



FIAT CHRYSLER AUTOMOBILES

Chrysler Group LLC

Third Quarter 2014 Results Review

(U.S. GAAP – Preliminary)

November 5, 2014

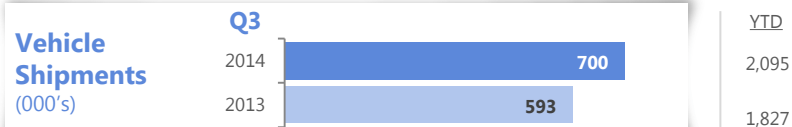


This document contains forward-looking statements that reflect management's current views with respect to future events. The words “anticipate,” “assume,” “believe,” “estimate,” “expect,” “intend,” “may,” “plan,” “project,” “should” and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties, including, but not limited to: successful vehicle launches; industry SAAR levels; economic conditions, especially in North America, including unemployment levels and the availability of affordably priced financing for our dealers and consumers; introduction of competing products and competitive pressures which may limit our ability to reduce sales incentives; supply disruptions resulting from natural disasters and other events impacting our supply chain; changes in laws, regulations and government policies; and our

dependence on our parent, Fiat Chrysler Automobiles N.V. (FCA). In addition, any forward-looking statements are based on the assumption that the Company maintains its status as a partnership for U.S. federal and state income tax purposes and do not consider the impact of a potential conversion into a corporate tax paying entity. If any of these or other risks and uncertainties occur, or if the assumptions underlying any of these statements prove incorrect, then actual results may be materially different from those expressed or implied by such statements. We do not intend or assume any obligation to update any forward-looking statement, which speaks only as of the date on which it is made. Further details of potential risks that may affect Chrysler Group are described in Chrysler Group LLC’s periodic reports filed with the U.S. Securities and Exchange Commission.

- **Worldwide shipments totaled 700k vehicles**
- **Net revenues totaled \$20.7B**
- **Modified Operating Profit was \$946M**
- **Net income was \$611M in Q3 2014**
- **Worldwide vehicle sales were 711k**
- **Free Cash Flow was positive \$412M**
- **Net Industrial Cash improved to \$680M at Sept. 30, 2014**
- **FY 2014 guidance confirmed**

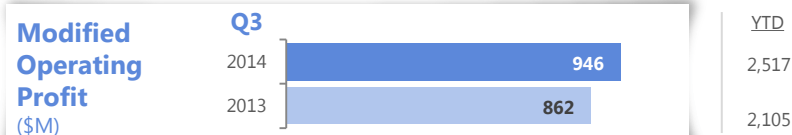
Q3 2014 Financial Highlights



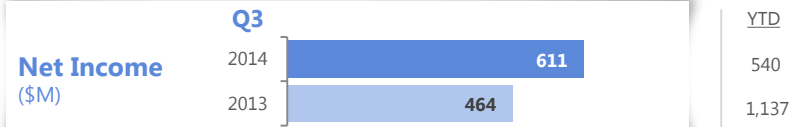
- Worldwide shipments up 18% to 700k units (698k shipments adjusted for GDP – see Appendix) primarily due to the all-new Jeep Cherokee and Chrysler 200



- Increase of 18% vs. prior year primarily due to increased shipments and improved net pricing



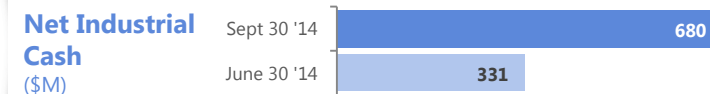
- Modified Operating Profit increased 10% versus the prior year; margin of 4.6% in Q3 2014 versus 4.9% in Q3 2013
- Increase primarily due to higher shipment volumes and net pricing, partially offset by increased industrial costs, advertising costs, and foreign exchange effects



- Net income increased 32% versus the prior year
- Q3 YTD 2014 Adjusted Net Income of \$1.7B, excluding a \$504M non-cash loss on extinguishment of debt related to the prepayment of the VEBA Trust Note and a \$672M charge for the January MOU with the UAW in Q1 2014.



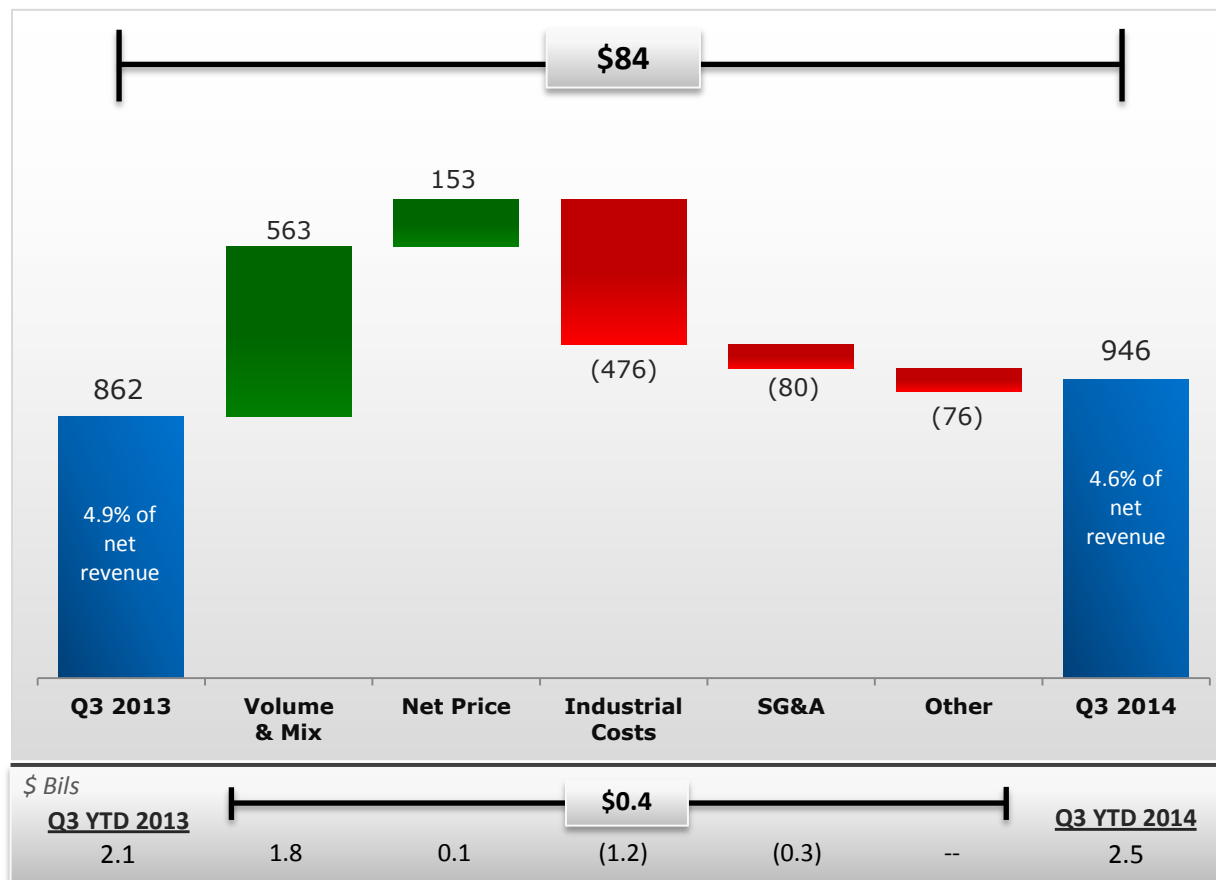
- Increase due to Free Cash Flow of \$412M in the quarter
- Total available liquidity is \$14.9B as of September 30, 2014, including \$1.3B available under a revolving credit facility



- Net Industrial Cash improved from June 30, 2014 due to positive Free Cash Flow in the quarter

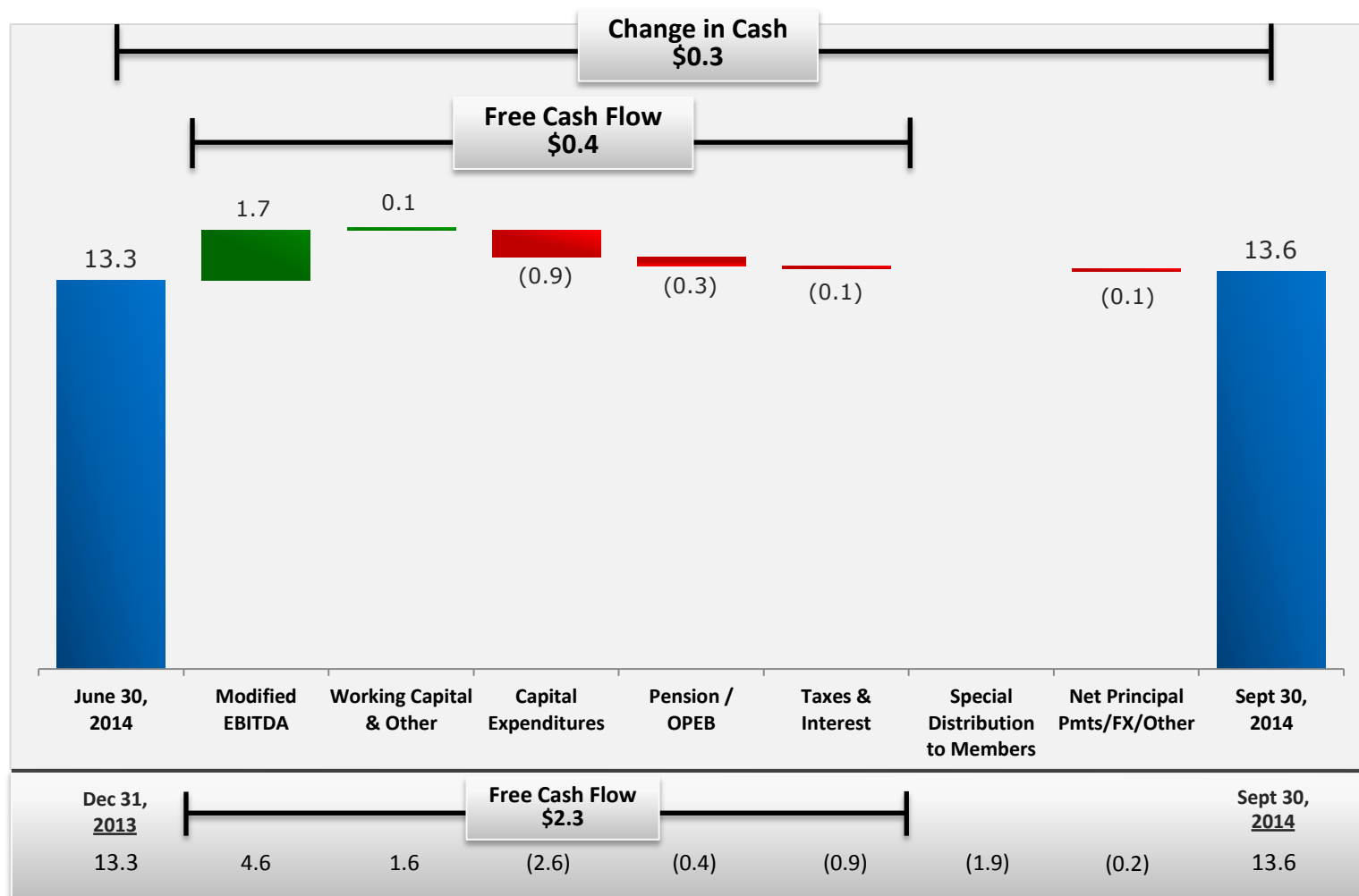
Modified Operating Profit Walk

\$ Millions



- Volume & mix improved due to 100k shipment increase (adjusted for GDP)
- Higher net price due to positive pricing actions partially offset by higher incentives on certain vehicles
- Increased industrial costs reflect higher vehicle content enhancements and increased warranty and recall costs, partially offset by purchasing savings
- SG&A increase primarily reflects higher advertising costs supporting new vehicle launches
- Other primarily reflects FX balance sheet translation impacts

\$ Billions



Note: Numbers may not add due to rounding

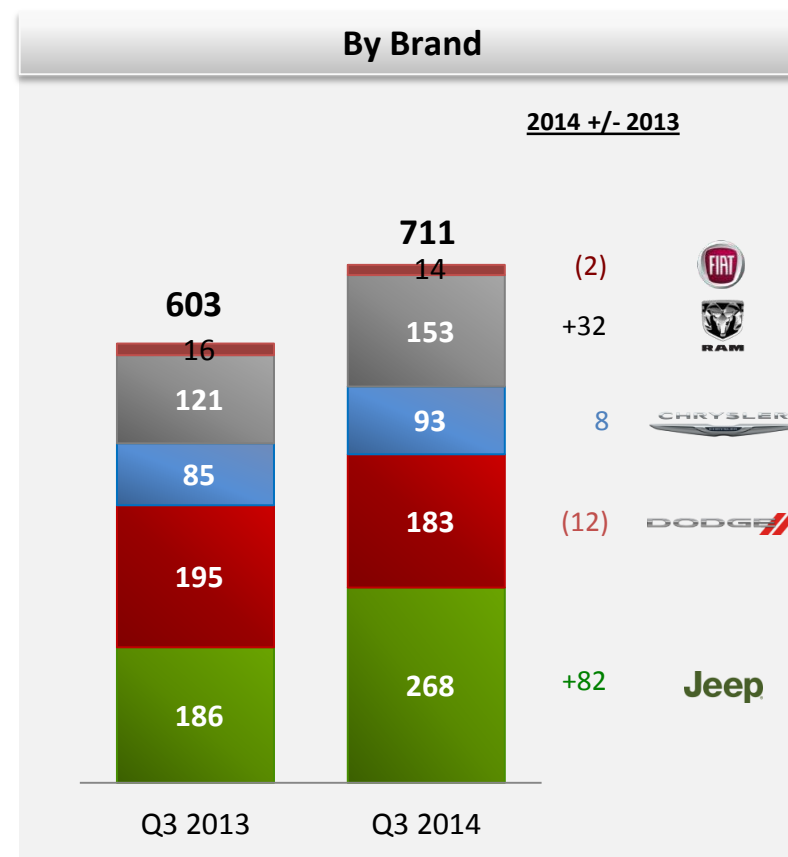
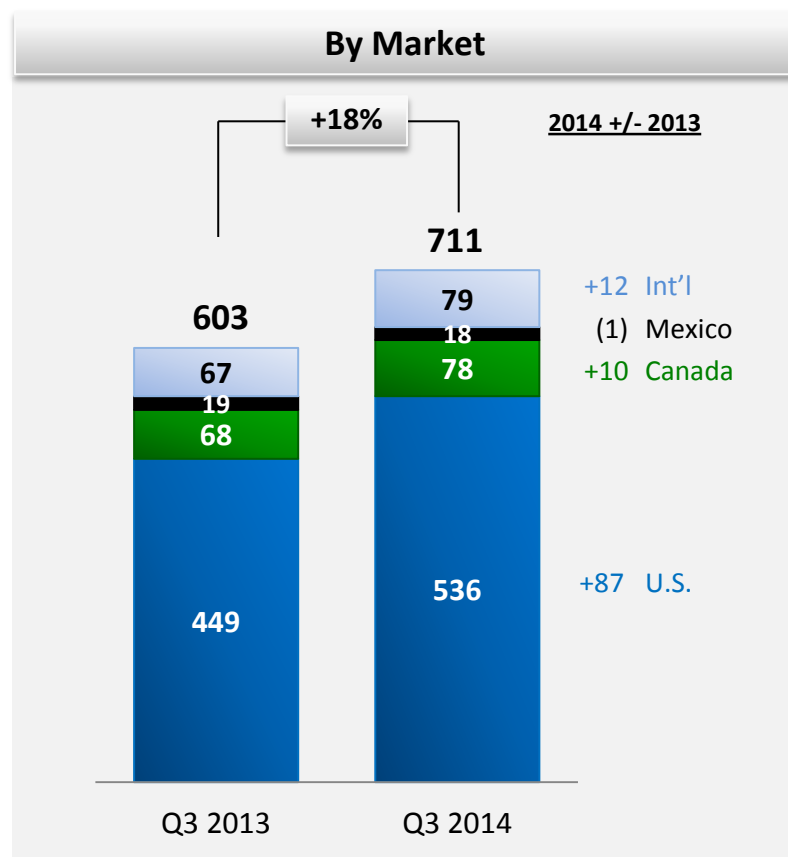
Net Industrial Cash (Debt)

<i>\$ Billions</i>	Carrying Value as of Sept 30, 2014	Carrying Value as of June 30, 2014	Sept 30, 2014 B/(W) June 30, 2014	Carrying Value as of Sept 30, 2013	Sept 30, 2014 B/(W) Sept 30, 2013
Cash	13.6	13.3	0.3	11.5	2.1
Term Loan B – Due 2017	3.1	3.1	-	2.9	(0.2)
Term Loan B – Due 2018	1.7	1.7	-	-	(1.7)
Secured Senior Notes – Due 2019	3.0	3.0	-	1.5	(1.5)
Secured Senior Notes – Due 2021	3.2	3.2	-	1.7	(1.5)
VEBA Trust Note	-	-	-	4.2	4.2
Canadian Health Care Trust Notes	0.8	0.8	-	1.0	0.2
Mexican Development Banks Credit Facilities	0.5	0.6	-	0.6	-
Other Financial Liabilities	0.6	0.6	-	0.6	-
Total Financial Liabilities	12.9	13.0	0.1	12.4	(0.5)
Net Industrial Cash (Debt) ¹	0.7	0.3	0.3	(0.9)	1.6

¹ Excludes pension and OPEB underfunding
Note: Numbers may not add due to rounding

Worldwide Vehicle Sales



Q3 2014 versus Q3 2013



Worldwide vehicle sales totaled 2.1M units in Q3 YTD 2014, an increase of 14% versus 1.8M vehicles in Q3 YTD 2013

Vehicle Sales in U.S. & Canada

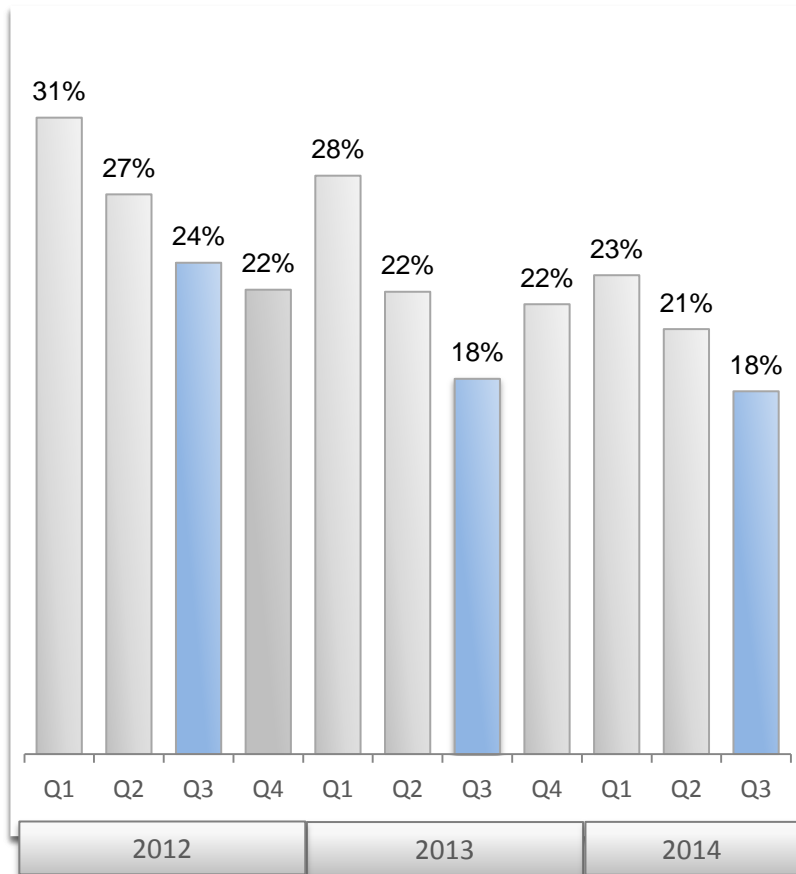
Q3 2014 versus Q3 2013

Industry Vehicles (000's)	Chrysler Group Performance		
	Sales	Market Share	Key Messages (period-over-period)
 <p>Bar chart showing U.S. vehicle sales in thousands for Q3 2013 and Q3 2014. The chart shows a bar for Q3 2013 at 4,024 and a bar for Q3 2014 at 4,350. A blue arrow points from the 2013 bar to the 2014 bar with the label '+8%'.</p> <p>4,024 4,350</p> <p>Q3 2013 Q3 2014</p>	+19%	12.3% (up 110 bps)	<ul style="list-style-type: none"> Retail sales (excluding fleet) increased 20% Retail of retail market share* increased to 12.0%, up 130 bps from the prior year Fleet mix at 18%, flat with the prior year Key performers included: <ul style="list-style-type: none"> Jeep Cherokee +48k vehicles (new) Ram Pickup (ex Chassis Cab) +23k vehicles (+26%) Jeep Patriot +5k vehicles (+25%) Jeep Wrangler +6k vehicles (+14%)
 <p>Bar chart showing Canadian vehicle sales in thousands for Q3 2013 and Q3 2014. The chart shows a bar for Q3 2013 at 476 and a bar for Q3 2014 at 526. A blue arrow points from the 2013 bar to the 2014 bar with the label '+11%'.</p> <p>476 526</p> <p>Q3 2013 Q3 2014</p>	+16%	14.9% (up 60 bps)	<ul style="list-style-type: none"> Retail sales (excluding fleet) increased 16% Retail of retail market share* at 14.1%, up from 13.3% in the prior year Key performers included: <ul style="list-style-type: none"> Jeep Cherokee +6.1k vehicles (new) Jeep Compass & Patriot +1.6k vehicles (+72%) Jeep Grand Cherokee +1.2k vehicles (+43%) Caravan and T&C minivans +1.9k vehicles (+12%)

* Company calculation; retail sales (excluding fleet) versus industry retail sales (excluding fleet)

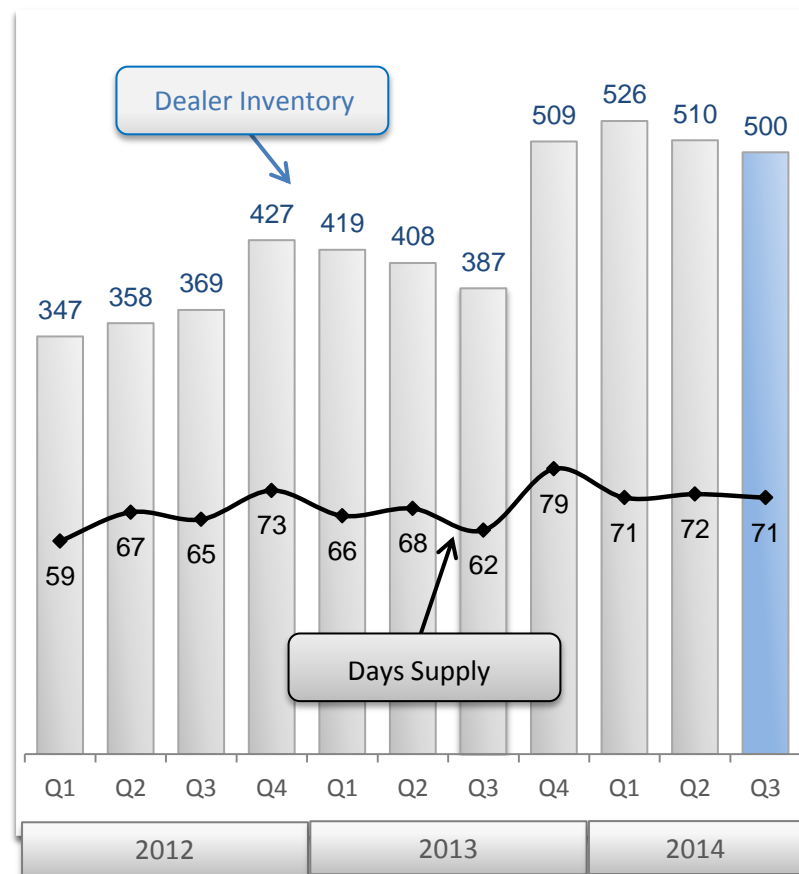
U.S. Fleet Mix

Percentage of Total U.S. Sales



U.S. Dealer Inventory & Days Supply

Vehicles (000s)



	FY 2014 Guidance
Worldwide Vehicle Shipments	~2.9 M
Net Revenues	>\$80 B
Modified Operating Profit	\$3.7-\$4.0 B
Adjusted Net Income	\$2.3-\$2.5 B
Free Cash Flow	\$0.5-\$1.0 B



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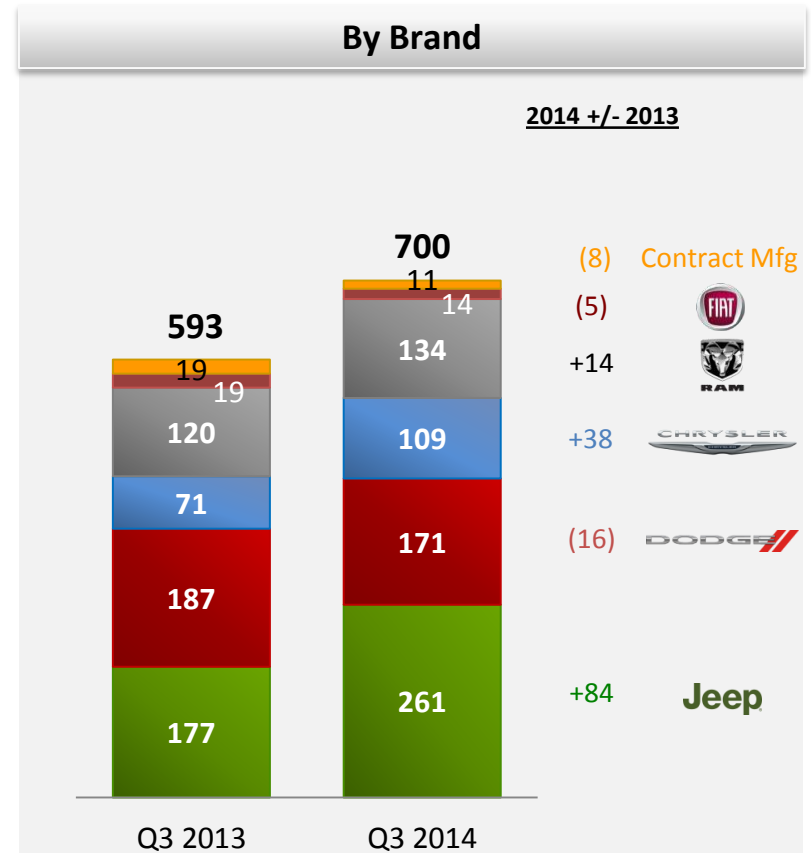
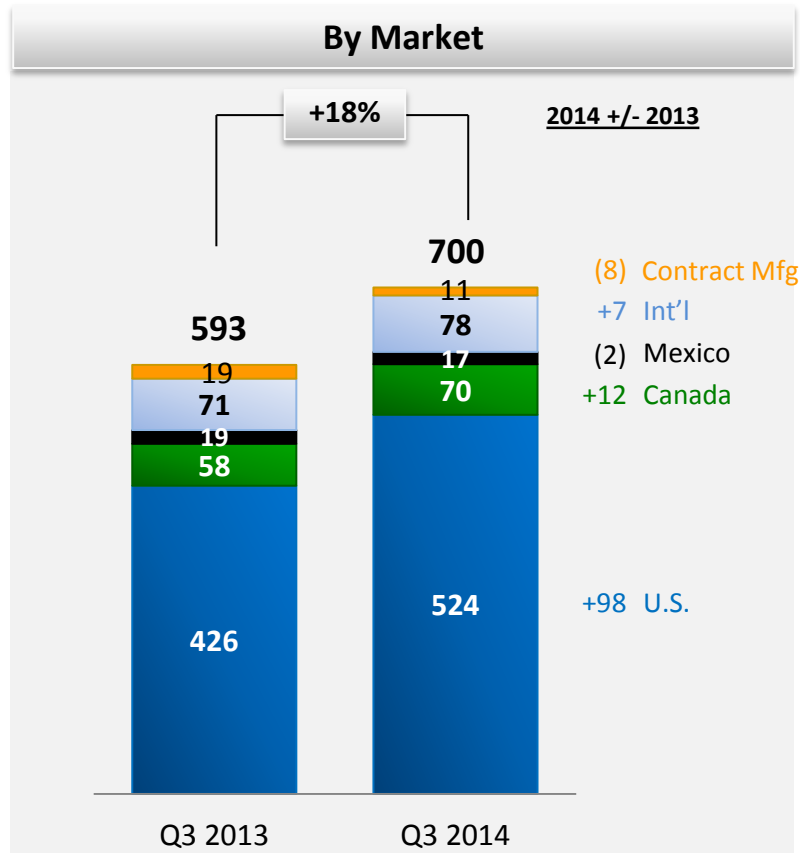
Appendix



Worldwide Vehicle Shipments

Q3 2014 versus Q3 2013

Vehicles (000s)



Worldwide vehicle shipments totaled 2.1M units in Q3 YTD 2014, an increase of 15% versus 1.8M vehicles in Q3 YTD 2013

Guaranteed Depreciation Program Adjusted Shipments

<i>Vehicles (000s)</i>	Q3 2014	Q3 2013	Q3 2014 B/(W) Q3 2013	Q3 YTD 2014	Q3 YTD 2013	Q3 YTD 2014 B/(W) Q3 YTD 2013
Worldwide Shipments	700	593	107	2,095	1,827	268
<u>Guaranteed Depreciation Program (GDP)</u>						
<i>Subtract:</i> Shipments during period	(15)	(4)	(11)	(89)	(57)	(32)
<i>Add:</i> Returns/auctions during period	13	9	4	47	36	11
Net (shipments) / returns	(2)	5	(7)	(42)	(21)	(21)
GDP Adjusted Worldwide Shipments	698	598	100	2,053	1,806	247

Reconciliation of Worldwide Vehicle Sales to Shipments

<i>Vehicles (000s)</i>	Q3 2014	Q3 2013	Q3 YTD 2014	Q3 YTD 2013
Worldwide Sales	711	603	2,055	1,809
Increase (decrease) in U.S. dealer inventory	(10)	(21)	(9)	(40)
Increase (decrease) in Canada dealer inventory	(8)	(10)	(2)	1
Contract manufacturing & other	7	21	51	57
Worldwide Shipments	700	593	2,095	1,827

Q3 2014 Financial Results

<i>\$ Millions</i>	Q3 2014	Q3 2013	Q3 2014 B/(W) Q3 2013	Q3 YTD 2014	Q3 YTD 2013	Q3 YTD 2014 B/(W) Q3 YTD 2013
Worldwide Vehicle Shipments (000) ¹	700	593	107	2,095	1,827	268
Net Revenue	20,660	17,564	3,096	60,104	50,943	9,161
Modified Operating Profit	946	862	84	2,517	2,105	412
% of Net Revenue	4.6%	4.9%	(0.3) ppt	4.2%	4.1%	0.1 ppt
Modified EBITDA	1,666	1,573	93	4,645	4,106	539
% of Net Revenue	8.1%	9.0%	(0.9) ppt	7.7%	8.1%	(0.4) ppt
Net Income	611	464	147	540	1,137	(597)
Adjusted Net Income	611	464	147	1,716 ²	1,160 ³	556
Free Cash Flow	412	(343)	755	2,300	197	2,103
Cash	13,577	11,491	2,086			
Financial Liabilities	(12,897)	(12,379)	(518)			
Net Industrial Cash (Debt)	680	(888)	1,568			

¹ Before GDP adjustments

² Excludes \$504M loss on extinguishment of debt from prepayment of the VEBA Trust Note in Q1 2014, and \$672M charge for the MOU with the UAW entered into in January 2014

³ Excludes \$23M loss on extinguishment of debt in connection with the re-pricing and amendment of the Tranche B Term Loan and revolving credit facility

Reconciliation of Net Income (Loss) to Adjusted Net Income, Modified Operating Profit and Modified EBITDA

\$ Millions

	Q3 2014	Q3 2013	Q3 2014 B/(W) Q3 2013	Q3 YTD 2014	Q3 YTD 2013	Q3 YTD 2014 B/(W) Q3 YTD 2013
Net Income	611	464	147	540	1,137	(597)
Loss on Extinguishment of Debt	-	-	-	504	23	481
Charge for MOU with the UAW	-	-	-	672	-	672
Adjusted Net Income	611	464	147	1,716	1,160	556
Income Tax Expense	162	146	16	213	215	(2)
Net Interest Expense	192	247	(55)	597	755	(158)
Other Employee Benefit (Gains) Losses ¹	(20)	3	(23)	(18)	(27)	9
Restructuring Expense, Net & Other	1	2	(1)	9	2	7
Modified Operating Profit	946	862	84	2,517	2,105	412
Depreciation and Amortization Expense ²	720	711	9	2,128	2,001	127
Modified EBITDA	1,666	1,573	93	4,645	4,106	539

¹ Includes interest cost, expected return on plan assets and amortization of unrecognized losses

² Excludes depreciation and amortization expense for vehicles held for lease

Reconciliation of Net Cash Provided by (Used In) Operating and Investing Activities to Free Cash Flow

\$ Millions

	Q3 2014	Q3 2013	Q3 2014 B/(W) Q3 2013	Q3 YTD 2014	Q3 YTD 2013	Q3 YTD 2014 B/(W) Q3 YTD 2013
Net Cash Provided By Operating Activities	1,292	423	869	4,842	2,610	2,232
Net Cash Used In Investing Activities	(880)	(766)	(114)	(2,542)	(2,413)	(129)
Free Cash Flow	412	(343)	755	2,300	197	2,103

Reconciliation of Cash to Net Industrial Cash (Debt)

<i>\$ Millions</i>	Sept 30, 2014	June 30, 2014	Sept 30, 2013
Cash	13,577	13,310	11,491
Less: Financial Liabilities (Carrying Value)	(12,897)	(12,979)	(12,379)
Net Industrial Cash (Debt)	680	331	(888)

\$ Billions	As of Sept 30, 2014	
	Carrying Value	Face Value
Term Loan B – Due 2017	3.1	3.2
Term Loan B – Due 2018	1.7	1.7
Secured Senior Notes – Due 2019	3.0	2.9
Secured Senior Notes – Due 2021	3.2	3.1
Canadian Health Care Trust Notes	0.8	0.8
Mexican Development Banks Credit Facilities	0.5	0.5
Other Financial Liabilities	0.6	0.7
Total Financial Liabilities	12.9	12.8

Note: Numbers may not add due to rounding

\$ Millions

	Q3 2014	Q3 2013	Q3 YTD 2014	Q3 YTD 2013
<u>NET PERIODIC PENSION COST</u>				
Service Cost	57	93	168	273
Interest Cost Net of Expected Return	(76)	(113)	(201)	(371)
Recognition of Net Actuarial Loss	15	69	58	208
Amortization of Prior Service Cost	2	5	10	8
Total Net Periodic Pension (Income) Cost	(2)	54	35	118
WORLDWIDE PENSION FUND CONTRIBUTIONS	236	10	269	561

WORLDWIDE WEIGHTED AVERAGE ASSUMPTIONS

	<u>2013</u>	<u>2012</u>
Benefit Obligations at December 31:		
Discount Rate – Ongoing Benefits	4.69%	3.98%
Periodic Costs:		
Discount Rate – Ongoing Benefits	3.98%	4.84%
Expected Return on Plan Assets	7.41%	7.41%

\$ Millions

	Q3 2014	Q3 2013	Q3 YTD 2014	Q3 YTD 2013
<u>NET PERIODIC BENEFIT COST</u>				
Service Cost	6	8	21	23
Interest Cost	32	30	100	90
Recognition of Net Actuarial Loss	6	11	17	35
Amortization of Prior Service Credit	-	(10)	-	(31)
Total Net Periodic Benefit Cost	44	39	138	117
BENEFITS PAID	42	39	131	130

WORLDWIDE WEIGHTED AVERAGE ASSUMPTIONS

	<u>2013</u>	<u>2012</u>
Benefit Obligations at December 31:		
Discount Rate – Ongoing Benefits	4.87%	4.07%
Periodic Costs:		
Discount Rate – Ongoing Benefits	4.07%	4.93%

The following non-U.S. GAAP financial measures definitions apply when the presentation is referring to Adjusted Net Income, Modified Operating Profit, Modified EBITDA, Cash, Free Cash Flow and Net Industrial Cash (Debt)

- (a) Adjusted Net Income is defined as net income (loss) excluding the impact of items that we consider infrequent items. The reconciliation of net income to Adjusted Net Income, Modified Operating Profit (defined below) and Modified EBITDA (defined below) for the three and nine months ended September 30, 2014 and 2013 is detailed on page 16
- (b) Modified Operating Profit is computed starting with net income (loss), and then adjusting the amount to (i) add back income tax expense and exclude income tax benefits, (ii) add back net interest expense, (iii) add back (exclude) all pension, other postretirement benefit (OPEB) and other employee benefit costs (gains) other than service costs, (iv) add back restructuring expense and exclude restructuring income, (v) add back other financial expense, (vi) add back losses and exclude gains due to cumulative change in accounting principles and (vii) add back certain other costs, charges and expenses, which include the impact of infrequent items factored into the calculation of Adjusted Net Income (Loss). The reconciliation of net income to Adjusted Net Income, Modified Operating Profit and Modified EBITDA (defined below) for the three and nine months ended September 30, 2014 and 2013 is detailed on page 16
- (c) Modified EBITDA is computed starting with net income (loss) adjusted to Modified Operating Profit (Loss) as described above, and then adding back depreciation and amortization expense (excluding depreciation and amortization expense for vehicles held for lease). The reconciliation of net income to Adjusted Net Income, Modified Operating Profit and Modified EBITDA for the three and nine months ended September 30, 2014 and 2013 is detailed on page 16
- (d) Cash is defined as cash and cash equivalents
- (e) Free Cash Flow is defined as cash flows from operating and investing activities, excluding any debt-related investing activities. A reconciliation of net cash provided by (used in) operating and investing activities to Free Cash Flow for the three and nine months ended September 30, 2014 and 2013 is detailed on page 17
- (f) Net Industrial Cash (Debt) is defined as Cash less financial liabilities. A reconciliation of Cash to Net Industrial Cash (Debt) at September 30, 2014, June 30, 2014, and September 30, 2013, is detailed on page 18

Investor Relations

Joe Veltri	phone:	248-576-9257
	email:	joe.veltri@fcagroup.com
Timothy Krause	phone:	248-512-2923
	email:	timothy.krause@fcagroup.com
Alois Monger	phone:	248-512-1549
	email:	alois.monger@fcagroup.com

Communications

Gualberto Ranieri	phone:	248-512-2226
	email:	gualberto.ranieri@fcagroup.com

Website

www.fcagroup.com

