Interim Report
for the quarter ended March 31, 2014

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The terms "Fiat", "Fiat Group" or simply "Group" are used to identify Fiat S.p.A. together with its direct and indirect subsidiaries which, beginning June 1, 2011, include Chrysler Group LLC and its direct and indirect subsidiaries following the acquisition of control.

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

Fiat S.p.A.
Registered Office: Via Nizza 250, Turin (Italy)
Share Capital: €4,478,421,667.34
Turin Companies Register/Tax Code: 00469580013

BOARD OF DIRECTORS AND AUDITORS

BOARD OF DIRECTORS

Chairman
John Elkann [1]

Chief Executive Officer
Sergio Marchionne

Directors
Andrea Agnelli
Joyce Victoria Bigio [1] [2]
Tiberto Brandolini d'Adda
René Carron [2] [3]
Luca Cordero di Montezemolo
Gian Maria Gros-Pietro [2] [3] [4]
Patience Wheatcroft [1] [3]

BOARD OF STATUTORY AUDITORS

Regular Auditors
Ignazio Carbone – Chairman
Lionello Jona Celesia
Piero Locatelli

Alternate Auditors
Lucio Pasquini
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.

(4) Effective June 23, 2014, Mr. Gros Pietro resigned from the Fiat Board of Directors and was replaced by Mr. Glenn Earle..

FIAT GROUP INTERIM REPORT

INTRODUCTION

On July 3, 2014, the Board of Directors of Fiat approved amended 2014 first quarter results. reflecting the amendment of financial statements authorized for issue by the Fiat S.p.A. Board of Directors on May 6, 2014 and published on May 14, 2014.The revisions relates to the accounting of a portion of the acquisition of 41,5% of Chrysler on January 21, 2014 and result in an unusual non-cash gain of €223 million.

In preparing the Interim Financial Information as of March 31, 2014 to be included in the Registration Statement, on Form F-4 related to the shares of FCA that will be issued to shareholders of Fiat in connection with the proposed Merger (the "Registration Statement"), the Company revised its accounting for the acquisition of the 41.5% equity interest in Chrysler which Fiat acquired from the VEBA Trust on January 21, 2014 (the "Acquisition"). Such revision relates to a portion of the Acquisition representing approximately 10% of Chrysler's equity interests, which were covered by three call options that Fiat had exercised prior to the closing of the Acquisition and that were disputed within the Delaware Court of Chancery (the "Options"). Based on the information available at the time and absent specific IFRS guidance directly applicable to the transaction in its whole, the Options had been accounted for at cost (equal to zero) in the Company's Interim Report for the Quarter ended March 31, 2014 (published on May 14, 2014).

However, the analysis performed in June 2014 as part of the process for the preparation of the Registration Statement on both the accounting treatment of the Acquisition and the Memorandum of Understanding with the UAW of January 2014 has led the Company to determine that the fair value of the Options became quantifiable once the Company entered into the agreements relating to the Acquisition.

Compared to that applied for the preparation of the 2014 first quarter interim financial information, the amended accounting treatment results in the recognition of an unusual non-cash gain of €223 million in the income statement for the quarter ended March 31, 2014, corresponding to the difference between the fair value of approximately 10% of Chrysler equity and the estimated settlement price of the Options.

See "Authorization of revised Interim Consolidated Financial Statements at March 31, 2014" in the "Interim Consolidated Financial Statement and Notes at March 31, 2014".

The Interim Report for the quarter ended March 31, 2014 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 December 31, 2013, except as otherwise stated in "Accounting standards, amendments and interpretations adopted from January 1, 2014" in the Notes to the Interim Consolidated Financial Statements.

Following the retrospective application of IFRS 11 – *Joint arrangements* effective January 1, 2014, figures previously reported in the statements of income and cash flows for the quarter ended March 31, 2013 and the statement of financial position as of December 31, 2013 have been retrospectively adjusted in accordance with the requirements of IAS 1 – *Presentation of Financial Statements*. Further information is provided in "New standards applicable from January 1, 2014" in the Notes to the Interim Consolidated Financial Statements.

This Interim Report is unaudited.

OPERATING PERFORMANCE

HIGHLIGHTS

(€ million)	For the three months ended March 31, 2014	2013 (*)
Net revenues	22,125	19,707
Trading profit	622	631
EBIT	270	607
EBITDA (1)	1,438	1,673
Profit/(loss) before taxes	(223)	164
Profit/(loss) for the period	(173)	31
Attributable to:		
Owners of the parent	(189)	(83)
Non-controlling interests	16	114
Basic earnings per ordinary share (2)	(0.155)	(0.068)
Profit/(loss) excluding unusual items	87]	78
Basic earnings per ordinary share excluding unusual items (2)	0.058	(0.049)

(*) *Adjusted for the retrospective application of IFRS 11: Revenues -€50 million, Trading Profit +€13 million, EBIT +€4 million, Profit before Taxes +€4 million, Net profit unchanged.*

(1) *EBIT plus Depreciation and Amortization.*

(2) *Note 10 to the Interim Consolidated Financial Statements provides additional information on the calculation of basic earnings per share.*

	At March 31, 2014		At December 31, 2013 (*)	
(€ million)	Fiat	Fiat excluding Chrysler	Fiat	Fiat excluding Chrysler
Net debt	13,248	12,753	10,158	10,373
of which: Net industrial debt	*9,996*	*9,501*	*7,014*	*7,229*
Total equity	9,713	-	12,584	-
Equity attributable to owners of the parent	9,386	-	8,326	-
No. of employees at period end	230,454	-	229,053	-

(*) *Adjusted for retrospective application of IFRS 11: net debt increased by €365 million and employees increased by 3,466 people.*

Foreword

This report, and in particular the section "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 possibility of new 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.

Additional unaudited information supplementing this section is available from the "Investors" area of the Fiat website (www.fiatspa.com).

GROUP RESULTS

(€ million)	For the three months ended March 31, 2014	2013 (*)
Net revenues	22,125	19,707
Cost of sales	19,237	16,951
Selling, general and administrative costs	1,662	1,623
Research and development costs	626	488
Other income/(expenses)	22	(14)
TRADING PROFIT	**622**	**631**
Result from investments	33	23
Gains/(losses) on the disposal of investments	8	2
Restructuring costs	10	(2)
Other unusual income/(expenses)	(383)	(51)
EBIT	**270**	**607**
Net financial income/(expenses)	(493)	(443)
PROFIT/(LOSS) BEFORE TAXES	**(223)**	**164**
Tax (income)/expenses	(50)	133
NET PROFIT/(LOSS)	**(173)**	**31**

(*) Adjusted for the retrospective application of IFRS 11.

Net revenues

	For the three months ended March 31,		Increase/(decrease)	
(€ million, except percentages)	2014	2013	2014 vs. 2013	
Net revenues	22,125	19,707	2,418	12.3%

Net revenues for the three months ended March 31, 2014 were €22.1 billion, an increase of €2.4 billion, or 12.3% (17.4% on a constant currency basis), from €19.7 billion for the three months ended March 31, 2013.

The increase in net revenues was primarily attributable to (i) a €1.7 billion increase in NAFTA net revenues, related to an increase in shipments and improved product and distribution channel mix, which was only partially offset by unfavorable foreign currency translation, (ii) a €0.5 billion increase in Luxury Brands net revenues primarily attributable to an increase in Maserati shipments, (iii) a €0.5 billion increase in APAC net revenues attributable to an increase in shipments, and (iv) an increase of €0.1 billion in Components net revenues, which were partially offset by (v) a decrease of €0.5 billion in LATAM net revenues. The decrease in LATAM net revenues was attributable to the combined effect of fewer vehicle shipments and unfavorable foreign currency translation related to the weakening of the Brazilian Real against the Euro. EMEA net revenues for the three months ended March 31, 2014 were unchanged when compared to the three months ended March 31, 2013, as higher shipments were offset by the impact of unfavorable distribution channel mix attributable to an increase in proportion of sales with buyback commitments.

See “Results by Segments” for a detailed discussion of net revenues by segment.

Cost of sales

	For the three months ended March 31,				Increase/(decrease)	
(€ million, except percentages)	2014	% of net revenues	2013	% of net revenues	2014 vs. 2013	
Cost of sales	19,237	86.9%	16,951	86.0%	2,286	13.5%

Cost of sales for the three months ended March 31, 2014 was €19.2 billion, an increase of €2.3 billion, or 13.5% (18.6% on a constant currency basis), from €17.0 billion for the three months ended March 31, 2013. As a percentage of net revenues, cost of sales was 86.9% in the three months ended March 31, 2014 compared to 86.0% in the three months ended March 31, 2013.

The increase in cost of sales was due to the combination of (i) €2.2 billion related to increased vehicle shipments, primarily related to the NAFTA, APAC, EMEA and Luxury Brands segments (ii) €0.7 billion related to vehicle and

distribution channel mix primarily attributable to the NAFTA segment, (iii) €0.1 billion related to new-model content enhancements, and (iv) €0.1 billion arising from price increases for certain raw materials, which were partially offset by (v) favorable foreign currency translation of €0.9 billion.

In particular, the increase in cost of sales related to vehicle mix was primarily driven by the higher percentage of growth in certain SUV and truck shipments as compared to passenger car shipments in NAFTA, while the shift in distribution channel mix was driven by an increase in retail shipments as compared to fleet shipments in NAFTA. The favorable foreign currency translation impact of €0.9 billion was primarily attributable to the NAFTA and LATAM segments, driven by the weakening of the U.S. dollar and the Brazilian Real against the Euro. Cost of sales for the three months ended March 31, 2014 also includes €0.1 billion costs arising from net adjustments to pre-existing warranties, including charges related to certain recent recall campaigns.

Selling, general and administrative costs

	For the three months ended March 31,				Increase/(decrease)	
(€ million, except percentages)	**2014**	**% of net revenues**	**2013**	**% of net revenues**	**2014 vs. 2013**	
Selling, general and administrative costs	1,662	7.5%	1,623	8.2%	39	2.4%

Selling, general and administrative costs include advertising, personnel, and other costs. Advertising costs accounted for approximately 48% and 45% of total selling, general and administrative costs for the three months ended March 31, 2014 and 2013 respectively.

Selling, general and administrative costs for the three months ended March 31, 2014 were €1,662 million, an increase of €39 million, or 2.4%, from €1,623 million for the three months ended March 31, 2013. As a percentage of net revenues, selling, general and administrative costs were 7.5% in the three months ended March 31, 2014 compared to 8.2% in the three months ended March 31, 2013.

The increase in selling, general and administrative costs was due to the combined effects of (i) a €72 million increase in advertising expenses driven primarily by the APAC and NAFTA segments, (ii) a €38 million increase in other selling, general and administrative costs primarily attributable to the NAFTA and Luxury brands segment which were partially offset by (iii) the impact of favorable foreign currency translation of €71 million.

In particular, the increase in advertising expenses was largely attributable to the NAFTA, APAC and Luxury Brands segments (with EMEA and LATAM advertising expenses remaining relatively unchanged), to support the growth of the business in their respective markets, while the favorable foreign currency translation impact of €71 million was primarily attributable to the NAFTA and LATAM segments, driven by the weakening of the U.S. dollar and the Brazilian Real against the Euro.

Research and development costs

	For the three months ended March 31,				Increase/(decrease)	
(€ million, except percentages)	**2014**	**% of net revenues**	**2013**	**% of net revenues**	**2014 vs. 2013**	
Research and development costs expensed during the period	376	1.7%	305	1.5%	71	23.3%
Amortization of capitalized development costs	245	1.1%	183	0.9%	62	33.9%
Write-down of costs previously capitalized	5	*n.m*	-	-	5	*n.m*
Research and development costs	**626**	**2.8%**	**488**	**2.5%**	**138**	**28.3%**

Research and development costs for the three months ended March 31, 2014 were €626 million, an increase of €138 million, or 28.3%, from €488 million for the three months ended March 31, 2013. As a percentage of net revenues, research and development costs were 2.8% in the three months ended March 31, 2014 compared to 2.5% in the three months ended March 31, 2013.

The increase in research and development costs was attributable to the combined effects of (i) an increase in research and development costs expensed during the period of €71 million, (ii) an increase in the amortization of previously

capitalized development costs of €62 million and (iii) an increase in write-down of costs previously capitalized of €5 million.

While overall spending on research and development is relatively flat (€827 million for the three months ended March 31, 2014 and €814 million for the three months ended March 31, 2013), a greater proportion of the expenditure was not capitalized due to the nature of the projects which the Group is investing in, resulting in an increase in research and development costs. The €71 million increase in research and development costs expensed during the three months ended March 31, 2014 as compared to, 2013 was largely attributable to increases in the NAFTA while the increase in amortization of capitalized development costs was largely attributable to the launch of new products. In particular, amortization of capitalized development costs increased in the NAFTA segment as a result of the 2013 launches including the all-new 2014 Jeep Cherokee, and the Ram 1500 which were launched after March 31, 2013, and as such were not amortized during the three months ended March 31, 2013.

Other income/(expenses)

	For the three months ended March 31,		Increase/(decrease)	
(€ million, except percentages)	2014	2013	2014 vs. 2013	
Other income/(expenses)	22	(14)	36	*n.m.*

Other income/(expenses) for the three months ended March 31, 2014 amounted to net other income of €22 million, an increase of €36 million, from net other expenses of €14 million for the three months ended March 31, 2013.

For both the three months ended March 31, 2014 and March 31, 2013, there were no items that either individually or in aggregate are considered material.

Trading profit

	For the three months ended March 31,		Increase/(decrease)	
(€ million, except percentages)	2014	2013	2014 vs. 2013	
Trading profit	622	631	(9)	(1.4%)

Trading profit for the three months ended March 31, 2014 was €622 million, a decrease of €9 million, or 1.4% (an increase of 5.7% on a constant currency basis), from €631 million for the three months ended March 31, 2013

The decrease in trading profit was primarily attributable to the combined effect of (i) a €142 million decrease in LATAM trading profit and (ii) a €17 million decrease in NAFTA trading profit, which were partially offset by (iii) a €63 million increase in Luxury Brands trading profit, (iv) a €41 million increase in APAC trading profit, and (v) a €40 million decrease in EMEA trading loss.

See "Results by Segments" for a detailed discussion of trading profit by segment.

Results from investments

	For the three months ended March 31,		Increase/(decrease)	
(€ million, except percentages)	2014	2013	2014 vs. 2013	
Results from investments	33	23	10	43.5%

Results from investments for the three months ended March 31, 2014 was €33 million, an increase of €10 million, or 43.5%, from €23 million for the three months ended March 31, 2013. The increase in results from investments was attributable to the €6 million decrease in the loss relating to the Group's investment in RCS MediaGroup, and the €4 million increase in results from investments in the Components segment.

Gains/(losses) on the disposal of investments

	For the three months ended March 31,		Increase/(decrease)	
(€ million, except percentages)	2014	2013	2014 vs. 2013	
Gains/(losses) on the disposal of investments	8	2	6	*n.m.*

Gains on the disposal of investments for the three months ended March 31, 2014 were €8 million, an increase of €6 million, from €2 million for the three months ended March 31, 2013.

Restructuring costs

	For the three months ended March 31,		Increase/(decrease)	
(€ million, except percentages)	2014	2013	2014 vs. 2013	
Restructuring costs	10	(2)	12	*n.m.*

Restructuring costs for the three months ended March 31, 2014 were €10 million, an increase of €12 million, from a net reversal of €2 million for the three months ended March 31, 2013.

Net restructuring costs for the three months ended March 31, 2014 mainly relate to the LATAM segment and to a lesser extent the Components segment. In particular, in February 2014, the Group undertook a voluntary severance program in Venezuela to facilitate workforce reductions and incurred restructuring expenses primarily related to employee severance costs.

The net income of €2 million recognized in the three months ended March 31, 2013, related to the release of a previously recognized provision related to the NAFTA segment primarily related to decreases in expected workforce reduction costs and legal claim reserves.

Other unusual income/(expenses)

	For the three months ended March 31,		Increase/(decrease)	
(€ million, except percentages)	2014	2013	2014 vs. 2013	
Other unusual income/(expenses)	(383)	(51)	(332)	*n.m.*

Other unusual expenses for the three months ended March 31, 2014 were €383 million, an increase of €332 million from €51 million for the three months ended March 31, 2013.

Other unusual expenses for the three months ended March 31, 2014 primarily relate to the €495 million expense recognized in connection with the execution of the United Automobile, Aerospace and Agricultural Implement Workers of America ("UAW") Memorandum of Understanding ("MOU") which was entered into by Chrysler on January 21, 2014, which was partially offset by the gain of €223 million on the remeasurement to fair value of the previously exercised options on approximately 10% of Chrysler's membership interests in connection with the equity purchase agreement. In addition, other unusual income/(expenses) for the three months ended March 31, 2014 included a €94 million remeasurement charge recognized as a result of the change in the exchange rate used to re-measure the Venezuelan subsidiary's net monetary assets in U.S. dollar based on first quarter 2014 developments related to the foreign exchange process in Venezuela.

See Note 7 of "Interim Consolidated Financial Statement at March 31, 2014".

Other unusual expenses for the three months ended March 31, 2013 primarily related to a €59 million foreign currency exchange loss recognized related to the devaluation of the Venezuelan Bolivar ("VEF") relative to the U.S. Dollar in February 2013.

EBIT

	For the three months ended March 31,		Increase/(decrease)	
(€ million, except percentages)	2014	2013	2014 vs. 2013	
EBIT	270	607	(337)	(55.5%)

EBIT for the three months ended March 31, 2014 was €270 million, a decrease of €337 million, or 55.5% (52.2% on a constant currency basis), from €607 million for the three months ended March 31, 2013.

The decrease in EBIT was primarily attributable to the combined effect of (i) a €517 million decrease in NAFTA EBIT and (ii) a €176 million decrease in LATAM EBIT, which were partially offset by (iii) a €63 million increase in Luxury Brands EBIT, (iv) a €38 million increase in APAC EBIT and (v) a €35 million increase in EMEA EBIT.

See "Results by Segments" for a detailed discussion of EBIT by segment.

Net financial income/(expenses)

	For the three months ended March 31,		Increase/(decrease)	
(€ million, except percentages)	**2014**	**2013**	**2014 vs. 2013**	
Net financial income/(expense)	(493)	(443)	(50)	(11.3%)

Net financial expenses for the three months ended March 31, 2014 were €493 million, an increase of €50 million, or 11.3%, from €443 million for the three months ended March 31, 2013. Excluding the gain on the Fiat stock option-related equity swaps of €15 million recognized in the three months ended March 31, 2013, net financial expenses increased by €35 million, attributable to the higher average net debt level and exchange rate effects.

Tax (income)/expenses

	For the three months ended March 31,		Increase/(decrease)	
(€ million, except percentages)	**2014**	**2013**	**2014 vs. 2013**	
Tax (income)/expenses	(50)	133	(183)	*n.m*

Tax income for the three months ended March 31, 2014 was €50 million, as compared to tax expenses of €133 million charge for the three months ended March 31, 2013.

The €183 million difference was primarily related to the profit/loss before tax, which for the three months ended March 31, 2014 was a loss of €223 million, compared to a gain of €164 million for the three months ended March 31, 2013.

RESULTS BY SEGMENT

For the three months ended March 31

(€ millions)	Net revenues 2014	Net revenues 2013(*)	Trading profit/(loss) 2014	Trading profit/(loss) 2013(*)	EBIT 2014	EBIT 2013(*)	Shipments (000s) 2014	Shipments (000s) 2013
NAFTA	11,732	10,012	380	397	(117)	400	585	510
LATAM	1,965	2,468	44	186	(49)	127	205	230
APAC	1,497	982	146	105	135	97	54	32
EMEA	4,341	4,327	(110)	(150)	(72)	(107)	259	245
Luxury Brands	1,207	684	139	76	139	76	10	3
Components	2,081	1,936	41	33	42	35	-	-
Other activities	201	227	(12)	(22)	(13)	(27)	-	-
Unallocated items & adjustments	(899)	(929)	(6)	6	205	6	-	-
Total	**22,125**	**19,707**	**622**	**631**	**270**	**607**	**1,113**	**1,020**

(*) Adjusted for the retrospective application of IFRS 11. Revenues: Group -€50 million, APAC +€14 million, EMEA -€23 million, Eliminations and Adjustments -€41 million. Trading profit/(loss): Group +€13 million, APAC +€5 million, EMEA +€7 million, Eliminations and adjustments +€1 million. EBIT: Group +€4 million, APAC -€1 million, EMEA +€4 million, Eliminations and adjustments +€1 million.

Mass-market brands

NAFTA

(€ million)	For the three months ended March 31, 2014	2013	Change
Net revenues	11,732	10,012	1,720
Trading profit/(loss)	380	397	-17
EBIT	(117)	400	-517
Shipments (000s)	585	510	75

Net revenues

NAFTA net revenues for the three months ended March 31, 2014 were €11.7 billion, an increase of €1.7 billion, or 17.2% (22.2% on a constant currency basis), from €10.0 billion for the three months ended March 31, 2013. The total increase of €1.7 billion was attributable to (i) an increase in shipments of €1.4 billion, (ii) favorable market and car line mix of €0.8 billion, partially offset by (iii) unfavorable foreign currency translation of €0.5 billion and (iv) unfavorable pricing of €0.1 billion.

The 14.7% increase in vehicle shipments from 510 thousand units for the three months ended March 31, 2013, to 585 thousand units for the three months ended March 31, 2014, was largely driven by shipments of the all-new Jeep Cherokee, which was not available in the three months ended March 31, 2013, an increase in shipments of the Jeep Grand Cherokee and Ram brand vehicles. Of the favorable mix impact of €0.8 billion, €0.6 billion related to car line mix arising on the growth of trucks and certain SUVs, as compared to passenger cars (as these larger vehicles generally have a higher selling price), and €0.2 billion related to a shift in market mix to greater retail shipments as a percentage of total shipments, which is consistent with the continuing strategy to grow U.S. retail market share while maintaining stable fleet shipments. These increases were partially offset by the impact of the weakening of the U.S. dollar against the Euro. In particular, the average exchange rate used to translate balances for the three months ended March 31, 2014, was 3.8% lower than the average exchange rate used for the same period in 2013, which impacted net revenues by €0.5 billion.

Trading profit/(loss)

NAFTA trading profit for the three months ended March 31, 2014 was €380 million, a decrease of €17 million, or 4.3% (0.5% on a constant currency basis) from €397 million for the three months ended March 31, 2013.

The €17 million decrease in NAFTA trading profit was primarily attributable to (i) increased industrial costs of €366 million, (ii) unfavorable net pricing of €62 million primarily reflecting competitive pressure in the markets, (iii) an increase in selling, general and administrative costs of €46 million largely attributable to higher advertising costs incurred, and (iv) unfavorable foreign currency translation of €15 million, partially offset by (v) favorable volume and mix impact of €427 million, driven by an increase in shipments primarily related to the 2014 all-new Jeep Cherokee, the Jeep Grand Cherokee and Ram Pickups. The increase in industrial costs was attributable to an increase in cost of sales related to vehicle content enhancements on newly launched products and €0.1 billion costs arising from pre-existing warranties, including charges related to certain recent recall campaigns, increases in depreciation and amortization, primarily related to capital investments associated with our recent product launches, and an increase in research and developments costs.

EBIT

NAFTA EBIT loss for the three months ended March 31, 2014 was €117 million, a decrease of €517 million, from EBIT of €400 million for the three months ended March 31, 2013.

The decrease in NAFTA EBIT was attributable to the combination of the previously described €17 million decrease in trading profit and the €495 million other unusual expense recognized in connection with the execution of the UAW Memorandum of Understanding entered into by Chrysler on January 21, 2014.

LATAM

(€ million)	For the three months ended March 31, 2014	2013	Change
Net revenues	1,965	2,468	-503
Trading profit	44	186	-142
EBIT	(49)	127	-176
Shipments (000s)	205	230	-25

Net revenues

LATAM net revenues for the three months ended March 31, 2014 were €2.0 billion, a decrease of €0.5 billion, or 20.4% (5.2% on a constant currency basis), from €2.5 billion for the three months ended March 31, 2013. The total decrease of €0.5 billion was attributable to the combination of the impact of (i) lower shipments of €0.3 billion, and (ii) unfavorable foreign currency translation of €0.4 billion, which were partially offset by (iii) favorable mix of €0.1 billion.

The 10.9% decrease in vehicle shipments from 230 thousand units for the three months ended March 31, 2013, to 205 thousand units for the three months ended March 31, 2014, was largely as a result of the exceptionally strong performance in 2013, driven by government tax incentives to encourage the sale of smaller cars, which are currently in the process of being phased out. The weakening of the Brazilian Real against the Euro impacted net revenues by €0.4 billion, in particular, the average exchange rate used to translate Brazilian Real balances for the three months ended March 31, 2014, was 22.9% lower than the average exchange rate used for the same period in 2013.

Trading profit/(loss)

LATAM trading profit for the three months ended March 31, 2014 was €44 million, a decrease of €142 million, or 76.3% (66.7% on a constant currency basis), from €186 million for the three months ended March 31, 2013.

The decrease was primarily attributable to (i) an increase in industrial costs of €132 million, driven by inflation, mainly attributable to the price increases for certain foreign currency denominated purchases, which were impacted by the weakening of the Brazilian Real and startup costs for the Pernambuco plant, (ii) unfavorable volume and mix impact of €22 million attributable to a decrease in shipments, which was partially offset by an improvement in product mix in Brazil and (iii) the impact of unfavorable foreign currency translation of €18 million attributable to the weakening of the Brazilian Real against the Euro, partially offset by (iv) favorable pricing of €33 million driven by pricing actions in Brazil related to the launches of the refreshed Fiat Strada and the new Fiorino.

EBIT

LATAM EBIT loss for the three months ended March 31, 2014 was €49 million, a decrease of €176 million, or 138.6% (126.0% on a constant currency basis), from EBIT of €127 million for the three months ended March 31, 2013.

The decrease in LATAM EBIT was primarily attributable to the combination of the previously described €142 million decrease in trading profit and a €34 million increase in other unusual expenses. In particular, LATAM net other unusual expenses amounted to €93 million for the three months ended March 31, 2014, primarily related to the previously described remeasurement charge on Venezuela's subsidiary's net monetary asset, compared to €59 million for the three months ended March 31, 2013, primarily recognized in relation to the devaluation of the Venezuelan Bolivar compared to the U.S. dollar.

APAC

(€ million)	2014	2013(*)	Change
	For the three months ended March 31,		
Net revenues	1,497	982	515
Trading profit	146	105	41
EBIT	135	97	38
Shipments (000s)	54	32	22

(*) *Adjusted for retrospective application of IFRS 11: Revenues increased by €14 million, Trading profit increased by €5 million, EBIT decreased by €1 million.*

Net revenues

APAC net revenues for the three months ended March 31, 2014 were €1.5 billion, an increase of €0.5 billion, or 52.4% (59.8% on a constant currency basis), from €1.0 billion for the three months ended March 31, 2013.

The total increase of €0.5 billion was mainly attributable to a positive impact on net revenues from an increase in shipments of €0.6 billion, partially offset by unfavorable foreign currency translation of €0.1 billion.

The 68.8% increase in vehicle shipments from 32 thousand units for the three months ended March 31, 2013, to 54 thousand units for the three months ended March 31, 2014, was largely supported by shipments in China and Australia. This growth in shipments was driven by the reintroduction of the Dodge Journey into China in February 2013 and increases in shipments of the Fiat Viaggio and Fiat Punto.

Trading profit/(loss)

APAC trading profit for the three months ended March 31, 2014 was €146 million, an increase of €41 million, or 39.0% (43.8% on a constant currency basis) from €105 million for the three months ended March 31, 2013.

The €41 million increase in APAC trading profit was primarily attributable to (i) positive volume and mix impact of €165 million as a result of the previously described increase in shipments partially offset by (ii) an increase in selling, general and administrative costs of €47 million to support the growth of the APAC operations, (iii) an increase in industrial costs of €40 million due to higher research and development costs, increased fixed manufacturing costs for new product initiatives and higher production volumes, (iv) unfavorable pricing of €17 million due to the increasingly competitive trading environment, particularly in China, and (v) unfavorable foreign currency translation of €5 million.

EBIT

APAC EBIT for the three months ended March 31, 2014 was €135 million, an increase of €38 million, or 39.2% (44.3% on a constant currency basis) from €97 million for the three months ended March 31, 2013.

The increase in APAC EBIT was attributable to the previously described €41 million increase in trading profit, partially offset by a €3 million decrease in the results from investments, as a result of an increase in the loss of the Chinese joint venture GAC Fiat Automobiles Co.

EMEA

	For the three months ended March 31,		
(€ million)	*2014*	*2013[(*)]*	*Change*
Net revenues	4,341	4,327	14
Trading profit/(loss)	(110)	(150)	40
EBIT	(72)	(107)	35
Shipments (000s)	259	245	14

[(*)] *Adjusted for retrospective application of IFRS 11: Revenues decreased by €23 million, Trading profit increased by €7 million, EBIT increased by €4 million.*

Net revenues

EMEA net revenues for both the three months ended March 31, 2014 and 2013 were €4.3 billion.

The €0.2 billion increase in shipments was offset by less favorable mix impact. In particular, the 5.7% increase in vehicle shipments, from 245 thousand units for the three months ended March 31, 2013, to 259 thousand units for the three months ended March 31, 2014, was largely driven by the Fiat 500, Fiat Panda and Fiat Ducato. The less favorable mix impact was primarily driven by an increase in the proportion of vehicles sold with buy back commitment.

Trading profit/(loss)

EMEA trading loss for the three months ended March 31, 2014 was €110 million, a decrease of €40 million, or 26.7% (28.0% on a constant currency basis), from €150 million for the three months ended March 31, 2013.

The €40 million decrease in EMEA trading loss was primarily attributable to (i) a decrease in industrial costs of €50 million driven by WCM and purchasing efficiencies, partially offset by higher research and development costs, (ii) favorable volume and mix impact of €33 million driven by the previously described increase in shipments and improved mix driven by the performance of the Fiat 500 family and Fiat Ducato, and (iii) a €17 million decrease in selling, general and administrative expenses as a result of continued cost containment measures implemented mainly related to reduced advertising expenses, partially offset by (iv) unfavorable pricing of €41 million as a result of the competitive trading environment and resulting price pressure.

EBIT

EMEA EBIT loss for the three months ended March 31, 2014 was €72 million, a decrease of €35 million, or 32.7% (34.6% on a constant currency basis), from an EBIT loss of €107 million for the three months ended March 31, 2013.

The decrease in EMEA EBIT loss was attributable to the previously described €40 million decrease in trading loss and a €3 million increase in the results from investments, partially offset by a €8 million decrease in other unusual income. In particular, for three months ended March 31, 2013, as a result of the downsizing of Sevelnord Société Anonyme, the Group recognized other unusual income of €8 million.

Luxury Brands

(€ million)	For the three months ended March 31, 2014	2013	Change
Ferrari			
Shipments (000s) [(*)]	1.7	1.9	-0.2
Net revenues	620	551	69
Trading profit	80	80	-
EBIT	80	80	-
Maserati			
Shipments (000s)	8.0	1.3	6.7
Net revenues	649	157	492
Trading profit	59	(4)	63
EBIT	59	(4)	63
LUXURY BRANDS			
Shipments (000s)	9.7	3.2	6.5
Net revenues [(**)]	1,207	684	523
Trading profit	139	76	63
EBIT	139	76	63

[(*)] Non-type approved vehicles included.
[(**)] Net of eliminations.

Net revenues

Luxury Brands net revenues for the three months ended March 31, 2014 were €1.2 billion, an increase of €0.5 billion, or 76.5% (80.1% on a constant currency basis), from €0.7 billion for the three months ended March 31, 2013.

Ferrari

Ferrari net revenues for both the three months ended March 31, 2014 and 2013 were €0.6 billion. The effects of the decrease in shipments, from 1.9 thousand units for the three months ended March 31, 2013 to 1.7 thousand units for the three months ended March 31, 2014, reflecting the strategy to reduce shipments to preserve brand exclusivity, were offset by a positive vehicle mix. In particular, shipments of 12-cylinder models increased by 37.0%, driven by the success of the F12 Berlinetta and the FF.

Maserati

Maserati net revenues for the three months ended March 31, 2014 were €0.6 billion, an increase of €0.4 billion, or 313.4%, from €0.2 billion for the three months ended March 31, 2013. The increase was primarily attributable to the increase in vehicle shipments, from 1.3 thousand units for the three months ended March 31, 2013, to 8.0 thousand units for the three months ended March 31, 2014, driven by the new Quattroporte and the new Ghibli, which were launched in March 2013 and October 2013, respectively.

Trading profit/(loss)

Luxury Brands trading profit for the three months ended March 31, 2014 was €139 million, an increase of €63 million, or 82.9% (85.5% on a constant currency basis) from €76 million for the three months ended March 31, 2013.

Ferrari

Ferrari trading profit for both the three months ended March 31, 2014 and 2013 was €80 million, as improved sales mix compensated for a decrease in shipments.

Maserati

Maserati trading profit for the three months ended March 31, 2014 was €59 million, an increase of €63 million, from trading loss of €4 million for the three months ended March 31, 2013, primarily attributable to the increase in shipments driven by the previously described 2013 launches.

EBIT

Luxury Brands EBIT for the three months ended March 31, 2014 was €139 million, an increase of €63 million, or 82.9% (85.5% on a constant currency basis) from €76 million for the three months ended March 31, 2013.

Ferrari

Ferrari EBIT for both the three months ended March 31, 2014 and March 31, 2013 was €80 million, as improved sales mix compensated for a decrease in shipments.

Maserati

Maserati EBIT for the three months ended March 31, 2014 was €59 million, an increase of €63 million, from trading loss of €4 million for the three months ended March 31, 2013, attributable to the previously described increase in trading profit.

Components

(€ million)	For the three months ended March 31, 2014	2013	Change
Magneti Marelli			
Net revenues	1,574	1,469	105
Trading profit	37	30	7
EBIT	37	32	5
Teksid			
Net revenues	162	173	-11
Trading profit	(5)	(6)	1
EBIT	(4)	(6)	2
Comau			
Net revenues	361	307	54
Trading profit	9	9	-
EBIT	9	9	-
COMPONENTS			
Net revenues (*)	2,081	1,936	145
Trading profit	41	33	8
EBIT	42	35	7

(*) *Net of eliminations.*

Net revenues

Components net revenues for the three months ended March 31, 2014 were €2.1 billion, an increase of €0.2 billion, or 7.5% (13.7% on a constant currency basis), from €1.9 billion for the three months ended March 31, 2013.

Magneti Marelli

Magneti Marelli net revenues for the three months ended March 31, 2014 were €1.6 billion, an increase of €0.1 billion, or 7.1%, from €1.5 billion for the three months ended March 31, 2013, primarily driven by the performance of the Automotive Lighting and Electronic Systems business units. In particular, Automotive Lighting net revenues increased by 14.3%, driven by positive performance in Europe, NAFTA and China, partially offset by a modest decline in Brazil, while Electronics Systems net revenues increased by 11.0 %, driven by sales of telematics boxes and navigation systems.

Teksid

Teksid net revenues for both the three months ended March 31, 2014 and 2013 was €0.2 billion. Increases in both the cast iron and aluminum businesses were offset by unfavorable foreign currency translation.

Comau

Comau net revenues for the three months ended March 31, 2014 were €0.4 billion, an increase of €54 million, or 17.6%, from €0.3 billion for the three months ended March 31, 2013, primarily driven by the performance of the Body Welding business.

Trading profit

Components trading profit for the three months ended March 31, 2014 was €41 million, an increase of €8 million, or 24.2% (36.4% on a constant currency basis), from €33 million for the three months ended March 31, 2013.

Magneti Marelli

Magneti Marelli trading profit for the three months ended March 31, 2014 was €37 million, an increase of €7 million, or 23.3%, from €30 million for the three months ended March 31, 2013, driven by the previously described increase in net revenues and the effects of cost control measures implemented.

Teksid

Teksid trading loss for the three months ended March 31, 2014 was €5 million, a decrease of €1 million, from €6 million for the three months ended March 31, 2013.

Comau

Comau trading profit for both the three months ended March 31, 2014 and 2013 was €9 million.

EBIT

Components EBIT for the three months ended March 31, 2014 was €42 million, an increase of €7 million, or 20.0% (20.0% on a constant currency basis), from €35 million for the three months ended March 31, 2013.

Magneti Marelli

Magneti Marelli EBIT for the three months ended March 31, 2014 was €37 million, an increase of €5 million, or 15.6%, from €32 million for the three months ended March 31, 2013, driven by the previously described €7 million increase in trading profit and increase in results from investments only partially offset by a €6 million increase in unusual charges.

Teksid

Teksid EBIT loss for the three months ended March 31, 2014 was €4 million, a decrease of €2 million, from EBIT loss of €6 million for the three months ended March 31, 2013.

Comau

Comau EBIT for both the three months ended March 31, 2014 and March 31, 2013 was €9 million.

LIQUIDITY AND CAPITAL RESOURCES

Total Available Liquidity

At March 31, 2014, total available liquidity was €20.8 billion (22.7 billion at December 31, 2013), including €3.0 billion available under undrawn committed credit lines, primarily related to the €2.1 billion three year syndicated revolving credit line and the U.S.$ 1.3 billion (approximately €0.9 billion) Revolving Credit Facility of Chrysler. The terms of the Revolving Credit Facility require Chrysler to maintain a minimum liquidity of U.S.$3.0 billion, which include any undrawn amounts under this facility. Total available liquidity includes cash and cash equivalents which are subject to intra-month, foreign exchange and seasonal fluctuations, as well as current securities.

The following table summarizes total available liquidity:

(€ million)	**At March 31, 2014**	**At December 31, 2013(*)**
Cash, cash equivalent and current securities(1)	17,742	19,702
Undrawn committed credit lines(2)	3,043	3,043
Total available liquidity(3)	**20,785**	**22,745**

(*) Adjusted for the retrospective application of IFRS 11: Cash, cash equivalents and current securities: +€16 million.

(1) Current securities comprise short term or marketable securities which represent temporary investments but which do not satisfy all the requirements to be classified as cash equivalents as they may not be readily converted into cash or they are subject to significant risk of change in value (even if they are short-term in nature or marketable).

(2) Excludes the €1.8 billion medium/long-term dedicated credit lines available to fund scheduled investments.

(3) Excludes the €1.8 billion medium/long-term dedicated credit lines available to fund scheduled investments. The majority of the liquidity is available to Group's treasury operations in Europe, U.S and Brazil; however, liquidity is also available to certain subsidiaries which operate in other areas. Cash held in such countries may be subject to restrictions on transfer depending on the foreign jurisdictions in which these subsidiaries operate.

Liquidity is principally denominated in U.S. dollars and in Euro. Out of the total €17.7 billion of cash, cash equivalents and current securities available March 31, 2014 (€19.7 billion at December 31, 2013), €6.8 billion, or 38% were denominated in U.S. dollars (€8.3 billion or 42% at December 31, 2013) and €5.9 billion or 33% were denominated in Euro (€6.1 billion or 31% at December 31, 2013). Liquidity available in Brazil and denominated in Brazilian Reals accounted for €1.4 billion or 8% (€1.5 billion or 8% at December 31, 2013), with the remainder being distributed in various countries and denominated in the relevant local currencies.

The decrease in total available liquidity from December 31, 2013 to March 31, 2014 primarily reflects a €1,955 million decrease in cash and cash equivalents. Refer to "—Cash Flows," below for additional information regarding change in cash and cash equivalents.

Cash Flows

The following table summarizes the cash flows from operating, investing and financing activities for each of the three months ended March 31, 2014 and 2013. For a complete discussion of cash flows, see the unaudited consolidated statement of cash flows included in “Interim Consolidated Financial Statements” elsewhere in this interim report.

(€ million)	2014	2013(*)
Cash and cash equivalents at beginning of the period	**19,455**	**17,666**
Cash flows from/(used in) operating activities	**1,396**	**1,248**
Cash flows from/(used in) investing activities	**(1,599)**	**(1,769)**
Cash flows from/(used in) financing activities	**(1,669)**	**562**
Translation exchange differences	(83)	321
Total change in cash and cash equivalents	**(1,955)**	**362**
Cash and cash equivalents at end of the period	**17,500**	**18,028**

(*) Adjusted for the retrospective application of IFRS 11. Cash and cash equivalents: +€9 million at beginning of the period, -€84 million at end of the period.

Cash flows from/(used in) operating activities

For the three months ended March 31, 2014, net cash from operating activities was €1,396 million and was primarily the result of:

- a net loss of €173 million adjusted to add back (a) €1,168 million for depreciation and amortization expense and (b) other non-cash items of €243 million, which primarily includes (i) €366 million related to the non-cash portion of the expense recognized in connection with the execution of the MOU Agreement entered into by the UAW and Chrysler on January 21, 2014 (ii) €94 million remeasurement charge recognized as a result of the Group’s change in the exchange rate used to remeasure its Venezuelan subsidiary’s net monetary assets in U.S. dollars which were partially offset by (iii) the gain of €223 million on the re-measurement at fair value of the previously exercised options on approximately 10% of Chrysler’s membership interests in connection with the equity purchase agreement (see Note 7 to the Interim Consolidated Financial Statements for further information);
- a net increase of €384 million in provisions, mainly related to: (i) increase in accrued sales incentives, primarily due to an increase in retail incentives as well as an increase in dealer stock levels as of March 31, 2014 versus December 31, 2013 to support increased sales volumes in NAFTA, and (ii) net adjustments to pre-existing warranties, including those related to certain recent recall campaigns.; and
- €55 million of dividends received from jointly-controlled entities.

These positive contributions were partially offset by the negative impact of the change in working capital of €210 million primarily driven by (a) €605 million increase in inventory (net of vehicles sold under buy-back commitments) mainly related to increased finished vehicles and work in process levels for all regions and Luxury brands (b) €458 million increase in trade receivables, principally because NAFTA shipments at the end of March 2014 exceeded those at December 2013 as a result of the annual plant shutdowns in December and (c) €195 million in net other current assets and liabilities mainly related to decreases in accrued expenses and tax payables which were partially offset by (d) €1,048 million increase in trade payables, mainly related to increased production in NAFTA and EMEA as a result of increased consumer demand for vehicles in these regions.

For the three months ended March 31, 2013, net cash from operating activities was €1,248 million and was primarily the result of:

- net profit of €31 million adjusted to add back (a) €1,066 million for depreciation and amortization expense and (b) other non-cash items of €56 million, which primarily include foreign currency exchange losses recognized related to the February 2013 devaluation of the VEF relative to the US Dollar from 4.30 VEF per US dollar to 6.30 VEF per US dollar;
- positive impact of the change in working capital of €177 million primarily driven by (a) €464 million increase in

inventory (net of vehicles sold under buy-back commitments) mainly related to increased finished vehicles and work in process levels for NAFTA, LATAM and EMEA (b) €183 million increase in trade receivables, principally due to the increased sales volumes in NAFTA and (c) €192 million in net other current assets and liabilities mainly related to decreases in accrued expenses and tax payables which were more than fully offset by (d) €1,016 million increase in trade payables, mainly related to increased production in NAFTA and EMEA as a result of increased consumer demand for vehicles in these regions and;

- €92 million of dividends received from jointly-controlled entities.

These positive contributions were partially offset by €151 million net decrease in provisions mainly related to contributions to pension funds.

Cash flows from/(used in) investing activities

For the three months ended March 31, 2014, net cash used in investing activities was €1,599 million and was primarily the result of:

- €1,443 million of capital expenditures, including €451 million of capitalized development costs, to support investments in existing and future products. Capital expenditure primarily relates to the mass-market operations in NAFTA and EMEA and the ongoing construction of the new plant at Pernambuco, Brazil; and
- €211 million of net increase in receivables from financing activities, of which €110 million related to the increased lending portfolio of the financial services activities of the Group and €82 million related to increased financial receivables due from jointly controlled financial services companies.

For the three months ended March 31, 2013, net cash used in **investing activities** was €1,769 million, and was primarily the result of:

- €1,573 million of capital expenditures, including €509 million of capitalized development costs, to support investments in existing and future products.; and
- €260 million of net increase in receivables from financing activities related to the increased lending portfolio of the financial services activities of the Group and increased financial receivables due from jointly controlled financial services companies.

Cash flows from/(used in) financing activities

For the three months ended March 31, 2014, net cash used in financing activities was €1,669 million and was primarily the result of:

- Cash payment to the VEBA Trust for the acquisition of the remaining approximately 41.5% ownership interest in Chrysler held by the VEBA Trust equal to U.S.$3.65 billion and U.S.$60 million of tax distribution by Chrysler to cover the VEBA Trust's tax obligation. In particular the consideration for the acquisition consisted of a special distribution paid by Chrysler to its members on January 21, 2014 of U.S. $1.9 billion (FNA's portion of the special distribution was assigned to the VEBA Trust as part of the purchase consideration) which serve to fund a portion of the transaction; and a cash payment by FNA to the VEBA Trust of U.S.$1.75 billion. The special distribution by Chrysler and the cash payment by FNA for an aggregate amount of €2,691 million is classified as acquisition of non-controlling interest on the cash flow statement while the tax distribution (€45 million) is classified separately,
- repayment of medium-term borrowings for a total of €3,892 million, mainly related to the prepayment of all amounts under the VEBA Trust note amounting to approximately U.S.$5 billion, including accrued and unpaid interest; which were partially offset by
- proceeds from bond issuances for a total amount of €3,011 million which includes (a) €1 billion of notes issued as part of the Global Medium Term Notes Program ("GMTN Program") and €2 billion of senior secured notes issued by Chrysler as part of the VEBA Trust Note refinancing transaction (see Note 21 to the Interim Consolidated Financial

Statements for further information); and

- proceeds from new medium-term borrowings for a total of €1,840 million, which mainly relate to the incremental term loan entered into by Chrysler of U.S. $250 million under its existing tranche B term loan facility and the new U.S. $ 1.75 billion tranche B, issued under a new term loan credit facility entered into by Chrysler as part of the refinancing transaction to facilitate repayment of the VEBA Trust Note.

For the three months ended March 31, 2013, net cash from **financing activities** was €562 million and was primarily the result of:

- proceeds from bond issuances for a total amount of €1,250 million, relating to notes issued as part of the GMTN Program;
- the repayment on maturity of notes issued under the GMTN Program in 2006, for a total principal amount of €1 billion;
- proceeds from new medium-term borrowings for a total of €512 million, which mainly include medium term borrowings in Brazil;
- repayment of medium-term borrowings on their maturity for a total of €406 million; and
- a positive net contribution of €207 million from the net change in other financial payables and other financial assets/liabilities.

Net Industrial Debt

Due to different sources of cash flows used for the repayment of the financial debt between industrial activities and financial services (by cash from operations for industrial activities and by collection of financial receivables for financial services) and the different business structure and leverage implications, a separate analysis of Net Debt between Industrial Activities and Financial Services is provided hereinafter.

The division between Industrial Activities and Financial Services represents a sub-consolidation based on the core business activities (industrial or financial services) of each Group company. The sub-consolidation for Industrial Activities also includes companies that perform centralized treasury activities (i.e., raising funding in the market and financing Group companies), but do not, however, provide financing to third parties. Financial Services includes companies that provide retail and dealer finance, leasing and rental services in support of the mass-market brands in certain geographical segments, and for the luxury brands.

All Chrysler activities are included under Industrial Activities. Since Chrysler's treasury activities (including funding and cash management) are managed separately from the rest of the Group the analysis of Net Industrial Debt split between Fiat excluding Chrysler and Chrysler is also provided.

Net Industrial Debt (i.e., Net Debt of Industrial Activities) is management's primary measure for analyzing the Group's financial leverage and capital structure and is one of the key targets used to measure the Group's performance.

The following table details of Net Debt at March 31, 2014 and December 31, 2013.

	March 31, 2014					December 31, 2013 (*)				
		of which:					*of which:*			
(€ million)	*Industrial Activities*	*Fiat ex Chrysler*	*Chrysler*	*Financial Services*	*Group*	*Industrial Activities*	*Fiat ex Chrysler*	*Chrysler*	*Financial Services*	*Group*
Third Parties Debt (Principal)	(28.740)	(19.521)	(9.219)	(2.058)	(30.798)	(27.624)	(18.325)	(9.299)	(2.031)	(29.655)
Capital Market (1)	*(16.987)*	*(12.668)*	*(4.319)*	*(253)*	*(17.240)*	*(13.981)*	*(11.661)*	*(2.320)*	*(239)*	*(14.220)*
Bank Debt	*(9.511)*	*(5.532)*	*(3.979)*	*(1.255)*	*(10.766)*	*(7.635)*	*(5.095)*	*(2.540)*	*(1.297)*	*(8.932)*
Other Debt (2)	*(2.242)*	*(1.321)*	*(921)*	*(550)*	*(2.792)*	*(6.008)*	*(1.569)*	*(4.439)*	*(495)*	*(6.503)*
Accrued Interests and other adjustments (3)	(639)	(401)	(238)	(2)	(641)	(626)	(467)	(159)	(2)	(628)
Debt	**(29.379)**	**(19.922)**	**(9.457)**	**(2.060)**	**(31.439)**	**(28.250)**	**(18.792)**	**(9.458)**	**(2.033)**	**(30.283)**
Intercompany Financial Receivables/Payables (net)	1.428	1.504	(76)	(1.428)	-	1.336	1.415	(79)	(1.336)	-
Current financial receivables from jointly-controlled financial services companies (4)	118	118	-	-	118	27	27	-	-	27
Debt, net of intercompany and current financial receivables from jointly-controlled financial services companies	**(27.833)**	**(18.300)**	**(9.533)**	**(3.488)**	**(31.321)**	**(26.887)**	**(17.350)**	**(9.537)**	**(3.369)**	**(30.256)**
Other financial assets/(liabilities) (net) (5)	332	260	72	(1)	331	399	323	76	(3)	396
Current securities	237	237	-	5	242	219	219	-	28	247
Cash and cash equivalents	17.268	8.302	8.966	232	17.500	19.255	9.579	9.676	200	19.455
(Net Debt)/Net Cash	**(9.996)**	**(9.501)**	**(495)**	**(3.252)**	**(13.248)**	**(7.014)**	**(7.229)**	**215**	**(3.144)**	**(10.158)**

(*) Adjusted for retrospective application of IFRS 11: net debt of Fiat ex-Chrysler Industrial Activities increased by €365 million.

(1) Includes Bond and other securities issued in financial markets

(2) Includes Canadian HCT notes, IFRIC4 – Determining whether an arrangement contains a lease *and other financial payables, Asset-backed financing. As of December 31, 2013 includes the VEBA Trust Note.*

(3) Includes adjustments for hedge accounting on debt and (accrued)/unearned interest and other amortizing cost adjustments

(4) Financial receivables from FGA Capital Group

(5) Fair value of derivative financial instruments and collateral deposits

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. Since debt, cash and other financial assets/liabilities pertaining to Financial Services entities are not included in the calculation of Net Debt for Industrial Activities, loans from the treasury companies of Fiat excluding Chrysler (which are included in Industrial Activities) to the consolidated Financial Services companies are included under "Intercompany financial receivables/payables (net)" and are deducted in the calculation of net debt for Industrial Activities.

"Intercompany financial receivables/payables (net)" also includes amounts owed to Financial Services by Industrial Activities companies representing deposits with Group treasury as well as advances for receivables sold.

Change in Net Industrial Debt

In the three months ended March 31, 2014 net industrial debt increased by €2,982 million, from €7,014 million at December 31, 2013 to €9,996 million at March 31, 2014. The increase in net industrial debt was primarily driven by:

- payments for the acquisition of the approximately 41.5% interest, inclusive of approximately 10% of previously exercised options subject to ongoing litigation, in Chrysler of €2,691 million;
- investments in industrial activities of €1,443 million, representing all of the Group's investments; partially offset by
- cash flow from industrial operating activities of €1,341 million which represents the consolidated cash flow from operating activities of €1,396 million net of the cash flows from operating activities attributable to financial services. For an explanation of the drivers in consolidated cash flows from operating activities see the "Cash Flows" section above.

SIGNIFICANT EVENTS DURING THE QUARTER

- On January 1, the Group announced an agreement with the VEBA Trust, under which the wholly-owned subsidiary Fiat North America LLC (FNA) would acquire the remaining approximately 41.5% ownership interest in Chrysler held by the VEBA Trust for total consideration of U.S.$3.65 billion. The transaction closed on January 21, 2014. The consideration for the acquisition consisted of:
  - a special distribution paid by Chrysler to its members on January 21, 2014 of U.S.$1.9 billion (FNA's portion of the special distribution was assigned to the VEBA Trust as part of the purchase consideration), and
  - a cash payment by FNA to the VEBA Trust of U.S.$1.75 billion.

  The distribution from Chrysler was funded from Chrysler's available cash on hand. The payment by FNA was funded by Fiat's available cash on hand.

- On January 21, Chrysler and the UAW entered into a Memorandum of Understanding, to supplement Chrysler's existing collective bargaining agreement, in which the UAW made commitments to continue to support Chrysler's industrial operations, continued roll-out of the WCM programs and actively assist in the achievement of Chrysler's long-term business plan. In consideration of these commitments, Chrysler agreed to make payments to the VEBA Trust totaling U.S. $700 million to be paid in four equal annual installments. The initial payment of U.S. $175 million was made on January 21, 2014 and additional payments will be payable on each of the next three anniversaries of the initial payment.

- On January 29, the Board of Directors of Fiat S.p.A. approved a corporate reorganization and the formation of Fiat Chrysler Automobiles N.V. ("FCA") as a fully-integrated global automaker. In order to establish a true peer to the major global automotive groups, in both scale and capital market appeal, the Board decided to establish Fiat Chrysler Automobiles N.V., organized in the Netherlands, as the parent company of the Group. Under the proposal approved by the Fiat Board, Fiat shareholders will receive one FCA common share for each Fiat share held and the FCA common shares will be listed on the New York Stock Exchange (NYSE) with an additional listing on the Mercato Telematico Azionario (MTA) in Milan. It is expected that FCA will be resident for tax purposes in the United Kingdom, but this is not expected to affect the taxes payable by Group companies in the jurisdictions where their activities are carried out.

- Following the acquisition of the VEBA Trust's equity interests in Chrysler, Chrysler repaid all amounts outstanding including accrued and unpaid interest of approximately U.S.$5.0 billion under the VEBA Trust Note on February 7, 2014. Such repayment was financed by Chrysler as follows:
  - New Senior Credit Facilities – a U.S.$250 million incremental term loan under Chrysler's existing tranche B term loan facility that matures on May 24, 2017 and a new U.S.$1.75 billion tranche B term loan, issued under a new term loan credit facility, that matures on December 31, 2018;
  - Secured Senior Notes due 2019 – issuance of an additional U.S.$1.375 billion aggregate principal amount of 8% secured senior notes due June 15, 2019, at an issue price of 108.25% of the aggregate principal amount; and
  - Secured Senior Notes due 2021 – issuance of an additional U.S.$1.38 billion aggregate principal amount of 8 1⁄4% secured senior notes due June 15, 2021 at an issue price of 110.50% of the aggregate principal amount.

- On February 11, Moody's Investors Service lowered Fiat S.p.A.'s Corporate Family Rating from 'Ba3' to 'B1' and consequently, in accordance with their methodology, ratings on the notes issued by Fiat Finance & Trade Ltd. S.A. and Fiat Finance North America Inc. were also lowered from 'B1' to 'B2'.

- On March 21, Fiat Finance and Trade Ltd S.A. issued €1 billion of notes under the GMTN Program. The notes, issued at an issue price of 100% of the principal amount, bear fixed rate of interest of 4.75% and mature in March 2021.

- On March 31, shareholders of Fiat S.p.A. approved the 2013 Financial Statements and the motion for allocation of 2013 net result. On the same date, shareholders also approved the Compensation Policy, pursuant to Article 123-ter of Legislative Decree 58/98. Authorization was also renewed for the purchase and disposal of own shares, including through subsidiaries, and the previous authorization given on 9 April 2013 was revoked. The authorization 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.

SUBSEQUENT EVENTS

- On April 19, Fiat Group Automobiles S.p.A., Chrysler Group International LLC and Guangzhou Automobile Group Co., Ltd. (GAC Group) announced an agreement to expand their joint venture partnership. Under the agreement, the joint venture, GAC Fiat, will begin localized production of three new Jeep vehicles for the Chinese market, expanding the portfolio of Jeep SUVs currently available to Chinese consumers as imports. The amounts, structure, investments, and funding is expected to be finalized in 2014. Production is expected to begin by late 2015.
- On June 15, 2014, the Board of Directors of Fiat S.p.A. announced that it has approved the cross border merger terms (“merger plan”) governing the merger of Fiat into its wholly owned subsidiary Fiat Investments N.V. This subsidiary, which is organized in the Netherlands, will be renamed Fiat Chrysler Automobiles N.V. (“FCA”) upon completion of the merger. Following the merger, FCA will become the holding company for the group. Under the merger plan, Fiat shareholders will receive one FCA common share for each Fiat ordinary share they hold. The FCA common shares will be listed on the New York Stock Exchange (NYSE) and are expected to be listed on the Mercato Telematico Azionario (MTA) in Milan. The merger plan will be submitted for approval to the Fiat shareholders at a general meeting that has been convened on August 1, 2014. A U.S. prospectus and an Italian information document (for the purposes of the Fiat extraordinary general meeting) will be made available to shareholders ahead of the vote to approve the merger plan. Fiat shareholders who do not vote in favor of the merger will be entitled to exercise a *recesso* right (cash withdrawal right) in accordance with Italian laws and regulations. The exercise of the *recesso* right by Fiat shareholders is conditional upon the merger becoming effective. The transaction will be subject to limited closing conditions, including listing on the NYSE and a €500 million cap on the amount of cash, if any, required to be paid in respect of the exercise of *recesso* rights by Fiat shareholders and opposition rights by creditors. The transaction is expected to be completed by the end of the year.

OUTOLOOK

Full year guidance is confirmed as follows:

- Revenues: ~€93 billion
- Trading Profit: ~€3.6 to €4.0 billion
- Net Income: ~€0.6 to €0.8 billion, with EPS to improve from ~€0.10 (ex-unusual items) to ~€0.44-€0.60. Includes increased deferred tax charge of ~€0.5 billion due to the recognition of net deferred tax assets at year-end 2013 related to Chrysler and excludes unusual items.
- Net Industrial Debt: €9.8 billion to €10.3 billion. Includes cash outflows for the January 21st, 2014 closing of the purchase of the remaining 41.5% minority stake in Chrysler Group LLC from the VEBA Trust (€2.7 billion), in addition to the impact of the retrospective adoption of IFRS 11 – *Joint Arrangements*, effective January 1, 2014 (~€0.4 billion).

INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

at March 31, 2014

INTERIM CONSOLIDATED INCOME STATEMENT

(€ million)	Note	For the three months ended March 31, 2014	2013[a]
Net revenues	(1)	22,125	19,707
Cost of sales	(2)	19,237	16,951
Selling, general and administrative costs	(3)	1,662	1,623
Research and development costs	(4)	626	488
Other income/(expenses)		22	(14)
Trading profit		**622**	**631**
Result from investments:	(5)	33	23
Share of the profit and (loss) of equity method investees		*24*	*16*
Other income and (expenses) from investments		*9*	*7*
Gains on the disposal of investments		8	2
Restructuring costs/(income)	(6)	10	(2)
Other unusual income/(expenses)	(7)	(383)	(51)
EBIT		**270**	**607**
Net financial expenses	(8)	(493)	(443)
Profit/(loss) before taxes		**(223)**	**164**
Tax (income)/expenses	(9)	(50)	133
Profit/(loss) from continuing operations		**(173)**	**31**
Net profit/(loss)		**(173)**	**31**
Net profit/(loss) for the period attributable to:			
Owners of the parent		(189)	(83)
Non-controlling interests		16	114
Basic and diluted loss per ordinary share (in €)	(10)	**(0.155)**	**(0.068)**

(a) Reference should be made to the section "New standards and amendments effective from January 1, 2014" for the effects arising from the retrospective application of these standards.

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

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME/(LOSS)

(€ million)	Note	For the three months ended March 31, 2014	2013 [a]
Net profit/(loss) for the period (A)		**(173)**	**31**
Items that will never be reclassified to the Consolidated Income Statement:			
Losses on remeasurements of defined benefit plans	(19)	(2)	-
Related tax impact	(19)	(1)	-
Total items that will never be reclassified to the Consolidated Income Statement (B1)		**(3)**	**-**
Items that may be reclassified to the Consolidated Income Statement:			
Losses on cash flow hedging instruments	(19)	(57)	(20)
Gains on available-for-sale financial assets	(19)	5	6
Exchange differences on translating foreign operations	(19)	51	219
Share of Other comprehensive income/(loss) for equity method investees	(19)	(5)	9
Related tax impact	(19)	15	18
Total items that may be reclassified to the Consolidated Income Statement (B2)		**9**	**232**
Total Other comprehensive income, net of tax (B1)+(B2)=(B)		**6**	**232**
Total Comprehensive income/(loss) (A)+(B)		**(167)**	**263**
Total Comprehensive income/(loss) attributable to:			
Owners of the parent		(257)	55
Non-controlling interests		90	208

(a) Reference should be made to the section "New standards and amendments effective from January 1, 2014" for the effects arising from the retrospective application of these standards.

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

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€ million)	Note	At March 31, 2014	At December 31, 2013 [a]
Assets			
Intangible assets	(11)	19,707	19,514
Goodwill and intangible assets with indefinite useful lives		*12,443*	*12,440*
Other intangible assets		*7,264*	*7,074*
Property, plant and equipment	(12)	23,303	23,233
Investments and other financial assets:	(13)	2,017	2,052
Investments accounted for using the equity method		*1,354*	*1,388*
Other investments and financial assets		*663*	*664*
Defined benefit plan assets		91	105
Deferred tax assets	(9)	3,184	2,903
Total Non-current assets		**48,302**	**47,807**
Inventories	(14)	11,116	10,278
Trade receivables	(15)	3,000	2,544
Receivables from financing activities	(15)	3,912	3,671
Current tax receivables	(15)	381	312
Other current assets	(15)	2,521	2,323
Current financial assets:		790	815
Current investments		*36*	*35*
Current securities		*242*	*247*
Other financial assets	(16)	*512*	*533*
Cash and cash equivalents	(17)	17,500	19,455
Total Current assets		**39,220**	**39,398**
Assets held for sale	(18)	1	9
Total Assets		**87,523**	**87,214**
Equity and liabilities			
Equity:	(19)	9,713	12,584
Equity attributable to owners of the parent		*9,386*	*8,326*
Non-controlling interest		*327*	*4,258*
Provisions:	(20)	17,736	17,427
Employee benefits		*8,294*	*8,326*
Other provisions		*9,442*	*9,101*
Deferred tax liabilities	(9)	184	278
Debt	(21)	31,439	30,283
Other financial liabilities	(16)	181	137
Other current liabilities	(22)	9,824	8,963
Current tax payables		246	314
Trade payables	(23)	18,200	17,207
Liabilities held for sale	(18)	-	21
Total Equity and liabilities		**87,523**	**87,214**

(a) Reference should be made to the section "New standards and amendments effective from January 1, 2014" for the effects arising from the retrospective application of these standards.

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

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

(€ million)	Note	For the three months ended March 31, 2014	2013 [a]
Cash and cash equivalents at beginning of the period	(17)	**19,455**	**17,666**
Cash flows from/(used in) operating activities:			
Net profit/(loss) for the period		(173)	31
Amortization and depreciation		1,168	1,066
Net (gains)/losses on disposal of tangible and intangible assets		2	(1)
Net (gains)/losses on disposal of investments		(8)	(2)
Other non-cash items	(26)	243	56
Dividends received		55	92
Change in provisions		384	(151)
Change in deferred taxes		(118)	(10)
Change in items due to buy-back commitments and GDP vehicles	(26)	53	(10)
Change in working capital	(26)	(210)	177
Total		**1,396**	**1,248**
Cash flows from/(used in) investing activities:			
Investments in property, plant and equipment and intangible assets		(1,443)	(1,573)
Capital increases in joint ventures, associates and unconsolidated subsidiaries		(2)	(2)
Proceeds from the sale of tangible and intangible assets		17	8
Proceeds from disposal of other interests		7	2
Net change in receivables from financing activities		(211)	(260)
Change in current securities		9	40
Other changes		24	16
Total		**(1,599)**	**(1,769)**
Cash flows from/(used in) financing activities:			
Issuance of bonds	(26)	3,011	1,250
Repayment of bonds		-	(1,000)
Issuance of other medium-term borrowings	(26)	1,840	512
Repayment of other medium-term borrowings	(26)	(3,892)	(406)
Net change in other financial payables and other financial assets/liabilities		107	207
Increase in share capital		1	-
Dividends paid		-	(1)
Distribution for certain tax obligation of the VEBA		(45)	-
Acquisition of non-controlling interests	(26)	(2,691)	-
Total		**(1,669)**	**562**
Translation exchange differences		(83)	321
Total change in cash and cash equivalents		**(1,955)**	**362**
Cash and cash equivalents at end of the period	(17)	**17,500**	**18,028**

(a) Reference should be made to the section "New standards and amendments effective from January 1, 2014" for the effects arising from the retrospective application of these standards.

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

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(€ million)	Share capital	Treasury shares	Other reserves	Cash flow hedge reserve	Cumulative translation differences	Available-for-sale financial assets	Remeasurement of defined benefit plans reserve	Cumulative share of OCI of equity method investees	Total equity attributable to owners of the parent	Non-controlling interests	Total
At December 31, 2012 (as reported)	**4,476**	**(259)**	**3,935**	**15**	**633**	**(17)**	**(2,534)**	**(62)**	**6,187**	**2,182**	**8,369**
IFRS 11 First time adoption	-	-	-	-	(15)	-	(7)	22	-	-	-
At January 1, 2013	**4,476**	**(259)**	**3,935**	**15**	**618**	**(17)**	**(2,541)**	**(40)**	**6,187**	**2,182**	**8,369**
Changes for Q1 2013											
Dividends distributed	-	-	-	-	-	-	-	-	-	(1)	(1)
Share-based payments	-	-	2	-	-	-	-	-	2	-	2
Net profit/(loss)	-	-	(83)	-	-	-	-	-	(83)	114	31
Other comprehensive income/(loss)	-	-	-	(23)	146	6	-	9	138	94	232
Other changes	-	-	1	-	-	-	-	-	1	2	3
At March 31, 2013	**4,476**	**(259)**	**3,855**	**(8)**	**764**	**(11)**	**(2,541)**	**(31)**	**6,245**	**2,391**	**8,636**

(€ million)	Share capital	Treasury shares	Other reserves	Cash flow hedge reserve	Cumulative translation differences	Available-for-sale financial assets	Remeasurement of defined benefit plans reserve	Cumulative share of OCI of equity method investees	Total equity attributable to owners of the parent	Non-controlling interests	Total
At December 31, 2013 (as reported)	**4,477**	**(259)**	**4,860**	**101**	**78**	**(13)**	**(748)**	**(170)**	**8,326**	**4,258**	**12,584**
IFRS 11 First time adoption	-	-	-	-	(27)	-	(9)	36	-	-	-
At January 1, 2014	**4,477**	**(259)**	**4,860**	**101**	**51**	**(13)**	**(757)**	**(134)**	**8,326**	**4,258**	**12,584**
Changes for Q1 2014											
Capital increase	1	-	-	-	-	-	-	-	1	-	1
Share-based payments	-	-	1	-	-	-	-	-	1	-	1
Purchase of shares in subsidiaries from non-controlling interests	-	-	1,623	35	171	-	(518)[1]	-	1,311	(3,976)	(2,665)
Distribution for certain taxes paid by VEBA	-	-	-	-	-	-	-	-	-	(45)	(45)
Net profit/(loss)	-	-	(189)	-	-	-	-	-	(189)	16	(173)
Other comprehensive income/(loss)	-	-	-	(41)	(24)	5	(3)	(5)	(68)	74	6
Other changes	-	-	4	-	-	-	-	-	4	-	4
At March 31, 2014	**4,478**	**(259)**	**6,299**	**95**	**198**	**(8)**	**(1,278)**	**(139)**	**9,386**	**327**	**9,713**

(1) The €518 million relates to approximately 41.5 percent interest in Chrysler's remeasurement of defined benefit plans reserve of €1,248 million. Refer to the disclosure of "Non-controlling interests".

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

NOTES

AUTHORIZATION OF REVISED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AT MARCH 31, 2014

These Interim Consolidated Financial Statements at March 31, 2014 together with the notes thereto (the "Interim Consolidated Financial Statements") of Fiat S.p.A. (the "Company" and together with its subsidiaries the "Group" or "Fiat Group") were authorized for issue by the Fiat Board of Directors on July 3, 2014 and reflect the amendment of financial statements authorized for issue by the Fiat S.p.A. Board of Directors on May 6, 2014 and published on May 14, 2014.

The revisions relates to the accounting of a portion of the acquisition of 41,5 percent of Chrysler on January 21, 2014 and result in an unusual gain (non-cash) of €223 million.

In preparing the Interim Financial Information as of March 31, 2014 to be included in the Registration Statement, on Form F-4 related to the shares of FCA that will be issued to shareholders of Fiat in connection with the proposed Merger (the "Registration Statement"), the Company revised its accounting for the acquisition of the 41.5% equity interest in Chrysler which Fiat acquired from the VEBA Trust on January 21, 2014 (the "Acquisition"). Such revision relates to a portion of the Acquisition representing approximately 10% of Chrysler's equity interests, which were covered by three call options that Fiat had exercised prior to the closing of the Acquisition and that were disputed within the Delaware Court of Chancery (the "Options"). Based on the information available at the time and absent specific IFRS guidance directly applicable to the transaction in its whole, the Options had been accounted for at cost (equal to zero) in the Company's Interim Report for the Quarter ended March 31, 2014 (published on May 14, 2014).

However, the analysis performed in June 2014 as part of the process for the preparation of the Registration Statement on both the accounting treatment of the Acquisition and the Memorandum of Understanding with the UAW of January 2014 has led the Company to determine that the fair value of the Options became quantifiable once the Company entered into the agreements relating to the Acquisition.

Compared to that applied for the preparation of the 2014 first quarter interim financial information, the amended accounting treatment results in the recognition of an unusual non-cash gain of €223 million in the income statement for the quarter ended March 31, 2014, corresponding to the difference between the fair value of approximately 10% of Chrysler equity and the estimated settlement price of the Options.

The tables below summarize the effects of these revisions at March 31, 2014:

(€ million)	For the three months ended March 31, 2014 Amounts as originally reported	Adjustment	Amounts as adjusted
Items of Interim Consolidated Income Statement impacted by revisions:			
Other unusual income/(expenses)	(606)	223	(383)
EBIT	**47**	**223**	**270**
Profit/(loss) before taxes	(446)	223	(223)
Tax (income)/expenses	(127)	77	(50)
Profit/(loss) from continuing operations	**(319)**	146	**(173)**
Net profit/(loss)	**(319)**	146	**(173)**
Net profit/(loss) for the period attributable to:			
Owners of the parent	(335)	146	(189)
Non-controlling interests	16	-	16

(in €)	For the three months ended March 31, 2014 Amounts as originally reported	Adjustment	Amounts as adjusted
Basic and diluted loss per ordinary share impacted by revisions:			
Basic and diluted loss per ordinary share	(0.275)	0.120	**(0.155)**

(€ million)	For the three months ended March 31, 2014 Amounts as originally reported	Adjustment	Amounts as adjusted
Items of Interim Consolidated Other comprehensive income/(loss) impacted by revisions:			
Net profit/(loss)	(319)	146	(173)
Exchange differences of translating foreign operations	50	1	51
Total Other comprehensive income, net of tax	5	1	6
Total Comprehensive income/(loss) attributable to:	(314)	147	(167)
Owners of the parent	(404)	147	(257)
Non-controlling interests	90	-	90

(€ million)	At March 31, 2014 Amounts as originally reported	Adjustment	Amounts as adjusted
Items of Consolidated Statement of Financial Position impacted by revisions:			
Assets			
Deferred tax assets	3,260	(76)	3,184
Total Non-current assets	48,378	(76)	48,302
Total Assets	**87,599**	**(76)**	**87,523**
Equity and liabilities			
Equity:	9,789	(76)	9,713
Equity attributable to owners of the parent	*9,462*	*(76)*	*9,386*
Non-controlling interest	*327*	*-*	*327*
Total Equity and liabilities	**87,599**	**(76)**	**87,523**

(€ million)	For the three months ended March 31, 2014 Amounts as originally reported	Adjustment	Amounts as adjusted
Items of Consolidated Statement of Cash Flows impacted by revisions:			
Cash flows from/(used in) operating activities:			
Profit/(loss) for the period	(319)	146	**(173)**
Other non-cash items	466	(223)	**243**
Change in deferred taxes	(195)	77	**(118)**

COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

These Interim Consolidated Financial Statements at March 31, 2014 together with the notes thereto have been prepared in accordance with IAS 34 – *Interim financial reporting*. The Interim Consolidated Financial Statements should be read in conjunction with the Fiat Group annual consolidated financial statements for the year ended December 31, 2013 (the "Consolidated Financial Statements at December 31, 2013"), which have been prepared in accordance with IFRS. IFRS is defined to be *International Financial Reporting Standards* issued by the *International Accounting Standards Board* ("IASB") and adopted by the European Union[1]. 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"). The accounting policies adopted are consistent with those used at December 31, 2013, except as described in the following paragraph – New standards and amendments effective from January 1, 2014.

BASIS OF PREPARATION FOR INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The preparation of the Interim Consolidated Financial Statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and disclosure of contingent liabilities. If in the future such estimates and assumptions, which are based on management's best judgment at the date of these Interim Consolidated Financial Statements, 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 at December 31, 2013 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. In the same way, the actuarial valuations that are required for the determination of employee benefit provisions are also usually carried out during the preparation of the annual consolidated financial statements, unless in the event of significant market fluctuation, plan amendments or curtailments and settlements.

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.

Format of the Interim Consolidated Financial Statements

For presentation of the Interim Consolidated Income Statement, the Group uses a classification based on the function of expenses, rather than based on their nature, as it is more representative of the format used for internal reporting and management purposes and is consistent with international practice in the automotive sector.

In this Interim Consolidated Income Statement, the Group also presents subtotals for both Trading Profit and Earnings before Interest and Taxes (EBIT). EBIT distinguishes between the Profit before taxes arising from operating items and those arising from financing activities. EBIT is the primary measure used by the Chief Executive Officer to assess the performance of and allocate resources to the operating segments.

For the Interim Consolidated Statement of Financial Position, a mixed format has been selected to present current and non-current assets and liabilities, as permitted by IAS 1 paragraph 60. More specifically, the Group's consolidated financial statements include both industrial companies and financial services companies. The investment portfolios of

[1] At the date of these Interim Consolidated Financial Statements, no impact would arise from the adoption of IFRS as issued by the IASB since the IAS 39 temporary carve-out on hedge accounting for which adoption by European Union is pending would not determine any effect for the Group.

the financial services companies are included in current assets, as the investments will be realized in their normal operating cycle. However, the financial services companies obtain only a portion of their funding from the market; the remainder is obtained from Group operating companies through the Group's treasury companies (included within the industrial companies), which provide funding to both industrial companies and financial services companies in the Group, as the need arises. This financial service structure within the Group does not allow the separation of financial liabilities funding the financial services operations (whose assets are reported within current assets) and those funding the industrial operations. Presentation of financial liabilities as current or non-current based on their date of maturity would not facilitate a meaningful comparison with financial assets, which are classified on the basis of their normal operating cycle.

The Interim Consolidated Statement of Cash Flows is presented using the indirect method.

New standards and amendments effective from January 1, 2014

The following new standards and amendments that are applicable from January 1, 2014 were adopted by the Group for the purpose of the preparation of the Interim Consolidated Financial Statements.

IFRS 11 – Joint arrangements

The Group adopted IFRS 11, as amended as of January 1, 2014. The adoption of this standard required the reclassification of investments previously classified as jointly controlled entities under IAS 31 – *Interests in joint ventures*, as either "joint operations" (if the Group has rights to the assets, and obligations for the liabilities, relating to an arrangement) or "joint ventures" (if the Group has right only to the net assets of an arrangement). The classification focuses on the rights and obligations of the arrangements, rather than their legal form. Under the new standard, joint ventures are accounted for under the equity method while joint operations are accounted for by recognizing the Group's share of assets, liabilities, revenues and expenses (these interests would have previously been accounted for using the equity method under IAS 31).

As a result of the IFRS 11 retrospective application, the Group's interest in Sevel S.p.A., a joint arrangement with PSA-Peugeot and the Group's interests in Fiat India Automobiles Limited, a joint arrangement with Tata Motor, were classified as joint operations. Therefore, the Group recognized its share of assets, liabilities, revenues and expenses instead of recognizing its interest in the net assets of the entities under the equity method. The Group's interests in joint arrangements which were classified as jointly controlled entities under IAS 31 and have been reclassified as Joint ventures under IFRS 11 continue to be accounted for using the equity method. The reclassification of these interests had no impact on these Interim Consolidated Financial Statements.

The impacts of the adoption of IFRS 11 on comparative amounts are set out below:

(€ million)	For the three months ended March 31, 2013 Amounts as originally reported	IFRS 11	Amounts as adjusted
Items of Consolidated Income Statement impacted by IFRS 11:			
Net revenues	19,757	(50)	19,707
Cost of sales	17,024	(73)	16,951
Selling, general and administrative costs	1,620	3	1,623
Research and development costs	486	2	488
Other income/(expenses)	(9)	(5)	(14)
Trading profit	**618**	**13**	**631**
Result from investments	32	(9)	23
EBIT	**603**	**4**	**607**
Tax (income)/expenses	129	4	133
Net profit	**31**	-	**31**

(€ million)	For the three months ended March 31, 2013 Amounts as originally reported	IFRS 11	Amounts as adjusted
Items of Consolidated Other comprehensive income/(loss) impacted by IFRS 11:			
Exchange differences of translating foreign operations	217	2	219
Share of Other comprehensive income/(loss) for equity method investees	11	(2)	9

(€ million)	At December 31, 2013 Amounts as originally reported	IFRS 11	Amounts as adjusted
Items of Consolidated Statement of Financial Position impacted by IFRS 11:			
Assets			
Intangible assets	19,509	5	19,514
Property, plant and equipment	22,844	389	23,233
Investments and other financial assets	2,260	(208)	2,052
Deferred tax assets	2,893	10	2,903
Total Non-current assets	**47,611**	**196**	**47,807**
Inventories	10,230	48	10,278
Trade receivables	2,406	138	2,544
Current tax receivables	291	21	312
Other current assets	2,302	21	2,323
Cash and cash equivalents	19,439	16	19,455
Total Current assets	**39,154**	**244**	**39,398**
Total Assets	**86,774**	**440**	**87,214**
Equity and liabilities			
Provisions:	17,360	67	17,427
Employee benefits	*8,265*	*61*	*8,326*
Other provisions	*9,095*	*6*	*9,101*
Debt	29,902	381	30,283
Trade payables	17,235	(28)	17,207
Other current liabilities	8,943	20	8,963
Total Equity and liabilities	**86,774**	**440**	**87,214**

(€ million)	For the three months ended March 31, 2013 Amounts as originally reported	IFRS 11	Amounts as adjusted
Items of Consolidated Statement of Cash Flows impacted by IFRS 11:			
Cash and cash equivalents at beginning of the period	**17,657**	**9**	**17,666**
Cash flows from operating activities	1,125	123	1,248
Cash flows from investing activities	(1,759)	(10)	(1,769)
Cash flows from financing activities	699	(137)	562
Translation exchange differences	390	(69)	321
Total change in cash and cash equivalents	**455**	**(93)**	**362**
Cash and cash equivalents at end of the period	**18,112**	**(84)**	**18,028**

IFRS 10 – Consolidated Financial Statements

The Group adopted IFRS 10, as amended, effective January 1, 2014. The new standard builds on existing principles by identifying a single control model applicable to all entities, including "structured entities". The standard also provides additional guidance to assist in the determination of control where this is difficult to assess.

In accordance with the transition provision in IFRS 10, the Group reassessed the conclusion on control of its investees on January 1, 2014 without reporting any significant effect on the adoption of the new standard.

IFRS 12 – Disclosure of Interests in Other Entities

The Group adopted IFRS 12, as amended, effective January 1, 2014. The standard is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates, structured entities and other unconsolidated entities. Other than the modifications to the disclosures regarding these interests reported in these Interim Consolidated Financial Statements, the adoption of the new standard did not had any effect on these Interim Consolidated Financial Statements.

Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32 – Financial Instruments: Presentation)

The Group adopted the amendments to IAS 32 – *Financial Instruments: Presentation* effective January 1, 2014. The amendments clarify the application of certain offsetting criteria for financial assets and financial liabilities and are required to be applied retrospectively. No significant effect arose on these Interim Consolidated Financial Statements from the application of these amendments.

Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36 – Impairment of assets)

The Group adopted the amendments 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 effective January 1, 2014 without reporting any effect on these Interim Consolidated Financial Statements. The application of these amendments will result in an expanded disclosure in the notes to the future annual consolidated financial statements in case of an impairment that is based on fair value less cost of disposal.

Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39 – Financial Instruments: Recognition and Measurement)

These amendments, adopted effective January 1, 2014 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. No effect arose on these Interim Consolidated Financial Statements from the application of these amendments.

IFRIC Interpretation 21 – Levies an interpretation of IAS 37 – Provisions, Contingent Liabilities and Contingent Assets

The interpretation, effective from January 1, 2014, sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation addresses what the obligating event is that gives rise to pay a levy and when a liability should be recognized. No effect arose on these Interim Consolidated Financial Statements from the application of this interpretation.

New standards, amendments and interpretations not yet effective

At the date of these Interim Consolidated Financial Statements the European Union had not yet completed its endorsement process for these standards, amendments and interpretations:

- On November 12, 2009, the IASB issued IFRS 9 – *Financial Instruments*. The new standard was reissued in October 2010 and subsequently amended in November 2013. The standard addresses the classification, measurement and recognition of financial assets and financial liabilities and hedge accounting. It replaces the relevant parts of IAS 39 – *Financial Instruments: recognition and measurement*. As part of the November 2013 amendments, among other, the IASB removed the standard's mandatory effective date, previously set on 1 January 2015. This date will be added to the standard when all phases of the IFRS 9 project are completed and a final complete version of the standard is issued.
- On November 21, 2013, the IASB published narrow scope amendments to IAS 19 – *Employee benefits* entitled "*Defined Benefit Plans: Employee Contributions*". These amendments apply to contributions from employees or third parties to defined benefit plans in order to simplify their accounting in specific cases. The amendments are effective, retrospectively, for annual periods beginning on or after 1 July 2014 with earlier application permitted.
- On December 12, 2013 the IASB issued the *Annual Improvements to IFRSs 2010–2012 Cycle* and *Annual Improvements to IFRSs 2011–2013 Cycle*. The most important topics addressed in these amendments are, among others, the definition of vesting conditions in IFRS 2 – *Share based payment*, the disclosure on judgment used in the aggregation of operating segments in IFRS 8 – *Operating Segments*, the identification and disclosure of a related party transaction that arises when a management entity provides key management personnel service to a reporting entity in IAS 24 – *Related Party disclosures*, the extension of the exclusion from the scope of IFRS 3 – *Business Combinations* to all types of joint arrangements and to clarify the application of certain exceptions in IFRS 13 – *Fair value Measurement*.
- On May 6, 2014 the IASB issued amendments to IFRS 11 – *Joint arrangements: Accounting for acquisitions of interests in joint operations*, clarifying the accounting for acquisitions of an interest in a joint operation that constitutes a business. The amendments are effective, retrospectively, for annual periods beginning on or after 1 January 2016 with earlier application permitted.
- On May 12, 2014, the IASB issued an amendment to IAS 16 – *Property, Plant and Equipment* and to IAS 38 – *Intangible Assets*. The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances. These amendments are effective for annual periods beginning on or after January 1, 2016, with early application permitted.
- On May 28, 2014, the IASB issued IFRS 15 – *Revenue from contracts with customers*. The standard replaces specific industry guidance, and will require issuers in all industries and countries to use a new five-step model to recognize revenue from customer contracts. The standard is effective for fiscal periods beginning after December 15, 2016,

and requires either full or modified retrospective application.

The Group will comply with these new standards, amendments and interpretations based on their relevant effective dates, and it will evaluate their potential impacts when endorsed by the European Union.

SCOPE OF CONSOLIDATION

Fiat S.p.A. is the parent company of Fiat Group and it holds, directly and indirectly, interests in the Group's main operating companies. The Interim Consolidated Financial Statements include Fiat S.p.A. and its subsidiaries over which it has control.

At March 31, 2014 and at December 31, 2013 Fiat S.p.A. had the following significant direct and indirect interests in subsidiaries:

		At March 31, 2014		At December 31, 2013	
	Country	Shares held by the Group	Shares held by NCI	Shares held by the Group	Shares held by NCI
Directly held interests		(in %)		(in %)	
Fiat Group Automobiles S.p.A.	Italy	100.0	-	100.0	-
Ferrari S.p.A.	Italy	90.0	10.0	90.0	10.0
Maserati S.p.A.	Italy	100.0	-	100.0	-
Magneti Marelli S.p.A.	Italy	99.99	0.01	99.99	0.01
Teksid S.p.A.	Italy	84.79	15.21	84.79	15.21
Comau S.p.A.	Italy	100.0	-	100.0	-
Indirectly held interests					
Chrysler Group LLC	USA	100.0	-	58.5	41.5

Each of these subsidiaries holds direct or indirect interests in other Group companies. Overall, these Interim Consolidated Financial Statements include 318 subsidiaries consolidated on a line-by-line basis at March 31, 2014 (303 at December 31, 2013).

Certain subsidiaries (mainly dealership, captive service, dormant and companies under liquidation) are excluded from consolidation on a line-by-line basis and are accounted for at cost or using the equity method. Their aggregate assets and revenues represent less than 1 percent of the Group's respective amounts for each period and at each date presented by these Interim Consolidated Financial Statements.

Non-controlling interests

The total Non-controlling interests at March 31, 2014 of €327 million mainly relate to Ferrari S.p.A. and its subsidiaries for €225 million. At December 31, 2013 the total Non-controlling interests of €4,258 million mainly related to Chrysler Group LLC (together with its subsidiaries "Chrysler" or the "Chrysler Group") for €3,944 million, and to Ferrari S.p.A. and its subsidiaries for €215 million.

On January 1, 2014 Fiat's wholly owned subsidiary Fiat North America LLC ("FNA") and the VEBA Trust announced that they had entered into an agreement ("the Equity Purchase Agreement") under which FNA agreed to acquire the VEBA Trust's 41.5 percent interest in Chrysler, which included an approximately 10 percent interest in Chrysler subject to previously exercised options that were subject to ongoing litigation, for cash consideration of U.S.$3,650 million (€2,691 million) as follows:

- a special distribution of U.S.$1,900 million (equivalent to €1,404 million) paid by Chrysler to its members, which served to fund a portion of the transaction, wherein FNA directed its portion of the special distribution to the VEBA Trust as part of the purchase consideration; and
- an additional cash payment by FNA to the VEBA Trust of U.S.$1,750 million (equivalent to €1,287 million).

The previously exercised options for the approximately 10 percent interest in Chrysler that were settled in connection with the Equity Purchase Agreement had an estimated fair value at the transaction date of U.S.$302 million (€223 million). These options were historically carried at cost, which was zero, in accordance with the guidance in paragraphs AG80 and AG81 of IAS 39 as the options were on shares that did not have a quoted market price in an active market and as the interpretation of the formula required to calculate the exercise price on the options was disputed and was subject to ongoing litigation. Upon consummation of the transactions contemplated by the Equity Purchase Agreement, the fair value of the underlying equity and the estimated exercise price of the options, at that point, became reliably estimable. As such, on the transaction date, the options were remeasured to their fair value of U.S.$302 million (€223 million at the transaction date), which resulted in a corresponding non-taxable gain in Other unusual income/(expenses). The Group has classified this item in Other unusual income/(expenses) because it relates to options held in relation to the acquisition of a non-controlling interest and is expected to occur infrequently.

The fair value of the options was calculated as the difference between the estimated exercise price for the disputed options encompassed in the Equity Purchase Agreement of U.S.$650 million (€481 million) and the estimated fair value for the underlying approximately 10 percent interest in Chrysler of U.S.$952 million (€704 million).

The exercise price for the disputed options was originally calculated by FNA pursuant to the formula set out in the option agreement between FNA and the VEBA Trust. The VEBA Trust disputed the calculation of the exercise price, which ultimately led to the litigation between the two parties regarding the interpretation of the call option agreement. The dispute primarily related to four elements of the calculation of the exercise price. During the ensuing litigation, the court ruled in FNA's favor on two of the four disputed elements of the calculation. The court requested an additional factual record be developed on the other two elements, a process that was ongoing at the time the Equity Purchase Agreement was executed and consummated.

The dispute between FNA and the VEBA Trust over the previously exercised options was settled pursuant to the Equity Purchase Agreement, effectively resulting in the fulfillment of the previously exercised options. Given that there was no amount explicitly agreed to by FNA and the VEBA Trust in the Equity Purchase Agreement for the settlement of the previously exercised options, management estimated the exercise price encompassed in the Equity Purchase Agreement taking into account the judgments rendered by the court to date on the litigation and a settlement of the two unresolved elements. Based on the nature of the two unresolved elements, management estimated the exercise price to be between U.S.$600 million (€444 million at the transaction date) and U.S.$700 million (€518 million at the transaction date). Given the uncertainty inherent in court decisions, it was not possible to pick a point within that range that represented the most likely outcome. As such, management believed the mid-point of this range, U.S.$650 million (€481 million at the transaction date), represented the appropriate point estimate of the exercise price encompassed in the Equity Purchase Agreement.

Since there was no publicly observable market price for Chrysler's membership interests, the fair value as of the transaction date of the approximately 10 percent non-controlling ownership interest in Chrysler was determined based on the range of potential values determined in connection with the initial public offering ("IPO") that Chrysler was pursuing at the time the Equity Purchase Agreement was negotiated and executed, which was corroborated by a discounted cash flow valuation that estimated a value near the mid-point of the range of potential IPO values. Management concluded that the midpoint of the range of potential IPO value provided the best evidence of the fair value of Chrysler's membership interests at the transaction date as it reflects market input obtained during the IPO process, thus providing better evidence of the price at which a market participant would transact consistent with the objectives of IFRS 13, the accounting guidance on fair value measurements.

The potential IPO values for 100 percent of Chrysler's equity on a fully distributed basis ranged from $10.5 billion to U.S.$12.0 billion (€7.6 billion to €8.7 billion at December 31, 2013). Management concluded the mid-point of this range, U.S.$11.25 billion (€8.16 billion at December 31, 2013), was the best point estimate of fair value. The IPO value range

was determined using earnings multiples observed in the market for publicly traded US-based automotive companies using the key assumptions discussed below. This fully distributed value was then reduced by approximately 15 percent for the expected discount that would have been realized in order to complete a successful IPO for the minority interest being sold by the VEBA Trust. This discount was estimated based on the following factors that a market participant would have considered and, therefore, would have affected the price of Chrysler's equity in an IPO transaction:

- Fiat held a significant controlling interest and had expressed the intention to remain and act as the majority owner of Chrysler. The fully diluted equity value, which is the starting point for the valuation discussed above, does not contemplate the perpetual nature of the non-controlling interest that would have been offered in the IPO or the significant level of control that Fiat would have exerted over Chrysler. This level of control creates risk to a non-controlling shareholder that Fiat would make decisions to maximize its value in a manner that would not necessarily maximize value to non-controlling shareholders, which Fiat had indicated was its intention.
- The fully distributed equity value contemplates an active market for Chrysler's equity, which did not exist for Chrysler's membership interests. The IPO price represents the creation of the public market, which would have taken time to develop into an active market. The estimated price that would be received in an IPO transaction reflects the fact that Chrysler's equity was not yet traded in an active market.

As the expected discount that would have been realized in order to complete a successful IPO represented a market-based discount that would have been reflected in an IPO price, management concluded it should be included in the measurement at the transaction date between a willing buyer and willing seller under the principles in IFRS 13.

The other significant assumptions management used in connection with the development of the fair value of Chrysler's membership interests discussed above included the following:

- Inputs derived from Chrysler's long-term business plans in place at the time the Equity Purchase Agreement was negotiated and executed, including:
  - An estimated 2014 Earnings before interest, tax, depreciation, amortization, pension and OPEB payments (EBITDAPO); and
  - An estimate of net debt, which is composed of debt, pension obligations and OPEB obligations of Chrysler, offset by any expected tax benefit arising from payment of obligations and cash on hand; and
- An EBITDAPO valuation multiple based on observed multiples for other US-based automotive manufacturers, adjusted for differences between those manufacturers and Chrysler.

The transaction under the Equity Purchase Agreement closed on January 21, 2014. As a result of this transaction Fiat now holds a 100 percent equity interest in Chrysler.

Concurrent with the closing of the acquisition under the Equity Purchase Agreement, Chrysler and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America ("UAW") executed and delivered a contractually binding and legally enforceable Memorandum of Understanding ("MOU") to supplement Chrysler's existing collective bargaining agreement under which the UAW committed to (i) use the best efforts to cooperate in the continued roll-out of Chrysler's World Class Manufacturing ("WCM") programs, (ii) to actively participate in benchmarking efforts associated with implementation of WCM programs across all Fiat-Chrysler manufacturing sites to ensure objective competitive assessments of operational performance and provide a framework for the proper application of WCM principles, and (iii) to actively assist in the achievement of Chrysler's long-term business plan. In consideration of these legally enforceable commitments, Chrysler agreed to make payments to a UAW-organized, independent VEBA Trust totaling U.S.$700 million (€518 million at the transaction date) to be paid in four equal annual installments. Considering Chrysler's non-performance risk over the payment period as of the transaction date and its unsecured nature, this payment obligation has a fair value of U.S.$672 million (€497 million).

The Group considered the terms and conditions set forth in the above mentioned agreements and has accounted for the Equity Purchase Agreement and the MOU as a single commercial transaction with multiple elements. As such, the fair value of the consideration paid discussed above, which amounts to U.S.$4,624 million (€3,411 million), including the fair value of the previously exercised disputed options, was allocated to the elements obtained by Fiat and Chrysler. Due to the unique nature and inherent judgment involved in determining the fair value of the UAW's commitments under the MOU, a residual value methodology was used to determine the portion of the consideration paid attributable to the UAW's commitments as follows:

(€ million)	
Special distribution from Chrysler	1,404
Cash payment from FNA	1,287
Fair value of the previously exercised options	223
Fair value of financial commitments under the MOU	497
Fair value of total consideration paid	**3,411**
Less the fair value of an approximately 41.5 percent non-controlling ownership interest in Chrysler	(2,916)
Consideration allocated to the UAW's commitments	**495**

The fair value of the approximately 41.5 percent non-controlling ownership interest in Chrysler acquired by Fiat from the VEBA Trust (which includes the approximately 10 percent pursuant to the settlement of the previously exercised disputed options discussed above) was determined using the valuation methodology discussed above.

The residual of the fair value of the consideration paid of U.S.$670 million (€495 million) was allocated to the UAW's contractually binding and legally enforceable commitments to Chrysler under the MOU.

The effects of changes in ownership interests in Chrysler in the three months ended March 31, 2014 were therefore as follows:

(€ million)	For the three months ended March 31, 2014
Carrying amount of non-controlling interest acquired	3,976
Less consideration allocated to the acquisition of the non-controlling interest	(2,916)
Additional net deferred tax assets	251
Effect on the equity attributable to owners of the parent	**1,311**

In accordance with IFRS 10 – *Consolidated Financial Statements*, equity reserves were adjusted to reflect the change in the ownership interest in Chrysler through a corresponding adjustment to equity attributable to the parent. As the transaction described above resulted in the elimination of the non-controlling interest in Chrysler, all items of comprehensive income previously attributed to the non-controlling interest were recognized in the appropriate equity reserve.

In accordance with the accounting policies disclosed in the Consolidated Financial Statements at December 31, 2013, €1,248 million of the accumulated actuarial gains and losses from the remeasurement of the defined benefit plans of Chrysler Group has been recognized since the consolidation of Chrysler Group. As of the transaction date, €518 million, which is approximately 41.5% of this amount, had been recognized in Non-controlling interest. In connection with the acquisition of the non-controlling interest in Chrysler Group, this amount was recognized as an adjustment to the equity reserve for Remeasurement of defined benefit plans.

With respect to the MOU entered into with the UAW, the Group recognized €495 million (U.S.$670 million) in Other unusual expenses in the Interim Consolidated Income Statement. The first U.S.$175 million installment under the MOU was paid on January 21, 2014, which was equivalent to €129 million at that date, and is reflected in the operating section of the Interim Consolidated Statement of Cash Flows. The remaining outstanding obligation pursuant to the MOU as of March 31, 2014 of €362 million (U.S.$499 million), which includes €1 million (U.S.$2 million) of accreted interest, is recorded in Other current liabilities sections in the Interim Consolidated Statement of Financial Position

(Note 22). For further information on additional net deferred tax assets recognized reference should be made to Note 9.

The Equity Purchase Agreement also provided for a tax distribution from Chrysler to its members under the terms of Chrysler Group's Limited Liability Company Operating Agreement (as amended from time to time, the "LLC Operating Agreement") in the amount of approximately U.S.$60 million (€45 million) to cover the VEBA Trust's tax obligation. As this payment was made pursuant to a specific requirement in Chrysler's LLC Operating Agreement, it is not considered part of the multiple element transaction.

Significant restrictions in relation to the Group interest in Chrysler

The Group is subject to several restrictions that limit its ability to access and use assets or settle liabilities in relation to its interest in Chrysler.

Financing arrangements outstanding may limit the Group's ability to allocate capital between Group entities or may restrict its ability to receive dividends or other restricted payments from Chrysler. In particular, Fiat's existing syndicated credit facility currently imposes restrictions that limit Fiat's capability to extend guarantees or loans to Chrysler.

Additionally, the Tranche B Term Loan due 2017, the Tranche B Term Loan due 2018, and the Revolving Credit Facility of Chrysler, are secured by a senior priority security interest in substantially all of Chrysler Group LLC's assets and the assets of its U.S. subsidiary guarantors, subject to certain exceptions. The collateral includes 100 percent of the equity interests in Chrysler's U.S. subsidiaries and 65 percent of the equity interests in its non U.S. subsidiaries held directly by Chrysler Group LLC and its U.S. subsidiary guarantors. In addition, Chrysler's Secured Senior Notes are secured by liens junior to the Senior Credit Facilities on substantially all of Chrysler Group LLC's assets and the assets of its U.S. subsidiary guarantors, including 100 percent of the equity interests in Chrysler's U.S. subsidiaries and 65 percent of the equity interests in its non U.S. subsidiaries held directly by Chrysler Group LLC and its U.S. subsidiary guarantors. These liens cover almost all of Chrysler's assets. In addition to collateral, these debt instruments include covenants that restrict Chrysler's ability to make certain distributions or purchase or redeem its capital stock, prepay certain other debt, encumber assets, incur or guarantee additional indebtedness, incur liens, transfer and sell assets or engage in certain business combinations, enter into certain transactions with affiliates or undertake various other business activities as well as the requirement to maintain borrowing base collateral coverage and a liquidity threshold.

As described above, on January 21, 2014, Chrysler paid to its members a special distribution of U.S.$1,900 million and a tax distribution of approximately U.S.$60 million for state tax obligations. With certain exceptions, further distributions will be limited to 50 percent of Chrysler's consolidated net income (as defined in the agreements) for the period from January 2012 until the end of the most recent fiscal quarter, less the amount of the January 2014 special distribution.

For more information regarding Chrysler's credit facilities and other debt, reference should be made to Note 21.

CHANGES IN THE SCOPE OF CONSOLIDATION

Except for the acquisition of the remaining 41.5 percent ownership interest in Chrysler described above, during the three months ended March 31, 2014 there were no significant changes in the scope of consolidation.

PROPOSED CORPORATE REORGANIZATION

On January 29, 2014, the Board of Directors of Fiat S.p.A. approved a proposed corporate reorganization resulting in the formation of Fiat Chrysler Automobiles N.V. ("FCA") as a fully-integrated global automaker. In order to establish a true peer to the major global automotive groups, in both scale and capital market appeal, the Board decided to establish FCA, organized in the Netherlands, as the parent company of the Group. Under the proposal approved by the Fiat S.p.A.

Board of Directors, Fiat S.p.A. shareholders will receive one FCA common share for each Fiat S.p.A. share held and the FCA common shares will be listed on the New York Stock Exchange (NYSE) with an additional listing on the *Mercato Telematico Azionario* (MTA) in Milan. It is intended that FCA will be resident for tax purposes in the United Kingdom, but this is not expected to affect the taxes payable by Group companies in the jurisdictions where their activities are carried out.

FINANCIAL RISK FACTORS

The Group is exposed to operational financial risks: credit risk, liquidity risk, financial market risk (relating mainly to exchange rates, interest rates and commodity prices). The Interim Consolidated Financial Statements do not include all the information and notes on financial risk management required in the preparation of the annual consolidated financial statements. For a detailed description of this information for the Group reference should be made to Note 35 to the Consolidated Financial Statements at December 31, 2013.

OTHER INFORMATION

The principal exchange rates used to translate other currencies into Euros were as follows:

	For the three months ended March 31, 2014	At March 31, 2014	At December 31, 2013	For the three months ended March 31, 2013	At March 31, 2013
U.S. Dollar ("U.S.$")	1.370	1.379	1.379	1.320	1.281
Brazilian Real	3.240	3.128	3.258	2.636	2.570
Chinese Renminbi	8.358	8.575	8.349	8.217	7.960
Serbian Dinar	115.720	115.385	114.642	111.731	111.958
Polish Zloty	4.184	4.172	4.154	4.156	4.180
Argentine Peso	10.407	11.033	8.988	6.615	6.556
Pound Sterling	0.828	0.828	0.834	0.851	0.846
Swiss Franc	1.224	1.219	1.228	1.228	1.220

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).

COMPOSITION AND PRINCIPAL CHANGES

1. Net revenues

Net revenues are as follows:

	For the three months ended March 31,	
(€ million)	2014	2013
Sales of goods	21,150	18,853
Services provided	510	469
Contract revenues	273	220
Interest income from customers and other financial income of financial services companies	62	60
Lease installments for assets sold with a buy-back commitment and for operating leases	45	38
Other	85	67
Total Net revenues	**22,125**	**19,707**

2. Cost of sales

Cost of sales for the three months ended March 31, 2014 and 2013 amounted to €19,237 million and €16,951 million, respectively, comprising mainly of expenses incurred in the manufacturing and distribution of vehicles and parts, of which, cost of materials and components are the most significant portion. The remaining costs principally include labor costs, consisting of direct and indirect wages, as well as depreciation of Property, plant and equipment, amortization of Other intangible assets relating to production and transportation costs.

Cost of sales also includes warranty and product-related costs, estimated at the time of sale to dealer networks or to the end customer. Depending on the specific nature of the recall, including the significance and magnitude, certain warranty costs incurred are reported as unusual expenses, where the Group believes that separate identification allows the users of the Consolidated financial statements to take them into appropriate consideration when analyzing the performance of the Group and assists them in understanding the Group's financial performance year on year.

Cost of sales for the three months ended March 31, 2014 and 2013 also includes €45 million and €33 million, respectively, of interest and other financial expenses from financial services companies.

3. Selling, general and administrative costs

Selling costs for the three months ended March 31, 2014 and 2013 amounted to €1,064 million and €1,017 million, respectively, and mainly consist of marketing, advertising, and sales personnel costs. Marketing and advertising expenses consist primarily of media campaigns, as well as marketing support in the form of trade and auto shows, events, and sponsorship.

General and administrative costs for the three months ended March 31, 2014 and 2013 amounted to €598 million and €606 million, respectively, and mainly consist of administration expenses which are not attributable to sales, manufacturing or research and development functions.

4. Research and development costs

Research and development costs are as follows:

	For the three months ended March 31,	
(€ million)	2014	2013
Research and development costs expensed	376	305
Amortization of capitalized development costs	245	183
Write-down of costs previously capitalized	5	-
Total Research and development costs	**626**	**488**

Reference should be made to Note 11 for information on development costs capitalized.

5. Result from investments

The net gain for three months ended March 31, 2014 and 2013, amounting to €33 million and €23 million, respectively, mainly consists of the Group's share in the Net profit/(loss) of equity method investees for €24 million (€16 million for the three months ended March 31, 2013), and other income and expenses arising from investments measured at cost.

For a more detailed analysis of Result from investments by segment, reference should be made to Note 28.

6. Restructuring costs/(income)

Net restructuring costs for the three months ended March 31, 2014 amount to €10 million and primarily relate to the LATAM and Components segment.

For the three months ended March 31, 2013, the item amounted to an income of €2 million related mainly to the release of a restructuring provision previously recognized by the NAFTA segment.

7. Other unusual income/(expenses)

For the three months ended March 31, 2014, Other unusual expenses amounted to €383 million, primarily relating to the €495 million expense recognized in connection with the execution of the UAW MOU entered into by Chrysler on January 21, which was partially offset by the non-taxable gain on the remeasurement to fair value of the previously exercised options on approximately 10 percent of Chrysler's membership interest in connection with the Equity Purchase Agreement both described above in the Section – Non-controlling interests.

In addition, Other unusual expenses include a €94 million remeasurement charge recognized as a result of the Group's change in the exchange rate used to remeasure its Venezuelan subsidiary's net monetary assets in U.S. Dollar, based on first quarter 2014 developments related to the foreign exchange process in Venezuela. As the official exchange rate is increasingly reserved only for purchases of those goods and services deemed "essential" by the Venezuelan government, the Group began to use the exchange rate determined by an auction process conducted by Venezuela's Supplementary Foreign Currency Administration System ("SICAD"), referred to as the "SICAD I rate", as of March 31, 2014. At March 31, 2014, the SICAD I rate was 10.7 Venezuelan Bolivar ("VEF") to U.S. Dollar. Previously, the Group utilized the official exchange rate of 6.3 VEF to U.S. Dollar. In late March 2014, the Venezuelan government introduced an additional auction-based foreign exchange system, referred to as the SICAD II rate. The SICAD II rate has ranged from 49 to 51.9 VEF to U.S. Dollar in the period since its introduction until June 30, 2014. The SICAD II rate is expected to be used primarily for imports and has been limited to amounts of VEF that can be exchanged into other currencies, such as the U.S. Dollar. As a result of the recent exchange agreement between the Central Bank of Venezuela and the Venezuelan government and the limitations of the SICAD II rate, the Group believes any future remittances of dividends would be transacted at the SICAD I rate. As a result, the Group determined that the SICAD I rate is the most appropriate rate to use. As the SICAD I rate is based on periodic auctions, there may be significant changes to the exchange rate in

future quarters, as well as other related developments in Venezuela, which may materially impact the Group's consolidated financial statements.

For the three months ended March 31, 2013, Other unusual expenses amounting to €51 million mainly related to a €59 million foreign currency translation loss recognized related to the February 2013 devaluation of the VEF relative to the U.S. Dollar from 4.30 VEF per U.S. Dollar to 6.30 VEF per U.S. Dollar.

8. Net financial expenses

The following table sets out details of the Group's financial income and expenses, including the amounts reported in the Interim Consolidated Income Statement within the Net financial expenses line item, as well as interest income from financial services activities, recognized under Net revenues, and Interest cost and other financial charges from financial services companies, recognized under Cost of sales.

	For the three months ended March 31,	
(€ million)	2014	2013
Financial income:		
Interest income and other financial income	51	51
Interest income of financial services activities	62	60
Gains on disposal of securities	1	1
Total Financial income	**114**	**112**
Total Financial income relating to:		
Industrial companies (A)	52	52
Financial services companies (reported within Net revenues)	62	60
Financial expenses:		
Interest expenses and other financial expenses	463	447
Write-downs of financial assets	20	12
Losses on disposal of securities	1	1
Net interest expenses on employee benefit provisions	75	92
Total Financial expenses	**559**	**552**
Net (income)/expenses from derivative financial instruments and exchange rate differences	31	(24)
Total Financial expenses and net (income)/expenses from derivative financial instruments and exchange rate differences	**590**	**528**
Total Financial expenses and net (income)/expenses from derivative financial instruments and exchange rate differences relating to:		
Industrial companies (B)	545	495
Financial services companies (reported within Cost of sales)	45	33
Net financial expenses relating to industrial companies (A – B)	**(493)**	**(443)**

For the three months ended March 31, 2013, Net (income)/expenses from derivative financial instruments and exchange rate differences included net income of €15 million arising from the equity swaps on Fiat S.p.A. and CNH Industrial N.V. ordinary shares relating to certain stock option plans, which expired at the end of 2013.

9. Tax (income)/expenses

Tax (income)/expenses are as follows:

(€ million)	For the three months ended March 31, 2014	2013
Current tax expense	51	143
Deferred tax (income)/expense	(117)	(10)
Taxes relating to prior periods	16	-
Tax (income)/expenses	**(50)**	**133**

Decrease in Current tax expenses for the three months ended March 31, 2014 is mainly due to lower results in the period.

For the three months ended March 31, 2014 and 2013, the Regional Italian Income Tax ("IRAP") recognized within current taxes was €17 million and €15 million, respectively and IRAP recognized within deferred tax costs was €2 million and €2 million, respectively.

Deferred taxes for the three months ended March 31, 2014 include the recognition of a €125 million deferred tax benefit which were not included in the three months ended March 31, 2013.

The Group recognizes in its Interim Consolidated Statement of Financial Position within Deferred tax assets, the amount of Deferred tax assets less the Deferred tax liabilities of the individual consolidated companies, where these may be offset. Amounts recognized are as follows:

(€ million)	At March 31, 2014	At December 31, 2013
Deferred tax assets	3,184	2,903
Deferred tax liabilities	(184)	(278)
Net deferred tax assets	**3,000**	**2,625**

The increase in additional net deferred tax assets during the three months ended March 31, 2014 is mainly related to the acquisition of the remaining 41.5 percent ownership interest in Chrysler in accordance with its tax transparency regime.

10. Loss per share

The loss per share is determined by dividing the Loss attributable to the equity holders of the parent company, by the weighted average number of ordinary shares outstanding during the period.

The theoretical effect that would arise if the share based payment plans were exercised for the three months ended March 31, 2014 and 2013 were not taken into consideration in the calculation of diluted earnings per share as this would have had an antidilutive effect.

The following table provides amounts used in the calculation of basic and dilutive loss per share for the two periods:

		For the three months ended March 31, 2014	2013
Loss attributable to owners of the parent	€ million	(189)	(83)
Weighted average number of shares outstanding	thousands	1,216,148	1,215,825
Basic and dilutive loss per ordinary share	euros	**(0.155)**	**(0.068)**

11. Intangible assets

(€ million)	Balance at December 31, 2013	Additions	Amortization	Translation differences and other changes	Balance at March 31, 2014
Goodwill and intangible assets with indefinite useful lives	12,440	-	-	3	**12,443**
Other intangible assets	7,074	488	(311)	13	**7,264**
Total Intangible assets	**19,514**	**488**	**(311)**	**16**	**19,707**

During the period, the Group capitalized development costs for €451 million (€509 million in three months ended March 31, 2013).

At March 31, 2014, Goodwill mainly includes €8,969 million for Chrysler (€8,967 million at December 31, 2013) and €786 million for Ferrari S.p.A (€786 million at December 31, 2013) resulting from their respective acquisitions.

For the three months ended March 31, 2014, the item Translation differences and other changes includes foreign exchange gains of €21 million relating to the appreciation of the Brazilian Real against the Euro offset by a write-down of €5 million on certain Development costs.

12. Property, plant and equipment

(€ million)	Balance at December 31, 2013	Additions	Depreciation	Translation differences	Divestitures and other changes	Balance at March 31, 2014
Property, plant and equipment	**23,233**	955	(857)	64	(92)	**23,303**

Additions of €955 million for the three months ended March 31, 2014 mainly relate to the car mass-market operations. Translation differences of €64 million for the three months ended March 31, 2014 arose principally from the appreciation of the Brazilian Real against the Euro.

At March 31, 2014, the Group had contractual commitments for the purchase of Property, plant and equipment amounting to €1,648 million (€1,536 million at December 31, 2013).

13. Investments and other financial assets

(€ million)	At March 31, 2014	At December 31, 2013
Interest in joint ventures	1,202	1,225
Interest in associates	111	123
Interests in unconsolidated subsidiaries	41	40
Equity method investments	**1,354**	**1,388**
Available-for-sale investments	153	148
Equity Investments at fair value through Income statement	151	151
Investments at fair value	**304**	**299**
Other Investments measured at cost	48	52
Total Investments	**1,706**	**1,739**
Non-current financial receivables	243	257
Other securities and other financial assets	68	56
Total Investments and other financial assets	**2,017**	**2,052**

Investments in joint ventures

The Group's interests in joint ventures, amounting to €1,202 million at March 31, 2014 (€1,225 million at December 31, 2013) are all measured using the equity method and mainly include the Group's interests in FGA Capital S.p.A ("FGAC") amounting to €847 million (€839 million at December 31, 2013), the Group's interest in Tofas-Turk Otomobil Fabrikasi A.S. ("Tofas") amounting to €215 million (€240 million at December 31, 2013) and the Group's interest in GAC Fiat Automobiles Limited amounting to €73 million (€85 million at December 31, 2013).

Changes in interests in joint ventures during the three months ended March 31, 2014 are as follows:

(€ million)	Interests in joint ventures
Balance at December 31, 2013	1,225
Share of the net profit	29
Translation differences	(3)
Other changes	(49)
Balance at March 31, 2014	**1,202**

Other changes consisting of a net decrease of €49 million mainly relate to dividends received from FGAC for €14 million and from Tofas for €41 million.

Investments in associates

The Group's interests in associates, amounting to €111 million at March 31, 2014 (€123 million at December 31, 2013) are all measured using the equity method and include the Group's interests in RCS MediaGroup S.p.A. ("RCS") amounting to €81 million (€87 million at December 31, 2013).

Investments at fair value

At March 31, 2014, Investments at fair value include the investment in CNH Industrial N.V. for €283 million (€282 million at December 31, 2013), the investment in Fin. Priv. S.r.l. for €18 million (€14 million at December 31, 2013) and the investment in Assicurazioni Generali S.p.A. for €3 million (€3 million at December 31, 2013).

14. Inventories

(€ million)	At March 31, 2014	At December 31, 2013
Raw materials, supplies and finished goods	9,459	8,910
Assets sold with a buy-back commitment and GDP vehicles	1,467	1,253
Gross amount due from customers for contract work	190	115
Total Inventories	**11,116**	**10,278**

Inventories increased by €838 million in line with the trend in production and sales volumes for the period in the various markets in which the Group operates.

The amount of inventory write-downs recognized as an expense in Cost of sales during the three months ended March 31, 2014 is €131 million (€65 million for three months ended March 31,2013).

The amount due from customers for contract work relates to the design and production of industrial automation systems and related products for the automotive sector and can be analyzed as follows:

(€ million)	At March 31, 2014	At December 31, 2013
Aggregate amount of costs incurred and recognized profits (less recognized losses) to date	1,626	1,506
Less: Progress billings	(1,635)	(1,600)
Construction contracts, net of advances on contract work	**(9)**	**(94)**
Gross amount due from customers for contract work as an asset	190	115
Less: Gross amount due to customers for contract work as a liability included in Other current liabilities	(199)	(209)
Construction contracts, net of advances on contract work	**(9)**	**(94)**

15. Current receivables and Other current assets

The composition of the Current receivables and Other current assets is as follows:

(€ million)	At March 31, 2014	At December 31, 2013
Trade receivables	3,000	2,544
Receivables from financing activities	3,912	3,671
Current tax receivables	381	312
Other current assets:		
Other current receivables	*2,030*	*1,881*
Accrued income and prepaid expenses	*491*	*442*
Total Other current assets	2,521	2,323
Total Current receivables and Other current assets	**9,814**	**8,850**

Receivables from financing activities include the following:

(€ million)	At March 31, 2014	At December 31, 2013
Dealer financing	2,398	2,286
Retail financing	995	970
Finance leases	304	297
Other	215	118
Total Receivables from financing activities	**3,912**	**3,671**

Receivables from financing activities at March 31, 2014 increased by €241 million. Excluding translation exchange effects arising mainly from trends in the Euro/Brazilian Real rates, Receivables from financing activities increased by €206 million.

Transfer of receivables

At March 31, 2014, the Group had receivables due after that date which had been transferred without recourse and which were derecognized in accordance with the requirements of IAS 39, amounting to €3,751 million (€3,603 million at December 31, 2013). The transfers related to trade receivables and other receivables for €3,078 million (€2,891 million at December 31, 2013) and financial receivables for €673 million (€712 million at December 31, 2013). These amounts include receivables of €2,212 million (€2,177 million at December 31, 2013), mainly due from the sales network, transferred to jointly controlled financial services companies (FGAC).

16. Other financial assets and Other financial liabilities

These line items mainly consist of fair value measurement of derivative financial instruments and collateral deposits (held in connection with derivative transactions and debts). The overall change in Other financial assets (from €533 million at December 31, 2013 to €512 million at March 31, 2014), and in Other financial liabilities (from €137 million at December 31, 2013 to €181 million at March 31, 2014), is mostly due to fluctuations in exchange rates, in interest rates and in commodity prices during the period.

As Other financial assets and liabilities primarily consist of hedging derivatives financial instruments, the change in their value is compensated by the change in the value of the hedged items.

17. Cash and cash equivalents

At March 31, 2014, Cash and cash equivalents, amounting to €17,500 million (€19,455 million at December 31, 2013), include cash at banks, units in money market funds and other money market securities, comprising commercial paper and certificate of deposits that are readily convertible into cash, with original maturities of three months or less at the date of purchase. 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, and money market instruments.

The Group holds a subsidiary which operates in Venezuela whose functional currency is the U.S. Dollar. Pursuant to certain Venezuelan foreign currency exchange control regulations, the Central Bank of Venezuela centralizes all foreign currency transactions in the country. Under these regulations, the purchase and sale of foreign currency must be made through the Commission for the Administration of Foreign Exchange ("CADIVI"). The cash and cash equivalents denominated in VEF amounted to €149 million (VEF 2,196 million) at March 31, 2014 and €270 million (VEF 2,347 million) at December 31, 2013. The reduction, in Euro terms, is essentially due to the adoption of SICAD I rate for the conversion of the VEF denominated monetary items, as explained in more detail in Note 7. In addition, Cash and cash

equivalents held in certain foreign countries (China, Brazil and Argentina) are subject to local exchange control regulations providing for restrictions on the amount of cash other than dividends that can leave the country.

18. Assets and liabilities held for sale

At March 31, 2014, Assets held for sale consists of certain properties allocated to the Components segment.

At December 31, 2013 Assets and liabilities held for sale consisted of the same properties mentioned above and the assets and liabilities related to a subsidiary consolidated (Fonderie du Poitou Fonte S.A.S.) by the Components segment for which the Group disposed of the majority shareholding during the three months ended March 31, 2014.

19. Equity

Consolidated shareholders' equity at March 31, 2014 decreased by €2,871 million from December 31, 2013, mainly due to the decrease of €2,440 million arising from the acquisition of the 41.5 percent of residual interest in Chrysler and to the Net loss for the period of €173 million.

Share capital

At March 31, 2014, fully paid-up share capital amounts to €4,478 million (€4,477 million at December 31, 2013) and consists of 1,250,803,398 ordinary shares (1,250,687,773 ordinary shares at December 31, 2013), with a par value of €3.58 each.

Treasury shares

Treasury shares consist of 34,577,882 Fiat S.p.A. ordinary shares for an amount of €259 million (34,577,867 ordinary shares for an amount of €259 million at December 31, 2013).

On March 31, 2014, the Shareholders in their annual general meeting revoked the previous resolution, for the part not already utilized, and approved a new resolution for the purchase of own treasury shares for a further period of 18 months and for an amount not to exceed the legally established percentage of share capital and the maximum amount of approximately €1.2 billion, inclusive of the equity reserves allocated for treasury shares already held for €259 million. Shareholders also approved the authorization to dispose of treasury shares, directly or through subsidiaries, on one or more occasions, even if the total of approved purchases has not been made, without time limits or restraints and using procedures that best suit the interests of the Group, as permitted by law.

Other comprehensive income/(loss)

Other comprehensive income/(loss) can be analyzed as follows:

(€ million)	For the three months ended March 31, 2014	2013
Items that will never be reclassified to the Consolidated Income Statement:		
Losses on remeasurement of defined benefit plans	(2)	-
Total items that will never be reclassified to the Consolidated Income Statement (B1)	**(2)**	**-**
Items that may be reclassified to the Consolidated Income Statement:		
Gains/(losses) on cash flow hedging instruments arising during the period	32	(3)
Losses on cash flow hedging instruments reclassified to the Consolidated Income Statement	(89)	(17)
Losses on cash flow hedging instruments	**(57)**	**(20)**
Gains on available-for-sale financial assets arising during the period	5	6
Gains on available-for-sale financial assets	**5**	**6**
Exchange differences on translating foreign operations arising during the period	51	219
Exchange differences on translating foreign operations	**51**	**219**
Share of Other comprehensive income/(loss) for equity method investees arising during the period	(6)	5
Share of Other comprehensive income for equity method investees reclassified to the Consolidated Income Statement	1	4
Share of Other comprehensive income/(loss) for equity method investees	**(5)**	**9**
Total items that may be reclassified to the Consolidated Income Statement (B2)	**(6)**	**214**
Total Other comprehensive income/(loss) (B1)+(B2)=(B)	**(8)**	**214**
Tax effect	**14**	**18**
Total Other comprehensive income, net of tax	**6**	**232**

The tax effect relating to Other comprehensive income/(loss) are as follows:

	For the three months ended March 31, 2014			2013		
(€ million)	Pre-tax balance	Tax income (expense)	Net balance	Pre-tax balance	Tax income (expense)	Net balance
Losses on remeasurement of defined benefit plans	(2)	(1)	(3)	-	-	-
Gains/(losses) on cash flow hedging instruments	(57)	15	(42)	(20)	18	(2)
Gains on available-for-sale financial assets	5	-	5	6	-	6
Exchange gains on translating foreign operations	51	-	51	219	-	219
Share of Other comprehensive income/(loss) of equity method investees	(5)	-	(5)	9	-	9
Total Other comprehensive income/(loss)	**(8)**	**14**	**6**	**214**	**18**	**232**

20. Provisions

(€ million)	At March 31, 2014	At December 31, 2013
Employee benefits	8,294	8,326
Other provisions:		
Warranty provision	*3,820*	*3,656*
Restructuring provision	*174*	*191*
Investment provision	*7*	*12*
Other risks	*5,441*	*5,242*
Total Other provisions	9,442	9,101
Total Provisions	**17,736**	**17,427**

Provisions for Employee benefits include provisions for both pension plans and other post-employment benefits.

Provisions for Other risk amount to €5,441 million at March 31, 2014 (€5,242 million at December 31, 2013) and include provisions for sale incentives and for contractual, commercial and legal risks.

21. Debt

(€ million)	At March 31, 2014	At December 31, 2013
Asset-backed financing	610	756
Bonds	17,662	14,466
Bank debt	10,631	8,830
Payables represented by securities	880	4,532
Other debt	1,656	1,699
Total Debt	**31,439**	**30,283**

Debt increased by €1,156 million in the three months ended March 31, 2014. Excluding the foreign exchange translation effects, the increase of Debt amounted to €1,057 million. The increases in Bonds and in Bank debt were largely a consequence of the following transactions entered into by Chrysler on February 7, 2014 in order to facilitate the prepayment of the senior unsecured note issued June 10, 2009 to the VEBA Trust, with an original face amount of U.S.$4,587 million ("*VEBA Trust Note*"):

- *New Senior Credit Facilities* - a U.S.$250 million (€181 million) incremental term loan under the Chrysler's existing Tranche B Term Loan Facility that matures on May 24, 2017 (the U.S.$250 million incremental term loan and the U.S.$3.0 billion tranche B term loan, which was fully drawn on May 24, 2011, are collectively referred to as the "*Tranche B Term Loan* due 2017" and along with the revolving credit facility maturing May 24, 2016, the "*Senior Credit Facilities*") and a new U.S.$1,750 million (€1.3 billion) Tranche B Term Loan ("*Tranche B Term Loan* due 2018"), issued under the term loan credit facility ("*Term Loan Credit Facility*") that matures on December 31, 2018;
- *Secured Senior Notes* due 2019 - issuance of an additional U.S.$1,375 million (€1.0 billion) aggregate principal amount of 8 percent secured senior notes ("*Offered 2019 Notes*"), due June 15, 2019, at an issue price of 108.25 percent of the aggregate principal amount; and
- *Secured Senior Notes* due 2021 - issuance of an additional U.S.$1,380 million (€1.0 billion) aggregate principal amount of $8\frac{1}{4}$ percent secured senior notes("*Offered 2021 Notes*"), due June 15, 2021 at an issue price of 110.50 percent of the aggregate principal amount (together with the *Offered 2019 Notes*, referred to as the "*Offered Notes*").

The proceeds of these transactions were used to prepay all amounts outstanding, including accrued and unpaid interest and U.S.$128 million of interest that was previously capitalized as additional debt, under the *VEBA Trust Note*, previously included in Payables represented by securities.

In addition, during the three months period ended March 31, 2014, Fiat Finance and Trade Ltd S.A. issued a guaranteed 4.75 percent notes at par having a principal of €1 billion and due March 2021, as part of the Global Medium Term Note Program.

At March 31, 2014, debt secured by assets of the Fiat Group excluding Chrysler amounts to €546 million (€432 million at December 31, 2013), of which €384 million (€386 million at December 31, 2013) is due to creditors for assets acquired under finance leases. At March 31, 2014, debt secured by assets of Chrysler amounts to €8,845 million (€5,180 million at December 31, 2013), and includes €8,127 million (€4,448 million at December 31, 2013) relating to the *Secured Senior Notes,* including the *Offered Notes*, the *Senior Credit Facilities,* the *Term Loan Credit Facility*, and €161 million (€165 million at December 31, 2013) due to creditors for assets acquired under finance leases and other debt and financial commitments for €557 million (€567 million at December 31, 2013).

Bonds

The principal bond issues outstanding at March 31, 2014 and at December 31, 2013 are as follows:

	Currency	Face value of outstanding bonds (in million)	Coupon	Maturity	At March 31, 2014	At December 31, 2013
GLOBAL MEDIUM TERM NOTES PROGRAM:					(€ million)	
Fiat Finance and Trade Ltd S.A. (1)	EUR	900	6.125%	July 8, 2014	900	900
Fiat Finance and Trade Ltd S.A. (1)	EUR	1,250	7.625%	September 15, 2014	1,250	1,250
Fiat Finance and Trade Ltd S.A. (1)	EUR	1,500	6.875%	February 13, 2015	1,500	1,500
Fiat Finance and Trade Ltd S.A. (2)	CHF	425	5.000%	September 7, 2015	349	346
Fiat Finance and Trade Ltd S.A. (1)	EUR	1,000	6.375%	April 1, 2016	1,000	1,000
Fiat Finance and Trade Ltd S.A. (1)	EUR	1,000	7.750%	October 17, 2016	1,000	1,000
Fiat Finance and Trade Ltd S.A. (2)	CHF	400	5.250%	November 23, 2016	328	326
Fiat Finance and Trade Ltd S.A. (1)	EUR	850	7.000%	March 23, 2017	850	850
Fiat Finance North America Inc. (1)	EUR	1,000	5.625%	June 12, 2017	1,000	1,000
Fiat Finance and Trade Ltd S.A. (2)	CHF	450	4.000%	November 22, 2017	369	367
Fiat Finance and Trade Ltd S.A. (1)	EUR	1,250	6.625%	March 15, 2018	1,250	1,250
Fiat Finance and Trade Ltd S.A. (1)	EUR	600	7.375%	July 9, 2018	600	600
Fiat Finance and Trade Ltd S.A. (1)	EUR	1,250	6.750%	October 14, 2019	1,250	1,250
Fiat Finance and Trade Ltd S.A. (1)	EUR	1,000	4.750%	March 22, 2021	1,000	-
Others	EUR	7			7	7
TOTAL GLOBAL MEDIUM TERM NOTES					**12,653**	**11,646**
CHRYSLER'S SECURED SENIOR NOTES (3):						
Chrysler Group LLC	USD	2,875	8.000%	15 June 2019	2,085	1,088
Chrysler Group LLC	USD	3,080	8.250%	15 June 2021	2,234	1,232
TOTAL CHRYSLER'S SECURED SENIOR NOTES					**4,319**	**2,320**
HEDGING EFFECT AND AMORTIZED COST VALUATION					**690**	**500**
TOTAL BONDS					**17,662**	**14,466**

(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) Include "Offered Notes"

Changes in bonds during the three months ended March 31, 2014 are due to the above mentioned issuances.

All bonds issued by the Group, excluding Chrysler, are currently governed by the terms and conditions of the GMTN Program. A maximum of €15 billion may be used under this program, of which notes of approximately €12.7 billion have been issued and are outstanding to March 31, 2014 (€11.6 billion at December 31, 2013). The GMTN Program is guaranteed by Fiat S.p.A. The companies in the Fiat Group may from time to time buy back bonds on the market that have been issued by the Group, including for purposes of their cancellation. Such buy-backs, if any, are subject to market conditions, the financial situation of the Group and other factors which could affect such decisions.

Chrysler may redeem, at any time, 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 Secured Senior Notes to be redeemed.

Further details are provided in Note 27 to the Consolidated Financial Statements at December 31, 2013.

Bank debt

At March 31, 2014, the item Bank debt includes €3,545 million (€2,119 million at December 31, 2013) outstanding on the U.S.$3.25 billion *Tranche B Term Loan* due 2017 issued by Chrysler and on the new U.S.$1.75 billion *Tranche B Term Loan* due 2018, issued by Chrysler during the three months period ended March 31, 2014.

The outstanding principal amount of the *Tranche B Term Loan* due 2018 is payable in equal quarterly installments of U.S.$4.4 million (€3.2 million at March 31, 2014), commencing June 30, 2014, with the remaining balance due at maturity. The *Tranche B Term Loan* due 2018 bears interest, at Chrysler's option, either at a base rate plus 1.50 percent per annum or at LIBOR plus 2.50 percent per annum, subject to a base rate floor of 1.75 percent per annum or a LIBOR floor of 0.75 percent per annum, respectively. If the Group voluntarily refinances or re-prices all or any portion of the *Tranche B Term Loan* due 2018 on or before August 7, 2014, under certain circumstances, it will be obligated to pay a call premium equal to 1.00 percent of the principal amount refinanced or re-priced. After that date, the Group may refinance or re-price under the *Tranche B Term Loan* due 2018 without premium or penalty.

The €0.9 billion (U.S.$1.3 billion) secured revolving credit facility (the "*Revolving Credit Facility*") maturing May 24, 2016 of Chrysler remained undrawn at March 31, 2014. Subsequent to the issuances of, and subject to the limitations in, the senior credit agreement, as amended and restated as of June 21, 2013 ("*Senior Credit Agreement*"), the term loan credit agreement governing the Term Loan Credit Facility, and the indenture governing the *Secured Senior Notes*, including the *Offered Notes*, Chrysler has the option to increase the amount of the *Revolving Credit Facility* in an aggregate principal amount not to exceed U.S.$700 million (€508 million at March 31, 2014), subject to certain conditions.

The remaining terms of the *Term Loan Credit Facility* and the *Offered Notes* are generally consistent with the terms of the existing *Senior Credit Facilities* and the existing *Secured Senior Notes*, respectively. Refer to Note 27 to the Consolidated Financial Statements at December 31, 2013 for further information regarding the terms of those agreements.

Medium/long term committed credit lines (expiring after twelve months) currently available to the treasury companies of Fiat Group excluding Chrysler amount to approximately €3.0 billion at March 31, 2014, of which €2.1 billion related to the 3-year syndicated revolving credit line due in July 2016 that was undrawn at March 31, 2014. 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 approximately €1.8 billion was still undrawn at March 31, 2014. Further information on the Medium/Long term committed credit lines is included in Note 27 to the Consolidated Financial Statements at December 31, 2013.

Payables represented by securities

At March 31, 2014, the item Payables represented by securities mainly includes the *Canadian Health Care Trust Notes* (the "*Canadian HCT Notes*") totaling €612 million (€703 million at December 31, 2013). On January 2, 2014, the Group made a prepayment on the *Canadian HCT Notes* of the scheduled payment due on June 30, 2014.

At December 31, 2013, the item Payables represented by securities also included the *VEBA Trust Note* of €3,575 million, including accrued interest; this Note was fully repaid on February 7, 2014 by Chrysler through the issuance of additional *Secured Senior Notes* for U.S.$2,755 million (€2.0 billion at December 31, 2013), new *Term Loan Credit Facility* for U.S.$1,750 million (€1.3 billion at December 31, 2013), and U.S.$250 million (€181 million at December 31, 2013) incremental term loan under the existing *Tranche B Term Loan Facility* that matures on May 24, 2017.

Further information on this debt is included in Note 27 to the Consolidated Financial Statements at December 31, 2013.

22. Other current liabilities

At March 31, 2014, Other current liabilities include €1,860 million of advances on buy-back agreements (€1,583 million at December 31, 2013) and accrued expenses and deferred income of €2,581 million (€2,370 million at December 31, 2013), which includes the outstanding obligation as of March 31, 2014 of €360 million arising from the MOU signed by Chrysler and the UAW. For further information on this MOU refer to the section – Non-controlling interests.

23. Trade payables

Trade payables of €18,200 million at March 31, 2014 increased by €993 million from the amount at December 31, 2013 mainly due to the higher volume of activities.

24. Fair value measurement

IFRS 13 establishes a hierarchy that categorizes into three levels the inputs to the valuation techniques used to measure fair value by giving the highest priority to quoted prices (unadjusted) in active markets for identical assets and liabilities (level 1 inputs) and the lowest priority to unobservable inputs (level 3 inputs). In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy at the lowest level input that is significant to the entire measurement. Levels used in the hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets and liabilities that the Group can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the assets and liabilities.

Assets and liabilities that are measured at fair value on a recurring basis

The following table shows the fair value hierarchy for financial assets and liabilities that are measured at fair value on a recurring basis at March 31, 2014:

(€ million)	Note	At March 31, 2014 Level 1	Level 2	Level 3	Total	At December 31, 2013 Level 1	Level 2	Level 3	Total
Assets at fair value available-for-sale:									
Investments at fair value with changes directly in Other comprehensive income/(loss)	(13)	135	18	-	**153**	134	14	-	**148**
Investments at fair value through profit or loss	(13)	151	-	-	**151**	151	-	-	**151**
Other non-current securities	(13)	43	-	12	**55**	42	-	12	**54**
Current securities available-for-sale		72	-	-	**72**	92	-	-	**92**
Financial assets at fair value held-for-trading:									
Current investments		36	-	-	**36**	35	-	-	**35**
Current securities held for trading		170	-	-	**170**	155	-	-	**155**
Other financial assets	(16)	22	482	8	**512**	20	509	4	**533**
Cash and cash equivalents	(17)	16,718	782	-	**17,500**	18,514	941	-	**19,455**
Total Assets		**17,347**	**1,282**	**20**	**18,649**	**19,143**	**1,464**	**16**	**20,623**
Other financial liabilities	(16)	-	181	-	**181**	-	135	2	**137**
Total Liabilities		**-**	**181**	**-**	**181**	**-**	**135**	**2**	**137**

In the three months ended March 31, 2014 and in the same period of 2013, there were no transfers between Levels in the fair value hierarchy.

The fair value of Other financial assets and liabilities that are mainly composed of derivatives financial instruments is measured by taking into consideration market parameters at the balance sheet date and using valuation techniques widely accepted in the financial business environment. In particular:

- the fair value of forward contracts and currency swaps is determined by taking the prevailing exchange rate and interest rates at the balance sheet date;
- the fair value of interest rate swaps and forward rate agreements is determined by taking the prevailing interest rates at the balance sheet date and using the discounted expected cash flow method;
- the fair value of combined interest rate and currency swaps is determined using the exchange and interest rates prevailing at the balance sheet date and the discounted expected cash flow method;
- the fair value of swaps and options hedging commodity price risk is determined by using suitable valuation techniques and taking market parameters at the balance sheet date (in particular, underlying prices, interest rates and volatility rates);
- the fair value of equity swaps is determined using market prices at the balance sheet date.

The par value of Cash and cash equivalents usually approximates fair value due to the short maturity of these instruments, which consist primarily of bank current accounts and time deposits, certificates of deposit, commercial paper, bankers' acceptances and money market funds. Money market funds valuation is also based on available market quotations. In these cases, Cash and cash equivalents are represented in Level 1. Sometimes the fair value of Cash equivalents needs to be determined with discounted expected cash flow techniques, using observable market yields (represented in Level 2 above).

The following table provides a reconciliation from the opening balances to the closing balances for fair value measurements categorized in Level 3 in the three months ended March 31, 2014:

(€ million)	Other non-current securities	Other financial assets/(liabilities)
At December 31, 2013	**12**	**2**
Gains/(Losses) recognized in the Consolidated Income Statement	-	2
Gains/(Losses) recognized in Other comprehensive income/loss	-	8
Issues/Settlements	-	(4)
At March 31, 2014	**12**	**8**

The gains/losses included in the Interim Consolidated Income Statement are recognized in Cost of sales for €2 million. The gains and losses recognized in Other comprehensive income/(loss) have been included in Gains/(losses) on cash flow hedging instruments for €7 million and in Exchange differences on translating foreign operations for €1 million (Note 19).

Assets and liabilities not measured at fair value on a recurring basis

For financial instruments represented by short-term receivables and payables, for which the present value of future cash flows does not differ significantly from carrying value, we assume that carrying value is a reasonable approximation of the fair value. In particular, the carrying amount of Current receivables and Other current assets and of Trade payables and Other current liabilities approximates their fair value.

In connection with the transactions under the Equity Purchase Agreement and MOU a relative fair value allocation was performed on the elements acquired. Refer to section - Non-Controlling Interests for a discussion of the fair values of the acquired elements.

The following table represents carrying amount and fair value for the most relevant categories of financial assets and liabilities not measured at fair value on a recurring basis:

		At March 31, 2014		At December 31, 2013	
(€ million)	Note	Carrying amount	Fair Value	Carrying amount	Fair Value
Dealer financing		2,398	2,398	2,286	2,290
Retail financing		995	977	970	957
Finance lease		304	303	297	296
Other receivables from financing activities		215	215	118	118
Receivables from financing activities	(15)	**3,912**	**3,893**	**3,671**	**3,661**
Asset backed financing		610	610	756	756
Bonds		17,662	18,859	14,466	15,464
Other debt		13,167	13,281	15,061	15,180
Debt	(21)	**31,439**	**32,750**	**30,283**	**31,400**

The fair values of Receivables from financing activities, which are categorized within the Level 3 of the fair value hierarchy, have been estimated with discounted cash flows models. The most significant inputs used for this measurement are market discount rates, that reflect conditions applied in various reference markets on receivables with similar characteristics, adjusted in order to take into account the credit risk of the counterparties.

Bonds that are traded in active markets for which quoted prices are available are classified within Level 1 of the fair value hierarchy. Bonds for which such prices are not available (valued at the last available price or based on observable prices received from independent pricing services or from dealers who trade in such securities), which are primarily the Chrysler Secured Senior Notes, including the Offered Notes, are categorized as Level 2. At March 31, 2014, €13,954 million and €4,905 million (€12,854 million and €2,610 million at December 31, 2013) fair value of Bonds were classified within Level 1 and Level 2, respectively.

The fair value of Other debt included in Level 2 of the fair value hierarchy has been estimated using discounted cash flow models. The main inputs used are period-end market interest rates, adjusted for market expectations of the Group's non-performance risk implied in quoted prices of traded securities issued by the Group and existing credit derivatives on Group debt. The fair value of the debt that requires significant adjustments using unobservable inputs is categorized in Level 3 of the fair value hierarchy. At March 31, 2014, €10,730 million and €2,551 million (€9,006 million and €6,174 million at December 31, 2013) fair value of Other debt were classified within Level 2 and Level 3, respectively.

25. Related party transactions

Pursuant to IAS 24, the related parties of the Group are entities and individuals capable of exercising control, joint control or significant influence over Fiat Group and its subsidiaries, companies belonging to the Exor group, (including the CNH Industrial group) and unconsolidated subsidiaries, associates, joint ventures and joint operations of the Fiat Group. In addition, members of Fiat Group Board of Directors, Board of Statutory Auditors and executives with strategic responsibilities and their families are also considered related parties.

The Group carries out transactions with unconsolidated subsidiaries, joint ventures, joint operations, associates and other related parties, on commercial terms that are normal in the respective markets, considering the characteristics of the goods or services involved. Transactions carried out by the Group with these related parties are primarily of those a commercial nature, which have had an effect on revenues, cost of sales, and trade receivables and payables; in particular, these transactions relate to:

- the sale of motor vehicles to the Joint venture Tofas and FGAC;
- the sale of engines, other components and production systems and the purchase of commercial vehicles with Sevel;
- the sale of engines, other components and production systems to companies of the CNH Industrial group;
- the provision of services and the sale of goods with Fiat India Automobiles Limited;
- the provision of services and the sale of goods to the joint venture GAC FIAT Automobiles Co Ltd;
- the provision of services (accounting, payroll, tax, information technology, purchasing and security) to the companies of the CNH Industrial group;
- the purchase of commercial vehicles from the joint ventures Tofas;
- the purchase of engines from the VM Motori group for the three months ended March 31, 2013;
- the purchase of commercial vehicles under contract manufacturing agreement from the CNH Industrial group.

The most significant financial transactions with related parties generated Receivables from financing activities of the Group's financial services companies due from joint ventures and Asset-backed financing relating to amounts due to FGAC group for the sale of receivables which do not qualify for derecognition under IAS 39 *Financial Instruments Recognition and Measurement*. At March 31, 2014 and at December 31, 2013, Receivables from financing activities due from related parties also included receivables due from CNH Industrial group companies mainly arising from customer factoring provided by the Group's financial services companies. On the other hand, Debt due to related parties included certain balances due to CNH Industrial group companies, mainly relating to factoring and dealer financing in Latin America.

In accordance with IAS 24, transactions with related parties also include compensation payable to Directors, Statutory Auditors and managers with strategic responsibilities.

The amounts of the transactions with related parties recognized in the Consolidated Income Statement are as follows:

(€ million)	For the three months ended March 31, 2014 Net Revenues	Cost of sales	Selling, general and administrative costs	Net financial income/ (expenses)	For the three months ended March 31, 2013 Net Revenues	Cost of sales	Selling, general and administrative costs	Net financial income/ (expenses)
Tofas	287	296	-	-	288	359	2	-
Sevel S.p.A.	74	-	1	-	65	-	-	-
FGAC	49	16	3	(8)	58	15	2	(6)
Fiat India Automobiles Limited	4	-	-	-	4	-	-	-
GAC FIAT Automobiles Co Ltd	34	-	-	-	39	-	-	-
VM Motori group	-	-	-	-	-	69	-	-
Other	-	1	-	-	2	1	-	-
Total joint arrangements	**448**	**313**	**4**	**(8)**	**456**	**444**	**4**	**(6)**
To-dis S.r.l.	12	-	-	-	13	-	-	-
Arab American Vehicles Company S.A.E.	8	-	-	-	3	-	-	-
Other	1	4	1	-	1	-	1	-
Total associates	**21**	**4**	**1**	**-**	**17**	**-**	**1**	**-**
CNH Industrial group	170	120	-	1	169	117	-	(3)
Directors, Statutory Auditors and Key Management	-	-	8	-	-	-	9	-
Other	-	3	3	-	-	4	3	-
Total CNH Industrial group and other related parties	**170**	**123**	**11**	**1**	**169**	**121**	**12**	**(3)**
Total unconsolidated subsidiaries	**12**	**2**	**7**	**-**	**10**	**27**	**6**	**1**
Total transactions with related parties	**651**	**442**	**23**	**(7)**	**652**	**592**	**23**	**(8)**
Total for the Group	**22,125**	**19,237**	**1,662**	**(493)**	**19,707**	**16,951**	**1,623**	**(443)**

Non-financial assets and liabilities originating from related party transactions are as follows:

(€ million)	At March 31, 2014 Trade receivables	Trade payables	Other current assets	Other current liabilities	At December 31, 2013 Trade receivables	Trade payables	Other current assets	Other current liabilities
Tofas	81	131	41	-	50	232	-	-
Sevel S.p.A.	12	-	2	5	10	-	2	5
FGAC	36	129	1	126	49	165	1	93
Fiat India Automobiles Limited	5	4	-	-	5	1	-	-
GAC FIAT Automobiles Co Ltd	42	3	-	1	35	3	-	5
Other	3	2	1	-	5	1	1	-
Total joint arrangements	**179**	**269**	**45**	**132**	**154**	**402**	**4**	**103**
Arab American Vehicles Company S.A.E.	16	3	-	-	9	3	-	-
Other	13	6	1	25	13	3	-	25
Total associates	**29**	**9**	**1**	**25**	**22**	**6**	**-**	**25**
CNH Industrial group	52	69	23	8	48	51	24	13
Directors, Statutory Auditors and Key Management	-	-	-	5	-	-	-	17
Other	-	-	-	-	-	7	-	1
Total CNH Industrial group and other related parties	**52**	**69**	**23**	**13**	**48**	**58**	**24**	**31**
Total unconsolidated subsidiaries	**31**	**22**	**4**	**1**	**39**	**24**	**4**	**1**
Total originating from related parties	**291**	**369**	**73**	**171**	**263**	**490**	**32**	**160**
Total for the Group	**3,000**	**18,200**	**2,521**	**9,824**	**2,544**	**17,207**	**2,323**	**8,963**

Financial assets and liabilities originating from related party transactions are as follows:

(€ million)	At March 31, 2014 Current receivables from financing activities	Debt	At December 31, 2013 Current receivables from financing activities	Debt
FGAC	184	267	54	355
Sevel S.p.A.	13	6	14	10
Other	20	-	18	-
Total joint arrangements	**217**	**273**	**86**	**365**
Total associates	**8**	**-**	**7**	**-**
Total CNH Industrial group	**6**	**64**	**18**	**53**
Total unconsolidated subsidiaries	**22**	**30**	**38**	**20**
Total originating from related parties	**253**	**367**	**149**	**438**
Total for the Group	**3,912**	**31,439**	**3,671**	**30,283**

Guarantees pledged in favor of related parties

Guarantees pledged in favor of related parties are as follows:

(€ million)	At March 31, 2014	At December 31, 2013
Joint ventures	6	6
Unconsolidated subsidiaries	9	9
Total	**15**	**15**

In addition, at March 31, 2014 the Group had commitments for establishment, acquisition agreements and capital increases in respect of Joint ventures for €10 million and, with reference to its interest in the joint venture Tofas, had a take or pay commitment whose future minimum expected obligations are as follows:

	(€ million)
2015	150
2016	98
2017	98
2018	98

Emoluments to Directors, Statutory Auditors and Key Management

The fees of the Director and Statutory Auditors of Fiat S.p.A. for carrying out their respective functions, including those in other consolidated companies, are as follows:

	For the three months ended March 31,	
(in € thousands)	**2014**	**2013**
Directors [(a)]	2,683	3,349
Statutory auditors	58	58
Total Emoluments	**2,741**	**3,407**

[(a)] This amount includes the notional compensation cost arising from stock grants granted to the Chief Executive Officer.

The aggregate compensation payable to executives with strategic responsibilities was approximately €5.1 million for the three months ended March 31, 2014 (€5.4 million in the three months ended March 31, 2013). This is inclusive of the following:

- an amount of approximately €2.7 million for the three months ended March 31, 2014 (€2.9 million for the three months ended March 31, 2013) for short-term employee benefits;
- an amount of €0.7 million for the three months ended March 31, 2014 (€0.9 million for the three months ended March 31, 2013) as the Fiat Group's contribution to State and employer defined contribution pension funds;
- an amount of approximately €1.7 million for the three months ended March 31,2014 (€1.6 million for the three months ended March 31,2013) for share-based payments.

26. Explanatory notes to the Interim Consolidated Statement of Cash Flows

The Interim Consolidated Statement of Cash Flows sets out changes in Cash and cash equivalents during the three months ended March 31, 2014 and 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 mostly derive from the Group's industrial activities.

For the three months ended March 31, 2014, Other non-cash items (positive for €243 million) mainly include (i) €366 million related to the non-cash portion of the expense recognized in connection with the execution of the UAW MOU entered into by Chrysler on January 21, 2014, as described in the section - Non-controlling interests, (ii) €94 million remeasurement charge related to the change in the exchange rate of the Venezuelan Bolivar (VEF) relative to the U.S. Dollar used by the Group (Note 7), which were partially offset by (iii) the non-taxable gain of €223 million on the remeasurement to fair value of the previously exercised options on approximately 10 percent of Chrysler's membership interest in connection with the Equity Purchase Agreement described above in the section – Non-controlling interests. For the three months ended March 31, 2013, Other non-cash items (positive for €56 million) mainly consisted of the

reversal of the foreign currency exchange losses recognized related to the February 2013 devaluation of the VEF relative to the U.S. Dollar (Note 7), net of the €15 million gain arising on the fair value measurement of the equity swaps on the Fiat S.p.A. and CNH Industrial N.V. ordinary shares which expired at the end of 2013.

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

Change in working capital absorbed cash of €210 million for the three months ended March 31, 2014 primarily driven by (a) €605 million increase in inventory (net of vehicles sold under buy-back commitments) mainly related to increased finished vehicles and work in process levels for all regions and Luxury Brands; (b) €458 million increase in trade receivables, principally because NAFTA shipments at the end of March 2014 exceeded those at December 2013 as a result of the annual plant shutdowns in December and (c) €195 million in net other current assets and liabilities mainly related to decreases in accrued expenses and tax payables, which were partially offset by (d) €1,048 million increase in trade payables, mainly related to increased production in NAFTA and EMEA as a result of increased consumer demand for vehicles in these regions.

Change in working capital generated cash of €177 million for the three months ended March 31, 2013 primarily driven by (a) €464 million increase in inventory (net of vehicles sold under buy-back commitments) mainly related to increased finished vehicles and work in process levels for NAFTA, LATAM and EMEA; (b) €183 million increase in trade receivables, principally due to the increased sales volumes in NAFTA and (c) €192 million in net other current assets and liabilities mainly related to decreases in accrued expenses and tax payables, which were more than fully offset by (d) €1,016 million increase in trade payables, mainly related to increased production in NAFTA and EMEA as a result of increased consumer demand for vehicles in these regions.

For the three months ended March 31, 2014, net cash used in financing activities was €1,669 million and was primarily the result of:

- repayment of other medium-term borrowings for a total of €3,892 million, mainly related to the prepayment of all amounts under the VEBA Trust Note amounting to approximately U.S.$5 billion (€3.6 billion), including accrued and unpaid interest;
- proceeds from bond issuances for a total amount of €3,011 million which includes €1 billion of notes issued as part of the Global Medium Term Notes Program and €2 billion of Senior Secured Notes issued by Chrysler as part of the VEBA Trust note refinancing transaction (Note 21);
- proceeds from new medium-term borrowings for a total of €1,840 million, which mainly relate to the incremental term loan entered into by Chrysler of U.S.$250 million (€182 million) under its existing Tranche B Term Loan Facility and the new U.S.$1.75 billion (€1.3 billion) Tranche B Term Loan, issued under a new Term Loan Credit Facility entered into by Chrysler as part of the refinancing transaction to facilitate repayment of the VEBA Trust Note;
- acquisition of non-controlling interests of €2,691 million arose from the acquisition of the residual 41.5 percent ownership interest in Chrysler from the VEBA Trust.

27. Guarantees granted, commitments and contingent liabilities

Guarantees granted

At March 31, 2014, the Group had pledged guarantees on the debt or commitments of third parties totaling €31 million (unchanged from December 31, 2013), as well as guarantees of €15 million on related party debt (unchanged from December 31, 2013).

Other commitments and important contractual rights

The Fiat Group has important commitments and rights derived from outstanding agreements. These commitments and rights are described in Note 33 of the Consolidated Financial Statements at December 31, 2013, to which reference should be made, insofar, as no changes occurred in the three months ended March 31, 2014. In particular, these involve commitments and rights regarding:

- relations of Fiat with Renault concerning the subsidiary Teksid;
- relations of Fiat with PSA concerning the entity Sevel S.p.A.

Lawsuits and controversies

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

28. Segment reporting

The Group's activities are carried out through six reportable segments: four regional mass-market vehicle segments, a global Luxury Brands segment and a global Components segment as discussed below.

The Group's four regional mass-market vehicle reportable segments deal with the design, engineering, development, manufacturing, distribution and sale of passenger cars, light commercial vehicles and related parts and services in specific geographic 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 operates on a global basis in the luxury vehicle and components industries. In the luxury vehicle sector the Group has the operating segments Ferrari and Maserati, while in the components sector the Group has the operating segments Magneti Marelli, Teksid and Comau. These operating segments did not meet the quantitative thresholds required in *IFRS 8 – Operating segments* for separate disclosure. Therefore, based on their characteristics and similarities, they are presented as the following reportable segments: "Luxury Brands" and "Components". In support of the vehicles sales, the Group makes available dealer and retail customer financing either through subsidiaries or joint ventures and strategic commercial arrangements with third party financial institutions.

The operating segments reflect the components of the Group that are regularly reviewed by the Chief Executive Officer, who is the "chief operating decision maker", as defined under *IFRS 8*, for making strategic decisions, allocating resources and assessing performance.

In more detail, the reportable segments identified by the Group are the following:

- NAFTA mainly earns its revenues from the design, engineering, development, manufacturing, distribution and sale of automobiles under the Chrysler, Jeep, Dodge, Ram and Fiat brand names, vehicles with the SRT performance designation 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 design, engineering, development, manufacturing, distribution 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.
- APAC mainly earns its revenues from the distribution and sale of passenger cars and related spare parts under the Abarth, Alfa Romeo, Chrysler, Dodge, Fiat and Jeep brands mostly in China, Japan, Australia, South Korea and India. These activities are carried out through both subsidiaries and joint ventures.

- EMEA mainly earns its revenues from the design, engineering, development, manufacturing, distribution and sale of passenger cars and light commercial vehicles under the Fiat, Alfa Romeo, Lancia, 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 segment provides financial services related to the sale of cars and light commercial vehicles in Europe, primarily through the 50/50 joint venture FGAC set up with the Crédit Agricole group.
- The Luxury Brands (Ferrari and Maserati) earns its revenues from the design, engineering, development, manufacturing, distribution 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 (Magneti Marelli, Teksid and Comau) earns its revenues from the production and sale of lighting components, engine control units, suspensions, shock absorbers, electronic systems, exhaust systems and plastic molding components and in the spare parts distribution activities carried out under the Magneti Marelli brand name, cast iron components for engines, gearboxes, transmissions and suspension systems and aluminum cylinder heads (Teksid), in addition to the design and production of industrial automation systems and related products for the automotive industry (Comau).

Transactions among mass-market vehicle segments generally are presented on a “where-sold” basis, which reflects the profit/(loss) on the ultimate sale to the external customer within the segment. This presentation generally eliminates the effect of the legal entity transfer price within the segments. For the segments 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 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 segments, recognized at normal market prices. For the 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 operating segments 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.

EBIT is the measure used by the chief operating decision maker to assess performance of and allocate resources to our operating segments. Operating assets are not included in the data reviewed by the Chief Executive Officer, consequently, as permitted by IFRS 8, the related information is not provided.

Details of the Consolidated Income Statement by segment for the three months ended March 31, 2014 and 2013 are as follows:

(€ million)	Car Mass-Market Vehicle segment NAFTA	LATAM	APAC	EMEA	Luxury Brands	Components	Other activities	Unallocated items & adjustments	Fiat Group
For the three months ended March 31, 2014									
Revenues	11,732	1,965	1,497	4,341	1,207	2,081	201	(899)	**22,125**
Revenues from transactions with other segments	(33)	(7)	(1)	(122)	(2)	(633)	(101)	899	**-**
Revenues from external customers	**11,699**	**1,958**	**1,496**	**4,219**	**1,205**	**1,448**	**100**	**-**	**22,125**
Trading profit/(loss)	**380**	**44**	**146**	**(110)**	**139**	**41**	**(12)**	**(6)**	**622**
Profit/(loss) from investments	-	-	(11)	38	-	7	(1)	-	**33**
Unusual income/(expenses)*	(497)	(93)	-	-	-	(6)	-	211	**(385)**
EBIT	**(117)**	**(49)**	**135**	**(72)**	**139**	**42**	**(13)**	**205**	**270**
Net financial expense								(493)	**(493)**
Profit before taxes									**(223)**
Tax income								(50)	**(50)**
Loss for the period									**(173)**

(€ million)	Car Mass-Market Vehicle Segment NAFTA	LATAM	APAC	EMEA	Luxury Brands	Components	Other activities	Unallocated items & adjustments	Fiat Group
For the three months ended March 31, 2013									
Revenues	10,012	2,468	982	4,327	684	1,936	227	(929)	**19,707**
Revenues from transactions with other segments	(35)	(30)	-	(121)	(9)	(628)	(106)	929	**-**
Revenues from external customers	**9,977**	**2,438**	**982**	**4,206**	**675**	**1,308**	**121**	**-**	**19,707**
Trading profit/(loss)	**397**	**186**	**105**	**(150)**	**76**	**33**	**(22)**	**6**	**631**
Profit/(loss) from investments	-	-	(8)	35	-	3	(7)	-	**23**
Unusual income/(expenses)*	3	(59)	-	8	-	(1)	2	-	**(47)**
EBIT	**400**	**127**	**97**	**(107)**	**76**	**35**	**(27)**	**6**	**607**
Net financial expense								(443)	**(443)**
Profit before taxes									**164**
Tax expenses								133	**133**
Profit for the period									**31**

* Comprises Gains and (losses) on the disposal of investments, Restructuring costs/(income) and other unusual income/(expenses).

Unallocated items, and in particular financial income/(expenses), are not attributed to the 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.

29. Subsequent events

- On April 19, 2014, Fiat Group Automobiles S.p.A., Chrysler Group International LLC and Guangzhou Automobile Group Co., Ltd. (GAC Group) announced an agreement to expand their joint venture partnership. Under the agreement, the joint venture, GAC Fiat, will begin localized production of three new Jeep vehicles for the Chinese market, expanding the portfolio of Jeep SUVs currently available to Chinese consumers as imports. The amounts, structure, investments, and funding is expected to be finalized in 2014. Production is expected to begin by late 2015.
- On June 15, 2014, the Board of Directors of Fiat S.p.A. announced that it has approved the cross border merger terms ("merger plan") governing the merger of Fiat into its wholly owned subsidiary Fiat Investments N.V. This subsidiary, which is organized in the Netherlands, will be renamed Fiat Chrysler Automobiles N.V. ("FCA") upon completion of the merger. Following the merger, FCA will become the holding company for the group. Under the merger plan, Fiat shareholders will receive one FCA common share for each Fiat ordinary share they hold. The FCA common shares will

be listed on the New York Stock Exchange (NYSE) and are expected to be listed on the Mercato Telematico Azionario (MTA) in Milan. The merger plan will be submitted for approval to the Fiat shareholders at a general meeting that has been convened on August 1, 2014. A U.S. prospectus and an Italian information document (for the purposes of the Fiat extraordinary general meeting) will be made available to shareholders ahead of the vote to approve the merger plan. Fiat shareholders who do not vote in favor of the merger will be entitled to exercise a *recesso* right (cash withdrawal right) in accordance with Italian laws and regulations. The exercise of the *recesso* right by Fiat shareholders is conditional upon the merger becoming effective. The transaction will be subject to limited closing conditions, including listing on the NYSE and a €500 million cap on the amount of cash, if any, required to be paid in respect of the exercise of *recesso* rights by Fiat shareholders and opposition rights by creditors. The transaction is expected to be completed by the end of the year.

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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.