

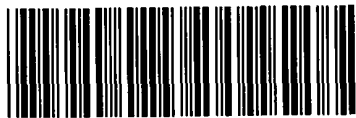
Company Registration No. 8811237

CG EU NSC Limited

Report and Financial Statements

Year ended 31 December 2016

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CG EU NSC Limited
Report and financial statements
Year ended 31 December 2016

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CG EU NSC Limited
Report and financial statements
Year ended 31 December 2016

Officers and professional advisers

Directors:

Daniel Devine

Todd Thomas Breneiser

Registered office

C/O Legalinx Limited
14-18 City Road
Cardiff
United Kingdom
CF24-3DL

Auditors

Ernst and Young LLP
400 Capability Green
Luton
LU1 3LU

CG EU NSC Limited
Report and financial statements
Year ended 31 December 2016

Strategic Report

Review of business

CG EU NSC Limited (the "Company") is the United Kingdom holding company for several European National Sales Companies ("NSCs") and other countries. The Company was incorporated for the purpose of implementing a European restructuring project. This restructuring project aims at transforming, simplifying and streamlining the Group's organisational structure, consolidating the release of the shares in the NSCs which have been charged pursuant to the Group's credit agreements and indentures, facilitating efficient redeployment of European cash within the Group, improving costs and profitability and providing a tax efficient structure to compliment the Group's future business plans. During the period, the Directors have performed an assessment of the carrying value of the investments held by the company which has resulted in an impairment charge related to certain entities included in the European restructuring project.

Further, one of the Company's 100% owned entities, CG Venezuela UK Holdings Limited, is a holding company for FCA Venezuela LLC, formerly known as Chrysler de Venezuela LLC ("CdV"), a US limited liability company organized under the laws of Delaware ("the subsidiary"), which operates in Venezuela through a Branch. The Branch is engaged in the assembling, processing, storing, marketing, distribution and sale of vehicles, and related parts and accessories in Venezuela.

On March 10, 2016, the Venezuelan government modified its foreign currency exchange mechanisms with the enactment of Exchange Agreement No. 35, which included the devaluation of its official exchange rate. Venezuela's official exchange rate mechanism, the National Center for Foreign Commerce (the "CENCOEX" exchange rate), was replaced with the Protected Foreign Exchange System (the "DIPRO" exchange rate), which is only available for purchases and sales of essential items, such as food and medicine. The official exchange rate was also devalued from 6.3 Venezuelan Bolivar ("VEF") to 10 VEF per USD. Additionally, the Supplementary Foreign Currency Administration System ("SICAD") was terminated. The Marginal Currency System (the "SIMADI" exchange rate), was replaced with the Complementary Foreign Exchange System (the "DICOM" exchange rate), which is available for all transactions not subject to the DIPRO exchange rate and is intended to operate as a free-floating exchange rate mechanism. Unlike in the former SICAD system, the government, the state-owned oil enterprise and foreign investors can inject funds into the new system.

As of March 31, 2016, we began using the DICOM exchange rate. As of December 31, 2016, the DICOM exchange rate was 673.76 VEF to USD.

In November 2016, FCA Venezuela LLC was granted a 4.0 billion VEF line of credit (approximately \$6 million) with BBVA Provincial. The line of credit is denominated in VEF and bears interest at 24 percent per annum. The line of credit expires November 2017 and any withdrawal matures 90 days after a draw and can be extended after each settlement. Fiat Chrysler Finance ("FCF") delivered a guarantee to BBVA Provincial with respect to this loan. CG Venezuela UK Holdings Limited has agreed to indemnify FCF against any losses incurred as a result of any third party claims arising from or related to the guarantee.

In December 2016, FCA Venezuela LLC requested that a third party complete appraisals of its properties due to the continued deterioration of the economic conditions in Venezuela and the likelihood that these properties' fair values would not support the carrying value. As a result of the appraisals, certain of these properties' fair values were determined to be less than their carrying value, resulting in a \$46.5 million impairment charge. In addition to the property appraisals the Directors performed an assessment of the carrying value of FCA Venezuela LLC. At December 31, 2016 the net assets of FCA Venezuela LLC were \$12.4 million resulting in an additional impairment of \$39.2 million. The total \$85.7 million charge was recorded to Exceptional items in the accompanying Income Statement.

CG EU NSC Limited
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Strategic Report

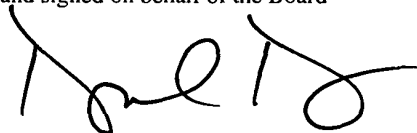
The directors are satisfied with the performance of CG EU NSC Limited.

Principal risks and uncertainties

As a holding company, CG EU NSC Limited is not subject to the normal risks and uncertainties of normal trading companies.

Its main risk is the obligation to cover costs relating to warranty and safety recalls as the company has assumed the remaining warranty liabilities for certain NSCs which liquidated during the year.

Approved by the Board of Directors
and signed on behalf of the Board

A handwritten signature in black ink, appearing to read 'D. Devine', written over a horizontal line.

Daniel Devine, Director

27 March 2017

CG EU NSC Limited
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Directors' Report

The directors present this annual report and the audited financial statements for the year ended 31 December 2016.

Principal activities

The Company's sole activity is the United Kingdom holding company for several European NSCs and other countries. The principal activities of these entities are in the automotive industry, but operations are in the process of winding down and consist mainly of warranty support for vehicles previously sold. In addition, CG Venezuela UK Holdings Limited is the holding company for CdV. CdV's operations consist primarily of assembling complete-knock-down ("CKD") units and selling MOPAR parts and services. The Company does not trade.

Going Concern

The company participates in the group's centralized treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries. The Directors have considered the uncertainty of the current economic environment, their future forecasts and are satisfied that this has been appropriately considered in their assessment of the entity as a going concern.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and that the company will be able to continue with the current banking arrangements. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Directors

The directors who served during the period were:

Name	Date of appointment	Date of resignation	Nationality
Daniel Devine	December 11, 2013	N/A	US
Charles Patrick White	November 19, 2015	December 31, 2016	US
Todd Thomas Breneiser	December 31, 2016	N/A	US

Results and dividends

The results for the year are set out in the profit and loss account on page 9. The Company recorded a loss of \$89.1 million, and this has been transferred to reserves.

Future prospects

The intention of the directors and the group is that the company will continue trading as a holding company.

Charitable and political contributions

The Company made no charitable or political contributions during the year.

Disclosure of information to the auditors

The directors at the date of the approval of this report confirm that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and

CG EU NSC Limited
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Directors' Report

- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditors

A resolution to reappoint Ernst & Young LLP as the Company's auditor will be put to the forthcoming Annual General Meeting.

Directors' liabilities

The Company has granted an indemnity to its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provisions remain in force as at the date of the Director's report.

Approved by the Board of Directors
and signed on behalf of the Board



Daniel Devine, Director

27 March 2017

CG EU NSC Limited

Statement of directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK GAAP. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss for that period. In preparing those financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is responsible for keeping proper accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. The director is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CG EU NSC Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CG EU NSC LIMITED

We have audited the financial statements of CG EU NSC Limited for the year ended 31 December 2016 which comprise the Income Statement and Other Comprehensive Income, the Statement of Changes in Equity, the Balance Sheet and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 101 "Reduced Disclosure Framework".

This report is made solely to the company's member, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report, and the financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

CG EU NSC Limited

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Ernst & Young LLP

Farzin Radfar (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Luton

29 March 2017

CG EU NSC Limited

Income statement

Year ended 31 December 2016

	Notes	2016 \$'000	2015 \$'000
Turnover		-	-
Cost of Sales		-	-
Gross Profit		-	-
Administrative expenses		(1,208)	(1,783)
Exceptional items	3	(88,512)	(3,184)
Operating loss	4	(89,720)	(4,967)
Exceptional items	3	399	-
Loss on ordinary activities before tax		(89,321)	(4,967)
Tax on loss on ordinary activities	5	258	456
Loss for the financial year		(89,063)	(4,511)

Other comprehensive income

Items that cannot be reclassified to profit and loss	-	-
Total comprehensive income	(89,063)	(4,511)

All transactions relate to continuing operations

The accompanying notes form an integral part of these financial statements

CG EU NSC Limited

Statement of changes in equity As at 31 December 2016

	Share capital \$000	Capital contribution \$000	Share premium \$000	Retained earnings \$000	Total \$'000
At 31 December 2014	2	-	192,829	(24,263)	168,568
Loss for the year	-	-	-	(4,511)	(4,511)
At 31 December 2015	2	-	192,829	(28,774)	164,057
Capital contribution	-	1,447,761	-	-	1,447,761
Loss for the year	-	-	-	(89,063)	(89,063)
At 31 December 2016	2	1,447,761	192,829	(117,837)	1,522,755

CG EU NSC Limited

Balance sheet As at 31 December 2016

	Notes	2016 \$'000	2015 \$'000
Fixed assets			
Investments	7	<u>1,506,193</u>	<u>147,607</u>
Current assets			
Cash		16,848	15,994
Debtors	8	<u>840</u>	<u>456</u>
		17,688	16,450
Creditors: amounts falling due within one year		<u>592</u>	<u>-</u>
Net current assets		<u>17,096</u>	<u>16,450</u>
Provisions for liabilities	9	<u>534</u>	<u>-</u>
Net assets		<u>1,522,755</u>	<u>164,057</u>
Capital and reserves			
Share capital	10	2	2
Share premium	11	192,829	192,829
Capital contribution	11	1,447,761	-
Profit and loss account	11	<u>(117,837)</u>	<u>(28,774)</u>
Shareholders' funds		<u>1,522,755</u>	<u>164,057</u>

These financial statements were approved and authorized for issue by the Board of Directors on 27 March 2017 and signed on its behalf by:



Daniel Devine
Director

CG EU NSC Limited

Notes to the accounts Year ended 31 December 2016

1. Authorization of financial statements and statement of compliance with FRS 101

The financial statements of CG EU NSC Limited for the year ended 31 December 2016 were authorized for issue by the board of directors. These financial statements were prepared in accordance with FRS 101 under the historical cost convention and in accordance with applicable accounting standards.

2. Accounting policies

The principle accounting policies applied in preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

Basis of preparation

The financial statements were prepared on a historical cost basis in accordance with FRS 101 and the Companies Act 2006 (The Act). FRS 101 sets out a reduced disclosure framework for a “qualifying entity” as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of the qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS.

The company is a qualifying entity for the purposes of FRS 101. Note 12 gives details of the Company’s ultimate parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, ‘Financial Instruments: Disclosures’
- IAS 7, ‘Statement of cash flows’
- Paragraph 17 of IAS 24, ‘Related party disclosures’ (key management compensation)
- The requirements in IAS 24, ‘Related party disclosures’ to disclose related party transactions entered into between two or more members of a group.

The company’s financial statements are presented in USD and all values are rounded to the nearest thousand dollars (\$000) except when otherwise indicated.

Judgements and estimations

The preparation of financial statements under FRS 101 requires the use of estimates and judgements that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management’s best knowledge of the amount, event or actions, actual results ultimately may differ from those estimated.

Consolidation

The company is a wholly owned subsidiary of FCA US LLC (“FCA US”), previously known as Chrysler Group LLC, a company incorporated in the United States of America, and the smallest parent undertaking to consolidate the accounts of the company. The ultimate parent company is Fiat Chrysler Automobiles N.V. Group (“FCA”) and its accounts are available from 25 St James Street, London, SW1A 1HA.

CG EU NSC Limited

Notes to the accounts Year ended 31 December 2016

2. Accounting policies (continued)

Exceptional Items

The company presents as exceptional items those material items of income and expense which, because of the nature and expected infrequency of the events giving rise to them, merit separate presentation to allow shareholders to understand better the elements of financial performance in the year, so as to facilitate comparison with prior periods and to assess better trends in financial performance.

Going concern assessment

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on page 2.

The company participates in the group's centralized treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries. The Directors have considered the uncertainty of the current economic environment, their future forecasts and are satisfied that this has been appropriately considered in their assessment of the entity as a going concern.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and that the company will be able to continue with the current banking arrangements. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. All exchange differences are included in the profit and loss account.

Investments

The company's investments in subsidiary undertakings are stated at cost less provision for impairment, where required.

Taxation

UK corporation tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- provision is made for tax on gains arising from disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

CG EU NSC Limited

Notes to the accounts Year ended 31 December 2016

2. Accounting policies (continued)

- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date. Where law or accounting standards require gains and losses to be recognised in the statement of other comprehensive income, the related taxation is taken directly to the statement of other comprehensive income in due course.

3. Exceptional Items

	2016 \$'000s	2015 \$'000s
Investment impairment	88,512	3,184
Gain on disposal of investments	(399)	-
	<u>88,113</u>	<u>3,184</u>

During the year ended 31 December 2016, the Directors have performed an assessment of the carrying value of the investments held by the company and an impairment charge of \$88.5 million was recorded. In the year ended 31 December 2015 an impairment charge of \$3.2 million was recorded. See note 7 for further details.

4. Operating loss

Operating loss is stated after charging the following amounts:

	2016 \$'000s	2015 \$'000s
Foreign exchange loss	717	1,779
Miscellaneous expense	491	4
	<u>1,208</u>	<u>1,783</u>

The audit fee was borne by another group undertaking.

CG EU NSC Limited

Notes to the accounts Year ended 31 December 2016

5. Tax on ordinary activities

(a) Tax on ordinary activities

	2016 \$'000	2015 \$'000
Current Tax		
Current tax 20% (2015: 20.25%)	32	-
Prior year adjustment	(290)	(456)
Current tax credit on loss for the year	<u>(258)</u>	<u>(456)</u>

(b) Factors affecting the tax charge for the year

A reconciliation between the actual tax charge and the tax charge calculated by applying the UK standard rate of corporation tax to the loss before tax is shown below:

	2016 \$'000	2015 \$'000
Loss before tax	<u>(89,321)</u>	<u>(4,967)</u>
Loss on ordinary activities before tax multiplied by the standard rate of corporation tax of 20% (2015: 20.25%)	(17,864)	(1,006)
Impairment of investments	17,702	-
Expense not deductible for tax purpose	316	-
Gain on sale of investment not taxable	(80)	-
Tax losses utilised	(42)	-
Tax losses not utilised	-	1,006
Prior year adjustment	(290)	(456)
Current tax credit on loss for the year	<u>(258)</u>	<u>(456)</u>

UK entities with at least 75% common ownership may surrender their losses to offset taxable income at other related UK entities. In accordance with FCA group policy, payment for group relief is made at the prevailing tax rate being enacted at the balance sheet date, or the value at which the surrendering group company can achieve if losses were carried back to prior years. This has resulted in a tax credit for the Company in the current year.

(c) Factors that may affect future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 on 15 September 2016. These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 17% from 1 April 2020.

CG EU NSC Limited

Notes to the accounts Year ended 31 December 2016

6. Director and employees information

No director received any emoluments in respect of qualifying services to the Company during the year. The Company had no other employees during the year.

7. Fixed asset investments

Subsidiary Name	Country of incorporation or principal business address	Holding	%
CG Venezuela UK Holdings Ltd.	UK	Ordinary shares	100
Chrysler UK Ltd.	UK	Ordinary shares	100
Chrysler Italia S.R.L.	Italy	Ordinary shares	100
FCA Japan Ltd.	Japan	Ordinary shares	60
Chrysler Danmark ApS	Denmark	Ordinary shares	100
Chrysler Polska Z.o.o.	Poland	Ordinary shares	100
Chrysler Belgium Luxembourg NV/SA	Belgium	Ordinary shares	100
Chrysler Chrysler Jeep International SA	Belgium	Ordinary shares	100
Chrysler International GmbH	Germany	Ordinary shares	100
Chrysler Espana SL	Spain	Ordinary shares	100
Chrysler Switzerland GmbH	Switzerland	Ordinary shares	100
Chrysler Jeep Ticaret Monim Sirketi	Turkey	Ordinary shares	99.96
Chrysler France	France	Ordinary shares	100

The company's sole activity is the United Kingdom holding company for several European NSCs and other countries. The principal activities of these entities are in the automotive industry but, with the exception of FCA Japan, operations are in the process of winding down and consist mainly of warranty support for vehicles previously sold. In addition, CG Venezuela UK Holdings Limited is the holding company for CdV. CdV's operations consist primarily of assembling complete-knock-down ("CKD") units and selling MOPAR parts and services. The Company does not trade.

Costs	\$'000s
At 1 January 2016	150,791
Additions in the year	1,455,961
Disposal in the year	(8,863)
At 31 December 2016	<u>1,597,889</u>
Impairment	
At 1 January 2016	3,184
Disposal for the year	(1,261)
Change for the year	89,773
At 31 December 2016	<u>91,696</u>
Net book value	
At 1 January 2016	147,607
At 31 December 2016	<u><u>1,506,193</u></u>

CG EU NSC Limited

Notes to the accounts

Year ended 31 December 2016

7. Fixed asset investments (continued)

Following is a table which summarizes the carrying value recorded upon acquisition for each NSC adjusted during the year based on the subsidiaries' net asset value and is considered to be the realizable value of each subsidiary.

Legal entity name	2014	Impairment	2015	Additions /Disposals	Impairment	2016
CG Venezuela UK Holdings Ltd.	100,587	-	100,587	-	(85,651)	14,936
Chrysler UK Ltd.	-	-	-	-	-	-
Chrysler Balkans d.o.o Beograd	105	-	105	(105)	-	-
Chrysler Czech Republic s.r.o	2,046	-	2,046	(2,046)	-	-
Chrysler Danmark ApS	814	-	814	-	(280)	534
Chrysler Nederlands BV	7,336	(1,261)	6,075	(6,075)	-	-
Chrysler Polska Z.o.o.	5,884	-	5,884	-	(1,224)	4,660
Chrysler Sweden AB	636	-	636	(636)	-	-
Chrysler Belgium Luxembourg NV/SA	18,172	(1,174)	16,998	-	(759)	16,239
Chrysler Chrysler Jeep International SA	10,281	(749)	9,532	-	(302)	9,230
Chrysler International GmbH	98	-	98	-	-	98
Chrysler Espana SL	-	-	-	-	-	-
Chrysler Switzerland GmbH	-	-	-	-	-	-
Chrysler Jeep Ticaret Monim Sirketi	4,506	-	4,506	-	-	4,506
Chrysler France	325	-	325	-	(296)	29
Chrysler Italia	-	-	-	1,407,493	-	1,407,493
FCA Japan	-	-	-	48,468	-	48,468
	<u>150,791</u>	<u>(3,184)</u>	<u>147,607</u>	<u>1,447,099</u>	<u>(88,512)</u>	<u>1,506,193</u>

CG EU NSC Limited

Notes to the accounts Year ended 31 December 2016

7. Fixed asset investments (continued)

One of the Company's 100% owned entities, CG Venezuela UK Holdings Limited, is a holding company for FCA Venezuela LLC, formerly known as Chrysler de Venezuela LLC ("CdV"), a US limited liability company organized under the laws of Delaware ("the Subsidiary"), operates in Venezuela through a Branch. The Branch is engaged in the assembling, processing, storing, marketing, distribution and sale of vehicles, and related parts and accessories in Venezuela.

On March 10, 2016, the Venezuelan government modified its foreign currency exchange mechanisms with the enactment of Exchange Agreement No. 35, which included the devaluation of its official exchange rate. Venezuela's official exchange rate mechanism, the National Center for Foreign Commerce (the "CENCOEX" exchange rate), was replaced with the Protected Foreign Exchange System (the "DIPRO" exchange rate), which is only available for purchases and sales of essential items, such as food and medicine. The official exchange rate was also devalued from 6.3 Venezuelan Bolivar ("VEF") to 10 VEF per USD. Additionally, the Supplementary Foreign Currency Administration System ("SICAD") was terminated. The Marginal Currency System (the "SIMADI" exchange rate), was replaced with the Complementary Foreign Exchange System (the "DICOM" exchange rate), which is available for all transactions not subject to the DIPRO exchange rate and is intended to operate as a free-floating exchange rate mechanism. Unlike in the former SICAD system, the government, the state-owned oil enterprise and foreign investors can inject funds into the new system.

As of March 31, 2016, we began using the DICOM exchange rate. As of December 31, 2016, the DICOM exchange rate was 673.76 VEF to USD.

In November 2016, FCA Venezuela LLC was granted a 4.0 billion VEF line of credit (approximately \$6 million) with BBVA Provincial. The line of credit is denominated in VEF and bears interest at 24 percent per annum. The line of credit expires November 2017 and any withdrawal matures 90 days after a draw and can be extended after each settlement. Fiat Chrysler Finance ("FCF") delivered a guarantee to BBVA Provincial with respect to this loan. The Company has agreed to indemnify FCF against any losses incurred as a result of any third party claims arising from or related to the guarantee.

In December 2016, FCA Venezuela LLC requested that a third party complete appraisals of its properties due to the continued deterioration of the economic conditions in Venezuela and the likelihood that these properties' fair values would not support the carrying value. As a result of the appraisals, certain of these properties' fair values were determined to be less than their carrying value, resulting in a \$46.5 million impairment charge. In addition to the property appraisals the Directors performed an assessment of the carrying value of FCA Venezuela LLC. At December 31, 2016 the net assets of FCA Venezuela were \$12.4 million resulting in an additional impairment of \$39.2 million. The total \$85.7 million charge was recorded to Exceptional items in the accompanying Income Statement.

Other subsidiaries are largely non-trading entities and therefore the risk of further impairment is low.

CG EU NSC Limited

Notes to the accounts Year ended 31 December 2016

8. Debtors

	2016 \$'000s	2015 \$'000s
Amounts due from fellow group undertakings	627	456
Other debtors	213	-
	<u>840</u>	<u>456</u>

9. Provisions for liabilities

	\$'000
Provision for warranty:	
At 31 December 2015	-
Provided/(released) in the year	534
At 31 December 2016	<u>534</u>
Outflows of economic benefit expected:	
In less than one year	534
In more than one year	-
	<u>534</u>

The company has assumed the remaining warranty liabilities relating to warranty and safety recalls for certain subsidiaries which liquidated during the year.

10. Called up share capital

	Number	Nominal Value \$'000
At 31 December 2014	1,600	2
Issued during the year	-	-
At 31 December 2015	<u>1,600</u>	<u>2</u>
Capital contribution	-	-
At 31 December 2016	<u>1,600</u>	<u>2</u>

CG EU NSC Limited

Notes to the accounts Year ended 31 December 2016

11. Reserves

	Capital contribution \$'000s	Share premium \$'000s	Profit and loss account \$'000s
At 1 January 2015	-	192,829	(24,263)
Loss for the year	-	-	(4,511)
At 31 December 2015	-	192,829	(28,774)
Capital contribution	1,447,761	-	-
Loss for the year	-	-	(89,063)
At 31 December 2016	1,447,761	192,829	(117,837)

12. Ultimate parent company

Fiat Chrysler Automobiles N.V. (FCA), a company currently registered in the Netherlands, is regarded by the Directors as being the Company's ultimate parent company and controlling party. The Company's immediate parent is FCA US LLC, previously known as Chrysler Group LLC, a company incorporated in the United States of America and is the smallest parent undertaking to consolidate the accounts of the Company.

The consolidated accounts of FCA are publicly available, from 25 St James Street, London SW1A 1HA.

13. Transactions with related parties (IAS 24)

The company is a wholly owned subsidiary of FCA US LLC, previously known as Chrysler Group LLC, and a qualifying entity for the purpose of FRS 101 and takes advantage of disclosure exemptions of IAS 24 Related Party disclosures.