receivables (€2,179 million at 31 December 2012), primarily financing to the dealer network, that were sold to jointly-controlled financial services companies (FGA Capital Group).

At constant exchange rates, working capital increased €180 million, which – in addition to the seasonality resulting from the typical reduction in business volumes in EMEA during the third quarter – also included a temporary increase in inventory associated with preparation for new product shipments in NAFTA, as well as the impact of higher sales volumes in APAC.

[4] *Fiat acquired 50% of VM Motori in 2011. On 1 July 2013, upon exercise of the put option held by the other partner, Fiat had control in accordance with IAS 27-* Consolidated Financial Statements *and consolidation started. See "Subsequent events" for additional information on the transaction.*

At 30 September 2013, consolidated **net debt** totaled €11,405 million, up €1,805 million over the beginning of the year. Excluding Chrysler, net debt was €2,112 million higher. Capital expenditure (€2.6 billion), an increase in the financial services portfolio (€0.4 billion), equity investments and a change in the scope of operations (€0.3 billion) were only partially compensated for by income-related cash inflows (€0.9 billion) and positive currency translation differences (€0.2 billion).

For Chrysler, net debt was down €307 million to €1,190 million, primarily reflecting cash from operating activities of €2.9 billion for the period and capital expenditure of €2.7 billion.

| | | 30.9.2013 | | | 31.12.2012 | | |
|---|---|---|---|---|---|---|---|
| (€ million) | | Fiat Group | Chrysler | Fiat excluding Chrysler | Fiat Group | Chrysler | Fiat excluding Chrysler |
| Debt: | | (28,984) | (9,775) | (19,306) | (27,889) | (10,312) | (17,586) |
| Asset-backed financing | | (395) | - | (395) | (449) | - | (449) |
| Bonds, bank loans and other debt | | (28,589) | (9,775) | (18,911) | (27,440) | (10,312) | (17,137) |
| Current financial receivables from jointly-controlled financial services companies | (a) | 94 | - | 94 | 58 | - | 58 |
| Intersegment financial receivables | (b) | - | 7 | 90 | - | 9 | - |
| **Debt, net of current financial receivables from jointly-controlled financial services companies and intersegment financial receivables** | | **(28,890)** | **(9,768)** | **(19,122)** | **(27,831)** | **(10,303)** | **(17,528)** |
| Other financial assets | (c) | 538 | 84 | 454 | 519 | 45 | 474 |
| Other financial liabilities | (c) | (129) | (14) | (115) | (201) | (42) | (159) |
| Current securities | | 249 | - | 249 | 256 | - | 256 |
| Cash and cash equivalents | | 16,827 | 8,508 | 8,319 | 17,657 | 8,803 | 8,854 |
| **Net debt** | | **(11,405)** | **(1,190)** | **(10,215)** | **(9,600)** | **(1,497)** | **(8,103)** |
| ***Industrial Activities*** | | *(8,307)* | *(1,190)* | *(7,117)* | *(6,545)* | *(1,497)* | *(5,048)* |
| ***Financial Services*** | | *(3,098)* | *-* | *(3,098)* | *(3,055)* | *-* | *(3,055)* |
| Cash, cash equivalents and current securities | | 17,076 | 8,508 | 8,568 | 17,913 | 8,803 | 9,110 |
| Undrawn committed credit lines | | 3,063 | 963 | 2,100 | 2,935 | 985 | 1,950 |
| **Total available liquidity** | | **20,139** | **9,471** | **10,668** | **20,848** | **9,788** | **11,060** |

*(a) Includes current financial receivables from FGA Capital Group, an associate recognized by using the equity method.*

*(b) Relates to intragroup manufacturing agreements classified as finance leases in accordance with IFRIC 4 –* Determining whether an arrangement contains a lease*, in addition to receivables relating to factoring transactions between Chrysler Group companies and Fiat Group Financial Services companies in EMEA.*

*(c) Includes fair value of derivative financial instruments.*

Debt (bonds, bank loans and other debt) increased by approximately €1.2 billion during the period to €28.6 billion. The Group issued bonds for €2.5 billion and repaid €1 billion at maturity. Excluding bonds and currency translation impacts (-€0.7 billion), debt increased by €0.4 billion, of which €0.2 billion relating to assets acquired and consolidated during the period.

At 30 September 2013, cash, cash equivalents and current securities totaled €17.1 billion, a decrease of approximately €800 million over 31 December 2012, of which more than €500 million related to negative currency translation impacts (essentially USD and BRL) and the remainder to operating requirements for the period.

**Total available liquidity**, inclusive of undrawn committed credit lines (€2.1 billion for Fiat excluding Chrysler and around €1 billion for Chrysler), totaled €20.1 billion, of which €9.5 billion related to Chrysler (€9.8 billion at 31 December 2012) and €10.7 billion to Fiat excluding Chrysler (€11.1 billion at 31 December 2012).

## INDUSTRIAL ACTIVITIES AND FINANCIAL SERVICES

The following tables provide a breakdown of the consolidated statements of income, financial position and cash flows between "Industrial Activities" and "Financial Services". Financial Services includes companies that provide retail and dealer finance, leasing and rental services in LATAM, APAC, and EMEA in support of the mass-market brands and worldwide for the luxury brands.

Financial Services also includes FGA Capital (the joint venture between Fiat Group Automobiles and Crédit Agricole Group), which is accounted for under the equity method.

### Basis of analysis

The segmentation between Industrial Activities and Financial Services represents a sub-consolidation prepared on the basis of the core activities of each Group company.

Investments held by companies belonging to one segment in companies included in the other segment are accounted for under the equity method. To provide a more meaningful presentation of net profit, the results of investments accounted for in this manner are classified in the income statement under Result from intersegment investments.

The holding companies (Fiat S.p.A., Fiat Gestione Partecipazioni S.p.A., Fiat North America LLC and Fiat Partecipazioni S.p.A.) are classified under Industrial Activities.

The sub-consolidation of Industrial Activities also includes companies that provide centralized treasury services for Fiat excluding Chrysler (i.e., raising funds in the market and financing Group companies, with the exception of Chrysler Group LLC and its subsidiaries). Those activities do not, however, include offering financing to third parties.

N.B.: All Chrysler Group activities are included under Industrial Activities and Chrysler Group's treasury activities (including funding and cash management) are managed separately from the rest of Fiat Group.

## Operating Performance by Activity

| Third Quarter (€ million) | 3rd Quarter 2013 Consolidated | 3rd Quarter 2013 Industrial Activities | 3rd Quarter 2013 Financial Services | 3rd Quarter 2012(*) Consolidated | 3rd Quarter 2012(*) Industrial Activities | 3rd Quarter 2012(*) Financial Services |
|---|---|---|---|---|---|---|
| Net revenues | 20,733 | 20,652 | 102 | 20,437 | 20,354 | 99 |
| Cost of sales | 17,804 | 17,722 | 103 | 17,358 | 17,306 | 68 |
| Selling, general and administrative | 1,576 | 1,564 | 12 | 1,651 | 1,640 | 11 |
| Research and development | 555 | 555 | - | 467 | 467 | - |
| Other income/(expense) | 18 | 18 | - | (60) | (61) | 1 |
| TRADING PROFIT/(LOSS) | **816** | **829** | **(13)** | **901** | **880** | **21** |
| Result from investments (1) | 41 | 18 | 23 | 5 | (19) | 24 |
| Gains/(losses) on disposal of investments | 6 | 6 | - | - | - | - |
| Restructuring costs | 14 | 14 | - | (4) | (4) | - |
| Other unusual income/(expense) | 7 | 7 | - | (80) | (80) | - |
| EBIT | **856** | **846** | **10** | **830** | **785** | **45** |
| Financial income/(expense) | (489) | (489) | - | (464) | (464) | - |
| PROFIT/(LOSS) BEFORE TAXES | **367** | **357** | **10** | **366** | **321** | **45** |
| Income taxes | 178 | 179 | (1) | 195 | 188 | 7 |
| PROFIT/(LOSS) | **189** | **178** | **11** | **171** | **133** | **38** |
| Result from intersegment investments | - | 11 | - | - | 38 | - |
| PROFIT/(LOSS) | **189** | **189** | **11** | **171** | **171** | **38** |

*(*) Figures for Q3 2012 have been restated to reflect application of the amendment to IAS 19. Compared with the figures previously reported for the Group and for Industrial Activities, profit was reduced by €115 million, of which €50 million represents an increase in operating expense and €65 million an increase in financial expense.*

| Nine Months to September (€ million) | 1.1-30.9.2013 Consolidated | 1.1-30.9.2013 Industrial Activities | 1.1-30.9.2013 Financial Services | 1.1-30.9.2012(*) Consolidated | 1.1-30.9.2012(*) Industrial Activities | 1.1-30.9.2012(*) Financial Services |
|---|---|---|---|---|---|---|
| Net revenues | 62,815 | 62,610 | 277 | 62,182 | 61,951 | 301 |
| Cost of sales | 53,893 | 53,737 | 228 | 53,099 | 52,960 | 209 |
| Selling, general and administrative | 4,832 | 4,797 | 35 | 4,981 | 4,948 | 33 |
| Research and development | 1,611 | 1,611 | - | 1,378 | 1,378 | - |
| Other income/(expense) | (16) | (18) | 2 | (70) | (79) | 9 |
| TRADING PROFIT/(LOSS) | **2,463** | **2,447** | **16** | **2,654** | **2,586** | **68** |
| Result from investments (1) | 89 | 24 | 65 | 75 | 10 | 65 |
| Gains/(losses) on disposal of investments | 8 | 8 | - | (91) | (91) | - |
| Restructuring costs | 9 | 9 | - | (39) | (39) | - |
| Other unusual income/(expense) | (35) | (35) | - | (80) | (80) | - |
| EBIT | **2,516** | **2,435** | **81** | **2,597** | **2,464** | **133** |
| Financial income/(expense) | (1,434) | (1,434) | - | (1,415) | (1,415) | - |
| PROFIT/(LOSS) BEFORE TAXES | **1,082** | **1,001** | **81** | **1,182** | **1,049** | **133** |
| Income taxes | 427 | 419 | 8 | 510 | 489 | 21 |
| PROFIT/(LOSS) | **655** | **582** | **73** | **672** | **560** | **112** |
| Result from intersegment investments | - | 73 | - | - | 112 | - |
| PROFIT/(LOSS) | **655** | **655** | **73** | **672** | **672** | **112** |

*(*) Figures for the nine months to September 2012 have been restated to reflect application of the amendment to IAS 19. Compared with the figures previously reported for the Group and for Industrial Activities, profit was reduced by €351 million, of which €173 million represents an increase in operating expense and €178 million an increase in financial expense.*

*(1) Includes income from investments, as well as impairment (losses)/reversals on non-intersegment investments accounted for under the equity method.*

*Industrial Activities*

Net **revenues** for Industrial Activities totaled €20.7 billion for the **third quarter**, an increase of 1.5% over Q3 2012. Growth for the mass-market brands in APAC, EMEA and NAFTA, in addition to the contribution of Luxury brands (Maserati in particular), more than compensated declines for LATAM and Components.

For the **nine months to September**, revenues for Industrial Activities were €62.6 billion, substantially in line with the same period in 2012 (+1%).

**Trading profit** was €829 million for the **quarter**, a decrease of €51 million over Q3 2012 (restated for IAS 19) attributable primarily to lower results in NAFTA and LATAM, which were only partially offset by a reduction in losses in EMEA and strong year-over-year performance for APAC and Luxury brands.

For the **nine months to September**, Industrial Activities posted a trading profit of €2,447 million. The €139 million year-over-year decrease (€2,586 million for 2012, IAS 19 restated) primarily reflects the higher industrial costs and lower volumes for NAFTA in Q1 associated with new model launches, as well as a less favorable production mix in LATAM. Results in those two regions were only partially compensated for by growth in APAC and a reduction in losses in EMEA.

*Financial Services*

**Net revenues** for Financial Services totaled €102 million for the **third quarter**, an increase of 3% over Q3 2012 (+18% at constant exchange rates).

| | | **1.1-30.9** | | | | **3rd Quarter** |
|---|---|---|---|---|---|---|
| **2013** | **2012** | **% change** | (€ million) | **2013** | **2012** | **% change** |
| 244 | 272 | -10 | **Mass-market brands** (LATAM, APAC, EMEA) | 91 | 89 | 2 |
| 33 | 29 | 14 | **Luxury brands** (Ferrari) | 11 | 10 | 10 |
| **277** | **301** | **-8** | **Total** | **102** | **99** | **3** |

Revenues for the Financial Services companies that support the mass-market brands were up 2% (+19% at constant exchange rates) primarily on the back of an increase in the average lending portfolio in Brazil.

For the **nine months to September**, Financial Services reported net revenues of €277 million, an 8% decrease over the €301 million for the same period in 2012 (+1% at constant exchange rates).

Financial Services posted a **trading loss** of €13 million for the **quarter**, down €34 million over Q3 2012 primarily due to a higher level of bad debt provisioning.

| | | **1.1-30.09** | | | | **3rd Quarter** |
|---|---|---|---|---|---|---|
| **2013** | **2012** | **Change** | (€ million) | **2013** | **2012** | **Change** |
| 7 | 60 | -53 | **Mass-market brands** (LATAM, APAC, EMEA) | (16) | 18 | -34 |
| 9 | 8 | 1 | **Luxury brands** (Ferrari) | 3 | 3 | - |
| **16** | **68** | **-52** | **Total** | **(13)** | **21** | **-34** |

For the **nine months to September**, the Financial Services companies reported trading profit of €16 million, down €52 million over the corresponding period in 2012 due to the decrease in the average lending portfolio in Brazil and higher provisioning.

## Statement of Financial Position by Activity

| (€ million) | 30.9.2013 Consolidated | 30.9.2013 Industrial Activities | 30.9.2013 Financial Services | 31.12.2012(*) Consolidated | 31.12.2012(*) Industrial Activities | 31.12.2012(*) Financial Services |
|---|---|---|---|---|---|---|
| Intangible assets | 19,751 | 19,744 | 7 | 19,284 | 19,279 | 5 |
| Property, plant and equipment | 22,588 | 22,585 | 3 | 22,061 | 22,058 | 3 |
| Investments and other financial assets | 2,340 | 2,761 | 841 | 2,287 | 2,756 | 787 |
| Leased assets | 1 | 1 | - | 1 | 1 | - |
| Defined benefit plan assets | 95 | 94 | 1 | 93 | 93 | - |
| Deferred tax assets | 1,724 | 1,657 | 67 | 1,738 | 1,677 | 61 |
| **Total non-current assets** | **46,499** | **46,842** | **919** | **45,464** | **45,864** | **856** |
| Inventory | 11,476 | 11,472 | 4 | 9,295 | 9,290 | 5 |
| Trade receivables | 2,873 | 2,849 | 33 | 2,702 | 2,690 | 20 |
| Receivables from financing activities | 3,797 | 1,786 | 3,735 | 3,727 | 1,600 | 3,643 |
| Current taxes receivable | 362 | 363 | 5 | 236 | 237 | 6 |
| Other current receivables | 2,421 | 2,374 | 49 | 2,163 | 2,131 | 32 |
| Current financial assets: | 822 | 794 | 30 | 807 | 724 | 83 |
| Current investments | 35 | 35 | - | 32 | 32 | - |
| Current securities | 249 | 220 | 29 | 256 | 173 | 83 |
| Other financial assets | 538 | 539 | 1 | 519 | 519 | - |
| Cash and cash equivalents | 16,827 | 16,686 | 141 | 17,657 | 17,411 | 246 |
| **Total current assets** | **38,578** | **36,324** | **3,997** | **36,587** | **34,083** | **4,035** |
| Assets held for sale | 49 | 49 | - | 55 | 55 | - |
| **TOTAL ASSETS** | **85,126** | **83,215** | **4,916** | **82,106** | **80,002** | **4,891** |
| Equity | 9,229 | 9,229 | 1,265 | 8,369 | 8,369 | 1,256 |
| Provisions: | 19,114 | 19,095 | 19 | 20,276 | 20,254 | 22 |
| Employee benefits | 10,435 | 10,428 | 7 | 11,486 | 11,481 | 5 |
| Other provisions | 8,679 | 8,667 | 12 | 8,790 | 8,773 | 17 |
| Debt: | 28,984 | 27,274 | 3,434 | 27,889 | 25,933 | 3,472 |
| Asset-backed financing | 395 | 128 | 267 | 449 | 52 | 397 |
| Other debt | 28,589 | 27,146 | 3,167 | 27,440 | 25,881 | 3,075 |
| Other financial liabilities | 129 | 127 | 4 | 201 | 198 | 3 |
| Trade payables | 17,460 | 17,433 | 34 | 16,558 | 16,546 | 20 |
| Current taxes payable | 369 | 354 | 22 | 231 | 223 | 15 |
| Deferred tax liabilities | 767 | 760 | 7 | 801 | 795 | 6 |
| Other current liabilities | 9,074 | 8,943 | 131 | 7,781 | 7,684 | 97 |
| Liabilities held for sale | - | - | - | - | - | - |
| **TOTAL EQUITY AND LIABILITIES** | **85,126** | **83,215** | **4,916** | **82,106** | **80,002** | **4,891** |

*(*) Figures for 2012 have been restated to reflect application of the amendment to IAS 19 –* Employee Benefits. *In particular, total equity was reduced by €4,804 million for the Group and for Industrial Activities and by €2 million for Financial Services.*

*Net Debt by Activity*

| (€ million) | | Consolidated 30.9.2013 | Industrial Activities 30.9.2013 | Financial Services 30.9.2013 | Consolidated 31.12.2012 | Industrial Activities 31.12.2012 | Financial Services 31.12.2012 |
|---|---|---|---|---|---|---|---|
| Debt: | | (28,984) | (27,274) | (3,434) | (27,889) | (25,933) | (3,472) |
| Asset-backed financing | | (395) | (128) | (267) | (449) | (52) | (397) |
| Other debt | | (28,589) | (26,977) | (1,612) | (27,440) | (25,790) | (1,650) |
| Intersegment financial payables | | - | (169) | (1,555) | - | (91) | (1,425) |
| Current financial receivables from jointly-controlled financial services companies | (a) | 94 | 94 | - | 58 | 58 | - |
| Intersegment financial receivables | | - | 1,555 | 169 | - | 1,425 | 91 |
| **Debt, net of intersegment and current financial receivables from jointly-controlled financial services companies** | | **(28,890)** | **(25,625)** | **(3,265)** | **(27,831)** | **(24,450)** | **(3,381)** |
| Other financial assets | (b) | 538 | 539 | 1 | 519 | 519 | - |
| Other financial liabilities | (b) | (129) | (127) | (4) | (201) | (198) | (3) |
| Current securities | | 249 | 220 | 29 | 256 | 173 | 83 |
| Cash and cash equivalents | | 16,827 | 16,686 | 141 | 17,657 | 17,411 | 246 |
| **Net debt** | | **(11,405)** | **(8,307)** | **(3,098)** | **(9,600)** | **(6,545)** | **(3,055)** |

*(a) Includes current debt payable by FGA Capital to other Fiat Group companies.*

*(b) Includes fair value of derivative financial instruments.*

*Net Debt by Activity for Fiat excluding Chrysler*

| (€ million) | | Fiat excluding Chrysler 30.9.2013 | Industrial Activities excluding Chrysler 30.9.2013 | Financial Services 30.9.2013 | Fiat excluding Chrysler 31.12.2012 | Industrial Activities excluding Chrysler 31.12.2012 | Financial Services 31.12.2012 |
|---|---|---|---|---|---|---|---|
| Debt: | | (19,306) | (17,593) | (3,434) | (17,586) | (15,630) | (3,472) |
| Asset-backed financing | | (395) | (128) | (267) | (449) | (52) | (397) |
| Other debt | | (18,911) | (17,299) | (1,612) | (17,137) | (15,487) | (1,650) |
| Intersegment financial payables | | - | (166) | (1,555) | - | (91) | (1,425) |
| Current financial receivables from jointly-controlled financial services companies | (a) | 94 | 94 | - | 58 | 58 | - |
| Intersegment financial receivables | (b) | 90 | 1,642 | 169 | - | 1,425 | 91 |
| **Debt, net of intersegment and current financial receivables from jointly-controlled financial services companies** | | **(19,122)** | **(15,857)** | **(3,265)** | **(17,528)** | **(14,147)** | **(3,381)** |
| Other financial assets | (c) | 454 | 455 | 1 | 474 | 474 | - |
| Other financial liabilities | (c) | (115) | (113) | (4) | (159) | (156) | (3) |
| Current securities | | 249 | 220 | 29 | 256 | 173 | 83 |
| Cash and cash equivalents | | 8,319 | 8,178 | 141 | 8,854 | 8,608 | 246 |
| **Net debt** | | **(10,215)** | **(7,117)** | **(3,098)** | **(8,103)** | **(5,048)** | **(3,055)** |

*(a) Includes current debt payable by FGA Capital to other Fiat Group companies.*

*(b) Includes amounts receivable from Chrysler relating to intragroup manufacturing agreements classified as finance leases in accordance with IFRIC 4 –* Determining whether an arrangement contains a lease.

*(c) Includes fair value of derivative financial instruments.*

Debt, cash and other financial assets/liabilities pertaining to Financial Services entities are excluded from the computation of Net Debt of Industrial Activities. In addition to their other activities, treasury companies of Fiat excluding Chrysler raise funds for consolidated Financial Services companies by incurring debt on their behalf and on-lending it to those companies. The loans from the treasury companies of Fiat excluding Chrysler (which are included in Industrial Activities) to the consolidated Financial Services companies are included under intersegment financial receivables and are deducted in the determination of net debt for Industrial Activities.

Intersegment financial receivables for Financial Services companies, on the other hand, represent loans or advances to industrial companies – for receivables sold to Financial Services companies that do not meet the derecognition requirements of IAS 39 – *Financial Instruments: Recognition and Measurement* – as well as liquidity deposited temporarily with the Group treasury.

**Net debt** for **Financial Services** companies at 30 September 2013 was up €43 million over year-end 2012 to €3,098 million, reflecting an increase in the managed portfolio of €345 million and €15 million in dividends paid to industrial companies. Those negative differences were only partially offset by €98 million in cash from operating activities and €219 million in positive currency translation differences.

*Change in Net Industrial Debt*

| | 1.1-30.9.2013 | | | 1.1-30.9.2012(*) | | |
|---|---|---|---|---|---|---|
| (€ million) | Fiat Group | Chrysler | Fiat excluding Chrysler | Fiat Group | Chrysler | Fiat excluding Chrysler |
| **Net industrial debt at beginning of period** | **(6,545)** | **(1,497)** | **(5,048)** | **(5,529)** | **(3,080)** | **(2,449)** |
| Profit/(loss) | 655 | 1,384 | (729) | 672 | 1,480 | (808) |
| Depreciation and amortization | 3,345 | 1,651 | 1,694 | 3,104 | 1,518 | 1,586 |
| Changes in provisions and other changes | (110) | 139 | (249) | 210 | 417 | (207) |
| **Cash from/(used in) operating activities before change in working capital** | **3,890** | **3,174** | **716** | **3,986** | **3,415** | **571** |
| Change in working capital | (208) | (285) | 77 | 104 | 1,649 | (1,545) |
| **Cash from/(used in) operating activities** | **3,682** | **2,889** | **793** | **4,090** | **5,064** | **(974)** |
| Investments in property, plant and equipment and intangible assets | (5,258) | (2,675) | (2,583) | (5,276) | (3,138) | (2,138) |
| **Cash from/(used in) operating activities, net of capital expenditure** | **(1,576)** | **214** | **(1,790)** | **(1,186)** | **1,926** | **(3,112)** |
| Change in consolidation scope and other changes | (160) | 118 | (278) | 170 | (8) | 178 |
| **Net industrial cash flow** | **(1,736)** | **332** | **(2,068)** | **(1,016)** | **1,918** | **(2,934)** |
| Capital increases and dividends | (2) | (5) | 3 | (38) | - | (38) |
| Currency translation differences | (24) | (20) | (4) | (111) | (81) | (30) |
| **Change in net industrial debt** | **(1,762)** | **307** | **(2,069)** | **(1,165)** | **1,837** | **(3,002)** |
| **Net industrial debt at end of period** | **(8,307)** | **(1,190)** | **(7,117)** | **(6,694)** | **(1,243)** | **(5,451)** |

*(*) Figures previously reported for the nine months to September 2012 have been restated to reflect application of the amendment to IAS 19 –* Employee Benefits*. Profit for Industrial Activities was reduced by €351 million for the Group, of which €343 million related to Chrysler and €8 million to Fiat excluding Chrysler. A corresponding increase was recognized under "Changes in provisions and other changes".*

For the nine months to September 2013, net industrial debt increased €1,762 million driven by the absorption of Fiat excluding Chrysler, only partially offset by generation in Chrysler.

For Chrysler, there was a reduction of €307 million, with €2,889 million in cash from operating activities being largely offset by the €2,675 million in capital expenditure for the period.

For Fiat excluding Chrysler, net industrial debt increased by €2,069 million. Funding for investments during the period, which totaled €2.6 billion (vs. €2.1 billion for the same period in 2012), an increase in equity investments and the change in scope of consolidation, included under "Change in consolidation scope and other changes" were only partially compensated by the €793 million cash generated from operating activities during the period.

*Statement of Cash Flows by Activity*

| (€ million) | | 1.1-30.9.2013 Consolidated | 1.1-30.9.2013 Industrial Activities | 1.1-30.9.2013 Financial Services | 1.1-30.9.2012(*) Consolidated | 1.1-30.9.2012(*) Industrial Activities | 1.1-30.9.2012(*) Financial Services |
|---|---|---|---|---|---|---|---|
| A) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD | | **17,657** | **17,411** | **246** | **17,526** | **17,429** | **97** |
| B) CASH FROM/(USED IN) OPERATING ACTIVITIES: | | | | | | | |
| Profit/(loss) | | 655 | 655 | 73 | 672 | 672 | 112 |
| Amortization and depreciation (net of vehicles leased out) | | 3,346 | 3,345 | 1 | 3,105 | 3,104 | 1 |
| (Gains)/losses on disposal of non-current assets and other non-cash items | (a) | 27 | (57) | 11 | 427 | 344 | (29) |
| Dividends received | | 93 | 108 | - | 69 | 80 | - |
| Change in provisions | | (241) | (237) | (4) | (222) | (208) | (14) |
| Changes in deferred taxes | | (60) | (48) | (12) | (11) | (14) | 3 |
| Changes relating to buy-back commitments | (b) | 124 | 124 | - | 16 | 16 | - |
| Changes related to operating leases | | 1 | - | 1 | (8) | (8) | - |
| Change in working capital | | (180) | (208) | 28 | 116 | 104 | 12 |
| TOTAL | | **3,765** | **3,682** | **98** | **4,164** | **4,090** | **85** |
| C) CASH FROM/(USED IN) INVESTING ACTIVITIES: | | | | | | | |
| Investments in: | | | | | | | |
| Property, plant and equipment and intangible assets (net of vehicles leased out) | | (5,262) | (5,258) | (4) | (5,278) | (5,276) | (2) |
| Subsidiaries and other equity investments | | (159) | (159) | - | (14) | (14) | - |
| Proceeds from the sale of non-current assets | | 30 | 30 | - | 103 | 102 | 1 |
| Net change in receivables from financing activities | | (392) | (47) | (345) | 309 | (52) | 361 |
| Change in current securities | | (6) | (55) | 49 | (14) | (10) | (4) |
| Other changes | | 11 | (132) | 143 | (7) | 80 | (87) |
| TOTAL | | **(5,778)** | **(5,621)** | **(157)** | **(4,901)** | **(5,170)** | **269** |
| D) CASH FROM/(USED IN) FINANCING ACTIVITIES: | | | | | | | |
| Net change in debt and other financial assets/liabilities | | 1,708 | 1,726 | (18) | 255 | 387 | (132) |
| Increase in share capital | | 4 | 4 | - | 20 | 20 | - |
| Dividends paid | | (1) | (1) | (15) | (58) | (58) | (11) |
| Payment of tax withholdings on behalf of shareholders of companies outside Italy | | (5) | (5) | - | - | - | - |
| TOTAL | | **1,706** | **1,724** | **(33)** | **217** | **349** | **(143)** |
| Currency translation differences | | (523) | (510) | (13) | (155) | (139) | (16) |
| E) NET CHANGE IN CASH AND CASH EQUIVALENTS | | **(830)** | **(725)** | **(105)** | **(675)** | **(870)** | **195** |
| F) CASH AND CASH EQUIVALENTS AT END OF PERIOD | | **16,827** | **16,686** | **141** | **16,851** | **16,559** | **292** |

(*) *Figures previously reported for the nine months to September 2012 have been restated to reflect application of the amendment to IAS 19 – Employee Benefits. For both the Group and Industrial Activities, profit was reduced by €353 million, with a corresponding increase in "(Gains)/losses on disposal of non-current assets and other non-cash items".*

(a) *Includes reversal of gains in the fair value of equity swaps on a basket of Fiat S.p.A. and CNH Industrial N.V. ordinary shares of €56 million for the nine months to September 2013 and €30 million for the same period in 2012.*

(b) *Cash from vehicles sold under buy-back commitments for the periods reported above, net of amounts already recognized through profit and loss, is included in a separate line item under operating activities, which also includes change in working capital.*

**Industrial Activities**

For the nine months to September, Industrial Activities absorbed €725 million in cash and cash equivalents, of which €510 million related to negative currency translation impacts. Excluding Chrysler, which absorbed €295 million in cash and cash equivalents (of which €272 million related to negative currency translation impacts), cash and cash equivalents for Fiat's Industrial Activities decreased €430 million (€238 million associated with currency translation differences).

- **Operating activities** generated €3,682 million in cash, of which €2,889 million was attributable to Chrysler. Excluding Chrysler, Industrial Activities generated €793 million in cash, consisting of €716 million in income-related cash flows and a €77 million decrease in working capital.
- **Investing activities** absorbed a total of €5,621 million, including €5,258 million for investments in tangible and

intangible assets (of which €2,675 million related to Chrysler) and €159 million for equity investments, in addition to funding provided to financial services companies (included under other changes).

- **Financing activities** generated €1,724 million in cash, consisting primarily of a net increase in borrowings (approximately €1.5 billion in bonds and €0.2 billion in other debt).

**Financial Services**

Cash and cash equivalents for Financial Services totaled €141 million at 30 September 2013, down €105 million over the beginning of the year.

Changes in cash were attributable to:

- **Operating activities**, which generated €98 million in cash (principally net profit plus amortization and depreciation).
- **Investing activities** (including changes in financial receivables from and debt payable to industrial companies), which absorbed €157 million in cash, primarily relating to an increase in the lending portfolio net of loans from treasury companies (included under other changes) and a decrease in current securities.
- **Financing activities**, which absorbed a total of €33 million, relating to repayment of €18 million in financing and €15 million in dividends to companies included under Industrial Activities.

* * * * * * *

## GROUP EMPLOYEES

At 30 September 2013, the Group had total of 223,699 employees, representing an increase of 3,944 over 30 June 2013 and 8,863 over year-end 2012 (214,836 employees).

The increase over June 2013 primarily reflects net new hires in North America. Compared to year-end 2012, the increase reflects net new hires in North America (more than 6,500 employees), Serbia, China and Mexico.

## SIGNIFICANT EVENTS DURING THE THIRD QUARTER

- On July 8th, Fiat notified the United Auto Workers' Retiree Medical Benefits Trust ("VEBA") of the exercise of its option to purchase a third tranche of the interest held by VEBA in Chrysler Group LLC, representing approximately 3.3% of Chrysler's outstanding equity. Fiat's calculation of the net purchase consideration payable for that tranche was US$ 254.7 million. Fiat exercised its options to purchase a first tranche of VEBA's equity interest in Chrysler on 3 July 2012 and a second tranche on 3 January 2013 – each representing approximately 3.3% of Chrysler's outstanding equity.
  On 26 September 2012, following exercise of the first tranche, Fiat sought a declaratory judgment in the Delaware Chancery Court ("the Court") to confirm the price to be paid. On July 30th this year, the Court granted Fiat's motion for a judgment on the pleadings with respect to two issues in dispute. The Court also denied, in its entirety, the VEBA's cross-motion for judgment on the pleadings.
  In the event that these transactions are completed as contemplated, Fiat will have a 68.49% ownership interest in Chrysler Group and the VEBA Trust will own the remaining 31.51%.

- On July 9th, the CEO of Fiat presented plans for future activities at the plant of Sevel (a 50/50 JV between Fiat Group and PSA Group for the production of Light Commercial Vehicles) located in Atessa, Italy, where the Ducato is currently produced. Approximately €700 million is to be invested in the facility over 5 years. Together with application of World Class Manufacturing standards, this will enable Sevel to further improve its standing as one of the most advanced automotive production facilities in the world.

- On July 12th, Fiat issued an €850 million bond (fixed coupon 6.75%, due October 2019). The Notes – issued by Fiat Finance and Trade Ltd. S.A. and guaranteed by Fiat S.p.A. under the GMTN Program – were rated "B1" by Moody's, "BB-" by Standard & Poor's and "BB-" by Fitch. On September 17th, following re-opening of the transaction, a further €400 million in notes were issued, increasing the total principal amount of the bond to €1.25 billion.

- On July 30th, Fiat Group Automobiles ("FGA"), Crédit Agricole ("CASA") and Crédit Agricole Consumer Finance ("CACF") reached an agreement to extend the 50/50 Joint Venture in FGA Capital ("FGAC") up to 31 December 2021. Extension of the alliance is intended by the partners to ensure the long-term sustainability of FGAC, a captive finance company that manages FGA's main activities in retail auto financing, dealership financing, long-term car rental and fleet management in 14 European countries. Those activities are well diversified across the main European markets. FGAC will continue to benefit from the financial support of Crédit Agricole Group, while strengthening its position as an active player in the securitization and debt markets.

- On August 20th, Fiat and Itaú Unibanco renewed the commercial cooperation agreement in place in Brazil since 2003 for a further 10 years. The agreement assures Fiat's customers and dealer network a strong financial partner that offers a full spectrum of competitive financing solutions. In return, Itaú Unibanco is assured exclusivity for Fiat's new vehicle financing in promotional campaigns and exclusive use of the Fiat brand in activities related to vehicle financing.

- On September 4th, there was a meeting in Rome with the Italian trade unions CISL, UIL, FIM, UILM, FISMIC, UGL, UGLM and the Associazione Quadri e Capi – all of which are signatories to Fiat's Collective Labor Agreement. Fiat took the occasion to reiterate how pivotal the agreement has been in restoring production quality and efficiency at Group plants in Italy. At the meeting, the trade unions confirmed their commitment to protecting and strengthening the contractual relationship, with full awareness of its vital importance to Fiat's continued commitment to its industrial presence in Italy. On the basis of this renewed mutual commitment, Fiat announced that the Group would immediately undertake the investment necessary to ensure future production and jobs at the Mirafiori plant that it is intended will have a key role in development of the premium segment manufacturing activities in Turin.

- On September 18th, Fitch Ratings confirmed its rating of "BB-" on Fiat S.p.A.'s long-term debt. The short-term rating of "B" was also confirmed. The outlook remains negative.

- On September 23rd, Chrysler Group LLC filed a registration statement on Form S-1 with the U.S. Securities and Exchange Commission relating to a proposed initial public offering of common stock. The common stock to be sold in the offering are proposed to be sold by the UAW Retiree Medical Benefits Trust (the "VEBA Trust"), which has exercised demand registration rights under a shareholders' agreement to which Chrysler Group LLC is a party. The VEBA Trust will receive all of the net proceeds from the proposed offering. The number of shares to be offered and the price range for the offering have not yet been determined. A registration statement relating to these securities has been filed with the U.S. Securities and Exchange Commission (SEC) but has not yet become effective. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective.

## SUBSEQUENT EVENTS

- On October 28th, Fiat announced that, following receipt of regulatory approvals, Fiat Group Automobiles’ completed the acquisition of the remaining 50% stake in VM Motori S.p.A. held by General Motors. The purchase consideration was €34.1 million. Fiat acquired an initial 50% stake in VM in 2010 and now has 100% control. Consolidation was effective 1 July 2013 following exercise of the put option held by General Motors.

## OUTLOOK

Based on the results for the nine months to September 2013, together with the expected operating performance and currency trends for Q4, the Group has updated 2013 guidance as follows:

- Revenues of about €88 billion (from the €88 - €92 billion range, or €84 - €88 billion range at current exchange rates)
- Trading profit in the €3.5 - €3.8 billion range (from the €4.0 - €4.5 billion range, or €3.7 - €4.2 billion range at current exchange rates)
- Net profit in the €0.9 - €1.2 billion range (from the €1.2 - €1.5 billion range or €1.0 - €1.3 billion range at current exchange rates)
- Net industrial debt in the €7.0 - €7.5 billion range (from ~€7.0 billion, which did not include the ~€0.2 billion negative impact from Q3 equity investments net of exchange rates)

# INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

at 30 September 2013

# CONSOLIDATED INCOME STATEMENT

| (€ million) | (Note) | 3rd Quarter 2013 | 3rd Quarter 2012 (*) | 01/01-30/09 2013 | 01/01-30/09 2012 (*) |
|---|---|---|---|---|---|
| Net revenues | (1) | 20,733 | 20,437 | 62,815 | 62,182 |
| Cost of sales | (2) | 17,804 | 17,358 | 53,893 | 53,099 |
| Selling, general and administrative costs | (3) | 1,576 | 1,651 | 4,832 | 4,981 |
| Research and development costs | (4) | 555 | 467 | 1,611 | 1,378 |
| Other income/(expenses) | (5) | 18 | (60) | (16) | (70) |
| TRADING PROFIT/(LOSS) | | **816** | **901** | **2,463** | **2,654** |
| Result from investments: | (6) | 41 | 5 | 89 | 75 |
| Share of the profit/(loss) of investees accounted for using the equity method | | 41 | 5 | 73 | 62 |
| Other income/(expenses) from investments | | - | - | 16 | 13 |
| Gains/(losses) on the disposal of investments | (7) | 6 | - | 8 | (91) |
| Restructuring costs | (8) | 14 | (4) | 9 | (39) |
| Other unusual income/(expenses) | (9) | 7 | (80) | (35) | (80) |
| EARNINGS BEFORE INTEREST AND TAXES (EBIT) | | **856** | **830** | **2,516** | **2,597** |
| Financial income/(expenses) | (10) | (489) | (464) | (1,434) | (1,415) |
| PROFIT/(LOSS) BEFORE TAXES | | **367** | **366** | **1,082** | **1,182** |
| Income taxes | (11) | 178 | 195 | 427 | 510 |
| PROFIT/(LOSS) FROM CONTINUING OPERATIONS | | **189** | **171** | **655** | **672** |
| Post-tax profit/(loss) from Discontinued Operations | | - | - | - | - |
| PROFIT/(LOSS) FOR THE PERIOD | | **189** | **171** | **655** | **672** |
| | | | | | |
| PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO: | | | | | |
| Owners of the parent | | (15) | (30) | 44 | 37 |
| Non-controlling interests | | 204 | 201 | 611 | 635 |
| | | | | | |
| (in €) | | | | | |
| BASIC EARNINGS/(LOSS) PER ORDINARY SHARE | (12) | **(0.013)** | **(0.024)** | **0.036** | **0.031** |
| DILUTED EARNINGS/(LOSS) PER ORDINARY SHARE | (12) | **(0.013)** | **(0.024)** | **0.036** | **0.031** |

(*) Following the retrospective application of the amendment to IAS 19 from 1 January 2013 the figures reported for the third quarter and the first nine months of 2012 have been restated for comparative purposes as required by IAS 1. The relative effect compared to the previously reported figures is:
- a decrease in Profit for the third quarter of 2012 by €115 million, of which €50 million arose from an increase in costs from ordinary operations and €65 million from an increase in financial expenses;
- a decrease in Profit for the first nine months of 2012 by €351 million, of which €173 million arose from an increase in costs from ordinary operations and €178 million from an increase in financial expenses.

Reference should be made to the section "Accounting principles, amendments and interpretations adopted from 1 January 2013" for further details.

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| (€ million) | Note | 3rd Quarter 2013 | 3rd Quarter 2012 (*) | 01/01-30/09 2013 | 01/01-30/09 2012 (*) |
|---|---|---|---|---|---|
| PROFIT/(LOSS) FOR THE PERIOD (A) | | **189** | **171** | **655** | **672** |
| | | | | | |
| Other comprehensive income that will not be reclassified subsequently to profit or loss: | | | | | |
| Gains/(losses) on remeasurement of defined benefit plans | (22) | (1) | - | 510 | - |
| Gains/(losses) on remeasurement of defined benefit plans of entities accounted for using the equity method | (22) | - | - | - | - |
| Income tax relating to components of Other comprehensive income that will not be reclassified subsequently to profit or loss | (22) | - | - | - | - |
| Total other comprehensive income that will not be reclassified subsequently to profit or loss, net of tax (B1) | | **(1)** | **-** | **510** | **-** |
| | | | | | |
| Other comprehensive income that will be reclassified subsequently to profit or loss: | | | | | |
| Gains/(losses) on cash flow hedging instruments | (22) | (12) | 44 | 98 | 93 |
| Gains/(losses) on fair value of available-for-sale financial assets | (22) | 17 | - | 20 | 15 |
| Gains/(losses) on exchange differences from translating foreign operations | (22) | (274) | (195) | (369) | (113) |
| Share of Other comprehensive income of entities accounted for using the equity method | (22) | (42) | (7) | (77) | 35 |
| Income tax relating to components of Other comprehensive income that will be reclassified subsequently to profit or loss | (22) | (11) | (13) | (13) | (14) |
| Total other comprehensive income that will be reclassified subsequently to profit or loss, net of tax (B2) | | **(322)** | **(171)** | **(341)** | **16** |
| | | | | | |
| TOTAL OTHER COMPREHENSIVE INCOME, NET OF TAX (B1)+(B2)=(B) | | **(323)** | **(171)** | **169** | **16** |
| | | | | | |
| TOTAL COMPREHENSIVE INCOME (A)+(B) | | **(134)** | **-** | **824** | **688** |
| | | | | | |
| TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO: | | | | | |
| Owners of the parent | | (232) | (107) | 22 | 115 |
| Non-controlling interests | | 98 | 107 | 802 | 573 |

(*) Following the retrospective application of the amendment to IAS 19 from 1 January 2013 the figures reported for the third quarter and the first nine months of 2012 have been restated for comparative purposes as required by IAS 1. The relative effect compared to the previously reported figures is:
- a decrease in Total comprehensive income for the third quarter of 2012 by €51 million, of which €115 million arose from a decrease in Profit for the period and €64 million from an increase in Other comprehensive income;
- a decrease in Total comprehensive income for the nine months of 2012 by €368 million, of which €351 million arose from a decrease in Profit for the period and €17 million from an decrease in Other comprehensive income.
Reference should be made to the section "Accounting principles, amendments and interpretations adopted from 1 January 2013" for further details.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| (€ million) | Note | At 30 September 2013 | At 31 December 2012 (*) | At 1 January 2012 (*) |
|---|---|---|---|---|
| ASSETS | | | | |
| Intangible assets | (13) | 19,751 | 19,284 | 18,200 |
| Property, plant and equipment | (14) | 22,588 | 22,061 | 20,785 |
| Investments and other financial assets: | (15) | 2,340 | 2,287 | 2,663 |
| Investments accounted for using the equity method | | 1,545 | 1,507 | 1,582 |
| Other investments and financial assets | | 795 | 780 | 1,081 |
| Leased assets | | 1 | 1 | 45 |
| Defined benefit plan assets | | 95 | 93 | 105 |
| Deferred tax assets | (11) | 1,724 | 1,738 | 1,689 |
| Total Non-current assets | | **46,499** | **45,464** | **43,487** |
| Inventories | (16) | 11,476 | 9,295 | 9,123 |
| Trade receivables | (17) | 2,873 | 2,702 | 2,625 |
| Receivables from financing activities | (17) | 3,797 | 3,727 | 3,968 |
| Current tax receivables | (17) | 362 | 236 | 369 |
| Other current assets | (17) | 2,421 | 2,163 | 2,088 |
| Current financial assets: | | 822 | 807 | 789 |
| Current investments | | 35 | 32 | 33 |
| Current securities | (18) | 249 | 256 | 199 |
| Other financial assets | (19) | 538 | 519 | 557 |
| Cash and cash equivalents | (20) | 16,827 | 17,657 | 17,526 |
| Total Current assets | | **38,578** | **36,587** | **36,488** |
| Assets held for sale | (21) | 49 | 55 | 66 |
| TOTAL ASSETS | | **85,126** | **82,106** | **80,041** |

(*) Following the retrospective application of the amendment to IAS 19 from 1 January 2013 the comparative figures at 1 January and 31 December 2012 have been restated as required by IAS 1. More specifically, the figure for closing Equity reported in the Consolidated Financial Statements at 31 December 2012 has decreased by €4,804 million, of which €2,872 million relates to Equity attributable to owners of the parent and €1,932 million relates to Non-controlling interest. Reference should be made to the section "Accounting principles, amendments and interpretations adopted from 1 January 2013" for further details.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(CONTINUED)

| (€ million) | Note | At 30 September 2013 | At 31 December 2012 (*) | At 1 January 2012 (*) |
|---|---|---|---|---|
| EQUITY AND LIABILITIES | | | | |
| Equity: | (22) | 9,229 | 8,369 | 9,711 |
| Equity attributable to owners of the parent | | 6,217 | 6,187 | 7,358 |
| Non-controlling interest | | 3,012 | 2,182 | 2,353 |
| Provisions: | (23) | 19,114 | 20,276 | 18,182 |
| Employee benefits | | 10,435 | 11,486 | 9,584 |
| Other provisions | | 8,679 | 8,790 | 8,598 |
| Debt: | (24) | 28,984 | 27,889 | 26,772 |
| Asset-backed financing | | 395 | 449 | 710 |
| Other debt | | 28,589 | 27,440 | 26,062 |
| Other financial liabilities | (19) | 129 | 201 | 429 |
| Trade payables | (25) | 17,460 | 16,558 | 16,418 |
| Current tax payables | | 369 | 231 | 230 |
| Deferred tax liabilities | (11) | 767 | 801 | 761 |
| Other current liabilities | (26) | 9,074 | 7,781 | 7,538 |
| Liabilities held for sale | | - | - | - |
| TOTAL EQUITY AND LIABILITIES | | **85,126** | **82,106** | **80,041** |

(*) Following the retrospective application of the amendment to IAS 19 from 1 January 2013 the comparative figures at 1 January and 31 December 2012 have been restated as required by IAS 1. More specifically, the figure for closing equity reported in the Consolidated Financial Statements at 31 December 2012 has decreased by €4,804 million, of which €2,872 million relates to Equity attributable to owners of the parent and €1,932 million relates to Non-controlling interest. Reference should be made to the section “Accounting principles, amendments and interpretations adopted from 1 January 2013” for further details.

# CONSOLIDATED STATEMENT OF CASH FLOWS

| (€ million) | Note | 01/01-30/09 2013 | 01/01-30/09 2012 |
|---|---|---|---|
| A) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD | (20) | **17,657** | **17,526** |
| B) CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES DURING THE PERIOD: | | | |
| Profit/(loss) for the period | | 655 | 672(*) |
| Amortisation and depreciation | | 3,346 | 3,105 |
| (Gains)/losses from disposal of non-current assets | | 10 | 108 |
| Other non-cash items | (27) | 17 | 319(*) |
| Dividends received | | 93 | 69 |
| Change in provisions | | (241) | (222) |
| Change in deferred income taxes | | (60) | (11) |
| Change in items due to buy-back commitments | (27) | 124 | 16 |
| Change in operating lease items | (27) | 1 | (8) |
| Change in working capital | | (180) | 116 |
| TOTAL | | **3,765** | **4,164** |
| C) CASH FLOWS FROM/(USED IN) INVESTMENT ACTIVITIES: | | | |
| Investments in: | | | |
| Property, plant and equipment and intangible assets | | (5,262) | (5,278) |
| Investments in consolidated subsidiaries and other investments | | (159) | (14) |
| Proceeds from the sale of non-current assets | | 30 | 103 |
| Net change in receivables from financing activities | | (392) | 309 |
| Change in other current securities | | (6) | (14) |
| Other changes | | 11 | (7) |
| TOTAL | | **(5,778)** | **(4,901)** |
| D) CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES: | | | |
| Issuance of bonds | | 2,500 | 1,803 |
| Repayment of bonds | | (1,000) | (1,250) |
| Issuance of medium-term borrowings | | 1,519 | 1,062 |
| Repayment of medium-term borrowings | | (1,460) | (1,060) |
| Net change in other financial payables and other financial assets/liabilities | | 149 | (300) |
| Capital increase | | 4 | 20 |
| Dividends paid | | (1) | (58) |
| Distribution for tax withholding obligations on behalf of non-controlling interests (“NCI”) | | (5) | - |
| TOTAL | | **1,706** | **217** |
| Translation exchange differences | | (523) | (155) |
| E) TOTAL CHANGE IN CASH AND CASH EQUIVALENTS | | **(830)** | **(675)** |
| F) CASH AND CASH EQUIVALENTS | (20) | **16,827** | **16,851** |

(*) Following the retrospective application of the amendment to IAS 19 from 1 January 2013 the comparative figure for Profit for the first nine months of 2012 has decreased by €351 million with a corresponding increase in Other non-cash items.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| (€ million) | Share capital | Treasury shares | Capital reserves | Earnings reserves | Cash flow hedge reserve | Cumulative translation adjustment reserve | Available for sale financial assets reserve | Remeasurement of defined benefit plans reserve | Cumulative share of OCI of entities consolidated under the equity method | Non-controlling interests | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **AT 31 DECEMBER 2011** (Reported amounts) | **4,466** | **(289)** | **147** | **3,862** | **(170)** | **834** | **(43)** | **-** | **(80)** | **3,533** | **12,260** |
| IAS 19 revised adoption effect | - | - | - | (70) | - | - | - | (1,296) | (3) | (1,180) | **(2,549)** |
| **AT 1 JANUARY 2012** | **4,466** | **(289)** | **147** | **3,792** | **(170)** | **834** | **(43)** | **(1,296)** | **(83)** | **2,353** | **9,711** |
| **Changes in equity for the first nine months of 2012** | | | | | | | | | | | |
| Capital increase | - | - | - | - | - | - | - | - | - | 20 | **20** |
| Effect of the conversion of preference and savings shares into ordinary shares | 10 | - | (10) | - | - | - | - | - | - | - | **-** |
| Share based payments | - | 30 | - | (20) | - | - | - | - | - | - | **10** |
| Dividends distributed | - | - | - | (40) | - | - | - | - | - | (18) | **(58)** |
| Purchase and sale of shares in subsidiaries from/to non-controlling interests | - | - | - | 23 | 1 | 3 | - | (115) | - | (232) | **(320)** |
| Total comprehensive income | - | - | - | 37 | 116 | (87) | 14 | - | 35 | 573 | **688** |
| Other changes | - | - | - | (2) | - | - | - | - | - | (3) | **(5)** |
| **AT 30 SEPTEMBER 2012** | **4,476** | **(259)** | **137** | **3,790** | **(53)** | **750** | **(29)** | **(1,411)** | **(48)** | **2,693** | **10,046** |

| (€ million) | Share capital | Treasury shares | Capital reserves | Earnings reserves | Cash flow hedge reserve | Cumulative translation adjustment reserve | Available for sale financial assets reserve | Remeasurement of defined benefit plans reserve | Cumulative share of OCI of entities consolidated under the equity method | Non-controlling interests | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **AT 31 DECEMBER 2012** (Reported amounts) | **4,476** | **(259)** | **137** | **4,187** | **15** | **580** | **(17)** | **-** | **(60)** | **4,114** | **13,173** |
| IAS 19 revised adoption effect | **-** | - | - | (354) | - | 53 | - | (2,569) | (2) | (1,932) | **(4,804)** |
| **AT 1 JANUARY 2013** | **4,476** | **(259)** | **137** | **3,833** | **15** | **633** | **(17)** | **(2,569)** | **(62)** | **2,182** | **8,369** |
| **Changes in equity for the first nine months of 2013** | | | | | | | | | | | |
| Capital increase | 1 | - | 2 | - | - | - | - | - | - | 1 | **4** |
| Dividends distributed | - | - | - | - | - | - | - | - | - | (1) | **(1)** |
| Share based payments | - | - | - | 6 | - | - | - | - | - | - | **6** |
| Total comprehensive income | - | - | - | 44 | 37 | (306) | 20 | 303 | (76) | 802 | **824** |
| Distribution for tax withholding obligations on behalf of NCI | - | - | - | - | - | - | - | - | - | (5) | **(5)** |
| Other changes | - | - | - | (1) | - | - | - | - | - | 33 | **32** |
| **AT 30 SEPTEMBER 2013** | **4,477** | **(259)** | **139** | **3,882** | **52** | **327** | **3** | **(2,266)** | **(138)** | **3,012** | **9,229** |

# NOTES

## SIGNIFICANT ACCOUNTING POLICIES

### Accounting policies

This Quarterly report has been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") endorsed by the European Union. The designation "IFRS" also includes all valid International Accounting Standards ("IAS"), as well as all interpretations of the IFRS Interpretations Committee, formerly the Standing Interpretations Committee ("SIC") and then the International Financial Reporting Interpretations Committee ("IFRIC").

This Quarterly report has been prepared in accordance with IAS 34 - *Interim Financial Reporting* applying the same accounting principles and policies used in the preparation of the Consolidated financial statements for the year ended 31 December 2012, other than those discussed in the following paragraph "Accounting principles, amendments and interpretations adopted from 1 January 2013".

The preparation of the interim financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, accumulated other comprehensive income and disclosure of contingent assets and liabilities at the date of the interim financial statements. If in the future such estimates and assumptions, which are based on management's best judgment, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change. Reference should be made to the Section – Use of estimates in the Consolidated Financial Statements for the year ended 31 December 2012 for a detailed description of the more significant valuation procedures used by the Group.

Moreover, certain valuation procedures, in particular those of a more complex nature regarding matters such as any impairment of non-current assets, are only carried out in full during the preparation of the annual financial statements, when all the information required is available, other than in the event that there are indications of impairment, when an immediate assessment is necessary. Similarly, the recoverability of deferred tax assets is usually assessed annually by using figures from budget and plans for subsequent years consistent with those used for impairment testing.

The actuarial valuations that are required for the determination of Employee benefit provisions are also usually carried out during the preparation of the annual financial statements, other than in the event of a plan amendment or settlement that leads to a remeasurement of pension provisions.

The recognition of income taxes is based upon the best estimate of the actual tax rate expected for the full financial year for each entity included in the scope of consolidation.

### Accounting standards, amendments and interpretations adopted from 1 January 2013

On 12 May 2011, the IASB issued IFRS 13 – *Fair Value Measurement*, which clarifies the determination of fair value for the purpose of the financial statements and is applicable to all IFRSs permitting or requiring a fair value measurement or the presentation of disclosures based on fair value. The Group adopted the new standard prospectively since 1 January 2013. No significant effects arose in the third quarter and in first nine months of 2013 from adopting the new standard.

On 16 June 2011, the IASB issued an amendment to IAS 1 – *Presentation of Financial Statements* requiring companies to group items presented in other comprehensive income on the basis of whether they will potentially be reclassified subsequently to profit or loss. The amendment is effective for periods beginning on or after 1 July 2012. The Group adopted this amendment since 1 January 2013. The adoption of this amendment had a limited effect on the disclosure of Other comprehensive income presented in this Quarterly report.

On 16 June 2011, the IASB issued an amendment to IAS 19 – *Employee Benefits* applicable retrospectively for the year beginning 1 January 2013. The amendment modifies the requirements for recognising defined benefit plans and termination benefits. The main changes concerning defined benefit plans regard the recognition of the entire plan deficit or surplus in the balance sheet, the introduction of net interest expense and the classification of net interest expense arising from defined benefit plans. In detail:

- **Recognition of the plan deficit or surplus:** The amendment removes the previous option of being able to defer actuarial gains and losses under the off balance sheet "corridor method", requiring these to be recognised directly in Other comprehensive income. In addition, the amendment requires the immediate recognition of past service costs in profit or loss.
- **Net interest expense:** The concepts of interest expense and expected return on plan assets are replaced by the concept of net interest expense on the net plan deficit or surplus, which consists of:
  - the interest expense calculated on the present value of the liability for defined benefit plans,
  - the interest income arising from the valuation of the plan assets, and
  - the interest expense or income arising from any limits to the recognition of the plan surplus.

  Net interest expense is calculated for all above components by using the discount rate applied for measuring the obligation for defined benefit plans at the beginning of the period.
- **Classification of net interest expense:** In accordance with the new definition of net interest expense set out in the standard, net interest expense on defined benefit plans is recognised as Financial income/(expenses) in the Income statement. Under the previous version of IAS 19, until 31 December 2012 the Group recognised all income and expense arising from the measurement of funded pension plan assets and liabilities in operating costs, by function, while the interest expense relating to unfunded defined benefit plans was included in Financial income/(expenses).

In accordance with the transitional rules included in paragraph 173 of IAS 19, the Group applied this amendment to IAS 19 retrospectively from 1 January 2013, adjusting the opening balance sheet at 1 January 2012 and 31 December 2012 as well as the income statement for 2012 as if the amendment had always been applied.

In more detail, the Group has calculated the following retrospective effects resulting from the adoption of the amendment to IAS 19:

| | At 1 January 2012 | | | At 31 December 2012 | | |
|---|---|---|---|---|---|---|
| (€ million) | Amounts as previously reported | IAS 19 amendments adoption effect | Amounts as restated | Amounts as previously reported | IAS 19 amendments adoption effect | Amounts as restated |
| **Effects on Statement of financial position** | | | | | | |
| Investments and other financial assets | 2,660 | 3 | **2,663** | 2,290 | (3) | **2,287** |
| Defined benefit plan assets | 97 | 8 | **105** | 105 | (12) | **93** |
| Deferred tax assets | 1,690 | (1) | **1,689** | 1,736 | 2 | **1,738** |
| Provision for employee benefits | 7,026 | 2,558 | **9,584** | 6,694 | 4,792 | **11,486** |
| Deferred tax liabilities | 760 | 1 | **761** | 802 | (1) | **801** |
| **Equity:** | **12,260** | **(2,549)** | **9,711** | **13,173** | **(4,804)** | **8,369** |
| Equity attributable to owners of the parent | 8,727 | (1,369) | **7,358** | 9,059 | (2,872) | **6,187** |
| Non-controlling interests | 3,533 | (1,180) | **2,353** | 4,114 | (1,932) | **2,182** |

| (€ million) | Amounts as previously reported | IAS 19 revised adoption effect | Amounts as restated | Amounts as previously reported | IAS 19 revised adoption effect | Amounts as restated |
|---|---|---|---|---|---|---|
| | 3rd Quarter 2012 | | | 01/01-30/09 2012 | | |
| **Effects on Income statement** | | | | | | |
| Cost of sales | 17,314 | 44 | **17,358** | 52,949 | 150 | **53,099** |
| Selling, general and administrative costs | 1,645 | 6 | **1,651** | 4,961 | 20 | **4,981** |
| Research and development costs | 467 | - | **467** | 1,375 | 3 | **1,378** |
| **Trading profit/(loss)** | **951** | **(50)** | 901 | **2,827** | **(173)** | 2,654 |
| **EBIT** | **880** | **(50)** | 830 | **2,770** | **(173)** | 2,597 |
| Financial income/(expenses) | (399) | (65) | **(464)** | (1,237) | (178) | **(1,415)** |
| **Profit/(loss) from continuing operations** | **286** | **(115)** | 171 | **1,023** | **(351)** | 672 |
| **Profit/(loss) for the period** | **286** | **(115)** | 171 | **1,023** | **(351)** | 672 |
| **Profit/(loss) for the period attributable to:** | | | | | | |
| Owners of the parent | 39 | (69) | **(30)** | 246 | (209) | **37** |
| Non-controlling interests | 247 | (46) | **201** | 777 | (142) | **635** |

| (in €) | Amounts as previously reported | IAS 19 revised adoption effect | Amounts as restated | Amounts as previously reported | IAS 19 revised adoption effect | Amounts as restated |
|---|---|---|---|---|---|---|
| | 3rd Quarter 2012 | | | 01/01-30/09 2012 | | |
| **Basic and diluted earnings/(loss) per share** | | | | | | |
| Basic earnings/(loss) per ordinary share | 0.032 | (0.056) | **(0.024)** | 0.202 | (0.171) | **0.031** |
| Diluted earnings/(loss) per ordinary share | 0.032 | (0.056) | **(0.024)** | 0.201 | (0.170) | **0.031** |

| (€ million) | Amounts as previously reported | IAS 19 revised adoption effect | Amounts as restated | Amounts as previously reported | IAS 19 revised adoption effect | Amounts as restated |
|---|---|---|---|---|---|---|
| | 3rd Quarter 2012 | | | 01/01-30/09 2012 | | |
| **Effects on Statement of comprehensive income** | | | | | | |
| PROFIT/(LOSS) FOR THE PERIOD (A) | **286** | **(115)** | 171 | **1,023** | **(351)** | 672 |
| Total Other comprehensive income that will not be reclassified subsequently to profit or loss, net of tax (B1) | - | - | **-** | - | - | **-** |
| Total Other comprehensive income that will be reclassified subsequently to profit or loss, net of tax (B2) | (235) | 64 | **(171)** | 33 | (17) | **16** |
| Total Other comprehensive income, net of tax (B1)+(B2)=(B) | (235) | 64 | **(171)** | 33 | (17) | **16** |
| Total Other comprehensive income (A)+(B) | **51** | **(51)** | - | **1,056** | **(368)** | 688 |

| (€ million) | Amounts as previously reported | IAS 19 revised adoption effect | Amounts as restated | Amounts as previously reported | IAS 19 revised adoption effect | Amounts as restated |
|---|---|---|---|---|---|---|
| | 3rd Quarter 2012 | | | 01/01-30/09 2012 | | |
| **Effects on Consolidated statement of cash flows** | | | | | | |
| **Cash flows from/(used in) operating activities** | | | | | | |
| Profit/(loss) for the period | 286 | (115) | **171** | 1,023 | (351) | **672** |
| Other non-cash items | 19 | 115 | **134** | (32) | 351 | **319** |

On 16 December 2011, the IASB issued certain amendments to IFRS 7 – *Financial Instruments: Disclosures*. The amendments require information about the effect or potential effect of netting arrangements for financial assets and liabilities on an entity's financial position. The Group applied the amendments since 1 January 2013. The application of these amendments had no effect on the disclosures presented in this Quarterly report.

On 17 May 2012, the IASB issued a set of amendments to IFRSs ("*Annual Improvements to IFRS's – 2009-2011 Cycle*"); set out below are those that are applicable to the Fiat Group, excluding those that only regard changes in terminology and have a limited accounting effect:

- IAS 1 – *Presentation of Financial Statements*: the amendment clarifies the way in which comparative information should be presented when an entity changes accounting policies or retrospectively restates or reclassifies items in its financial statements and when an entity provides comparative information in addition to the minimum comparative financial statements. The amendment was applied for the restatement of the balance sheet figures as a result of applying the amendment to IAS 19; the effects of this are shown in the above tables.
- IAS 16 – *Property, plant and equipment:* the amendment clarifies that items, such as spare parts, stand-by equipment and servicing equipment, shall be recognised in accordance with IAS 16 when they meet the definition of Property, plant and equipment, otherwise such items shall be classified as Inventory.
- IAS 32 – *Financial instruments*: *Presentation*: the amendment eliminates an inconsistency between IAS 12 – *Income Taxes* and IAS 32 concerning the recognition of taxation arising from distributions to shareholders, establishing that these shall be recognised in profit or loss to the extent the distribution refers to income generated by transactions originally recognised in profit or loss.

The Group applied these improvements retrospectively since 1 January 2013 and no significant effects arose in the third quarter and in the first nine months of 2013 from the adoption of these improvements.

**Accounting standards, amendments and interpretations not yet applicable and not early adopted by the Group**

On 12 May 2011, the IASB issued IFRS 10 – *Consolidated Financial Statements* (subsequently amended on 28 June 2012) replacing SIC-12 – *Consolidation: Special Purpose Entities* and parts of IAS 27 – *Consolidated and Separate Financial Statements* (which has been renamed *Separate Financial Statements* and addresses the accounting treatment of investments in separate financial statements). The new standard builds on existing principles by identifying a single control model applicable to all companies, including "structured entities". The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The IASB requires retrospective application of the new standards from 1 January 2013. The European Union has completed its endorsement process, postponing the application date to 1 January 2014 but permitting early application from 1 January 2013. The Group is currently assessing the effects of the adoption of the new standard.

On 12 May 2011, the IASB issued IFRS 11 – *Joint Arrangements* (subsequently amended on 28 June 2012) superseding IAS 31 – *Interests in Joint Ventures* and SIC-13 – *Jointly Controlled Entities: Non-monetary Contributions by Venturers.* The new standard provides the criteria for identifying joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form and requires the use of a single method to account for interests in jointly controlled entities, the equity method. Following the issue of the new standard, IAS 28 – *Investments in Associates* has been amended to include accounting for investments in jointly controlled entities in its scope of application (from the effective date of the standard). The IASB requires retrospective application of the new standard from 1 January 2013. The European Union has completed its endorsement process, postponing the application date to 1 January 2014 but permitting early application from 1 January 2013. The Group is currently assessing the effects of the adoption of the new standard.

On 12 May 2011, the IASB issued IFRS 12 – *Disclosure of Interests in Other Entities* (subsequently amended on 28 June 2012), a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates, special purpose vehicles and other unconsolidated vehicles. The IASB requires retrospective application from 1 January 2013. The European Union has completed its endorsement process, postponing the application date to 1 January 2014 but permitting early application from 1 January 2013. The effects of applying the new standard are limited to the disclosures for investments in other companies to be provided in the notes to year-end Consolidated financial statements.

On 16 December 2011, the IASB issued certain amendments to IAS 32 – *Financial Instruments: Presentation* to clarify the application of certain offsetting criteria for financial assets and financial liabilities in IAS 32. The amendments are effective for annual periods beginning on or after 1 January 2014 and are required to be applied retrospectively.

In addition, the European Union had not yet completed its endorsement process for these standards and amendments at the date of this Quarterly report:

- On 12 November 2009, the IASB issued a new standard IFRS 9 – *Financial Instruments* that was subsequently amended. The standard, having an effective date for mandatory adoption of 1 January 2015 retrospectively, represents the completion of the first part of a project to replace IAS 39 and introduces new requirements for the classification and measurement of financial assets and financial liabilities. The new standard uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments and the contractual cash flow characteristics of the financial assets. The most significant effect of the standard regarding the classification and measurement of financial liabilities relates to the accounting for changes in fair value attributable to changes in the credit risk of financial liabilities designated as at fair value through profit or loss. Under the new standard these changes are recognised in Other comprehensive income and are not subsequently reclassified to the income statement.
- On 20 May 2013, the IASB issued the IFRIC Interpretation 21 - *Levies*, an interpretation of *IAS 37 - Provisions, Contingent Liabilities and Contingent Assets*. IFRIC 21 addresses when an entity should recognize a liability to pay levies imposed by government, other than taxes that are within the scope of other standards (i.e. IAS 12 – *Income Taxes*). IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. IFRIC 21 is effective for annual periods beginning on or after 1 January 2014.
- On 29 May 2013, the IASB issued an amendment to IAS 36 - *Recoverable Amount Disclosures for Non-Financial Assets* addressing the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less cost of disposal. The amendments are effective retrospectively for annual periods beginning on or after 1 January 2014. Earlier application is permitted for periods when the entity has already applied IFRS 13.
- On 27 June 2013, the IASB issued narrow scope amendments to IAS 39 - *Financial Instruments: Recognition and Measurement* entitled "*Novation of Derivatives and Continuation of Hedge Accounting*". The amendments will allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met. Similar relief will be included in *IFRS 9 - Financial Instruments*. The amendments are effective retrospectively for annual periods beginning on or after 1 January 2014.

## SCOPE OF CONSOLIDATION

There were no significant changes in the scope of consolidation in the first nine months of 2013, however it should be noted that on 1 July 2013, through its potential voting rights, as defined by IAS 27 - *Consolidated and Separate Financial Statements,* the Fiat Group acquired control of the VM Motori group, which was previously considered a joint venture and consolidated by using the equity method. In addition, at the same date, General Motors notified Fiat of the exercise of its put option to sell its interest in VM Motori, subject to the approval of the relevant anti-trust authorities. As communicated on 28 October 2013, Fiat Group closed the acquisition of the 50% interest in the above mentioned group. Even if this transaction falls within the scope of IFRS 3 – *Business Combinations* and in particular the guidance regarding the step acquisition of a subsidiary, it was not possible to complete the process for the fair value measurement of the acquired net assets by the date of this Quarterly report. As permitted by paragraph 45 of IFRS 3, therefore, provisional amounts of net assets acquired have been reported on the basis of the amounts that were previously used for the accounting by using the equity method. In this Quarterly report the Fiat Group has consolidated VM Motori group on a line-by-line basis. All the effects arising from the transaction will be determined in a comprehensive manner after the conclusion of the fair valuing process accordingly with IFRS 3 - *Business Combinations*. It should be noted, however, that the amounts relating to these assets and liabilities (reported below) are not significant in relation to the Fiat Group as a whole.

| (€ million) | **At 1st July 2013** |
|---|---|
| Assets acquired: | **305** |
| Non-current assets | 157 |
| Current assets | 148 |
| of which: Cash and cash equivalent | *12* |
| Liabilities assumed: | **257** |
| of which: Debt | *108* |

## OTHER INFORMATION

Other sections of this Report provide information on significant events which have occurred after 30 September 2013 and the business outlook.

## COMPOSITION AND PRINCIPAL CHANGES

### 1. Net revenues

Net revenues of the Fiat Group for the third quarter of 2013 amounts to €20,733 million (€20,437 million in the third quarter of 2012) and includes €71 million (€79 million in the third quarter of 2012) of interest income from customers and other financial income of financial services companies.

Net revenues for the first nine months of 2013 amounts to €62,815 million (€62,182 million in the first nine months of 2012) and includes €187 million (€215 million in first nine months of 2012) of interest income from customers and other financial income of financial services companies.

An analysis of Net revenues from external customers of the Fiat Group by region and operating segment for the third quarter and for the first nine months of 2013 and for the comparative periods presented is as follows:

| (€ million) | 3rd Quarter 2013 | 3rd Quarter 2012 | 01/01-30/09 2013 | 01/01-30/09 2012 |
|---|---|---|---|---|
| NAFTA | 10,943 | 10,758 | 32,331 | 32,111 |
| LATAM | 2,424 | 2,942 | 7,674 | 8,110 |
| APAC | 1,203 | 831 | 3,288 | 2,306 |
| EMEA | 3,813 | 3,697 | 12,577 | 12,916 |
| Luxury Brands | 922 | 662 | 2,458 | 2,097 |
| Components and Production Systems | 1,323 | 1,424 | 4,137 | 4,248 |
| Other activities | 105 | 123 | 350 | 394 |
| **Total Net revenues** | **20,733** | **20,437** | **62,815** | **62,182** |

### 2. Cost of sales

Cost of sales of the Fiat Group for the third quarter of 2013 amounts to €17,804 million (€17,358 million in the third quarter of 2012) and includes €77 million (€46 million in the third quarter of 2012) of interest cost and other financial expenses from financial services companies.

Cost of sales of the Fiat Group for the first nine months of 2013 amounts to €53,893 million (€53,099 million in the first nine months of 2012) and includes €143 million (€127 million in the first nine months of 2012) of interest cost and other financial expenses from financial services companies.

### 3. Selling, general and administrative costs

Selling costs amount to €1,001 million and €3,057 million in the third quarter and for the first nine months of 2013, respectively (€1,034 million and €3,218 million in the corresponding periods of 2012) and comprise mainly marketing, advertising and sales personnel costs.

General and administrative costs amount to €575 million and €1,775 million in the third quarter and for the first nine months of 2013, respectively (€617 million and €1,763 million in the corresponding periods of 2012) and comprise mainly administrative expenses which are not attributable to sales, production and research and development functions.

## 4. Research and development costs

The breakdown of Research and development costs is as follows:

| (€ million) | 3rd Quarter 2013 | 3rd Quarter 2012 | 01/01-30/09 2013 | 01/01-30/09 2012 |
|---|---|---|---|---|
| Research and development costs not recognised as assets | 335 | 290 | 994 | 909 |
| Amortisation of capitalised development costs | 220 | 175 | 614 | 465 |
| Write-down of costs previously capitalised | - | 2 | 3 | 4 |
| **Total Research and development costs** | **555** | **467** | **1,611** | **1,378** |

Additionally, during the third quarter and the first nine months of 2013, the Group recognised new capitalised development costs of €469 million and €1,479 million, respectively (€522 million and €1,521 million in the corresponding periods of 2012).

## 5. Other income/(expenses)

Other net expenses amounting to €60 million and €70 million in the third quarter and for the first nine months of 2012, respectively consisted of miscellaneous operating costs not ascribable to specific functional areas, such as accruals to miscellaneous provisions and indirect taxes and duties, net of other income which is not attributable to the typical sales and services operations of the Group.

## 6. Result from investments

For the third quarter and first nine months of 2013, the item includes the Group's interest in the net profit or loss of companies accounted for under the equity method totalling a gain of €41 million and €73 million, respectively (a gain of €5 million and €62 million for the corresponding periods in 2012). The item also includes write-downs for impairment, reversals, accruals to provisions against investments and dividends.

The Result from investments in the third quarter of 2013 is a gain amounting to €41 million (gain of €5 million in the third quarter of 2012) which consists of (amounts in € million): investments held by subsidiaries pertaining to the EMEA region 40 (43 in the third quarter of 2012), to the Components and Production System operating segment 1 (-1 in the third quarter of 2012), to the APAC region -1 (1 in the third quarter of 2012), RCS MediaGroup investment -2 (-40 in the third quarter of 2012) and other investments 3 (2 in the third quarter of 2012).

The Result from investments in the first nine months of 2013 is a gain amounting to €89 million (gain of €75 million in the first nine months of 2012) which consists of (amounts in € million): investments held by subsidiaries pertaining to the EMEA region 117 (124 in the first nine months of 2012), to the Components and Production System operating segment 5 (2 in the first nine months of 2012), to the APAC region -24 (5 in the first nine months of 2012), RCS MediaGroup investment -26 (-73 in the first nine months of 2012) and other investments 17 (17 in the first nine months of 2012).

## 7. Gains/(losses) on the disposal of investments

In the first nine months of 2012, this item mainly included the write-down of €91 million of the investment in Sevelnord Société Anonyme following its reclassification to Assets held for sale and measurement at fair value.

## 8. Restructuring costs

Restructuring costs amount to €14 million in the third quarter of 2013 (a net gain of €4 million in the third quarter of 2012) and €9 million in the first nine months of 2013 (a net gain of €39 million in the first nine months of 2012) and mainly relate to the restructuring provision made by Other activities only partially offset by release of a restructuring provision previously made by the NAFTA region.

## 9. Other unusual income/(expenses)

In the third quarter and in the first nine months of 2013, Other unusual expenses amount to €2 million and €220 million respectively. This item mainly includes for the nine months of 2013 a €115 million charge related to the June 2013 voluntary safety recall for the 1993-1998 Jeep Grand Cherokee and the 2002-2007 Jeep Liberty, as well as the customer satisfaction action for the 1999-2004 Jeep Grand Cherokee.

Other unusual expenses also include a €59 million foreign currency translation loss recognised in the first quarter of 2013 related to the February 2013 devaluation of the official exchange rate of the Venezuelan Bolivar ("VEF") relative to the US Dollar from 4.30 VEF per US Dollar to 6.30 VEF per US Dollar. During the second and third quarter of 2013, certain monetary liabilities, which had been submitted to the Commission for the Administration of Foreign Exchange ("CADIVI") for payment approval through the ordinary course of business prior to the devaluation date, were approved to be paid at an exchange rate of 4.30 VEF per US Dollar. As a result, €12 million in second quarter of 2013 and €4 million in third quarter of 2013 foreign currency transaction gains were recognised due to these monetary liabilities being previously remeasured at the 6.30 VEF per US Dollar at the devalution date.

In the first nine months of 2012 other unusual expense of €80 million consisted mainly of costs arising from the process of rationalising relations with certain suppliers and provisions for disputes relating to operations terminated in prior years.

In the third quarter and in the first nine months of 2013, Other unusual income amount to €9 million and €185 million respectively. In the first nine months of 2013, this item mainly related to the impacts of a curtailment gain and plan amendments of €166 million with a corresponding net reduction to Chrysler's pension obligation. During the second quarter of 2013, Chrysler amended its U.S. and Canadian salaried defined benefit pension plans. The U.S. plans were amended in order to comply with Internal Revenue Service regulations, cease the accrual of future benefits effective 31 December 2013, and enhance the retirement factors. The Canada amendment ceases the accrual of future benefits effective 31 December 2014, enhances the retirement factors and continues to consider future salary increases for the affected employees. An interim remeasurement was required for these plans, which resulted in an additional €509 million net reduction to the pension obligation, a €7 million reduction to defined benefit plan assets and a corresponding €502 million increase in Total other comprehensive income.

## 10. Financial income/(expenses)

In addition to the items included in the specific lines of the income statement, the following table also reports the interest income from customers and other financial income of financial services companies, otherwise included in Net revenues, and Interest cost and other financial charges from financial services companies, otherwise included in Cost of sales.

| (€ million) | 3rd Quarter 2013 | 3rd Quarter 2012 | 01/01-30/09 2013 | 01/01-30/09 2012 |
|---|---|---|---|---|
| Financial income: | | | | |
| Interest earned and other financial income | 52 | 74 | 152 | 195 |
| Interest income from customers and other financial income of financial services companies | 71 | 79 | 187 | 215 |
| Gains on disposal of securities | 1 | - | 3 | 1 |
| **Total financial income** | **124** | **153** | **342** | **411** |
| of which: | | | | |
| Financial income, excluding financial services companies (a) | 53 | 74 | 155 | 196 |
| | | | | |
| Interest and other financial expenses: | | | | |
| Interest expense and other financial expenses | 470 | 487 | 1,402 | 1,470 |
| Write-downs of financial assets | 49 | 16 | 76 | 36 |
| Losses on disposal of securities | 1 | - | 3 | 7 |
| Net interest expenses on employee benefits provisions | 98 | 102 | 283 | 284 |
| Total interest and other financial expenses | **618** | **605** | **1,764** | **1,797** |
| Net (income)/expenses from derivative financial instruments and exchange differences | 1 | (21) | (32) | (59) |
| **Total interest and other financial expenses, net (income)/expenses from derivative financial instruments and exchange differences** | **619** | **584** | **1,732** | **1,738** |
| of which: | | | | |
| Interest and other financial expenses, effects resulting from derivative financial instruments and exchange differences, excluding financial services companies (b) | 542 | 538 | 1,589 | 1,611 |
| | | | | |
| **Net financial income/(expenses) excluding financial services companies (a)-(b)** | **(489)** | **(464)** | **(1,434)** | **(1,415)** |

Net financial expenses for the third quarter and first nine months of 2013, excluding those of the financial services companies, amounted to €489 million and €1,434 million, respectively.

Net financial expenses in the third quarter of 2013 included net financial expense of Chrysler of €249 million (€275 million in the third quarter of 2012), of which net interest expenses on employee benefits provisions of €91 million (€95 million in the third quarter of 2012). This item also includes a financial gain of €24 million (a financial gain of €1 million in the third quarter of 2012) arising from the equity swaps on Fiat S.p.A. and CNH Industrial N.V. (ex Fiat Industrial S.p.A.) ordinary shares related to certain stock option plans.

Net financial expenses in the first nine months of 2013 included net financial expense of Chrysler of €746 million (€809 million in the first nine months of 2012), of which net interest expenses on employee benefits provisions of €265 million (€263 million in the first nine months of 2012). This item also includes a net financial gain of €60 million (a gain of €30 million in the first nine months of 2012) arising from the equity swaps on Fiat S.p.A. and CNH Industrial N.V. (the entity resulting from the merger of Fiat Industrial S.p.A. with and to CNH Industrial N.V.) ordinary shares related to certain stock option plans.

## 11. Income taxes

Income taxes recognised in the consolidated income statement consist of the following:

| (€ million) | 3rd Quarter 2013 | 3rd Quarter 2012 | 01/01-30/09 2013 | 01/01-30/09 2012 |
|---|---|---|---|---|
| Current taxes: | | | | |
| IRAP | 7 | 10 | 35 | 44 |
| Other taxes | 185 | 166 | 450 | 473 |
| **Total current taxes** | **192** | **176** | **485** | **517** |
| Deferred taxes for the period | (12) | 19 | (58) | (9) |
| Taxes relating to prior periods | (2) | - | - | 2 |
| **Total Income taxes** | **178** | **195** | **427** | **510** |

Income taxes recognised in the third quarter of 2013 were substantially in line with the corresponding period of the previous year.

The decrease in Total income taxes in the first nine months of 2013 compared to the same period in 2012 is mainly due to the lower taxable profits of companies operating outside Italy.

Net deferred tax assets at 30 September 2013 consist of deferred tax assets, net of deferred tax liabilities that have been offset, where permissible, by the individual consolidated companies.

The net balance of Deferred tax assets and Deferred tax liabilities may be analysed as follows:

| (€ million) | At 30 September 2013 | At 31 December 2012 |
|---|---|---|
| Deferred tax assets | 1,724 | 1,738 |
| Deferred tax liabilities | (767) | (801) |
| **Total** | **957** | **937** |

### 12. Earnings/(losses) per share

In accordance with the resolution adopted at the extraordinary session of the Shareholders' General Meeting of 4 April 2012, from 21 May 2012 the share capital of Fiat S.p.A. is represented by ordinary shares.

The earnings/(loss) per share for the third quarter and first nine months of 2013 is determined by dividing the Profit/(loss) attributable to the equity holders of the parent company, by the weighted average number of ordinary shares outstanding during the period.

The following table provides amounts used in calculation of earnings/(loss) per share for the two periods:

| | | 3rd Quarter 2013 | 3rd Quarter 2012 |
|---|---|---|---|
| | | Ordinary shares | Ordinary shares |
| Profit/(loss) attributable to owners of the parent | € million | (15) | (30) |
| **Profit/(loss) attributable to shares** | € million | **(15)** | **(30)** |
| **Average number of shares outstanding** | thousands | **1,215,921** | **1,215,825** |
| **Basic earnings/(loss) per share** | euros | **(0.013)** | **(0.024)** |

| | | 01/01-30/09 2013 | 01/01-30/09 2012 |
|---|---|---|---|
| | | Ordinary shares | Ordinary shares |
| Profit/(loss) attributable to owners of the parent | € million | 44 | 37 |
| **Profit/(loss) attributable to shares** | € million | **44** | **37** |
| **Average number of shares outstanding** | thousands | **1,215,862** | **1,215,830** |
| **Basic earnings/(loss) per share** | euros | **0.036** | **0.031** |

The theoretical effect that would arise if the share based payment plans were exercised for the third quarter of 2013 and 2012 were not taken into consideration in the calculation of diluted earnings per share as this would have had an antidilutive effect.

On the other hand, in order to calculate the diluted earnings/(loss) per share for the first nine months of 2013 and 2012, the average number of outstanding ordinary shares has been increased to also take into consideration the theoretical effect that would arise if the share based payment plans were exercised.

The following tables present the amounts used in the calculation of diluted earnings per share for the periods presented.

| | | 3rd Quarter 2013 | 3rd Quarter 2012 |
|---|---|---|---|
| | | Ordinary shares | Ordinary shares |
| Profit/(loss) attributable to shares | € million | (15) | (30) |
| Average number of shares considered for the diluted earnings per share | thousands | 1,215,921 | 1,215,825 |
| **Diluted earnings/(loss) per share** | € | **(0.013)** | **(0.024)** |

| | | 01/01-30/09 2013 | 01/01-30/09 2012 |
|---|---|---|---|
| | | Ordinary shares | Ordinary shares |
| Profit/(loss) attributable to shares | € million | 44 | 37 |
| Average number of shares considered for the diluted earnings per share | thousands | 1,228,884 | 1,225,281 |
| **Diluted earnings/(loss) per share** | € | **0.036** | **0.031** |

## 13. Intangible assets

| (€ million) | Net of amortisation at 31 December 2012 | Additions | Amortisation | Changes in the scope of consolidation | Foreign exchange effects and other changes | Net of amortisation at 30 September 2013 |
|---|---|---|---|---|---|---|
| Goodwill | 10,230 | - | - | 41 | (216) | **10,055** |
| Development costs | 4,912 | 1,479 | (614) | 13 | (130) | **5,660** |
| Brands and Other Intangible Assets | 4,142 | 181 | (190) | - | (97) | **4,036** |
| **Total Intangible assets** | **19,284** | **1,660** | **(804)** | **54** | **(443)** | **19,751** |

At 30 September 2013, Goodwill consists principally of goodwill resulting from the acquisition of the control of Chrysler for €9,157 million (€9,372 million at 31 December 2012) and the purchase of certain interests in Ferrari S.p.A. for €786 million (€786 million at 31 December 2012).

Changes in the scope of consolidation includes the provisional effects of the consolidation of the VM Motori group from the 1st July 2013 pending the conclusion of the fair valuing process, as discussed in the section Scope of consolidation.

Net negative foreign exchange effects of €425 million in the first nine months of 2013 arose mainly from the devaluation of the US Dollar and Brazilian Real against the Euro.

## 14. Property, plant and equipment

| (€ million) | Net of depreciation at 31 December 2012 | Additions | Depreciation | Foreign exchange effects | Changes in the scope of consolidation | Disposals and other changes | Net of depreciation at 30 September 2013 |
|---|---|---|---|---|---|---|---|
| **Property plant and equipment** | **22,061** | 3,602 | (2,542) | (657) | 163 | (39) | **22,588** |

Additions of €3,602 million in the first nine months of 2013 mainly refer to the car mass-market operations. Net negative foreign exchange effects of €657 million in the first nine months of 2013 arose principally from the devaluation of the US Dollar, Brazilian Real and the Polish Zloty against the Euro.

Changes in the scope of consolidation mainly includes the provisional effects of the consolidation of the VM Motori group from the 1st July 2013, as discussed in the section Scope of consolidation.

## 15. Investments and other financial assets

| (€ million) | At 30 September 2013 | At 31 December 2012 |
|---|---|---|
| Investments accounted for using the equity method | 1,545 | 1,507 |
| Investments measured at fair value: | | |
| Investments at fair value with changes directly in Other comprehensive income | 163 | 142 |
| Investments at fair value with changes in profit or loss | 173 | 153 |
| Investments at cost | 50 | 56 |
| Total Investments | **1,931** | **1,858** |
| | | |
| Non-current financial receivables | 297 | 310 |
| Other securities and other financial assets | 112 | 119 |
| **Total Investments and other financial assets** | **2,340** | **2,287** |

Changes in Investments during the first nine months of 2013 are as follows:

| (€ million) | At 31 December 2012 | Revaluations (write-downs) | Changes in the scope of consolidation | Other Changes | At 30 September 2013 |
|---|---|---|---|---|---|
| **Investments** | **1,858** | 73 | (40) | 40 | **1,931** |

Revaluations and write-downs consist of adjustments for the result for the period to the carrying value of investments accounted for under the equity method. Write-downs also include any loss in value in Investments accounted for under the cost method.

Changes in the scope of consolidation includes €37 million related to the effects of the consolidation of the VM Motori group from the 1st July 2013 that was previously accounted for under the equity method, as discussed in the section Scope of consolidation.

Other changes consisting of a net increase of €40 million mainly relate to purchases and capitalisations of €172 million and the positive fair value adjustment of €43 million relating to the investments classified as available-for-sale partially offset by dividends of €93 million distributed by companies accounted for using the equity method (of which €74 million received from Tofas-Turk Otomobil Fabrikasi A.S. and €15 million received from FGA Capital), foreign exchange losses of €69 million and the negative changes in the cash flow hedge reserve of €10 million.

### *Investments accounted for using the equity method*

At 30 September 2013 Investments accounted for using the equity method total €1,545 million (€1,507 million at 31 December 2012) and include, amongst others, the following (in € million): FGA Capital S.p.A. group 817 (770 at 31 December 2012), Tofas Turk Otomobil Fabrikasi A.S. 247 (329 at 31 December 2012), Sevel S.p.A. 109 (102 at 31 December 2012), GAC Fiat Automobiles Co. Ltd. 80 (90 at 31 December 2012), Fiat India Automobiles Ltd. 76 (35 at 31 December 2012) and RCS MediaGroup S.p.A. 96 (28 at 31 December 2012), for which ownership increased from 10.09% at 31 December 2012 to 16.41% at 30 September 2013 (from 10.50% to 20.55% of ordinary shares) following subscription of new shares for €94 million in the capital increase closed on 16 July 2013.

At 31 December 2012, the item also included the investment in VM Motori S.p.A. for €37 million. As described in the section Scope of consolidation, Fiat Group has consolidated VM Motori on a line-by-line basis from the 1st July 2013, following the acquisition of total control.

*Investments measured at fair value*

At 30 September 2013, Investments at fair value with changes recognised directly in Other comprehensive income, include the investment in CNH Industrial N.V. (the entity resulting from the merger of Fiat Industrial S.p.A. with and to CNH Industrial N.V.) for €149 million (€130 million at 31 December 2012), the investment in Fin. Priv. S.r.l. for €11 million (€10 million at 31 December 2012) and the investment in Assicurazioni Generali S.p.A. of €3 million (€2 million at 31 December 2012).

Overall, at 30 September 2013, the investment in CNH Industrial N.V. consists of 33,961,652 ordinary shares (34,216,027 ordinary shares at 31 December 2012) for an amount of €322 million (€283 million at 31 December 2012), of which 18,194,375 shares of CNH Industrial N.V. will serve the stock option plans and are therefore measured at fair value through profit and loss for an amount of €173 million and 15,767,277 shares are classified as available-for-sale and measured at fair value through equity, for an amount of €149 million.

*Other securities and other financial assets*

Other securities and other financial assets include the equivalent of the contractual rights arising from the acquisition of the Equity Recapture Agreement and the VEBA Call Option.

## 16. Inventories

| (€ million) | At 30 September 2013 | At 31 December 2012 |
|---|---|---|
| Raw materials, supplies and finished goods | 9,792 | 8,160 |
| Assets sold with a buy-back commitment | 1,537 | 952 |
| Gross amount due from customers for contract work | 147 | 183 |
| **Total Inventories** | **11,476** | **9,295** |

Inventories rose by €2,181 million during the first nine months of 2013 in line with the trend in production and sales volumes for the period in the various markets in which the Group operates and in connection to the shipment hold of the new Jeep Cherokee at period-end.

The amount due from customers for contract work mainly relates to the Production Systems operating segment and can be analysed as follows:

| (€ million) | At 30 September 2013 | At 31 December 2012 |
|---|---|---|
| Aggregate amount of costs incurred and recognised profits (less recognised losses) to date | 1,477 | 1,482 |
| Less: Progress billings | (1,555) | (1,477) |
| **Construction contracts, net of advances on contract work** | **(78)** | **5** |
| Gross amount due from customers for contract work as an asset | 147 | 183 |
| Less: Gross amount due to customers for contract work as a liability included in Other current liabilities | (225) | (178) |
| **Construction contracts, net of advances on contract work** | **(78)** | **5** |

## 17. Current receivables and Other current assets

| (€ million) | At 30 September 2013 | At 31 December 2012 |
|---|---|---|
| Trade receivables | 2,873 | 2,702 |
| Receivables from financing activities | 3,797 | 3,727 |
| Current tax receivables | 362 | 236 |
| Other current assets: | | |
| Other current receivables | 1,976 | 1,776 |
| Accrued income and prepaid expenses | 445 | 387 |
| Total other current assets | 2,421 | 2,163 |
| **Total Current receivables and Other current assets** | **9,453** | **8,828** |

Receivables from financing activities include the following:

| (€ million) | At 30 September 2013 | At 31 December 2012 |
|---|---|---|
| Dealer financing | 2,229 | 2,108 |
| Retail financing | 1,022 | 1,115 |
| Finance leases | 322 | 331 |
| Financial receivables from companies under joint control, associated and unconsolidated subsidiaries | 64 | 56 |
| Current financial receivables from jointly controlled financial services entities | 94 | 58 |
| Supplier financing | 7 | 12 |
| Other | 59 | 47 |
| **Total Receivables from financing activities** | **3,797** | **3,727** |

Receivables from financing activities at 30 September 2013 increased by €70 million over the period. Excluding translation exchange losses arising mainly from trends in the Euro/Brazilian Real rates, the item increased by €323 million.

Current financial receivables from jointly controlled financial services entities includes financial receivables from the FGA Capital group.

Other receivables include amounts due from the tax authorities for VAT and other indirect taxes, receivables from employees and miscellaneous receivables.

## 18. Current securities

At 30 September 2013, Current securities amount to €249 million (€256 million at 31 December 2012) and include mainly short-term or marketable securities which represent temporary investments readily convertible into cash, but which do not satisfy the requirements for being classified as Cash and cash equivalents.

## 19. Other financial assets and Other financial liabilities

These items include the measurement at fair value of derivative financial instruments at 30 September 2013. In particular, the overall change in Other financial assets (from €519 million at 31 December 2012 to €538 million at 30 September 2013) and in Other financial liabilities (from €201 million at 31 December 2012 to €129 million at 30 September 2013) is mainly due to changes in exchange rates, interest rates and commodity prices during the period, and the change in the fair value of the equity swaps on Fiat S.p.A. and CNH Industrial N.V. ordinary shares (positive for €56 million in the first nine months of 2013).

As this item consists principally of hedging instruments (excluding the equity swaps mentioned above), the change in their value is compensated by the change in the value of the hedged item.

At 30 September 2013, this item includes Other financial assets and Other financial liabilities of Chrysler for €84 million (€45 million at 31 December 2012) and €14 million (€42 million at 31 December 2012) respectively.

## 20. Cash and cash equivalents

At 30 September 2013, Cash and cash equivalents amounts to €16,827 million (€17,657 million at 31 December 2012), of which €8,508 million (€8,803 million at 31 December 2012) related to cash and cash equivalents of Chrysler.

These amounts include cash at banks, units in liquidity funds and other money market securities that are readily convertible into cash. Cash and cash equivalents are subject to an insignificant risk of changes in value, and consist of balances spread across various primary national and international banking institutions, liquidity funds and other money market instruments.

## 21. Assets held for sale

At 30 September 2013, Assets held for sale consist of an investment in a minor company in Brazil, which was classified as held for sale on acquisition, together with certain properties allocated to the Components and Production System operating segment.

Assets held for sale at 31 December 2012 included the same assets mentioned above, together with the investment in Sevelnord Société Anonyme (transferred during the first quarter of 2013).

## 22. Equity

Consolidated shareholders' equity at 30 September 2013 increased by €860 million from 31 December 2012, mainly due to the profit for the period of €655 million, an increase of €510 million in the remeasurement of defined benefit plans reserve and an increase of €76 million in the cash flow hedge reserve partially offset by the decrease of €437 million in the cumulative translation adjustment reserve.

### *Share capital*

At 30 September 2013, fully paid-up share capital amounts to €4,477 million (€4,476 million at 31 December 2012) and consists of 1,250,523,398 ordinary shares (1,250,402,773 ordinary shares at 31 December 2012), with a par value of €3.58 each. The capital increase from the previous year is due to the issue of 120,625 new shares in relation to the exercise of stock options.

The following table provides the changes in ordinary shares issued by Fiat S.p.A. in the first nine months of 2013:

| (number of shares in thousands) | At 31 December 2012 | Exercise of *Stock Options* | At 30 September 2013 |
|---|---|---|---|
| Ordinary shares issued | 1,250,403 | 121 | 1,250,524 |
| Of which: Ordinary treasury shares | (34,578) | - | (34,578) |
| **Outstanding Fiat S.p.A. Ordinary shares** | **1,215,825** | **121** | **1,215,946** |

In addition, as a result of the resolutions adopted by the Board of Directors on 3 November 2006, the demerger to Fiat Industrial S.p.A. (now CNH Industrial N.V.), and the resolution adopted by Shareholders at the Extraordinary Meeting on 4 April 2012, Fiat S.p.A. share capital may be increased by a maximum of €34,249,412.50 through the issue of up to 9,566,875 ordinary shares, through paid capital contributions, exclusively to executives employed by the Company and/or its subsidiaries in accordance with the relevant incentive plan. For more complete information on the share capital of Fiat S.p.A., reference should be made to Note 24 of the Consolidated financial statements at 31 December 2012.

*Treasury shares*

Treasury shares consist of 34,577,867 Fiat S.p.A. ordinary shares for an amount of €259 million (34,577,766 ordinary shares for an amount of €259 million at 31 December 2012). There has been an increase of 101 in the number of treasury shares over 31 December 2012 as a result of the adjustment arising from the conversion of preference and savings shares into ordinary shares resolved in 2012.

In addition, at their annual general meeting of 9 April 2013 shareholders renewed their authorisation for the purchase and sale of treasury shares, including through subsidiaries. The previous authorisation provided on 4 April 2012 was revoked. The authorisation provides for the purchase of a maximum number of shares not to exceed the legally established percentage of share capital or an aggregate value of €1.2 billion, inclusive of the €259 million in Fiat shares already held. As announced, the buy-back program is currently on hold and Fiat has no obligation to buy-back shares under the authorisation. The buy-back authorisation is valid for a period of 18 months and any buy-backs must be carried out in the manner established by law and at a purchase price per share which may not be more than 10% higher or 10% lower than the reference price reported by Borsa Italiana on the day prior to purchase.

*Other comprehensive income*

The amount of Other comprehensive income can be analysed as follows:

| (€ million) | 3rd Quarter 2013 | 3rd Quarter 2012 | 01/01-30/09 2013 | 01/01-30/09 2012 |
|---|---|---|---|---|
| | | | | |
| **Other comprehensive income that will not be reclassified subsequently to profit or loss:** | | | | |
| Gains/(losses) on remeasurement of defined benefit plans | (1) | - | 510 | - |
| Gains/(losses) on remeasurement of defined benefit plans of entities accounted for using the equity method | - | - | - | - |
| Gains/(losses) on remeasurement of defined benefit plans | **(1)** | - | **510** | - |
| **Total other comprehensive income that will not be reclassified subsequently to profit or loss (B1)** | **(1)** | - | **510** | - |
| | | | | |
| **Other comprehensive income that will be reclassified subsequently to profit or loss:** | | | | |
| Gains/(losses) on cash flow hedging instruments arising during the period | 34 | 7 | 203 | 22 |
| Gains/(losses) on cash flow hedging instruments reclassified to profit or loss | (46) | 37 | (105) | 71 |
| Gains/(losses) on cash flow hedging instruments | **(12)** | **44** | **98** | **93** |
| | | | | |
| Gains/(losses) on available-for-sale financial assets arising during the period | 17 | - | 20 | 15 |
| Gains/(losses) on available-for-sale financial assets reclassified to profit or loss | - | - | - | - |
| Gains/(losses) on the remeasurement of available-for-sale financial assets | **17** | **-** | **20** | **15** |
| | | | | |
| Exchange gains/(losses) on translating foreign operations arising during the period | (274) | (195) | (369) | (113) |
| Exchange gains/(losses) on translating foreign operations reclassified to profit or loss | - | - | - | - |
| Exchange gains/(losses) on translating foreign operations | **(274)** | **(195)** | **(369)** | **(113)** |
| | | | | |
| Share of Other comprehensive income of entities accounted for using the equity method arising during the period | (34) | (8) | (67) | 18 |
| Share of Other comprehensive income of entities accounted for using the equity method reclassified to profit or loss | (8) | 1 | (10) | 17 |
| Share of Other comprehensive income of entities accounted for using the equity method | **(42)** | **(7)** | **(77)** | **35** |
| **Total other comprehensive income that will be reclassified subsequently to profit or loss (B2)** | **(311)** | (158) | **(328)** | **30** |
| | | | | |
| **Total Other comprehensive income (B1)+(B2)=(B)** | **(312)** | **(158)** | **182** | **30** |
| **Tax effect of the other components of Other comprehensive income** | **(11)** | **(13)** | **(13)** | **(14)** |
| **Total Other comprehensive income, net of tax** | **(323)** | **(171)** | **169** | **16** |

The increase in gains from remeasurement of defined benefit plans related to the first nine months of 2013, mainly arises from the remeasurement of certain amended defined benefit pension plans of Chrysler (reference should be made to Note 9 for further details).

The tax effect relating to Other comprehensive income can be analysed as follows:

| (€ million) | 3rd Quarter 2013 Pre-tax balance | 3rd Quarter 2013 Tax income (expense) | 3rd Quarter 2013 Net balance | 3rd Quarter 2012 Pre-tax balance | 3rd Quarter 2012 Tax income (expense) | 3rd Quarter 2012 Net balance |
|---|---|---|---|---|---|---|
| Gains/(Losses) on remeasurement of defined benefit plans | (1) | - | (1) | - | - | - |
| Gains/(losses) on cash flow hedging instruments | (12) | (11) | (23) | 44 | (13) | 31 |
| Gains/(losses) on the remeasurement of available-for-sale financial assets | 17 | - | 17 | - | - | - |
| Exchange gains/(losses) on translating foreign operations | (274) | - | (274) | (195) | - | (195) |
| Share of Other comprehensive income of entities accounted for using the equity method | (42) | - | (42) | (7) | - | (7) |
| **Total Other comprehensive income** | **(312)** | **(11)** | **(323)** | **(158)** | **(13)** | **(171)** |

| (€ million) | 01/01-30/09 2013 Pre-tax balance | 01/01-30/09 2013 Tax income (expense) | 01/01-30/09 2013 Net balance | 01/01-30/09 2012 Pre-tax balance | 01/01-30/09 2012 Tax income (expense) | 01/01-30/09 2012 Net balance |
|---|---|---|---|---|---|---|
| Gains/(Losses) on remeasurement of defined benefit plans | 510 | - | 510 | - | - | - |
| Gains/(losses) on cash flow hedging instruments | 98 | (13) | 85 | 93 | (14) | 79 |
| Gains/(losses) on the remeasurement of available-for-sale financial assets | 20 | - | 20 | 15 | - | 15 |
| Exchange gains/(losses) on translating foreign operations | (369) | - | (369) | (113) | - | (113) |
| Share of Other comprehensive income of entities accounted for using the equity method | (77) | - | (77) | 35 | - | 35 |
| **Total Other comprehensive income** | **182** | **(13)** | **169** | **30** | **(14)** | **16** |

## 23. Provisions

| (€ million) | At 30 September 2013 | | At 31 December 2012 | |
|---|---|---|---|---|
| Employee benefits | | 10,435 | | 11,486 |
| Other provisions: | | | | |
| Warranty provision | 3,673 | | 3,617 | |
| Restructuring provision | 203 | | 261 | |
| Investment provision | 12 | | 13 | |
| Other risks | 4,791 | | 4,899 | |
| Total Other provisions | | 8,679 | | 8,790 |
| **Total Provisions** | | **19,114** | | **20,276** |

Provisions for Employee benefits include provisions for both pension plans and other post-employment benefits. Provisions for Employee benefits decreased by €1,051 million over the first nine months of 2013 mainly due to the interim remeasurement and amendment of certain defined benefit pension plans of Chrysler, occurred in the second quarter 2013, for €675 million (reference should be made to Note 9 for further details) and due to the devaluation of the US Dollar against the Euro for €259 million.

Reserves for risks and charges and other reserves amount to €8,679 million at 30 September 2013 (€8,790 million at 31 December 2012) and include provisions for contractual, commercial and legal risks.

## 24. Debt

| (€ million) | At 30 September 2013 | | At 31 December 2012 | |
|---|---|---|---|---|
| Asset-backed financing | | 395 | | 449 |
| Other debt: | | | | |
| Bonds | 14,134 | | 12,716 | |
| Borrowings from banks | 8,308 | | 8,139 | |
| Payables represented by securities | 4,463 | | 4,873 | |
| Other | 1,684 | | 1,712 | |
| Total Other debt | | 28,589 | | 27,440 |
| **Total Debt** | | **28,984** | | **27,889** |

Debt increased by €1,095 million over the nine months ended at 30 September 2013, mainly due to the net increase in bonds (€1,500 million par value), borrowings from banks and to the consolidation of VM Motori (€119 million at 30 September 2013), net of foreign exchange translation effects of €730 million. At 30 September 2013, Debt includes €9.7 billion (€10.3 billion at 31 December 2012) of Chrysler debt third parties.

At 30 September 2013, debt secured by assets of the Fiat Group excluding Chrysler amounts to €426 million (€363 million at 31 December 2012), of which €368 million (€276 million at 31 December 2012) due to creditors for assets acquired under finance leases. Debt secured by assets of Chrysler amounts to €5,299 million (€5,530 million at 31 December 2012), and includes €4,524 million (€4,665 million at 31 December 2012) relating to the principal amount of the *Secured Senior Notes* and the *Senior Secured Credit Facility* (the "*Tranche B Term Loan*" and the "*Revolving Credit Facility*", which at 30 September 2013 was undrawn), €174 million (€183 million at 31 December 2012) was due to creditors for assets acquired under finance leases and other debt and financial commitments for €601 million (€682 million at 31 December 2012).

*Bonds*

The principal bond issues outstanding at 30 September 2013 are as follows:

| | Currency | Face value of outstanding bonds (in million) | Coupon | Maturity | Outstanding amount (€ million) |
|---|---|---|---|---|---|
| **GLOBAL MEDIUM TERM NOTES:** | | | | | |
| Fiat Finance and Trade Ltd S.A. (1) | EUR | 900 | 6.125% | 8 July 2014 | 900 |
| Fiat Finance and Trade Ltd S.A. (1) | EUR | 1,250 | 7.625% | 15 September 2014 | 1,250 |
| Fiat Finance and Trade Ltd S.A. (1) | EUR | 1,500 | 6.875% | 13 February 2015 | 1,500 |
| Fiat Finance and Trade Ltd S.A. (2) | CHF | 425 | 5.000% | 7 September 2015 | 348 |
| Fiat Finance and Trade Ltd S.A. (1) | EUR | 1,000 | 6.375% | 1 April 2016 | 1,000 |
| Fiat Finance and Trade Ltd S.A. (1) | EUR | 1,000 | 7.750% | 17 October 2016 | 1,000 |
| Fiat Finance and Trade Ltd S.A. (2) | CHF | 400 | 5.250% | 23 November 2016 | 327 |
| Fiat Finance and Trade Ltd S.A. (1) | EUR | 850 | 7.000% | 23 March 2017 | 850 |
| Fiat Finance North America Inc. (1) | EUR | 1,000 | 5.625% | 12 June 2017 | 1,000 |
| Fiat Finance and Trade Ltd S.A. (1) | EUR | 1,250 | 6.625% | 15 March 2018 | 1,250 |
| Fiat Finance and Trade Ltd S.A. (1) | EUR | 600 | 7.375% | 9 July 2018 | 600 |
| Fiat Finance and Trade Ltd S.A. (1) | EUR | 1,250 | 6.750% | 14 October 2019 | 1,250 |
| Other | EUR | 7 | | | 7 |
| **TOTAL GLOBAL MEDIUM TERM NOTES** | | | | | **11,282** |
| **OTHER BONDS:** | | | | | |
| Chrysler Group LLC (*Secured Senior Notes*) (3) | USD | 1,500 | 8.000% | 15 June 2019 | 1,110 |
| Chrysler Group LLC (*Secured Senior Notes*) (3) | USD | 1,700 | 8.250% | 15 June 2021 | 1,259 |
| **TOTAL OTHER BONDS** | | | | | **2,369** |
| **HEDGING EFFECT AND AMORTISED COST VALUATION** | | | | | **483** |
| **TOTAL BONDS** | | | | | **14,134** |

(1) Bond for which a listing on the Irish Stock Exchange was obtained.
(2) Bond for which a listing on the SIX Swiss Exchange was obtained.
(3) The *Secured Senior Notes* were issued at par on 24 May 2011 and initially sold in a private placement to qualified institutional buyers and non-US persons as defined by US Securities Act. On 29 December 2011, in accordance with the indenture, Chrysler commenced an offer to exchange the *Original Notes* outstanding for notes having substantially identical terms as those originally issued and the same principal amount but do not contain restrictions on transfer. The offer to exchange the *Original Notes* expired on 1 February 2012. Substantially all of the Original Notes were tendered for *Secured Senior Notes*.

Changes in Bonds during the first nine months of 2013 are mainly due to:

- the issue by Fiat Finance and Trade Ltd S.A. as part of the *Global Medium Term Notes Programme* of guaranteed 6.625% notes at par having a principal of €1,250 million and due March 2018;
- the repayment on maturity of a bond having a nominal value of €1 billion issued by Fiat Finance and Trade Ltd S.A. in 2006;
- the issue by Fiat Finance and Trade Ltd S.A. as part of the *Global Medium Term Notes Programme* of guaranteed 6.750% notes at par having a principal of €850 million and due October 2019;
- the re-opening of the above €850 million 6.750% notes due October 2019, with the issue of a further €400 million of notes at 101.231% of par value and a yield to maturity of 6.50%, increasing the total principal amount of the bond to €1.25 billion.

The bonds issued by Fiat and Chrysler are subject to different terms and conditions, which vary by issuer and, in some cases, by individual issuance. The prospectuses and/or indentures relating to the principal bond issues are available on the Group's website at www.fiatspa.com under "*Investors - Debt and Credit Ratings - Bonds*" and at www.chryslergroupllc.com under "*Investor Relations - SEC filings*". These documents are unaudited.

Fiat intends to repay the bonds issued by Fiat Finance and Trade Ltd S.A. and by Fiat Finance North America Inc. in cash at maturity by utilising available liquid resources. The companies in the Fiat Group may from time to time buy back bonds on the market that have been issued by the Group, also for purposes of their cancellation. Such buy-backs, if made, depend upon market conditions, the financial situation of the Group and other factors which could affect such decisions.

Chrysler may at any time redeem all or any portion of the *Secured Senior Notes* on not less than 30 and not more than 60 days' prior notice mailed to the holders of the Notes to be redeemed at conditions indicated in Note 28 to the Consolidated Financial Statements at 31 December 2012, which should be referred for other details regarding the bonds issued by the Group.

Chrysler remains separate from the rest of the Fiat Group from a financial management standpoint and manages its own treasury services, obtaining funding from the market and managing cash directly.

### Borrowings from banks

At 30 September 2013, the item includes €2,172 million (€2,265 million at 31 December 2012) outstanding on the *Tranche B Term Loan* of Chrysler, payable in equal quarterly instalments of $7.5 million, with the remaining balance due at maturity in May 2017. As previously described, in June 2013 Chrysler re-priced and amended its $3 billion *Tranche B Term Loan* and its $1.3 billion *Revolving Credit Facility*, currently undrawn, maturing in May 2016. In addition, certain loan covenants were amended to be consistent with those in the Chrysler bond agreement.

Medium/long term committed credit lines (expiring after twelve months) currently available to the treasury companies of Fiat Group excluding Chrysler amount to €2.7 billion at 30 September 2013, of which €2.1 billion related to the 3-year syndicated revolving credit line that was undrawn at 30 September 2013. It should be noted that in June 2013 Fiat completed the renewal of this revolving credit line to June 2016, increasing its amount in July 2013 from the original €2 billion to €2.1 billion. Additionally, the operating entities of Fiat Group excluding Chrysler have committed credit lines available, with residual maturity after twelve months, to fund scheduled investments, of which €1.8 billion was still undrawn at 30 September 2013. Further information on the medium/long term committed credit lines is included in Note 28 to the Consolidated Financial Statements at 31 December 2012.

### *Payables represented by securities*

At 30 September 2013, the Payables represented by securities include the *VEBA Trust Note* of €3,571 million (€3,863 million at 31 December 2012) and the *Canadian Health Care Trust Notes* totalling €725 million (€864 million at 31 December 2012). Further information on this debt is included in Note 28 to the Consolidated Financial Statements at 31 December 2012.

## 25. Trade payables

Trade payables of €17,460 million at 30 September 2013 increased €902 million over 31 December 2012.

## 26. Other current liabilities

At 30 September 2013, Other payables also include accrued expenses and deferred income of €2,285 million (€1,920 million at 31 December 2012) and €1,910 million of amounts payable to customers relating to buy-back agreements (€1,198 million at 31 December 2012).

## 27. Explanatory notes to the Consolidated Statement of Cash Flows

The Statement of cash flows sets out changes in Cash and cash equivalents during the first nine months of 2013. As required by IAS 7 – *Statement of Cash Flows*, cash flows are separated into operating, investing and financing activities. The effects of changes in exchange rates on cash and cash equivalents are shown separately under the line item Translation exchange differences.

Cash flows from (used in) operating activities derive mainly from the Group's main revenue producing activities.

The cash flows generated by the sale of vehicles under buy-back commitments, net of the amounts included in Profit/(loss) for the period, are included under operating activities in a single line item which includes changes in working capital.

Cash flows generated by operating lease arrangements are included in operating activities in a single line item which includes capital expenditures, depreciation, impairment losses and changes in inventories.

For the first nine months of 2013, Other non-cash items (positive for €17 million) consist of the reversal of non-cash profit and loss items, including the €56 million gain arising on the fair value measurement of the equity swaps on Fiat S.p.A. and CNH Industrial N.V. ordinary shares and the €55 million loss related to the devaluation of the official exchange rate of the Venezuelan Bolivar (VEF) relative to the US Dollar (reference should be made to Note 9 for further details).

For the nine months of 2012, Other non-cash items (positive for €319 million) consisted of the reversal of non-cash profit and loss items, including the €30 million gain arising on the fair value measurement of the equity swaps on Fiat S.p.A. and CNH Industrial N.V. ordinary shares and the effect, for €351 million, related to the restatement of the income statement for 2012 following the retrospective adoption of IAS 19 amendment from 1 January 2013, as if the amendment had always been applied.

## 28. Guarantees granted, commitments and other contingent liabilities

*Guarantees granted*

At 30 September 2013, the Group had outstanding guarantees on the debt or commitments of third or related parties totalling €46 million (€75 million at 31 December 2012).

*Other commitments and significant contractual rights*

The Fiat Group has important commitments and rights derived from outstanding agreements. These commitments and rights are described in Note 32 of the Consolidated Financial Statements at 31 December 2012, to which reference should be made. In particular, these involve commitments and rights regarding:

- relations of Fiat with Renault concerning the subsidiary Teksid;
- investment of Fiat in Chrysler Group LLC.

In addition, please note that, on 8 July 2013, Fiat notified the *United Auto Workers' Retiree Medical Benefits Trust* ("VEBA") of the exercise of its option to purchase a third tranche of the interest held by VEBA in Chrysler Group LLC, representing approximately 3.3% of Chrysler's outstanding equity. Fiat's calculation of the net purchase consideration payable for that tranche was $254.7 million. Fiat had exercised its options to purchase a first tranche of VEBA's equity interest in Chrysler on 3 July 2012 and a second tranche on 3 January 2013 – each representing approximately 3.3% of Chrysler's outstanding equity. On 26 September 2012, following exercise of the first tranche, Fiat sought a declaratory judgment in the *Delaware Chancery Court* ("the Court") to confirm the price to be paid. On 30 July 2013, the Court granted Fiat's motion for a judgment on the pleadings with respect to two issues in dispute. The Court also denied, in its entirety, the VEBA's cross-motion for judgment on the pleadings. Other disputed items remain open, as the Court ordered additional discovery on these issues. In the event that these transactions are completed as contemplated, Fiat will own 68.49% of the ownership interest in Chrysler Group and the VEBA Trust will own the remaining 31.51%.
Reference should be made to section Scope of consolidation of this Quarterly report for a more comprehensive update on the relations between Fiat and General Motors concerning the joint venture VM Motori S.p.A.

*Lawsuits and controversies*

The Parent Company and certain subsidiaries, including Chrysler, are party to various lawsuits and controversies. Nevertheless, it is believed that the resolution of these controversies will not cause significant liabilities for which specific risk provisions have not already been set aside.

*Sales of receivables*

At 30 September 2013, receivables and bills due beyond this date, that were transferred without recourse and derecognized in accordance with the requirements of IAS 39, amount to €3,353 million (€3,631 million at 31 December 2012, with due dates beyond that date), which refer to trade receivables and other receivables for €2,593 million (€2,932 million at 31 December 2012) and financial receivables for €760 million (€699 million at 31 December 2012). The amount includes receivables, mostly due from the sales network, of €2,062 million (€2.179 million at 31 December 2012) sold to jointly controlled financial services companies (FGA Capital).

## 29. Information by sector

The organization of Fiat Group, with reference to the car mass-market brands, is based on four operating regions (the "regions") that deal with the development, production and sale of "mass-market brand" passenger cars, light commercial vehicles and related parts and services in specific geographical areas: NAFTA (U.S., Canada and Mexico), LATAM (South and Central America, excluding Mexico), APAC (Asia and Pacific countries) and EMEA (Europe, Middle East and Africa). The Group also includes two additional operating segments, the first which designs, manufactures and sells luxury cars (Ferrari and Maserati) and the other that produces and sells components and production systems for the automotive industry (Magneti Marelli, Teksid and Comau). Both segments operate on a worldwide basis.

These regions and operating segments reflect the components of the Group that are regularly reviewed by the Group's Chief Executive Officer together with the Group Executive Council for making strategic decisions, allocating resources and assessing performance.

In more detail, the regions and the operating segments identified by the Group are the following:

- NAFTA mainly earns its revenues from the design, development, production, distribution and sale of automobiles under the Chrysler, Jeep, Dodge, Ram, SRT and Fiat brand names, and from sales of the related parts and accessories (under the Mopar brand name) in the United States, Canada and Mexico.
- LATAM mainly earns its revenues from the production and sale of passenger cars and light commercial vehicles and related spare parts under the Fiat and Fiat Professional brand names in South and Central America, excluding Mexico, and from the distribution of Chrysler group brand cars in the same region; in addition, it provides financial services to the dealer network in Brazil and Argentina, and to the dealer network and end customers of Fiat Industrial Group for the sale of trucks and commercial vehicles in the same countries.
- APAC mainly earns its revenues from the sale of cars, engines and transmissions and related spare parts under the Chrysler and Fiat brands mostly in China, Japan, Australia, South Korea and India. These activities are carried out by the region through both subsidiaries and joint ventures.
- EMEA mainly earns its revenues from the design, development, production and sale of passenger cars and light commercial vehicles under the Fiat, Alfa Romeo, Lancia/Chrysler, Abarth and Fiat Professional brand names and the sale of the related spare parts in Europe, Middle East and Africa, and from the distribution of Chrysler group vehicles in the same areas. In addition, the region provides financial services related to the sale of cars and light commercial vehicles in Europe, primarily through the 50/50 joint venture FGA Capital set up with the Crédit Agricole group included within entities accounted for using the equity method.
- The Luxury Brands (Ferrari and Maserati) grouping earns its revenues from the production and sale of luxury sport cars under the Ferrari and Maserati brands, from managing the Ferrari racing team and from providing financial

services offered in conjunction with the sale of Ferrari brand cars.

- The Components and Production Systems (Magneti Marelli, Teksid and Comau) grouping earns its revenues from the production and sale of lighting components, engine control units, suspensions, shock absorbers, electronic systems and exhaust systems and from activities in the plastic moulding components and in the after-market carried out under the Magneti Marelli brand name, cast iron components for engines, gearboxes, transmissions and suspension systems and aluminium cylinder heads (Teksid), in addition to the design and production of industrial automation systems and related products for the automotive industry (Comau).

Transactions among regions generally are presented on a “where-sold” basis, which reflects the profit/(loss) on the ultimate sale to the external customer within the region. This presentation generally eliminates the effect of the legal entity transfer price within the regions. For the regions which also provide financial services activities, revenues and costs also include interest income and expense and other financial income and expense arising from those activities.

Revenues, Trading profit/(loss) and EBIT of the other operating segments are those directly generated by or attributable to the segment as the result of its usual business activities and include revenues from transactions with third parties as well as those arising from transactions with regions and other operating segments, recognised at normal market prices. For Luxury Brands segment which also provides financial services activities, revenues and costs include interest income and expense, and other financial income and expense arising from those activities.

Other activities include the results of the activities and businesses that are not an operating segment under IFRS 8, the Unallocated items and adjustments include consolidation adjustments and eliminations in addition to financial income and expense and income taxes that are not attributable to the performance of the segments and are subject to separate assessment by the Chief Executive Officer. However, Chrysler currently has, and is expected to continue to have, separate fiscal and treasury management, including funding and cash management.

Details of the income statement by segments in the third quarter of 2013 and 2012 are as follows:

| (€ million) | Car Mass-Market brands NAFTA | LATAM | APAC | EMEA | Luxury Brands | Components and Production Systems | Other activities | Unallocated items & adjustments | Fiat Group | of which: Fiat Group excluding Chrysler |
|---|---|---|---|---|---|---|---|---|---|---|
| **3rd Quarter 2013** | | | | | | | | | | |
| Segment revenues | 10,965 | 2,446 | 1,205 | 3,860 | 922 | 1,877 | 216 | (758) | **20,733** | **8,416** |
| Revenues from transactions with regions and other operating segments | (22) | (22) | (2) | (47) | - | (554) | (111) | 758 | - | (510) |
| **Net revenues from external customers** | **10,943** | **2,424** | **1,203** | **3,813** | **922** | **1,323** | **105** | **-** | **20,733** | **7,906** |
| **Trading profit/(loss)** | **535** | **165** | **96** | **(165)** | **131** | **38** | **(7)** | **23** | **816** | **27** |
| Profit/(loss) from investments | - | - | (1) | 40 | - | 1 | - | 1 | **41** | 43 |
| Unusual income/(expense) | 1 | 4 | 1 | 6 | - | (2) | (16) | 5 | **(1)** | (6) |
| **EBIT** | **536** | **169** | **96** | **(119)** | **131** | **37** | **(23)** | **29** | **856** | **64** |
| Financial income/(expense) | | | | | | | | | **(489)** | (240) |
| **Profit/(loss) before taxes** | | | | | | | | | **367** | **(176)** |
| Income taxes | | | | | | | | | **178** | 71 |
| **Profit/(loss) for the period** | | | | | | | | | **189** | **(247)** |

| (€ million) | Car Mass-Market brands NAFTA | LATAM | APAC | EMEA | Luxury Brands | Components and Production Systems | Other activities | Unallocated items & adjustments | Fiat Group | of which: Fiat Group excluding Chrysler |
|---|---|---|---|---|---|---|---|---|---|---|
| **3rd Quarter 2012** | | | | | | | | | | |
| Segment revenues | 10,759 | 2,955 | 830 | 3,820 | 667 | 1,951 | 232 | (777) | **20,437** | **8,490** |
| Revenues from transactions with regions and other operating segments | (1) | (13) | 1 | (123) | (5) | (527) | (109) | 777 | - | (213) |
| **Net revenues from external customers** | **10,758** | **2,942** | **831** | **3,697** | **662** | **1,424** | **123** | **-** | **20,437** | **8,277** |
| **Trading profit/(loss)** | **614** | **341** | **73** | **(238)** | **89** | **37** | **(21)** | **6** | **901** | **101** |
| Profit/(loss) from investments | - | - | 1 | 43 | - | (1) | (39) | 1 | **5** | 6 |
| Unusual income/(expense) | 4 | (31) | - | (24) | - | - | (1) | (24) | **(76)** | (50) |
| **EBIT** | **618** | **310** | **74** | **(219)** | **89** | **36** | **(61)** | **(17)** | **830** | **57** |
| Financial income/(expense) | | | | | | | | | **(464)** | (189) |
| **Profit/(loss) before taxes** | | | | | | | | | **366** | **(132)** |
| Income taxes | | | | | | | | | **195** | 152 |
| **Profit/(loss) for the period** | | | | | | | | | **171** | **(284)** |

Details of the income statement by segments in the first nine months of 2013 and 2012 are as follows:

| (€ million) | Car Mass-Market brands NAFTA | LATAM | APAC | EMEA | Luxury Brands | Components and Production Systems | Other activities | Unallocated items & adjustments | Fiat Group | of which: Fiat Group excluding Chrysler |
|---|---|---|---|---|---|---|---|---|---|---|
| **01/01-30/09 2013** | | | | | | | | | | |
| Segment revenues | 32,474 | 7,753 | 3,290 | 12,990 | 2,491 | 5,932 | 685 | (2,800) | **62,815** | **26,377** |
| Revenues from transactions with regions and other operating segments | (143) | (79) | (2) | (413) | (33) | (1,795) | (335) | 2,800 | **-** | (1,176) |
| **Net revenues from external customers** | **32,331** | **7,674** | **3,288** | **12,577** | **2,458** | **4,137** | **350** | **-** | **62,815** | **25,201** |
| **Trading profit/(loss)** | **1,600** | **575** | **295** | **(420)** | **312** | **131** | **(43)** | **13** | **2,463** | **177** |
| Profit/(loss) from investments | (1) | - | (24) | 117 | - | 5 | (8) | - | **89** | 95 |
| Unusual income/(expense) | 70 | (55) | (1) | (1) | - | (4) | (50) | 5 | **(36)** | (53) |
| **EBIT** | **1,669** | **520** | **270** | **(304)** | **312** | **132** | **(101)** | **18** | **2,516** | **219** |
| Financial income/(expense) | | | | | | | | | **(1,434)** | (688) |
| **Profit/(loss) before taxes** | | | | | | | | | **1,082** | **(469)** |
| Income taxes | | | | | | | | | **427** | 260 |
| **Profit/(loss) for the period** | | | | | | | | | **655** | **(729)** |

| (€ million) | Car Mass-Market brands NAFTA | LATAM | APAC | EMEA | Luxury Brands | Components and Production Systems | Other activities | Unallocated items & adjustments | Fiat Group | of which: Fiat Group excluding Chrysler |
|---|---|---|---|---|---|---|---|---|---|---|
| **01/01-30/09 2012** | | | | | | | | | | |
| Segment revenues | 32,113 | 8,166 | 2,307 | 13,248 | 2,105 | 5,988 | 712 | (2,457) | **62,182** | **26,415** |
| Revenues from transactions with regions and other operating segments | (2) | (56) | (1) | (332) | (8) | (1,740) | (318) | 2,457 | **-** | (586) |
| **Net revenues from external customers** | **32,111** | **8,110** | **2,306** | **12,916** | **2,097** | **4,248** | **394** | **-** | **62,182** | **25,829** |
| **Trading profit/(loss)** | **1,888** | **814** | **214** | **(583)** | **264** | **119** | **(50)** | **(12)** | **2,654** | **229** |
| Profit/(loss) from investments | - | - | 5 | 124 | - | 2 | (58) | 2 | **75** | 76 |
| Unusual income/(expense) | 42 | (31) | - | (114) | - | (3) | (1) | (25) | **(132)** | (144) |
| **EBIT** | **1,930** | **783** | **219** | **(573)** | **264** | **118** | **(109)** | **(35)** | **2,597** | **161** |
| Financial income/(expense) | | | | | | | | | **(1,415)** | (606) |
| **Profit/(loss) before taxes** | | | | | | | | | **1,182** | **(445)** |
| Income taxes | | | | | | | | | **510** | 363 |
| **Profit/(loss) for the period** | | | | | | | | | **672** | **(808)** |

Unallocated items, and in particular financial income/(expenses), are not attributed to the regions and operating segments as they do not fall under the scope of their operational responsibilities and are therefore assessed separately. These items arise from the management of treasury assets and liabilities by the treasuries of Fiat and Chrysler, which work independently and separately within the Group. The Group's treasury assets and liabilities are as follows, as also reported in the Interim Report:

| | | At 30 September 2013 | | | At 31 December 2012 | | |
|---|---|---|---|---|---|---|---|
| (€ million) | Note | Fiat Group | Chrysler | Fiat excluding Chrysler | Fiat Group | Chrysler | Fiat excluding Chrysler |
| Debt: | (24) | (28,984) | (9,775) | (19,306) | (27,889) | (10,312) | (17,586) |
| Asset-backed financing | (24) | (395) | - | (395) | (449) | - | (449) |
| Bonds, bank loans and other debt | (24) | (28,589) | (9,775) | (18,911) | (27,440) | (10,312) | (17,137) |
| Current financial receivables from jointly controlled financial services companies [(a)] | | 94 | - | 94 | 58 | - | 58 |
| Intersegment financial receivables [(b)] | | - | 7 | 90 | - | 9 | - |
| **Debt, net of current financial receivables from jointly controlled financial services companies and intersegment financial receivables** | | **(28,890)** | **(9,768)** | **(19,122)** | **(27,831)** | **(10,303)** | **(17,528)** |
| Other financial assets [(c)] | (19) | 538 | 84 | 454 | 519 | 45 | 474 |
| Other financial liabilities [(c)] | (19) | (129) | (14) | (115) | (201) | (42) | (159) |
| Current securities | (18) | 249 | - | 249 | 256 | - | 256 |
| Cash and cash equivalents | (20) | 16.827 | 8,508 | 8,319 | 17,657 | 8,803 | 8,854 |
| **Net debt** | | **(11,405)** | **(1,190)** | **(10,215)** | **(9,600)** | **(1,497)** | **(8,103)** |
| ***Industrial Activities*** | | *(8,307)* | *(1,190)* | *(7,117)* | *(6,545)* | *(1,497)* | *(5,048)* |
| ***Financial Services*** | | *(3,098)* | *-* | *(3,098)* | *(3,055)* | *-* | *(3,055)* |
| Cash, cash equivalents and current securities | | 17,076 | 8,508 | 8,568 | 17,913 | 8,803 | 9,110 |
| Undrawn committed credit lines | | 3,063 | 963 | 2,100 | 2,935 | 985 | 1,950 |
| **Total available liquidity** | | **20,139** | **9,471** | **10,668** | **20,848** | **9,788** | **11,060** |

*(a) Includes current financial receivables from FGA Capital.*

*(b) Relates to intragroup manufacturing agreements reclassified as finance leases in accordance with IFRIC 4, in addition to receivables relating to factoring transactions between Chrysler Group companies and Fiat Group financial services companies in EMEA.*

*(c) Includes fair value of derivative financial instruments.*

## 30. Translation of financial statements denominated in a currency other than the euros

The principal exchange rates used to translate into Euros the financial statements prepared in currencies other than Euros were as follows:

| | 01/01-30/09 2013 | | At 31 December 2012 | 01/01-30/09 2012 | |
|---|---|---|---|---|---|
| | Average | At 30 September | | Average | At 30 September |
| US Dollar | 1.317 | 1.351 | 1.319 | 1.281 | 1.293 |
| Brazilian Real | 2.792 | 3.041 | 2.704 | 2.455 | 2.623 |
| Chinese Renminbi | 8.122 | 8.265 | 8.221 | 8.106 | 8.126 |
| Serbian Dinar | 112.690 | 114.604 | 113.718 | 112.846 | 114.599 |
| Polish Zloty | 4.201 | 4.229 | 4.074 | 4.209 | 4.104 |
| Argentine Peso | 6.950 | 7.819 | 6.478 | 5.713 | 6.061 |
| Pound Sterling | 0.852 | 0.836 | 0.816 | 0.812 | 0.798 |
| Swiss Franc | 1.232 | 1.223 | 1.207 | 1.204 | 1.210 |

### 31. Other information

During the first nine months of 2013, Fiat Group had an average number of employees of 218,665  (202,858 employees during the first nine months of 2012).

Pursuant to Articles 70 (8) and 71 (1-bis) of the Consob Issuer Regulations, the Board of Directors approved the opt-out from the obligation to publish an information document for significant transactions (e.g., significant mergers, spin-offs, share capital increases by means of in-kind contributions of assets, acquisitions and disposals).

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*The manager responsible for preparing the Company's financial reports, Richard Palmer, declares, pursuant to Article 154-bis (2) of Legislative Decree 58/98, that the accounting information contained in this document corresponds to the results documented in the books, accounting and other records of the company.*