FIAT CHRYSLER AUTOMOBILES

24 April 2015

Hans Hoogervorst
Chairman
International Accounting Standards Board
30 Cannon Street
London EC4M 6XH
United Kingdom

Fiat Chrysler Automobiles N.V. ("FCA") has actively worked with the IASB and the FASB throughout the development of IFRS 15 and ASC 606 – *Revenue from contracts with customers*. We strongly support the efforts of the IASB and FASB to establish converged principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. However, for the reasons set out in this letter, we strongly urge the IASB to defer the effective date of IFRS 15 by one year to 1 January 2018.

FCA is one of the largest automakers in the world with operations in approximately 40 countries. We sell our vehicles directly or through distributors and dealers in more than 150 countries. We design, engineer, manufacture, distribute and sell vehicles for the mass market under the Abarth, Alfa Romeo, Chrysler, Dodge, Fiat, Fiat Professional, Jeep, Lancia and Ram brands and the SRT performance vehicle designation. In addition, we design, engineer, manufacture, distribute and sell luxury vehicles under the Ferrari and Maserati brands. We also operate in the components and production systems sectors under the Magneti Marelli, Teksid and Comau brands.

As a public company listed on both the New York Stock Exchange and the Mercato Telematico Azionario organized and managed by Borsa Italiana S.p.A, we report under International Financial Reporting Standards ("IFRS"). Additionally, our 100 percent owned subsidiary FCA US LLC (formerly known as Chrysler Group LLC), a U.S. domiciled entity that has senior secured notes registered with the U.S. Securities and Exchange Commission, reports in accordance with U.S. Generally Accepted Accounting Principles ("U.S. GAAP"). Lastly, given our global operations, we have legal entities around the world that prepare statutory financial statements in accordance with IFRS or local accounting principles based on IFRS.

Our shareholders and stakeholders expect, and securities regulation in the U.S. and Europe require, us to manage our financial reporting requirements in a controlled environment. Irrespective of whether the new standards will have a material effect on the amount or timing of revenue recognition, implementing the new standards and ensuring we have appropriately established a system of effective internal controls over financial reporting is complex, time consuming and costly given the number of systems and processes involved in our revenue transactions across the various segments we operate. While we are still evaluating the effect of the new standards and they may not be as material on the Automotive industry as it is to other industries, the new revenue recognition standards establishes new principles for revenue recognition that change how revenue is measured and recognized. Upon implementation of the new standards, transactions in our industry could contain multiple performance obligations, which may not always be consistent with how elements of revenue arrangements are presently defined. Further, the consideration paid by our customers, the dealers, can vary from transaction to transaction. Presently, there are few, if any, systems that can manage on a transaction by transaction basis the allocation of consideration to multiple performance obligations when the amount of consideration varies. The challenge of managing the new standard is amplified for companies, such as ours, that process a large volume of revenue transactions on an annual basis (having shipped 4.6 million vehicles in 2014 with projections to increase that volume). We believe it is necessary to defer the effective date of IFRS 15 to allow companies sufficient time to develop the systems, processes and internal controls required to appropriately implement this important standard.

Further, revenue is a key performance indicator in our (and most every other) industry. While we can work with our stakeholders to help educate them about changes the new standards have on our revenue recognition, we have significant concern about the confusion and disruption that could occur if we or some of our competitors are required to adopt the new standards prior to our U.S. counterparts given the global nature of our industry. Presently, eight of the twenty largest automotive manufacturers report under IFRS, while seven report under U.S. GAAP. We believe financial statements users will be negatively affected if the IASB and FASB do not maintain consistent effective dates for new revenue recognition standards. It would be unfortunate if the boards were to diverge on something as fundamental as the effective date after many years of hard work.

We appreciate your thoughtful consideration of this important issue and would be happy to discuss our views with the IASB at your convenience.

Very truly yours,

Jon K. Nelson
Fiat Chrysler Automobiles, N.V.
Group Chief Accounting Officer

Bonnie S. Van Etten
FCA US LLC
Chief Accounting Officer