FIAT GROUP

ANNUAL REPORT

AT 31 DECEMBER 2009

"The future is wide open and depends on us, on all of us. It depends on what you and I and a lot of other people are doing and will do. Today, tomorrow and the day after tomorrow. And what we are

104th financial year

GENERAL MEETING

Shareholders are hereby given notice of the Ordinary General Meeting to be held at Centro Congressi Lingotto, 280 Via Nizza, Turin at 11 a.m. on 25 March 2010, at first call, or on 26 March, at second call, to vote on the following:

AGENDA

1. Motion for approval of the Statutory Financial Statements at 31 December 2009 and allocation of net profit for the year.
2. Authorisation for the purchase and disposal of own shares.
3. Resolutions pursuant to Article 114-*bis* of Legislative Decree 58/98.

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BOARD OF DIRECTORS AND AUDITORS

BOARD OF DIRECTORS

Chairman

Luca Cordero di Montezemolo

Vice Chairman

John Elkann (1)

Chief Executive Officer

Sergio Marchionne

Directors

Andrea Agnelli

Carlo Barel di Sant'Albano

Roland Berger (3)

Tiberto Brandolini d'Adda

René Carron

Luca Garavoglia (1) (3)

Gian Maria Gros-Pietro (1) (2)

Virgilio Marrone

Vittorio Mincato (2)

Pasquale Pistorio

Ratan Tata

Mario Zibetti (2) (3)

Secretary of the Board

Franzo Grande Stevens

BOARD OF STATUTORY AUDITORS

Regular Auditors

Riccardo Perotta – Chairman

Giuseppe Camosci

Piero Locatelli

Alternate Auditors

Lucio Pasquini

Fabrizio Mosca

Stefano Orlando

INDEPENDENT AUDITORS

Deloitte & Touche S.p.A.

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

(2) Member of the Internal Control Committee

(3) Member of the Compensation Committee


FIAT
GROUP

LETTER FROM THE CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER

Dear Shareholders,
2009 was a particularly difficult year for the industrial sector globally and, consequently, also for the Fiat Group.
The economic crisis severely impacted all of our markets, pushing demand to extremely low levels and, for certain businesses, such as the truck and construction equipment sectors, the declines were dramatic.
The core assumptions on which the business plan presented in 2006 were based have been turned completely upside down.
Nevertheless, Fiat succeeded in closing the year with a €1.1 billion trading profit and further reduced net industrial debt to €4.4 billion, in both cases outperforming the target.
Liquidity was also strengthened to €12.4 billion, guaranteeing the Group adequate resources to cover scheduled maturities well beyond 2011 and ensuring it significant financial flexibility.
All of these achievements were possible because Fiat reacted to difficult market circumstances with decisiveness and considerable determination.
Significant cost containment measures were implemented by all Sectors.
Discipline and rigour guided every one of our choices, ensuring that energy and resources were never wasted.
We rethought our plans and adapted them to the crisis.
We explored every possible avenue to strengthen the Group and re-establish points of certainty in a market shaken by uncertainty.
And we did it without asking help from anyone, but rather by relying on the solidity of Fiat, the ability and commitment of its employees and the decisiveness of its leaders.
In this sense, 2009 was a year filled with significance, because it demonstrated how deeply the cultural change within the Group has taken root.
Navigating such a complex period has required courage, commitment and many sacrifices. For this we are sincerely grateful to all the men and women at Fiat around the world.

We considered last year's decision not to pay dividends, despite having achieved a profit, as indispensable in guaranteeing that the Group had the liquidity necessary to confront a particularly challenging year.
This year, given the change in environment and prospects, the Board of Directors intends to propose to Shareholders that dividend payment to all share classes be resumed.
That decision not only takes into consideration the combined result for 2008 and 2009, but also the normalisation of the capital markets as a source of funding for the Group together with a conviction in our ability to continue to generate earnings.

The alliances we have entered into form part of an ongoing strategy whose aim is to establish an even stronger base on which to move the Group forward, particularly the automobiles business.
Toward the end of 2008, it had already become evident that the auto industry in general would have to rethink its business model to adapt to the new market environment.
It had become imperative that we find a more efficient way of lowering the risks associated with the capital commitments required by the business.
And this is exactly the direction we took by forging an alliance with Chrysler.
It represents a fundamentally important step for the future of Fiat that will give us the critical mass necessary to achieve significant economies of scale, increase volumes for individual platforms, fully leverage opportunities for synergy and expand our geographic presence.
The two businesses are an ideal combination.
The presence and leadership of Fiat in the smaller car and commercial vehicle segments and of Chrysler in the medium and larger segments will enable the Group to offer a full product range.
The commitment we have taken on with Chrysler will serve not only in restructuring the American automaker, but it also provides the best guarantee of a solid future for Fiat.

With that same objective, we also laid the groundwork for other alliances.
In July 2009, an agreement was signed with Guangzhou Automobile Group for the establishment of a 50/50 joint venture in China which, beginning in mid-2011, will produce engines and passenger cars for the local market. Once fully operational, the plant will have a production capacity of 140 thousand vehicles and 220 thousand engines per year.
A letter of intent was signed in February 2010 with the Russian automaker Sollers and represents a springboard for Fiat's presence in that market, one of the most promising. The proposed partnership will provide us the capability to produce up to 500,000 vehicles per year by 2016 and to sell nine new models, six of which are to be based on a Fiat-Chrysler platform. This deal further underscores the level of technological advancement we have reached and represents an enormous step forward for the Fiat Group in Russia, which will position us, within just a few years, as the number 2 automaker in that market.
Also in Russia, CNH has entered into an agreement with Kamaz, the leading producer of heavy trucks locally and one of the largest globally. At the end of 2009, a letter of intent was signed for the creation of an industrial and commercial joint venture that will further strengthen CNH's leading position in the Russian agricultural and construction equipment market.

As for the Group's future prospects, 2010 is expected to be a year of transition in which our core markets will continue to experience a relatively high degree of difficulty.
Despite this, we expect performance for all Group businesses to improve over 2009 levels as global macro-economic conditions return to normality, with the exception of the Automobiles and Components businesses, which will nevertheless make positive contributions.
While trading conditions will continue to be uncertain and volatile, the worst has passed and we can now begin thinking more calmly about the future and planning for growth.
In fact, in Turin on the 21st of April, we will present details of the Group's business plan to the international financial community, including annual strategic targets for each Sector up to 2014.
At this point, we can confirm that we will continue to manage our activities with the same rigour - leveraging on the experience gained from the crisis - and pursue targeted alliances when favourable opportunities present themselves.
In 2010, our capital expenditure programs, which had been reduced last year in response to the uncertainty of the demand curve and the tightening of financial markets, will return to normal levels for all Sectors, increasing 30-35% over 2009.
Targets for this year have been influenced by the non-renewal of eco-incentives for new car purchases in Italy, which will have a significant impact on Group results.
We expect to close 2010 with revenues of approximately €50 billion, trading profit between €1.1 and €1.2 billion, net profit near break even and net industrial debt above €5 billion.
The Group will, in any event, have more than adequate resources to transition to what is expected to be a normalised trading environment in 2011 and later years.

While working on achievement of these objectives, all of our actions will be geared toward ensuring the right equilibrium between industrial logic and social responsibility.
That commitment is not a fair weather commitment, but one we have embraced with great conviction.
It is a responsibility that we exercise on several fronts: the environment and sustainable mobility, which has led to us being the most eco-performing producer in Europe; attention to the needs of individuals, both inside and outside the company; and, a conduct guided by ethics and transparency.
In 2009, our efforts to ensure the Group is managed in line with international best practice were recognised with the inclusion of Fiat in the Dow Jones Sustainability World and Dow Jones Sustainability STOXX indexes, the most prestigious equity indexes that only admit companies which are sustainability leaders.
News of this recognition was gratifying, because it demonstrates that behind the results there is a serious commitment, an entire corporate culture, and a responsible approach to management.
This is the path we committed to in 2004, convinced that it is the only path which gives merit and dignity to any result.

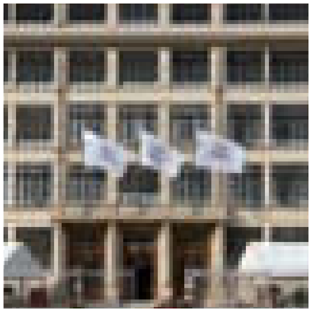
16 February 2010

/s/ Luca Cordero di Montezemolo
Luca Cordero di Montezemolo
CHAIRMAN

/s/ Sergio Marchionne
Sergio Marchionne
CHIEF EXECUTIVE OFFICER

"The architect must be a prophet... a prophet in the true sense of the term... if he can't see at least ten years ahead don't call him an architect."
Frank Lloyd Wright

THE GROUP AT A GLANCE



2009
RESULTS

GROUP REVENUES
€50.1 BILLION

TRADING PROFIT
€1.1 BILLION

NET LOSS
€0.8 BILLION

NET INDUSTRIAL DEBT
€4.4 BILLION

LIQUIDITY
€12.4 BILLION

1 GROUP

9 OPERATING SECTORS

21 COMMERCIAL BRANDS

117 R&D CENTRES

190 NATIONAL MARKETS

188 PLANTS

14,000 INDIVIDUALS DEDICATED TO INNOVATION

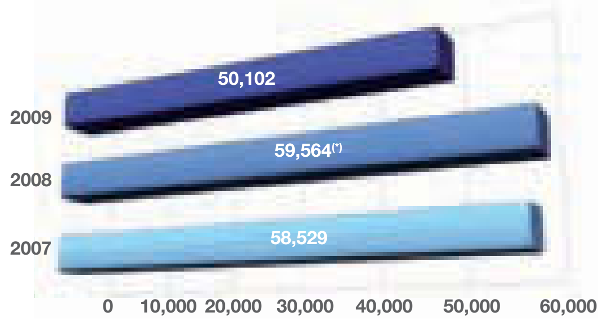
190,014 EMPLOYEES

€1,692,000,000 FOR RESEARCH AND DEVELOPMENT

€48,900,000 FOR TRAINING

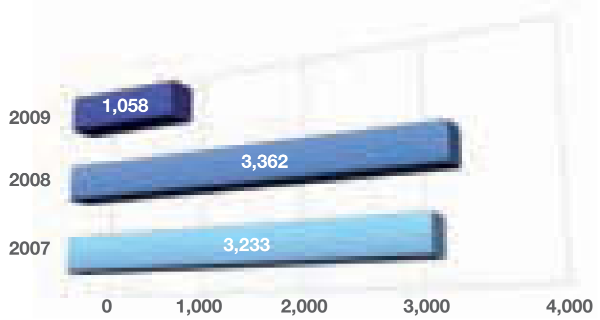
€21,787,000 FOR SOCIAL INITIATIVES

REVENUES (€ million)

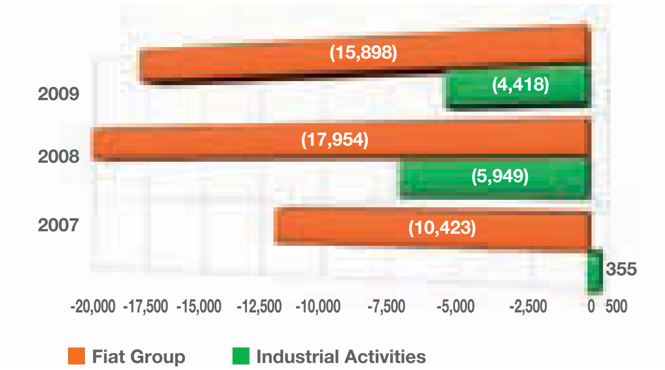


(*) Following adoption of the improvement to IAS 16 in 2009, net revenues for 2008 were increased by €184 million

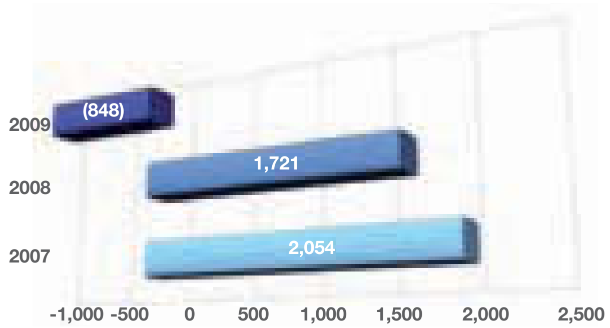
TRADING PROFIT (€ million)



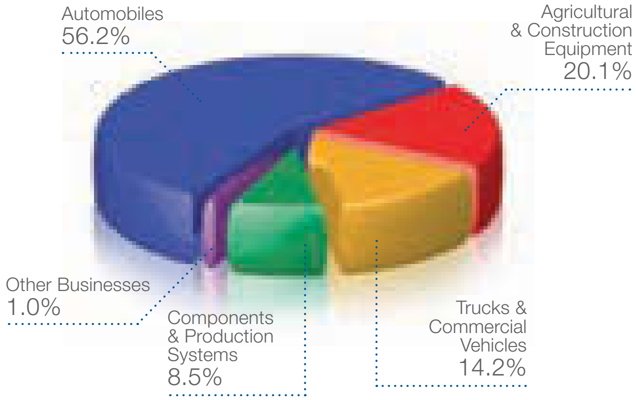
NET (DEBT)/CASH (€ million)



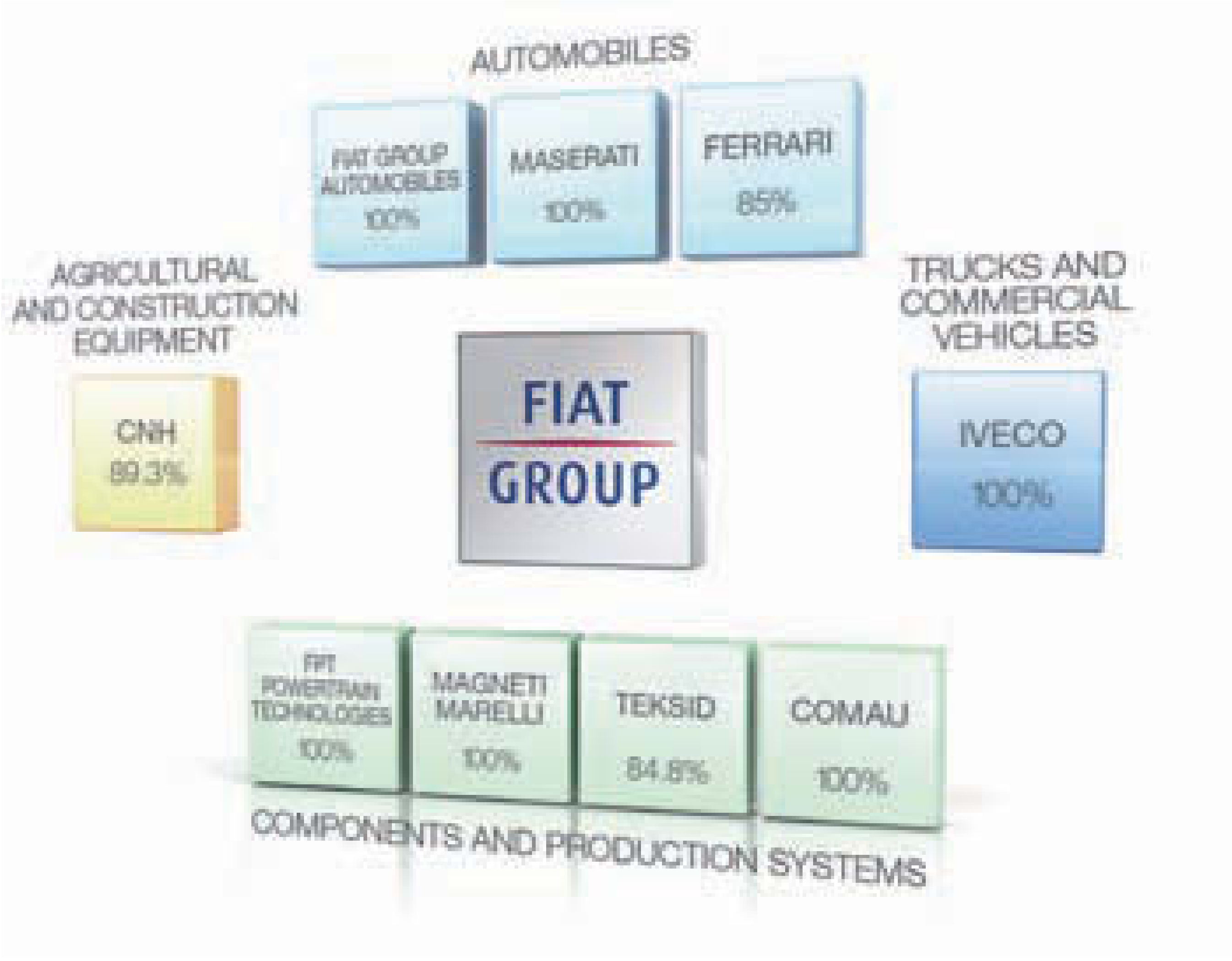
PROFIT/(LOSS) (€ million)



REVENUES BY BUSINESS



GROUP STRUCTURE




Mirafiori
Romeo

OUR BRANDS AND PRODUCTS

The Fiat Group is Italy's largest industrial enterprise and one of the founders of the European automotive industry. It designs, produces and sells cars, trucks, agricultural and construction equipment, engines, transmissions and components, with an emphasis on technological innovation and eco-compatibility.

The Group carries out industrial and financial services activities in the automotive sector through companies located in approximately 50 countries and has commercial relationships with customers in approximately 190 countries. The principal businesses are:

AUTOMOBILES

Fiat
Practical, versatile and responsive. Suited to customers who are increasingly in tune with environmental issues and technological innovation. The brand has a tradition of producing models that offer practical and affordable technological solutions and an unmistakeable Italian design.

Alfa Romeo
Sportiness, technology, comfort and elegance all come together to create the distinctive personality and style that characterise Alfa Romeo, an historic Italian marque that celebrates its 100th anniversary in 2010. It continues to embody the values that have been recognised by generations of auto enthusiasts: agility, spirit, charm.

Lancia
Class and exclusivity, Lancia's perennial hallmarks. Its models have an elegance which adapts to everyday life and personifies an unmistakeable Italian style. The ECOchic range represents an innovative concept in automobiles which are friendly to the environment, stylish but affordable, responsive but efficient.

Abarth
From its relaunch in 2007, Abarth was immediately synonymous with sporting emotion and grit. It has returned with a modern interpretation of all of its traditional products: such as the Grande Punto and the 500 Abarth, packed with technology and performance inspired by the world of motor racing, not to mention the legendary conversion kits.

Fiat Professional
This brand of light commercial vehicles was created to partner small and large companies in growing their businesses. Customers seeking productivity, ease of use and fuel efficiency rely on the know-how and innovation of Fiat Professional, an ally for businesses as they confront the challenges of the market.

Maserati
A marque which has always produced captivating and technologically advanced saloons derived from the world of competitive racing. In fact, Maserati has a long and proud racing heritage which continues today with the MC 12, winner of 12 FIA GT Championship titles over the last 5 years.

Ferrari
The road cars produced by the Maranello-based company are, by definition, the most prestigious example of Italian technology and craftsmanship: exclusive cars without equal. Their genealogy is inextricably linked to Ferrari's experience in competitive racing: Formula 1, in particular, where Team Ferrari is the only team to have participated in every world championship and also winner of the greatest number of titles (16 times winner of the Constructors' championship and 15 times winner of the Drivers' championship).

AGRICULTURAL AND CONSTRUCTION EQUIPMENT (CNH – Case New Holland)

Through its various businesses, this Sector has a long history in the development of the agricultural and construction equipment industries in Europe and the United States. To most effectively serve the diverse needs of its customers and the sales network, CNH operates through 6 distinct brands:

Case IH
With more than 160 years of tradition and experience in agricultural machinery, Case IH is the choice of professionals. A range of powerful tractors, combines and bailers and the support of a worldwide network of professional dealers that supply customers with the highest level of assistance and solutions for 21st century standards of productivity and efficiency.

New Holland Agriculture
New Holland Agriculture's reputation is based on the success of its customers: grain producers, livestock farmers, contract operators, wine growers and landscape professionals. The brand's customers can rely on the most complete range of products and services, including tractors, harvesting equipment and telehandlers. A global network of professional dealers and New Holland's constant commitment to excellence are a guarantee of total satisfaction for every customer.

Steyr
Steyr has been the leading producer of tractors in Austria for more than 60 years. The red and white trademark, created in 1967 with the launch of the Plus line, is today synonymous with high-quality, reliable products. The extensive range of tractors demonstrates Steyr's capacity to adapt its products to the needs of a rapidly changing market, obtaining the maximum in productivity.

New Holland Construction
New Holland Construction is a full-line global producer of construction equipment with a network of 800 dealers and more than 2,100 points of sale in 100 countries. The company's success is based on the commercial, industrial and financial strength and resources of its global organisation. With the accumulated experience of the prestigious brands upon which it was founded, New Holland's products offer the best in quality, state-of-the-art technology and full compliance with safety standards and environmental regulation.

Case Construction
Case Construction sells and provides service support for a complete range of construction machinery: from loader backhoes (market leader) to crawler and wheel excavators, from wheel loaders to wheel and crawler skid steer loaders, from articulated dumpers to telescopic handlers. Case dealers work in close professional partnership with their customers, providing excellence in equipment and after-sales service, industry-leading warranties and flexible financing.

Kobelco
Kobelco's success was built through a striving for total customer satisfaction. The brand maintains this commitment today, through more than 250 sales outlets located throughout North America. Kobelco produces and sells a full range of compact, mid-size and full-size excavators ranging from 1.9 to 88 tons. Particular attention is given to the power and precision of its machines and every Kobelco excavator is designed and manufactured to exceed customer expectations.


921E


STRAL
IVECO

TRUCKS AND COMMERCIAL VEHICLES (Iveco)

This Sector operates internationally and develops, produces and sells an extensive range of trucks and buses under the following brands:

Iveco
A range of light, medium and heavy commercial and industrial vehicles for transportation and distribution of goods, which are cost effective to operate and minimize environmental impacts. With its comprehensive, leading-edge range of products, Iveco is equipped to meet every professional need.

Iveco Irisbus
Through the continuous research into advanced technological solutions which respect the environment, Irisbus offers a complete range of vehicles - from minibuses to touring coaches, from urban buses to interurban buses - designed to provide a versatile response to a variety of transportation needs: whether intraurban or interurban.

Iveco Astra
Astra produces 2, 3 and 4-axle vehicles for mining and offers over 210 Extra Heavy-Duty models for dump bodies, water and fuel tanks, cement mixers and pumps, drills, mobile service. And, in addition, rigid dumpers of 14, 28, 32 and 40 tonnes and articulated dumpers of 25, 30, 35 and 40 tonnes.

Iveco Magirus
Emergency response vehicles need to be fast, safe and capable of responding to a variety of situations: fires, floods, earthquakes or explosions. To meet these needs, Iveco offers a versatile range of vehicles under the Iveco Magirus, Lohr Magirus, Iveco Special Vehicles and Camiva brands.

COMPONENTS AND PRODUCTION SYSTEMS

FPT Powertrain Technologies

The vehicles and equipment produced by the Group are powered by FPT Powertrain Technologies engines and transmissions. Technological excellence, a wide product range and an extensive worldwide presence make FPT a global leader in the powertrain sector. FPT has always sought solutions for sustainable mobility, achieving reduced pollution and consumption, while at the same time providing continuous improvements in performance and driving pleasure. Research and development activities are oriented toward the evolution of conventional engines, as well as engines which use alternative fuels, are bifuel or natural gas only, and hybrids.

Magneti Marelli

This international company is a leader in the design and production of state-of-the-art automotive systems and components: from lighting to engine control systems, from suspensions to electronic systems, from exhaust systems to components to the aftermarket and motorsport. Through a process of continuous innovation, Magneti Marelli seeks to leverage its know-how and the Group's skill-base in the area of electronics to develop intelligent systems and solutions which contribute to the evolution of safe and environmentally-sustainable mobility and also offer an enhanced passenger environment.

Teksid

Today, Teksid is the world's largest producer of grey and nodular iron castings. The company is constantly upgrading and improving the quality of production to meet the increasingly demanding needs of the automotive industry. It manufactures approximately 600 thousand tonnes per year of engine blocks, cylinder heads, engine components, transmissions parts, gearboxes and suspensions. Teksid's competitive advantages are based on: 80 years of experience; continuous technology upgrades; high level of automation; investment in research and development to improve quality standards; and, close integration with the product development activities of customers.

Comau

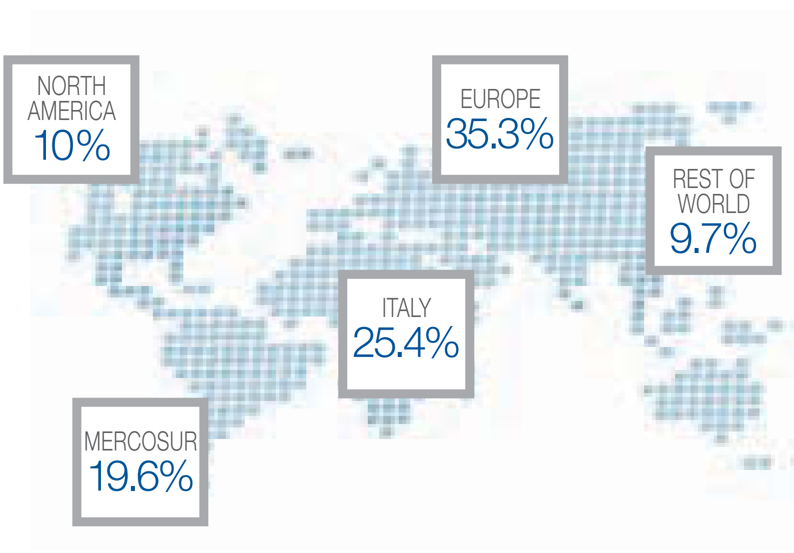
Comau makes "the machines that make machines": body welding and assembly robots, and machining and assembly for mechanical systems. Customers are delivered a turnkey solution which includes design, production, installation, production startup and maintenance. With 25 sites in more than 15 countries and 40 years of experience in the automotive sector, Comau is a leader in the development of innovative technology. Constant investment in research has enabled the Sector to position itself as a full-service provider of engineering solutions to the automotive industry, as well as the aerospace, petrochemical, steel and foundry industries.

FIAT GROUP AROUND THE WORLD

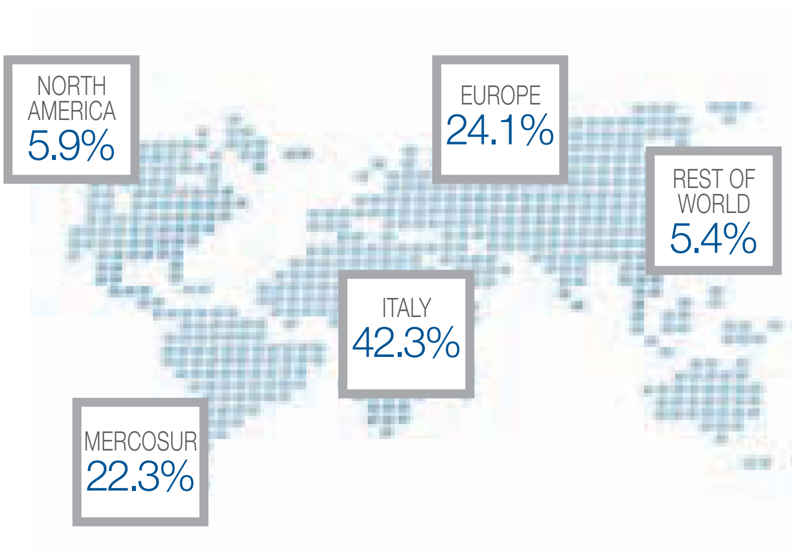
From the very beginning, Fiat has always had a significant international dimension and today the Group boasts an extensive presence worldwide.

By employing a global vision but interacting at the local level, the Fiat Group has prepared itself to confront new challenges, to achieve the maximum in each market and to react rapidly to the needs of its millions of customers.

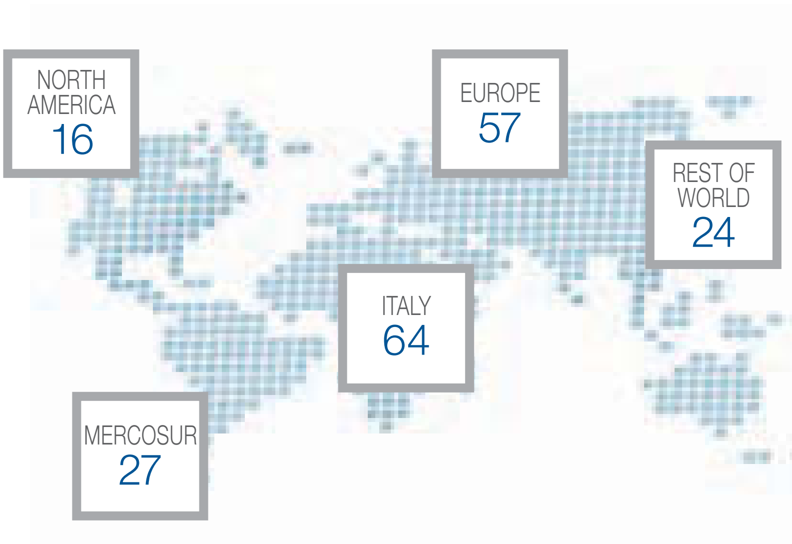
REVENUES BY DESTINATION



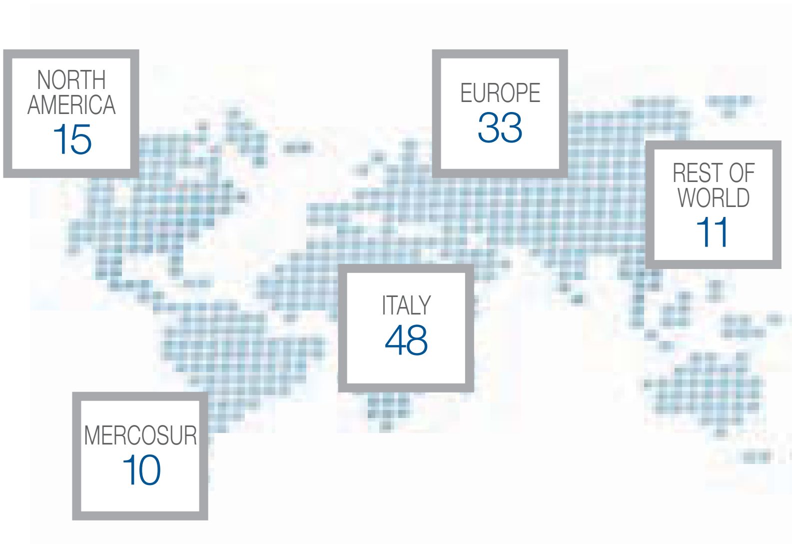
EMPLOYEES WORLDWIDE



PLANTS



R&D CENTRES



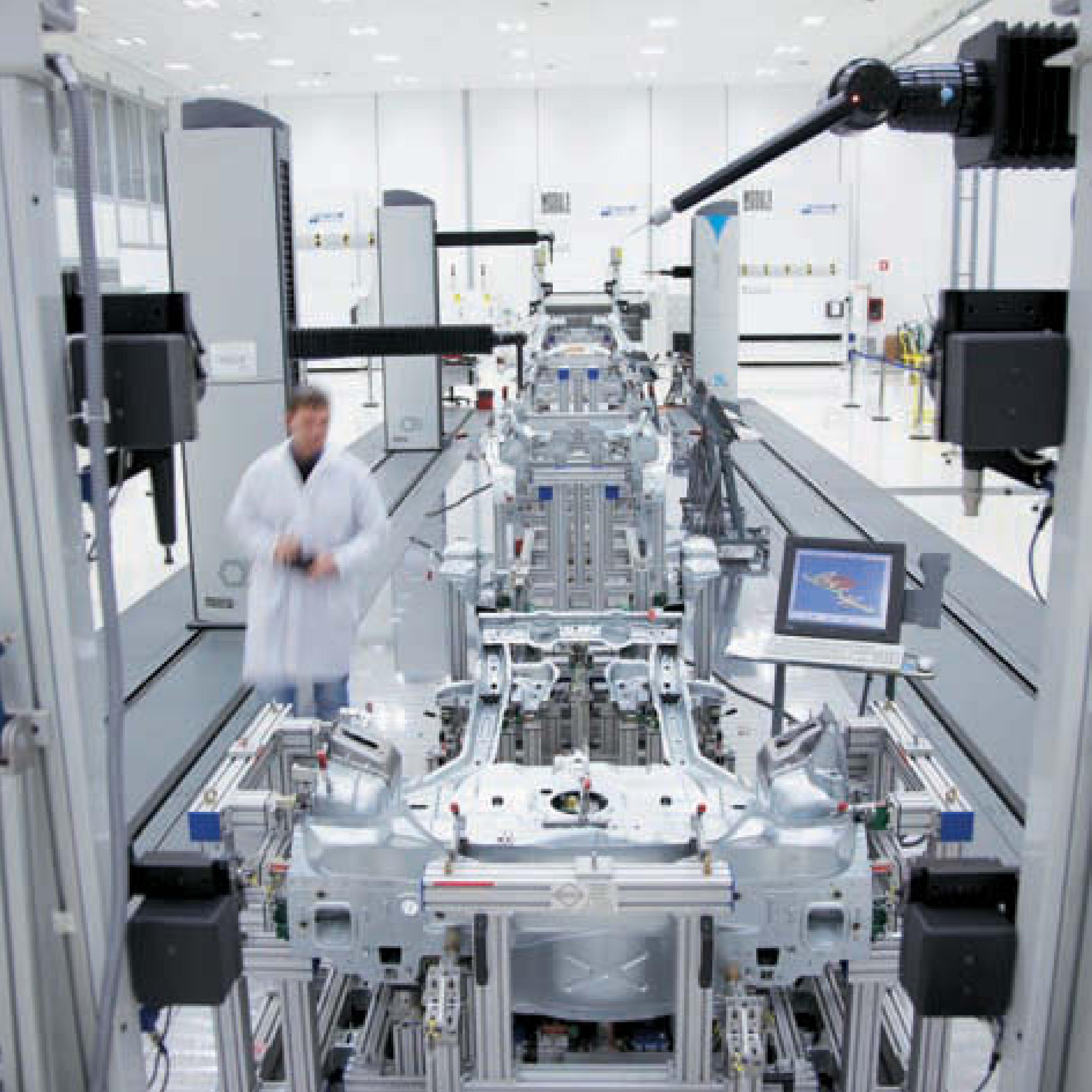
INNOVATING FOR GROWTH

The Group's growth has been driven by the creation of innovative models, utilisation of state-of-the-art materials, development of technologies which use traditional and alternative fuels, experimentation with futuristic models, and by studying and anticipating the needs of millions of customers.

With the support of cross-sector research conducted by Centro Ricerche Fiat and Elasis, all of the Group's Sectors are investing significant resources in R&D. The areas of application range from automotive, in the most traditional sense, to electronics, telematics, information systems, preventive safety and respect for the environment. Only through this synergistic vision is it possible to create mobility which has a truly human dimension.

Centro Ricerche Fiat (C.R.F.) is an international centre of excellence in research. The centre has approximately 800 professionals and collaborates with over 160 universities and research centres and more than 1,000 industrial partners worldwide. Actively supporting the technological development of the Group and its partners for more than 30 years, it boasts a vast array of technical know-how and a series of state-of-the-art laboratories for testing powertrain systems, analysing noise and vibrations, conducting driving simulation, developing new materials and production processes, opto-electronics and micro-technology. In recent years, research at C.R.F. has concentrated on solutions for reducing fuel consumption and polluting and noise emissions, and improving the efficiency, aerodynamics and overall safety of vehicles.

Elasis is one of the largest research centres in Southern Italy and one of the most advanced engineering companies in the automotive sector. Its research centres employ approximately 1,200 people and are equipped with sophisticated design and modelling tools, in addition to some of the most advanced instruments for physical and virtual testing. The centre conducts research in several strategic areas: new production methodologies and processes to reduce time to market; research to enhance vehicle performance, safety and versatility and reduce environmental impacts; development of advanced telematic platforms which offer solutions to reducing traffic congestion. Using the know-how acquired in the automotive area, Elasis also produces technological solutions for other industrial areas and applications.



A RESPONSIBLE COMMITMENT

Fully aware that development and growth only have value if they are sustainable, in 2009 the Group continued the process of making social and environmental considerations an integrated part of its business strategy.

In September, in acknowledgement of the integral role that sustainability has in its daily approach to business, Fiat S.p.A. was recognised as a Sustainability leader and admitted to the Dow Jones Sustainability World and Dow Jones Sustainability STOXX Indexes, receiving a score of 90/100 (compared with the average 72/100 for its sector) from SAM, the investment group specialised in sustainability investing.

The DJSI World and DJSI STOXX, the most prestigious equity indexes, only admit companies that excel in managing their businesses from an economic as well as social and environmental perspective. Fiat was recognised as best-in-class in the economic dimension and, for the environmental and social dimensions, obtained the maximum score for reporting, responsible product management, climate change strategy, management of human capital, activities for local communities and stakeholder engagement.

In addition, Fiat received the Sector Mover and Gold Class distinctions from SAM. For 2009, Fiat had the best relative improvement in sustainability performance within the automobile sector (SAM Sector Mover) and the gap with the sector leader was less than 5% (SAM Gold Class).

While this is a major achievement, we don't consider it the final objective: Fiat remains committed to maintaining high standards and improving performance and, in so doing, contributing to the creation of long-term value for all stakeholders.

Senior management is actively involved in the Group's commitment to sustainability. The Group Executive Council (GEC) - the decision-making body headed by the Chief Executive Officer of Fiat S.p.A. and the CEOs of the operating Sectors and certain heads of function - defines the strategic approach, approves the guidelines and Sustainability Plan and is periodically informed on the Group's overall performance. As further confirmation of that commitment, in 2009 the Nominating and Corporate Governance Committee was also assigned responsibility for sustainability issues and renamed the Nominating, Corporate Governance and Sustainability Committee. The Committee evaluates proposals related to strategic guidelines on sustainability-related issues, presenting opinions to the Board of Directors, as necessary, and reviewing the annual Sustainability Report.

Every year, the Fiat Group prepares a Sustainability Report to communicate its most significant activities in the area of economic, environmental and social responsibility to stakeholders and, through the Strategic Sustainability Plan, provides a status report of those activities and establishes new targets to ensure continued improvement of its performance.

In 2009, despite the global economic difficulties, the Group achieved significant results and delivered on its commitments.

In the environmental area, for example, after two years as leader, Fiat Automobiles was once again confirmed as having the lowest average CO_2 emissions amongst the top selling brands in Europe for the first half of 2009 (source: Jato Dynamics). In addition, it was also recognised as the only full-range brand to have already reached the average European target for 2012-2015 of 130 g/km.

On the social front, the Group managed the effects of the difficult economic environment on employees with responsibility and transparency and continued the process of human capital development. The commitment to health and safety in the workplace also continued through targeted training and other initiatives.

In addition, Group suppliers have been sensitised toward a more responsible management of their businesses through the dissemination of Sustainability Guidelines and assessment of their level of conformity to those guidelines.

The commitment to local communities also continued with significant results being achieved, particularly in Brazil, in support of social and economic development. Additionally, TechPro2, a major technical training initiative launched in Italy and then expanded internationally, promoted the professional growth and entrance to the workforce of more than 2,100 young people.

To meet the requests of the leading sustainability rating agencies, the number of reported KPIs was increased during the year and, as a result of the new system for monitoring environmental performance, the data will be presented for the first time in a standardised format.

Additional details on the Group's environmental and social commitment are provided in the Sustainability Report and at: http://sostenibilita.fiatgroup.com.

To provide all stakeholders with more detailed and up-to-date information, a Sustainability website was also created during the year. The site provides in-depth information on a variety of sustainability issues and the Sustainability Report can also be viewed in an interactive version or downloaded. The site was named "Best Improver in Italy" in the CSR Online Awards 2009, established by Lundquist (the strategic communications consultancy) for content and ease of use of sustainability information published on line.

"But by far the greatest obstacle to the progress of science and to the undertaking of new tasks and provinces therein is found in this – that men despair and think things impossible."

Francis Bacon

REPORT ON OPERATIONS

HIGHLIGHTS

(€ million)		2009	2008	2007
Net revenues		**50,102**	59,564(*)	58,529
Trading profit/(loss)		**1,058**	3,362	3,233
Operating profit/(loss)		**359**	2,972	3,152
Profit/(loss) before taxes		**(367)**	2,187	2,773
Profit/(loss) for the year		**(848)**	1,721	2,054
Attributable to:				
Owners of the parent		**(838)**	1,612	1,953
Non-controlling interests		**(10)**	109	101
Basic earnings/(loss) per ordinary and preference share (€)	(1)	**(0.677)**	1.290	1.537
Basic earnings/(loss) per savings share (€)	(1)	**(0.677)**	1.445	1.692
Diluted earnings/(loss) per ordinary and preference share (€)	(1)	**(0.677)**	1.285	1.526
Diluted earnings/(loss) per savings share (€)	(1)	**(0.677)**	1.440	1.681
Investments in tangible and intangible assets		**3,386**	4,979(*)	3,985
of which: capitalised R&D costs		**1,046**	1,216	932
R&D expenditure	(2)	**1,692**	1,986	1,741
Total assets		**67,235**	61,772	60,136
Net (debt)/cash		**(15,898)**	(17,954)	(10,423)
of which: Net industrial (debt)/cash		**(4,418)**	(5,949)	355
Total equity		**11,115**	11,101	11,279
Equity attributable to owners of the parent		**10,301**	10,354	10,606
No. of employees at year end		**190,014**	198,348	185,227

(*) Following adoption of the improvement to IAS 16 in 2009, as described in the Notes to the Consolidated Financial Statements, 2008 net revenues were increased by €184 million and investments in tangible and intangible assets were reduced by €284 million.
(1) See Note 13 to the Consolidated Financial Statements for additional information on the calculation of basic and diluted earnings per share.
(2) Includes capitalised R&D and R&D charged directly to the income statement.

SELECT DATA BY REGION

	Number of companies		Employees		Plants		R&D Centres		Revenues by geographic market (€ million)	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008(*)
Italy	**140**	145	**80,434**	82,371	**64**	70	**48**	50	**12,744**	14,319
Europe (excluding Italy)	**265**	274	**45,826**	50,159	**57**	62	**33**	33	**17,668**	23,862
North America	**74**	70	**11,157**	12,305	**16**	19	**15**	15	**5,021**	5,711
Mercosur	**33**	33	**42,397**	43,042	**27**	27	**10**	10	**9,798**	9,975
Other regions	**109**	111	**10,200**	10,471	**24**	25	**11**	10	**4,871**	5,697
TOTAL	**621**	**633**	**190,014**	**198,348**	**188**	**203**	**117**	**118**	**50,102**	**59,564**

(*) Following adoption of the improvement to IAS 16 in 2009, net revenues for 2008 were increased by €184 million.

SHAREHOLDERS

FINANCIAL COMMUNICATION

Fiat aims at continuously reinforcing the trust of its customers and investors through transparent and responsible management of the Company, thereby increasing its enterprise value on a sustainable basis.

Fiat maintains a constant dialogue with individual shareholders, institutional investors and financial analysts through its Investor Relations function, which actively provides information to the market to consolidate and enhance confidence and the level of understanding of the Group and its businesses.

Throughout the year, the Investor Relations team also communicates with the financial community through conference calls and public presentations held to present financial results or other events that require direct communication to the market.

Additionally, the IR programme includes seminars, industry conferences and non-deal roadshows in major financial centres, which provide the opportunity for direct contact with the Group's top management and a deeper understanding of the Group's strategy and performance.

In 2009, Fiat achieved many distinguished rankings among its peers - based on the opinion of sell-side analysts and buy-side individuals representing leading European and international institutions - in a benchmarking study conducted by a well-recognized publishing and research firm which serves the investment community.

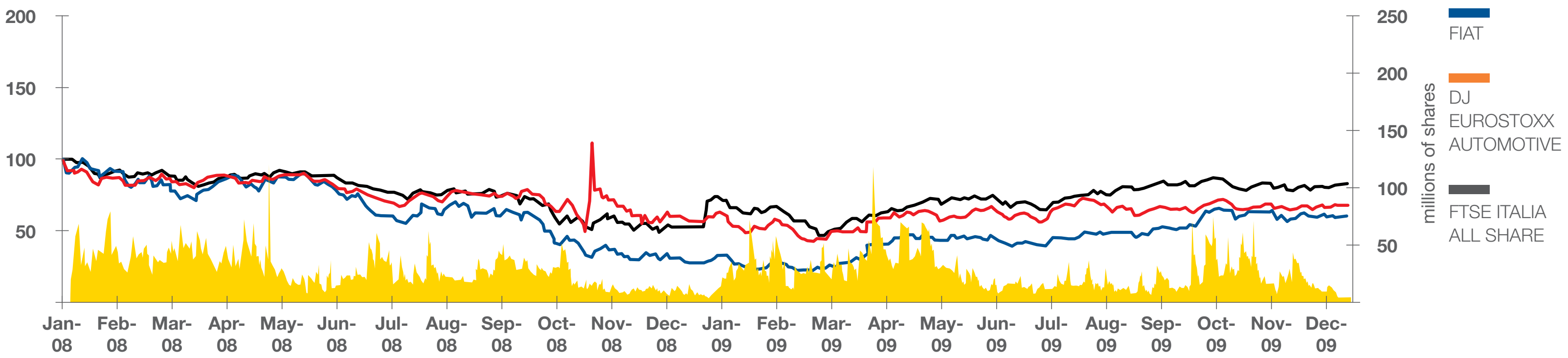
Additional, updated information is available in the Investor Relations section of the Group website (www.fiatgroup.com), which provides historic financial data and highlights, investor presentations, quarterly publications, official communications and real-time trading information for Fiat shares.

Shareholders can also contact the company at the following:

For holders of Fiat shares:
Toll-free number in Italy: 800-804027
E-mail: serviziotitoli@fiatgroup.com
investor.relations@fiatgroup.com

For holders of ADRs:
Toll-free number in the USA and Canada: 800 749 1873
Outside the USA and Canada: +1 (718) 921 8137
Website: **www.adr.db.com**

FIAT ORDINARY SHARES – 01/01/2008 TO 31/12/2009 PERFORMANCE RELATIVE TO FTSE ITALIA ALL SHARE AND EUROSTOXX INDEXES (REBASED TO 100 AT 01//01/2008) AND AVERAGE MONTHLY TRADING VOLUME (MILLIONS OF ORDINARY SHARES)



After dramatic declines in 2008, pessimistic sentiment continued to depress global equity markets during the first two months of 2009 pushing them to historic lows. Hit by the liquidity crisis in the international banking system, and several failures, investors feared that financial institutions which had received considerable government aid to support them through the crisis could be nationalised. But financial markets then staged an unexpected uptick based on initial results from recovery plans introduced by governments and improved business performance generally. Confidence did not fully return to the markets, however, and investors looked forward to 2010 with a great deal of uncertainty. Fear of a large-scale default in Dubai at the end of November again created turbulence in the markets for several days. The majority of markets closed out the year with a partial recovery of the losses experienced in 2008: Frankfurt gained 24%, Paris 22%, London 22%, Madrid 30%, Milan 19%, the Dow Jones was up 19%, Hong Kong 52% and the Nikkei 19%. During this period, Fiat shares more than doubled (+123%) over the closing price for 2008 (best performer in 2009 against European peers).

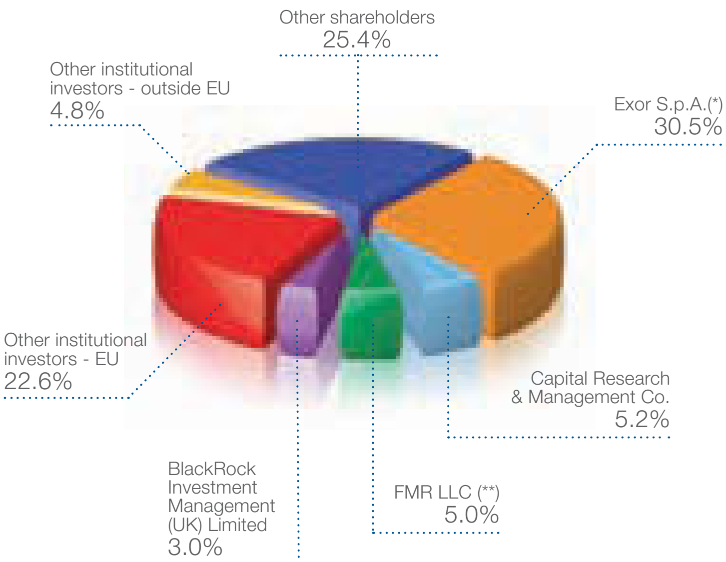
MAJOR SHAREHOLDERS

At the date of this Report, Fiat had a total of 1,092,247,485 ordinary shares outstanding and the following institutions held more than 2% of ordinary shares:

ORDINARY SHARES: 1,092,247,485

Exor S.p.A. (*)	30.5%
Capital Research & Management Company	5.2%
FMR LLC (**)	5.0%
BlackRock Investment Management (UK) Limited	3.0%
Other institutional investors - EU	22.6%
Other institutional investors - outside EU	4.8%
Other shareholders	25.4%

(*) In addition to 3.5% of ordinary shares held by Fiat S.p.A.
(**) Including 1.75% of ordinary shares in relation to which FMR has sole power to vote.



EARNINGS PER SHARE

(figures in €)	2009	2008	2007
Basic earnings/(loss) per ordinary and preference share	**(0.677)**	1.290	1.537
Basic earnings/(loss) per savings share	**(0.677)**	1.445	1.692
Diluted earnings/(loss) per ordinary and preference share	**(0.677)**	1.285	1.526
Diluted earnings/(loss) per savings share	**(0.677)**	1.440	1.681

REFERENCE PRICE PER SHARE (*):

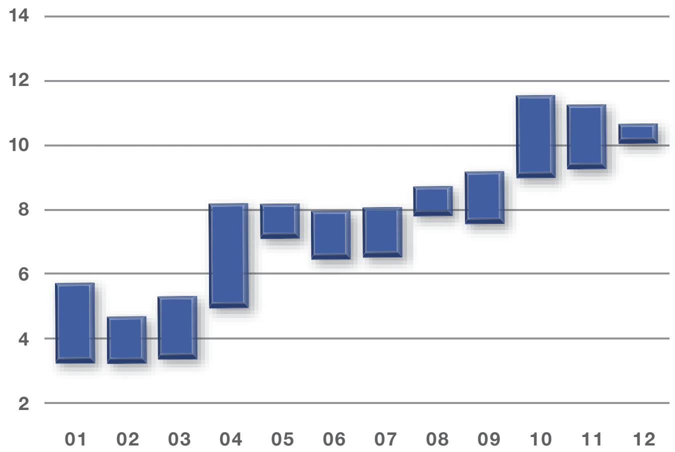
(figures in €)	31.12.09	31.12.08	28.12.07	29.12.06	30.12.05
Ordinary shares	**10.250**	4.590	17.695	14.468	7.360
Preference shares	**6.000**	2.440	14.640	12.119	5.930
Savings shares	**6.295**	3.035	14.655	13.880	6.584

(Source: Reuters)
(*) Equivalent to the closing auction price.

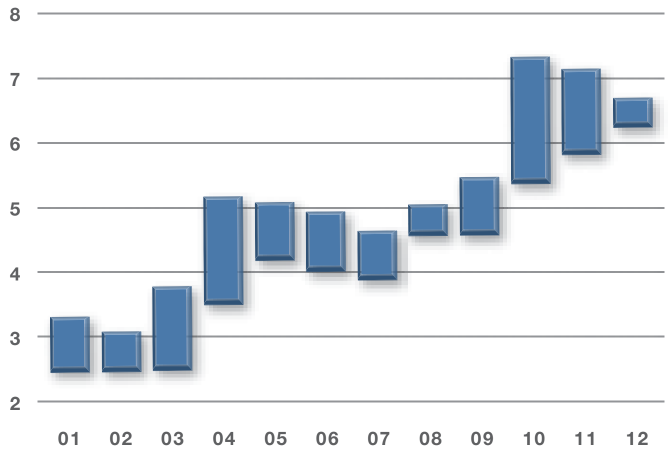
MONTHLY MINIMUM AND MAXIMUM PRICE IN 2009

(figures in €)

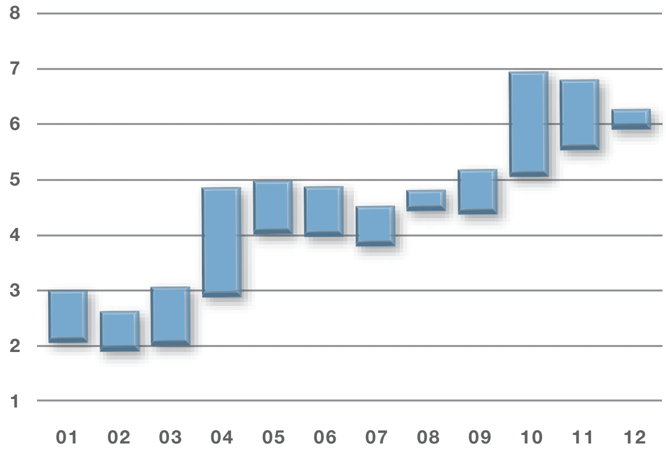
FIAT ORDINARY



FIAT SAVINGS



FIAT PREFERENCE



KEY EVENTS IN 2009

JANUARY

The new Quattroporte Sport GT S, the best synthesis ever achieved by Maserati between luxury sedan and performance sports car, presented at the Detroit Motor Show.

JANUARY

At the SIMA Innovation Awards 2009, New Holland Agriculture wins a gold medal for the NH2 hydrogen-powered tractor and a silver medal for the advanced EasyDrive transmission.

JANUARY

Fiat Linea wins two awards in India: “Car of the Year” from Autocar and “Midsize Car of the Year” from Overdrive, the two leading Indian automotive magazines. Overdrive also names the Fiat 500 “Import of the Year”.

Magneti Marelli and SAIC Motor Corporation Ltd. sign a joint venture agreement in China for production of hydraulic components for Magneti Marelli’s Freechoice™ Automated Manual Transmission (AMT).

FEBRUARY

Iveco is named best importer in the transport sector in Germany. The award comes from Verkehrsrundschau, a leading German publication dedicated to the commercial fleet sector, based on a survey conducted by the research institute EMNID.

European launch of the T7000 Auto Command™ tractor range (167-225 hp), developed for large-scale agricultural producers and contract operators. The range has a new CVT transmission that optimizes engine performance and operating costs.

MARCH
In Geneva, Alfa Romeo unveils the MiTo GTA concept car, a prototype of the brand's future sport style based on an optimised power-to-weight ratio. Two new Euro 5 engines are also presented: the 170 hp 2.0 JTDM diesel and the 200 hp 1750 Turbo gasoline (TBi), available on the Brera, Spider and 159.

Lancia announces the Delta Executive and the ECOchic Ypsilon and Musa (powered by LPG and gasoline).

Fiat Professional releases the Ducato 140 Natural Power with optimised performance, low fuel consumption and reduced emissions.

At the Geneva Motor Show, Maserati unveils the GranTurismo S Automatic.

Presentation in Beijing of the Genlyon, the first product of the joint venture between SAIC and Iveco. The new "heavyweight" from SAIC Iveco Hongyan Commercial Vehicles (SIH) was designed in China and incorporates Iveco's technological excellence and European standard of quality.

Expansion of the Magnum tractor range in North America.

Introduction of 7 new models of B-series excavators, including long-reach, mass and compact models, with increased fuel efficiency and reduced noise levels.

APRIL
Fiat 500 named "2009 World Car Design of the Year".

The Sedici is upgraded with interior and exterior styling modifications and two new Euro 5 engines. Presentation of the Panda Panda Cross, the first low-environmental impact City SUV.

The Tofas plant in Bursa, Turkey, celebrates production of its 3,000,000th vehicle.

Roll out of CX crawler excavator range continues with new CX 130B "long reach" model.

MAY
The SAIC Fiat Powertrain Hongyan joint venture launches production of Cursor 9 diesel engines at new site in Chongqing.

The American Society of Agricultural and Biological Engineers recognises Sector's strong commitment to innovation with five AE50 awards to New Holland Agriculture and three AE50 awards to Case IH.

Launch of three new compact tractors in the Farmall line equipped with (CVT) continuously variable transmission.

MARCH
The Fiat 500C, with electrically-controlled soft top, premiers at the Geneva Motor Show. Fiat expands its offer of bifuel vehicles (LPG/gasoline and CNG/gasoline), adding versions of the Punto Classic and Idea to the existing Panda, Grande Punto and Bravo line up.

MARCH
Presentation in Geneva of the MultiAir system, with electro-hydraulic management of the air intake valves resulting in 10% more power and 15% more torque at low revolutions than a traditional engine of equivalent displacement and a 10% reduction in fuel consumption and CO_2 emissions.

JUNE

The European Investment Bank (EIB) and Fiat Group sign €400 million loan agreement. The proceeds will be used to finance certain of the Group's research and development projects.

As part of the World Class Manufacturing process, two FGA plants receive Silver Level certification: Melfi (the first Italian plant to reach this level) and Tychy in Poland.

For the new Iveco EcoDaily, FPT Powertrain Technologies develops two 2.3-litre engines (106 hp and 126 hp) and two 3-litre engines (140 hp and 170 hp). EcoDaily is also released in Natural Power version, with EEV compliant bifuel CNG/gasoline engine.

FPT and Perkins Engine Company Ltd sign strategic cooperation agreement for the long-term supply of a "clean" 3.4-litre engine for use on agricultural and construction equipment.

JULY

The Fiat 500C (cabriolet version) goes on sale at Italian dealers on July 4th, the 2nd anniversary of the new 500 and 52nd anniversary of the launch of the original model.

Fiat and Guangzhou Automobile Group Co. Ltd. (GAC Group) sign a framework agreement for establishment of a 50/50 joint venture to produce cars and engines for the Chinese market.

Issue of €1.25 billion bond which pays 9% coupon and matures in July 2012.

Launch of the Austoft 8000 series sugar cane harvester which offers 35% increase in chopping power and electronic ground drive with cruise control.

European launch of the TD4000F series of utility tractors for vineyards and orchards.

AUGUST

Issue of USD 1 billion in senior notes which pay 7.75% coupon and mature in 2013.

Addition of the new high performance 650L to the crawler dozer line, which delivers improved performance and lower height and operating weight.

JUNE

Following a letter of intent signed in January, Fiat Group and Chrysler Group LLC finalize the agreement for a global strategic alliance. On the same date, the new Chrysler (held 20% by Fiat) becomes operational.

JUNE

Launch of the EcoDaily with new styling and engine line up, as well as enhancements to comfort and electronics.

SEPTEMBER

Presentation of the Qubo Natural Power, the new bifuel (CNG/gasoline) version.

Presentation of the 105 hp and 135 hp versions of the MiTo 1.4 MultiAir, the first application of this revolutionary technology developed for gasoline engines, and the 170 hp "Quadrifoglio Verde", a pure-bred sports car with the highest specific output ever recorded by an Alfa Romeo.

Launch of the Fiorino Metano, a new bifuel (CNG/gasoline) vehicle which is the only one of its type in the segment.

Presentation of the GranCabrio, Maserati's first ever 4-seater convertible, at the Frankfurt Motor Show.

Launch of the Magelys HDH, a coach that belongs to an elite class of sophisticated vehicles designed for the long-distance tourist market in Europe.

Presentation in Brazil of a prototype of the Daily Electric, developed jointly by Iveco and Itaipu Binacional, which manages the world's largest hydro-electric powerplant located near the Brazil/Paraguay border: the Daily Electric is the first zero-emission light commercial vehicle produced in Latin America.

Issue of €1.25 billion bond which pays 7.625% coupon and matures in September 2014.

SEPTEMBER

Fiat expands B-segment offering with the launch of the Punto Evo, companion to the highly successful Grande Punto, which sets a new standard in innovation, safety and style.

SEPTEMBER

After two years of leadership, JATO Dynamics once again confirms the Fiat brand as having the lowest average CO_2 emissions amongst the top 25 selling brands in Europe.

SEPTEMBER

Fiat enters the Dow Jones Sustainability World and Dow Jones Sustainability STOXX Indexes, scoring 90/100 compared with average of 72/100 for its sector.

SEPTEMBER

In Brazil, New Holland Agriculture receives the agricultural industry's most important award, at the Gerdau Awards dedicated to the Brazilian agricultural industry's most modern and efficient machinery, the New Holland 78hp TL75 receives the Gold Trophy in the "outstanding" category.

SEPTEMBER

In Frankfurt, debut of the Ferrari 458 Italia, powered by a centre-mounted 4.5-litre 8-cylinder engine capable of delivering 570 hp.

The Maxxum 110-140 upgraded with multi-control console, A-Pillar instrumentation and redesigned cab. The brand enters the "all terrain" segment with the Case IH Scout XL.

At the 2009 Genoa International Boat Show, FPT presents 380 hp and 620 hp versions of the new C90, expanding its range of recreational and professional marine engines.

OCTOBER

Expansion of range of engines available on the MiTo to include the 120 hp 1.4 Turbo gasoline, the first LPG/gasoline turbo produced directly by the Group, and the 95 hp 1.3 JTDM-2 diesel engine with Start&Stop system as standard.

Presentation of the Delta Turbo LPG with 120 hp 1.4 LPG/gasoline TurboJet engine, the first car to receive Legambiente's climate seal of approval.

The plant in Verrone (Piedmont) commences production on the new C635 family created for medium segment vehicles (both gasoline and diesel) of FGA and Chrysler.

New Holland Agriculture strengthens its position with introduction of the TDF series for application in orchards and vineyards.

CNH and KAMAZ, a leading global heavy truck manufacturer, sign heads of agreement and announce an industrial and commercial alliance for agricultural and construction equipment.

Iveco presents the new Vertis medium-segment vehicle (9-13 tonnes) at the Fenatran Trade Show in São Paulo, Brazil.

NOVEMBER

Issue of €1.5 billion bond which pays 6.875% coupon and matures in February 2015.

Introduction of the new Class 9 (CR9090) 500+ hp combine in North America and Australia.

North American launch of the new Magnum with CVT transmission and output range of 180-225 hp. Puma upgraded with output range of 125-192 hp.

MultiAir wins the "Engine Development Team of the Year" award from Automotive Testing Technology International.

OCTOBER

The Daily CNG is named "Green Van of the Year 2009" by a prestigious UK trade magazine and Iveco wins the "Transport Innovation of the Year" award for Blue&Me Fleet, an advanced telematic fleet management system. The Daily is named "Green Commercial of the Year 2009" at the Irish Fleet Transport Awards.

OCTOBER

FPT Powertrain Technologies receives the 'Technobest 2009' award for the MultiAir's innovative technology.

The new 1.3 MultiJet II engine (Euro 5) with the Start&Stop system as standard is made available on the Fiat 500C and Fiat 500.

DECEMBER

Launch of new Fiat Doblò, with renewed styling, range of engines and technical specifications.

In India, three tractor models are launched in the TT range with output ranging from 35-50 hp in both two and four wheel-drive.

FIAT GROUP

Chief Executive Sergio Marchionne meets in Rome with representatives of the Italian government and unions to discuss Fiat's activities in Italy. The meeting focused particularly on Fiat Group Automobiles, as well as on its alliance with Chrysler.

IVECO DECEMBER

In Brazil, Iveco receives "Truck of the Year" award from leading journal *Autodata* for the third year running. This year's recognition is for the medium segment Tector. In China, the new heavy segment Genlyon presented in March, is named "Truck of the Year" in the fleet class by *China Auto News*.

NOVEMBER

"Tractor of the Year" and "Golden Tractor for Design" awards won by New Holland T7070 Auto Command tractor at Agritechnica.

The New Holland T7000 Auto Command tractor and the Case IH Puma CVX named Machine of the Year 2010 in the medium-high power tractor category by the German trade press.

HIGHLIGHTS BY SECTOR

(€ million)	Net revenues 2009	Net revenues 2008 (*)	Trading profit/(loss) 2009	Trading profit/(loss) 2008	Operating profit/(loss) 2009	Operating profit/(loss) 2008	Total operating assets 2009	Total operating assets 2008
Fiat Group Automobiles	**26,293**	26,937	**470**	691	**217**	460	**16,157**	15,958
Maserati	**448**	825	**11**	72	**11**	72	**368**	437
Ferrari	**1,778**	1,921	**238**	339	**245**	341	**1,608**	1,542
Agricultural and Construction Equipment (CNH)	**10,107**	12,781	**337**	1,122	**251**	1,146	**18,346**	19,958
Trucks and Commercial Vehicles (Iveco)	**7,183**	10,894	**105**	838	**(90)**	779	**7,159**	8,097
FPT Powertrain Technologies	**4,952**	7,000	**(25)**	166	**(114)**	162	**4,988**	4,953
Components (Magneti Marelli)	**4,528**	5,447	**25**	174	**(40)**	93	**3,258**	3,123
Metallurgical Products (Teksid)	**578**	837	**(12)**	41	**(14)**	49	**517**	497
Production Systems (Comau)	**728**	1,123	**(28)**	21	**(32)**	-	**567**	751
Other Businesses and Eliminations	**(6,493)**	(8,201)	**(63)**	(102)	**(75)**	(130)	**(941)**	(575)
GROUP	**50,102**	**59,564**	**1,058**	**3,362**	**359**	**2,972**	**52,027**	**54,741**

(€ million)	Total operating liabilities 2009	Total operating liabilities 2008	Capital expenditure(1) 2009	Capital expenditure(1) 2008 (*)	R&D expense(2) 2009	R&D expense(2) 2008	Number of employees 2009	Number of employees 2008
Fiat Group Automobiles	**16,137**	15,184	**1,495**	2,288	**669**	843	**54,038**	52,634
Maserati	**511**	657	**65**	73	**33**	47	**723**	767
Ferrari	**1,843**	1,726	**290**	311	**156**	164	**2,835**	3,017
Agricultural and Construction Equipment (CNH)	**19,000**	20,257	**330**	451	**283**	286	**28,466**	31,521
Trucks and Commercial Vehicles (Iveco)	**7,021**	7,948	**217**	367	**169**	246	**24,917**	27,108
FPT Powertrain Technologies	**3,517**	3,908	**562**	898	**140**	141	**19,638**	20,507
Components (Magneti Marelli)	**2,658**	2,675	**356**	474	**245**	268	**31,628**	33,216
Metallurgical Products (Teksid)	**462**	431	**33**	41	**2**	3	**6,194**	7,600
Production Systems (Comau)	**499**	667	**13**	17	**10**	13	**11,708**	11,445
Other Businesses and Eliminations	**(1,335)**	(2,006)	**25**	59	**(15)**	(25)	**9,867**	10,533
GROUP	**50,313**	**51,447**	**3,386**	**4,979**	**1,692**	**1,986**	**190,014**	**198,348**

(*) Revenue and capital expenditure amounts shown for the Group as well as CNH and Iveco differ from those originally reported due to adoption in 2009 of the amendment to IAS 16, as described in the notes to the financial statements.
(1) Investments in tangible and intangible assets (net of vehicles sold under buy-back commitments and leased).
(2) Includes capitalised R&D and R&D charged directly to the income statement.

MAIN RISKS AND UNCERTAINTIES TO WHICH FIAT S.P.A. AND THE GROUP ARE EXPOSED

RISKS ASSOCIATED WITH GENERAL ECONOMIC CONDITIONS

The Group's earnings and financial position are influenced by various macro-economic factors - including increases or decreases in gross national product, the level of consumer and business confidence, changes in interest rates on consumer credit, the cost of raw materials and the rate of unemployment - which exist in the various countries in which it operates. During 2008, the global economy entered into a period of recession which continued to impact heavily on the first half of 2009. Conditions eased in the second half of the year, due in part to significant measures put in place by major governments and monetary authorities. The significant weakness in general economic conditions resulted in a sharp contraction in demand in the first half of 2009 in the sectors and markets in which the Group operates compared with the prior year's levels. This fall in volumes eased in the second half of the year, and the automobiles business experienced a reversal in the trend, which was aided by government intervention to stimulate demand.

However, despite measures put in place by governments and monetary authorities, or as a consequence of changes in such measures which reduce or eliminate their beneficial effects, should the current global economic weakness and consequent impact on demand for the Group's products - and for the automobile sector in particular - continue in the future, the activities, strategy and future prospects of the Group could be adversely affected with consequent negative impacts on the Group's earnings and financial position.

Additionally, even in the absence of an economic recession or deterioration of credit markets, any macro-economic event - such as increases in energy prices, fluctuations in the price of commodities or other raw materials, adverse shifts in specific factors such as interest and currency rates, changes in government policy (including environmental regulation), outbreak of an epidemic or a contraction in infrastructure spending - potentially having negative consequences for the industries in which the Group operates, could have a material adverse effect on the Group's activities and future prospects, as well as its earnings and financial position. Similar risks exist by virtue of the fact that the Fiat Group operates in industries which have historically been highly cyclical and which tend to reflect the general performance of the economy, in certain cases even amplifying the effect.

RISKS ASSOCIATED WITH FINANCING REQUIREMENTS

The Fiat Group's future performance will depend on, among other things, its ability to meet funding requirements related to debt repayments and planned investments with operating cash flow, available liquidity, renewal or refinancing of existing bank loans and/or facilities and possible recourse to capital markets or other sources of financing.

Although the Group has measures in place to ensure that adequate levels of working capital and liquidity are maintained, further declines in sales volumes could have a negative impact on the cash-generating capacity of operating activities. The Group could, therefore, find itself in the position of needing to seek additional financing and/or refinance existing debt, including in unfavourable market conditions with limited availability of funding and a general increase in funding costs. Difficulty obtaining financing could have a material adverse effect on the Group's activities and future prospects, as well as its earnings and financial position.

RISKS ASSOCIATED WITH THE GROUP'S CREDIT RATINGS

The ability to access the capital markets or other forms of financing and the related costs are dependent, amongst other things, on the Group's credit ratings. Following downgrades by the major rating agencies in the first quarter of 2009, Fiat S.p.A. is currently rated below investment grade with ratings on its long-term debt of Ba1 (with negative outlook) from Moody's Investors Service, BB+ (with negative outlook) from Standard & Poor's Ratings Services and BB+ (with negative outlook) from Fitch Ratings Ltd. Any further downgrade by rating agencies could limit the Group's ability to access capital markets and increase its cost of funding, having an adverse effect on its earnings and financial position.

RISKS ASSOCIATED WITH FLUCTUATIONS IN CURRENCY AND INTEREST RATES

The Fiat Group, which operates in numerous markets worldwide, is naturally exposed to market risks stemming from fluctuations in currency and interest rates. Its exposure to currency risk is mainly connected to the geographic distribution of its manufacturing and sales activities, which result in cash flows from its export activities being denominated in currencies different from those connected to its production activities. In particular, the Group's principal exposure is to net exports from the euro zone to other currency areas (principally the U.S. dollar and the British pound) and to exports from Poland to the euro zone.

The Fiat Group uses various forms of financing to cover the funding requirements of its industrial activities and financing offered to customers and dealers. Changes in interest rates can increase or reduce the cost of financing and/or interest margins of the financial services companies.

Consistent with its risk management policies, the Fiat Group seeks to manage risks associated with fluctuations in currency and interest rates through the use of financial hedging instruments. Despite such hedges being in place, sudden fluctuations in currency or interest rates could have an adverse effect on the Group's earnings and financial position.

RISKS ASSOCIATED WITH THE POLICY OF TARGETED INDUSTRIAL ALLIANCES

The Group has several joint ventures and industrial alliances in place for the purpose of optimising its capital commitments, reducing risk and accessing new markets and it intends to continue seeking opportunities for further such alliances.

In 2009, Fiat signed an agreement with Chrysler Group LLC to create a global strategic alliance, and subsequently launched related operating activities. Through the agreement, both partners seek to achieve the critical mass necessary to position themselves among the sector's leading operators at the global level, expanding geographically and, through the sharing of technology and know-how, offering a full range of products.

At this stage, there can be no assurance that the Group will succeed in establishing or maintaining such industrial alliances or that transactions entered into will be devoid of industrial, technical, operational, financial, regulatory or political risks. Neither can there be any assurance that such transactions will produce the synergies, expanded product offering, cost reductions or benefits expected, which could have material adverse consequences on the Group's business prospects, earnings and financial position.

RISKS ASSOCIATED WITH RELATIONSHIPS WITH EMPLOYEES AND SUPPLIERS

In many countries where the Group operates, Group employees are protected by various laws and/or collective labour agreements which guarantee them, through local and national representatives, the right of consultation on specific matters, including downsizing or closure of production units and reductions in personnel. The laws and/or collective labour agreements applicable to the Group could impair its flexibility in reshaping and/or strategically repositioning its business activities. Fiat's ability to reduce personnel or implement other permanent or temporary redundancy measures is subject to government approvals and the agreement of the labour unions. Industrial action by employees could have an adverse impact on the Group's business activities.

Furthermore, the Group purchases raw materials and components from a large number of suppliers and relies on services and products provided by companies outside the Group. Some of these companies are highly unionised. Close collaboration between a manufacturer and its suppliers is common in the industries in which the Group operates and although this offers economic benefits in terms of cost reduction, it also means that the Group is reliant on its suppliers and is exposed to the possibility that difficulties, including those of a financial nature, experienced by those suppliers (whether caused by internal or external factors) could have negative effects on the Group.

RISKS ASSOCIATED WITH MANAGEMENT

The Group's success is largely dependent on the ability of its senior executives and other members of management to manage the Group and the individual Sectors effectively. The loss of any senior executive, manager or other key employee without an adequate replacement or the inability to attract and retain new, qualified personnel could therefore have an adverse effect upon the Group's business prospects, earnings and financial position.

RISKS ASSOCIATED WITH THE HIGH LEVEL OF COMPETITIVENESS IN THE INDUSTRIES IN WHICH THE GROUP OPERATES

Substantially all of the Group's revenues are generated in the automotive industry, which is highly competitive and includes the production and distribution of passenger cars, trucks and commercial vehicles, agricultural and construction equipment and automotive-related components and production systems. The Group faces competition from other international automotive and commercial vehicle manufacturers in Europe and Latin America and from global, regional and local agricultural and construction equipment manufacturers, distributors and component suppliers in Europe, North America and Latin America. These markets are highly competitive in terms of product quality, innovation, pricing, fuel economy, reliability, safety, customer service and financial services.

Competition, particularly in pricing, has increased significantly in several of the Group's areas of activity in recent years. In addition, partly as a result of the contraction in demand for automobiles, current global production capacity for the automotive industry significantly exceeds demand. This overcapacity, combined with high levels of competition and weakness of major economies, could intensify pricing pressures.

Should the Group be unable to adapt effectively to external market conditions, this could have an adverse effect on its activities and future prospects, as well as its earnings and financial position.

RISKS ASSOCIATED WITH SALES IN INTERNATIONAL MARKETS AND EXPOSURE TO CHANGES IN LOCAL CONDITIONS

A significant portion of the Group's existing activities are conducted and located outside of Italy and the Group expects that revenues from sales outside Italy – and, more generally, outside of the European Union – will account for a continually increasing portion of its total revenues. The Group is subject to risks inherent to operating globally, including those related to:

- exposure to local economic and political conditions;
- import and/or export restrictions;
- multiple tax regimes, including regulations relating to transfer pricing and withholding and other taxes on remittances and other payments to or from subsidiaries;
- foreign investment and/or trade restrictions or requirements, foreign exchange controls and restrictions on repatriation of funds;
- the introduction of more stringent laws and regulations.

Unfavourable developments in any one of these areas (which may vary from country to country) could have a material adverse effect on the Group's activities and future prospects, as well as its earnings and financial position.

RISKS ASSOCIATED WITH ENVIRONMENTAL AND OTHER GOVERNMENT REGULATION

The Group's products and activities are subject to numerous environmental laws and regulations (local, national and international) which are becoming increasingly stringent in many countries in which it operates (particularly in the European Union). Such regulations govern, among other things, products – with requirements for emissions of polluting gases, fuels and safety becoming increasingly stricter – and industrial plants – with requirements for emissions, treatment of waste and water and prohibitions on soil contamination. The Group expects it will continue to incur substantial costs in order to comply with such regulations.

In addition, government initiatives to stimulate consumer demand for products sold by the Group, such as changes in tax treatment or purchase incentives for new vehicles, can substantially influence the timing and level of revenues. The size and duration of such government measures is unpredictable and outside of the Group's control. Any adverse change in government policy relating to those measures could have a material adverse effect on the Group's activities and future prospects, as well as its earnings and financial position.

RISKS ASSOCIATED WITH THE ABILITY TO OFFER INNOVATIVE PRODUCTS

The success of the Fiat Group's businesses depends on their ability to maintain or increase share in existing markets and/or to expand into new markets through the development of innovative, high-quality products that are adequately profitable. In particular, failure to develop and offer innovative products that compare favourably to those of the Group's principal competitors in terms of price, quality, functionality and features, or delays in bringing strategic new models to market, could result in reduced market share, having a significantly material adverse effect on the Group's earnings and financial position.

RISKS ASSOCIATED WITH OPERATING IN EMERGING MARKETS

The Fiat Group operates in a number of emerging markets, both directly (e.g., Brazil and Argentina) and through joint ventures and other cooperation agreements (e.g., Turkey, India, China and Russia). The Group's exposure to these countries has increased in recent years. Economic and political developments in emerging markets, including economic crises or political instability, could have a material adverse effect on the Group's activities and future prospects, as well as its earnings and financial position.

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Fiat S.p.A., as Parent Company of the Group, is exposed in substance to the same risks and uncertainties as those described above for the Group.

RESEARCH AND INNOVATION

To promote sustainable mobility on multiple fronts, the Fiat Group conducts its research and innovation activities through the Centro Ricerche Fiat (C.R.F.) and Elasis, which are coordinated at strategic level by the Group Executive Council.

Development activities are primarily carried out on behalf of the various Sectors.

In 2009, expenditure on research and development[1] totalled approximately €1.7 billion, equivalent to 3.5% of net revenues from industrial activities. Approximately 14,000 people are dedicated to R&D activities at more than 117 centres.

CENTRO RICERCHE FIAT (C.R.F.)

Profile

C.R.F. was established in 1978 as the Group's centre of expertise for innovation, research and development. Now an internationally recognized centre of excellence, C.R.F.'s work constitutes a strategic lever for the Group's businesses, enhancing performance through the development and transfer of innovative content which makes the Group's products both competitive and distinctive.

In addition to its headquarters in Orbassano on the outskirts of Turin, C.R.F. has three other centres located in Bari, Trento and Foggia, as well as a controlling interest in CRP, the plastics and optics research centre in Udine, which focuses on advanced research in optics and plastics for automotive lighting systems. C.R.F. also works in close synergy with CSST, the centre for the study of transportation systems in Turin. With around 800 employees, C.R.F. draws on a broad array of technical skills, in addition to a series of state-of-the-art laboratories for testing powertrain systems and electromagnetic compatibility, conducting NVH analyses and driving simulations, and developing materials and processes, optoelectronics and microtechnologies.

C.R.F. has achieved significant results over the years, as demonstrated by the 29 new patent applications filed in 2009, bringing the total number of patents it holds to over 2,300, with a further 500 patents currently pending. At international level, C.R.F. has had more than 70 projects approved under the EU's Seventh Framework Programme for 2007-2013. Its status as a well-recognised European research centre together with its recognised expertise in systems and extensive presence throughout Italy have also led to its participation in many public-private partnerships (PPPs) set up to focus public and private research on areas of common interest such as industrial applications both at the national level (Basilicata Campus, Abruzzo, Cassino) and European level (Green Car Initiative, Factories of the Future). C.R.F. has also developed a global network of more than 160 universities and research centres, and more than 1,000 industrial partners around the world. This network further strengthens the centre's global innovation strategies, the implementation of specific activities locally, creation of know-how and continuous monitoring to enhance competitiveness and further development in areas such as motor vehicles and components, energy, safe and ecological mobility, telematics, innovative materials and application technologies, mechatronics and optics, as well as the work on innovative powerplants, alternative propulsion systems and transmissions (conducted through the Powertrain Research and Technology unit of FPT Powertrain Technologies).

Further information is available at www.crf.it

(1) Includes capitalised R&D expenditure and R&D charged directly to the income statement.

Focus

C.R.F. is particularly active in research in the area of sustainable mobility and applies a systematic approach to developing innovative solutions that embody a 360 degree concept of mobility. This includes minimizing consumption and emissions through innovative propulsion technologies, as well as lowering fuel consumption by improving overall vehicle efficiency through measures ranging from the use of lighter materials, enhanced aerodynamics, infomobility, the use of ecological and recyclable materials, in addition to reducing traffic congestion and noise and ensuring manufacturing processes are eco-compatible.

In addition to alternative fuels and propulsion systems, C.R.F. also conducts research in other areas of particular significance such as energy saving and energy efficiency in relation to both products and manufacturing processes. Of particular importance on the product front are innovative solutions for air-conditioning systems which both lower consumption and reduce the direct greenhouse effect (refrigerant gas emissions). In addition, C.R.F. has a series of research projects in auxiliary systems and, more generally, vehicle energy recovery and management systems (electrical, thermal and hydraulic energy) aimed at improving efficiency and contributing to achievement of new energy saving standards. As with product-focused research, the objective for manufacturing processes is to design, build and adapt systems, processes or plants applying energy saving criteria and low environmental impact technologies, based on a model of environmentally-friendly manufacturing.

C.R.F. is also bringing significant innovation to infomobility, both in terms of the design and implementation of collaborative systems (based on communication between vehicles and infrastructure) to enable safe and sustainable mobility in the future and services for end customers (based on the Blue&Me™ platform) that assist drivers to adopt a driving style which reduces fuel consumption and emissions.

C.R.F.'s activities are focused on the following areas.

Powertrain Research and Technology

The principal objective is the development and application of innovative technologies which improve powerplant performance, cutting engine and vehicle emissions and improving fuel economy. The main achievements in 2009 include:

- **Fire MultiAir engine.** In March 2009, the MultiAir technology was presented to the industry and the media. This new electro-hydraulic valve management system reduces fuel consumption (through direct control of airflow through the engine's intake valves, without engaging the throttle) and polluting emissions (through combustion control), while at the same time improving performance by increasing torque and maximum power. September saw the commercial launch of the first application of this new electro-hydraulic valve management system with the naturally-aspirated and turbo versions of the 1.4-litre FIRE gasoline engine. This is the first in a series of forthcoming applications for gasoline engines, which will include the new 900 cc twin-cylinder engine from the Small Gasoline Engine family. In the future, MultiAir may also be adapted to diesel engines, bringing particular advantages in terms of emissions, as well as consumption and driveability.
- **Heavy Duty diesel engines with MultiAir technology.** The MultiAir technology is very flexible in terms of application to internal combustion engines and also has significant potential for application to Heavy Duty (HD) diesel engines (with displacement above 1 litre) used in both commercial and off-road vehicles, such as agricultural and construction equipment. In light of increasingly restrictive regulations to be introduced on heavy duty engines for both on-road (Euro VI and EPA 10) and off-road vehicles (Stage 3B/Stage 4 and Tier IV) over the next few years - in particular, the requirement to comply with limits on nitrogen oxide (NOx) emissions, which will be reduced 80% over current limits - it will be necessary to adopt after-treatment systems for NOx emissions that are significantly more efficient than those currently in use. The application of MultiAir technology to heavy duty diesel engines will reduce consumption of both fuel and urea (necessary for the functioning of the SCR system (consisting of tank, line and dosing valve), which represents a significant cost factor for off-road vehicles, for example. In 2009, the Group launched a project to apply MultiAir technology to one of the Cursor family engines in an effort to obtain an initial evaluation of its potential benefits by the end of 2010. This prototype application has also been designed to be fully compatible with the CNG (Compressed Natural Gas) version of the engine, where the benefits of the MultiAir system have already been demonstrated.
- **Turbo twin-cylinder CNG engine with MultiAir technology.** In 2009, FPT Powertrain Technologies completed the pre-production phase of the 900 cc twin-cylinder bifuel engine (CNG/gasoline). Development began with the twin-cylinder gasoline model (or Small Gasoline Engine), which represents the ultimate embodiment of the concept of downsizing to reduce CO_2 emissions to minimum levels. A high degree of efficiency is assured through adoption of the MultiAir system for management of the air intake valves, large engine displacement to maximise thermodynamic efficiency, a minimum number of cylinders for minimal organic losses, and a design that employs the latest standards for minimising internal friction. Compared with existing naturally-aspirated CNG versions, the turbo provides an additional 'fun-to-drive' performance factor. Finally, the engine is flexible, economic and has very low CO_2 emissions.

- **New S30 F1C 3.0-litre Bifuel TC engine (CNG/gasoline).** The S30 (F1C) 3.0-litre, 4-cylinder, 16-valve Bifuel Turbo engine (CNG/gasoline), which has now entered production, is based on a combination of spark ignition stoichiometric CNG engine technology with supercharging and the bifuel concept, which enables the vehicles to operate on gasoline as backup in the event that CNG refuelling is not readily accessible. The existing CNG engine was optimised to achieve performance comparable to some diesel versions (100 kW and maximum torque of 350 Nm at 1500 rpm) and to reduce fuel consumption and emissions, particularly of NOx and CO_2.

  The S30 Bifuel Turbo engine has not only bridged the performance and reliability gap that separated heavy duty CNG engines from their heavy duty diesel counterparts, it has also demonstrated a clear advantage in terms of emissions without significant increases in costs. In road tests, running costs were shown to be 30%-40% lower than for an equivalent diesel. Work carried out by C.R.F. (Orbassano and Foggia) during 2009 enabled production on versions of the S30 Bifuel Turbo engine for application on the Ducato and the Daily to be launched and also led to making the engine compatible for use with biomethane, as well as CNG/hydrogen blends (up to 30% hydrogen by volume) for the subsequent launch of pilot fleets already planned for Italy.

- **First Italian fleet of CNG/hydrogen-powered vehicles.** The use of CNG/hydrogen blends represents a key step toward the use of pure hydrogen. Using technologies developed for large scale application to CNG, emissions of CO2, hydrocarbons, carbon monoxide and nitrogen oxides can be reduced significantly. During 2009, development was completed on an experimental fleet for the Region of Lombardy, consisting of 20 Fiat Pandas (Natural Power) which run on a blend of 30% hydrogen and 70% CNG (by volume). During the trial, a data acquisition system on board each vehicle will collect the necessary data to monitor the correct functioning of the vehicles and record the level of fuel consumption and CO_2 emissions.
  Research into CNG/hydrogen blends also includes development of a Hydromethane EcoDaily as part of an experimental programme with Autostrada del Brennero S.p.A. This project represents a further step towards sustainable mobility, as the hydrogen used in the blend is produced from the energy surplus of a hydroelectric power plant.

Advanced Technology for Mobility and Safety

The principle objective of this activity is to guarantee Fiat Group the technical know-how in secondary systems, electronics, telematics and preventive safety necessary to improve mobility by making vehicles safer, more versatile and more eco-compatible. Major achievements in 2009 included:

- **Active/passive safety systems integrated with infomobility technology.** One of the existing challenges for mobility is the temporal and spatial extension of driving safety through the use of wireless Vehicle-to-Vehicle and Vehicle-to-Infrastructure communication technologies. The European Commission considers road safety and effective traffic management to be high-priority issues and, as such, has given significant support to various research projects focused on the development technologies and applications based on collaborative systems.

  Three large projects (SAFESPOT, CVIS and COOPERS) and numerous others co-financed by the European Commission are developing technologies and an integrated, interoperable architecture for the development of information exchange network which will enable sustainable mobility for the future. C.R.F. coordinates Europe's largest collaborative vehicle project, SAFESPOT, which is a partnership of 52 companies from all over Europe. The objective is to develop technologies to create an interoperable communications network connecting vehicles and road infrastructure. In partnership with the Car-2-Car Communication Consortium, the SAFESPOT project has identified technologies and communication protocols that meet specific requirements for application to solutions that will improve road safety.

- **ABS Supersteer™ system.** The result of a partnership between New Holland Innovation in Modena and C.R.F., this system is specifically designed for agricultural applications and combines various innovations such as: a pneumo-hydraulic braking system; ABS control specifically developed for the most critical braking conditions for a tractor (e.g., conditions of asymmetric traction); standard functions for use in the field (e.g., steering lock and automatic braking, hill holder, etc). At Agritechnica 2009 in Hannover, Europe's largest agricultural equipment show, the ABS Supersteer™ system was awarded the Silver Medal for Innovation.

- **Low environmental impact auxiliary systems.** During the year, C.R.F. continued testing innovative climate control systems that minimize environmental impact and energy consumption, while at the same time increasing efficiency.

  On the consumption side, Smart Cooling is being developed as an integrated management system for all thermal flows, resulting in a clear improvement in the total energy usage and a 5% reduction in consumption measured by the NEDC (New European Driving Cycle) standard. In the Smart Cooling system, the traditional condenser and intercooler are replaced with water exchangers located within the engine cavity and served by a secondary low-temperature water and glycol circuit (at approximately 50°C). Given that there is only one fluid in the front section of the vehicle, the system can actively manage the division of the heat exchange surface between the engine cooling circuit (at 90°C) and the low-temperature circuit.

Again for the purpose of reducing emissions, and also to comply with the EU regulation which bans, beginning in 2011, use of the current refrigerant R134a in favour of fluids with a lower greenhouse effect, C.R.F. has, as part of the European TOPMACS project, developed an air-conditioning system that works with heat recovered from the engine cooling system to power a heat pump based on the adsorption of liquids on a solid matrix. This system, powered by a solar panel or heat from a type of boiler already used in some vehicles as an auxiliary heater, provides air conditioning even when the engine is off, enabling the vehicle interior to be pre-air-conditioned or, for large commercial vehicles, actually enabling the cabin to be air-conditioned during overnight stops. Finally, C.R.F. continued research and development of heat conversion systems, based on a variety of technologies, that can be integrated into the engine and vehicle systems.

Other research related to the use of nanotechnology to improve the efficiency of heat recovery from exhaust gases and conversion into electricity.

Advanced vehicles, materials and processes

The objective is to improve the environmental performance of vehicles and the vehicle manufacturing process through the development of economically sustainable product and process solutions.

The most significant achievements in this area during 2009 include:

- **Materials for lighter vehicles.** In 2009, the prototype of a light body shell was unveiled at Wolfsburg, the final result of the European SuperLightCar project, in which C.R.F. and Comau jointly developed the assembly process for the concept car, reconciling technological feasibility and product engineering for mass production.

  The challenging objective for this four-year project, coordinated by Volkswagen with the participation of 38 partners (including the main European OEMs), was to reduce the weight of a standard body shell by 35%, which was achieved through extensive use of multi-material structures based on the performance and stylistic characteristics required: high-resistance steel, aluminium, magnesium (both in cast and sheet form) and thermoplastics (pressed and pultruded) combined using innovative welding, adhesive bonding and mechanical joining technologies.

- **Environmentally friendly and recycled materials.** In 2009, C.R.F. continued in its commitment to evaluate the environmental impacts and, in particular, the carbon footprint of designing and producing plastic components for interiors. Testing started on moulding biopolymers - polymers obtained from renewable sources (green chemicals) rather than petrochemicals, enabling a significant reduction in CO_2 emissions - while testing continued on components for vehicle interiors made out of plastics reinforced with natural fibres and new tests were launched to explore the feasibility of using recycled plastics from end-of-life vehicles, such as polypropylene from bumpers and rubber dust from tyres.

- **Highly energy-efficient production processes.** C.R.F. continued the “Green Factories” project whose objective is to develop models for analysing and optimising the energy efficiency of production processes. An analysis was conducted on the following plants: Automotive Lighting Italia (Venaria), Fiat Group Automobiles Mirafiori (Turin) and FPT Powertrain Technologies (New Engine Family Iveco, NEF, Turin). At each site, concrete opportunities were identified to reduced energy consumed by production processes through, for example, optimised control of machine operating cycles and the most appropriate tooling (in the case of NEF). The issue was also addressed through the European Next project, which saw development of the first models and instruments for predicting energy consumption of machinery and the environmental impact throughout their life cycle. Measures to improve existing processes were accompanied by a study of new processes as alternatives to those with the highest levels of energy consumption, such as painting. In this area, C.R.F. is a participant in the European MUST project, which aims to decrease energy consumption by reducing painting cycles through the use of special primer treatment or cataphoresis with nano-additives.

- **Micro and nanotechnologies for environmentally-friendly manufacturing.** Again with a view to reducing energy consumption at plants, C.R.F. worked on the targeted use of micro- and nanotechnologies to maximise energy efficiency and achieve savings. For lighting, research looked at high-efficiency optical solutions based on high-output LED sources, while the positioning of LED sources and their ground lighting profile was optimised based on user requirements. For thermoelectric systems, innovative materials were employed to convert thermal energy directly into electricity to recover waste heat from thermal processes. Lastly, the potential for recovering vibrational and photoelectric energy to power local electronic devices was evaluated. This technology also enables construction of networks of wireless sensors which can be used to enhance energy management for each individual stage of a process.

ELASIS

Established in 1988 at the initiative of the Fiat Group, Elasis is a limited liability consortium company. A leader in advanced engineering, it focuses on the development of human and technological potential in Italy and the Mediterranean region. Its mission is to make a distinct contribution to the competitiveness of the Fiat Group, its partner in product innovation and development, by applying original methodologies and creative technological solutions based on its know-how, leveraging the skills of individuals and strengthening relationships with the research community and the local area.

Elasis directly employs approximately 1,200 researchers and technicians, with an average age of just over 35, at three different sites which, in line with Fiat Group strategy, are located in both the north and south of Italy: Elasis R&D in Pomigliano d'Arco (near Naples), Elasis P&PD (Turin) and the Elasis Centre (Lecce).

Beginning with industrial research, Elasis develops all phases of product and process engineering. It also has design and calculation tools, as well as virtual and physical test laboratories, which are among the most advanced in Europe. Activities related to engines and transmissions are carried out as part of the development projects of FPT Powertrain Technologies.

In 2009, Elasis continued its strategy of expanding the research/innovation value chain and of promoting local development. This included working together in consortia with universities and private institutions on basic research and training, continuing its traditional research on mobility and the related environmental impacts. Its recognised expertise has also led to its participation in many PPPs (public private partnerships) set up to focus public and private research on areas of common interest such as industrial applications at national level (Basilicata Campus, Abruzzo, Cassino). In addition, Elasis has fostered integration with the skill base existing among local SMEs, promoting collaboration on wide-ranging projects in partnership with the association of industrial companies in Naples (*Unione degli Industriali*) and chambers of commerce throughout southern Italy.

Further information is available on the website www.elasis.it.

In 2009, the main activities and achievements included:

- **Innovative product and process methodologies.** During the year, Elasis continued working on new product/process development methodologies for Fiat Group Sectors aimed at reducing time-to-market and improving the quality of the final product.

  Relating to body design, semi-automatic software tools (archetypes) were produced to enable leveraging of in-house expertise, transforming it into versatile design systems to enhance the quality of 3D mathematical models and considerably reduce development times beginning from the very initial concept phase.

  The extensive use of virtual simulations enabled aspects that are normally only considered at an advanced stage of vehicle development to be tackled much earlier, such as dynamic thermofluid flows (for new cars, as well as agricultural and construction equipment), the fuel filling system (with an analysis of potential problems linked to fuel flowback or interruption of the filling process), and overtaking manoeuvres (with an analysis of the aerodynamic forces at play on vehicles in motion).

  Lastly, constant attention to ergonomic workstations led to the development, in 2009, of innovative methodologies at production sites and an important "motion capturing" technique for the ergonomic analysis of manual operations on an automotive line.

- **Vehicle research.** In 2009, research and development activities at Elasis ranged from light commercial vehicles to high-performance cars. Vehicles included the new Fiat Fiorino, the new Fiat Doblò, the Alfa Romeo 8C Spider and the Ferrari 458 Italia.

  Elasis worked on the planning, design and production launch of a CNG fuel system for the Fiat Fiorino, including installation process.

  Another important achievement was the new Fiat Doblò. Developed by a joint team from FGA, Elasis and Tofas, the new Doblò aims to offer best-in-class safety, use of space and ergonomics. This model will also be equipped with a Natural Power fuel system developed by Elasis.

  For Alfa Romeo, Elasis successfully completed design and testing of the 8C Spider, an exclusive supercar whose production will be limited to 500 units. For Ferrari, the centre was involved in the development and production launch of the 458 Italia, which is built with several innovative materials including lithium-magnesium alloys.

  Lastly, the design of bodywork and internal components for the new AC four-door sedan has been brought forward to the approval stage. This will be the first car to bear the GAC (Guangzhou Automotive Corp.) brand and it was developed on the Alfa Romeo 166 platform, under licence from FGA.

Research and development in the area of road safety included a series of initiatives by Elasis such as innovative driver assist systems that alert drivers if they have exceeded the alcohol limit or are exhibiting signs of tiredness. As part of those initiatives, a number of partnerships were formed with medical component suppliers for the transfer of new medical technologies to the automotive sector.

For drink driving, a prototype for continuous monitoring of a driver's blood alcohol level was created and a series of test conducted to compare the measurement data generated by that system against those recorded using official measuring instruments. Analyses and initial tests are also being conducted on devices to prevent drivers from "dozing off".

- **Electronic control systems.** Elasis continued development of instruments for the design and simulation of electrical systems for the Fiat Group. This included support to Fiasa and Chrysler. In particular, a new design tool was created that can automatically generate electrical circuit diagrams based on existing design data. The new tool was tested on a pilot project and then, in November 2009, was officially adopted by FGA for all new projects.

  For CNH, the Virtual Tractor was also used for the first time. This "hardware-in-the-loop" simulator, designed to test software used in on-board control units, forms part of the Model Based Engineering (MBE) project. This methodology, already in wide use in the automotive sector, offers all the advantages of developing and validating control software in a virtual environment, making the process both faster, compared to creation of physical prototypes, and more reliable, as testing is performed in laboratory conditions.

- **The Fire family.** Elasis was involved in engineering the production process for the Fire MultiAir engine, which is being used for the first time in the Alfa MiTo (105, 135 and 170 hp models).

- **Small Gasoline Engine.** Elasis also continued work on the Small Gasoline Engine (SGE), which will enter production in 2010 (in both turbo-charged and naturally-aspirated versions) and provides a significant reduction in CO_2 emissions.

- **C635 transmission.** Lastly, the C635 transmission was tested and the MT version (manual) went into production. Elasis also continued work on development and application of the dual dry clutch version, whose first application will be on the Alfa MiTo in 2010.

- **ICT for product/process development.** Elasis continued to play a key role in supporting Fiat Group companies in the definition of methods and solutions for product development and related processes. Its involvement in Product Lifecycle Management initiatives and, more generally, in the Virtual Product Development programmes of CNH, FPT and Iveco, saw Elasis make a significant contribution to the standardisation of ICT solutions and cross-sector sharing of best practice aimed at fostering innovation and commercial competitiveness.

  Also of note was the creation of archetypal structures and software automation procedures capable of incorporating design know-how into CAD models, and support in the development and standardisation of product data configuration, definition and management solutions.

  Finally, to facilitate the activities of C.R.F. and Elasis, the ICT department undertook a large-scale implementation and roll out of the latest communications and real-time collaboration methodologies and technologies which will enable maximum effectiveness of innovation and research activities and the management of geographically dispersed teams to best leverage the available expertise.

HUMAN RESOURCES

At 31 December 2009, the Group had 190,014 employees, a decrease of 8,334 over the 198,348 figure at year-end 2008. Reductions in headcount were reported in almost all countries where the Group operates. Those reductions were more significant in the first half of the year and were primarily attributable to the fall in production volumes. Of the 24,600 departures recorded, concentrated predominantly in the first half, the majority were in Latin America and Europe, while over 50% of the approximately 15,100 new hires, which occurred predominantly in the second half, related to Group companies in Latin America and resulted from the recovery in the market and consequent increase in production volumes.

Changes in the Group's scope of operations resulted in a net increase of about 1,200 employees, primarily related to the acquisition of the activities of Carrozzeria Bertone in Italy by Fiat Group Automobiles and a net increase from disposals and insourcing by Comau's Service business line in Latin America, both of which were partially offset by the sale of Ergom France by Magneti Marelli.

ORGANISATIONAL AND MANAGERIAL DEVELOPMENT

The Group's organisational configuration remained essentially unchanged with respect to the prior year. The alliance with Chrysler, the most significant new development during the year, lead to the creation of combined working groups and the sharing of experience and know-how, but did not result in any structural changes to the organisation. The Group maintained a two-pronged organisational approach, focusing on both the business (Sectors and brands) and principal business processes. As Group-level roles for the coordination of business processes have become established, their ability to influence business decisions has been enhanced as has the ability to oversee the management of individuals, particularly those with high potential, through the Talent Review process. Some organisational changes took place at Sector level and were generally oriented toward creating synergies to facilitate cost containment measures associated with the reduction in business volumes. The Performance and Leadership Management process, in place for several years and now including all managers and professionals, continued to serve as the basis for all personnel management decisions.

During 2009, a new application was launched in several countries (first phase of roll-out), that will enable information on individuals and entities within the Fiat Group to be integrated into a single, global database by year-end 2010.

Training

Investment in training to support the Group's activities and individual professional development totalled around €48.9 million for the year.

Fiat Sepin's Training unit provided training, consulting and professional support equivalent to a total 10,410 days of training and 'on-the-job' support. A further 17,382 hours of web-based distance learning were also provided to 5,971 users.

Grants and Scholarships

The Fiat Grant and Scholarship Programme for children of Group employees was a well-received initiative once again this year. In 2009, 566 grants and scholarships were awarded (159 in Italy) for a total of €1,089,700. In addition to Italy, recipients were also located in France, Spain, Poland, Belgium, England, Brazil and North America: all countries where the Group has a significant presence.

INDUSTRIAL RELATIONS

During the year, a constant dialogue was maintained with trade unions and employee representatives at company level to achieve consensus-based solutions to manage the impact on workers of measures taken to respond to the change in market conditions brought about by the global economic and financial crisis. The significant market contraction affecting all industrial sectors meant that, in addition to the gradual reduction of fixed-term and agency workers, it was also necessary to implement large-scale production stoppages, utilising vacation banks and, where available, temporary layoff benefit schemes or other measures based on collective agreements or company policy. Nearly all Sectors within the Group undertook restructuring and reorganisation during the year.

There was also intensive **collective bargaining** at various levels, resulting in major **agreements** being reached with trade unions on pay and employment conditions in countries where Group companies are located.

Social dialogue

At the **European** level, the Fiat Group **European Works Council (EWC)**, a representative body for Group employees in the European Union, took part in information and consultation on the Group's activities, as provided under EU Directive 1994/45/EC (now incorporated in Directive 2009/38/EC), with particular reference to those issues having a transnational impact. The EWC, established in 1997, has 30 members and its composition reflects the geographic distribution of Group employees in Europe. A meeting was held with the EWC's select committee in May. At the annual plenary meeting, held on 26 and 27 November 2009, management representatives gave a presentation of Group results, conditions and trends in the market, and sales performance for the year. There was also an explanation of measures put in place to confront the current economic downturn and, for certain Sectors, plans for reduction of the workforce related to the rationalisation of overhead costs or a transfer of activity.

In **Italy**, dialogue with the trade unions continued at both national and local level and was primarily focused on managing the significant decline in business volumes and consequent under-utilisation of production capacity. Also in 2009, there were two important meetings at Palazzo Chigi in Rome with representatives of national and local government and the trade unions. At the first meeting on June 18th, the Italian Prime Minister was also in attendance. At that meeting, the Chief Executive outlined the situation of the Group, measures being employed to respond to the contraction in the Group's core markets, as well as production allocations for 2009 and 2010, with particular reference to the Italian manufacturing plants of Fiat Group Automobiles, Iveco and CNH. For CNH's Construction Equipment business, given the significant drop in demand and the medium term outlook for the market, it was underscored that a thorough reorganisation would be required to ensure current production remains in Italy, to rationalise current plants to improve capacity utilisation and to define a plan to manage redundancies. At the second meeting on December 22nd, the Chief Executive outlined the industrial plan for Italy for 2010 and 2011, as well as the conditions necessary for the realisation of that plan. The CEO confirmed that the plant at Termini Imerese would discontinue auto production in 2011 and stated that, as there was no internal solution which would guarantee future employment for workers at the site, the Group stood ready to collaborate with government and unions, supporting viable proposals for conversion of the site which might be put forward by the Region of Sicily, other local authorities or private sector groups.

Management of production levels

Group production continued to be heavily influenced by extremely turbulent and volatile markets with erratic demand, such as for FGA in Europe, or depressed demand, such as for trucks and construction equipment. During 2009 also the agricultural equipment market experienced a significant fall in demand in both the tractor and combine segments.

The components Sectors were also impacted by the effect of the crisis on production levels at customer plants, both Fiat Group and external, although the level of impact varied between business lines.

In **Italy**, the Group made ample use of the temporary layoff benefit scheme. At 11 plants, employing approximately 11,000 workers, the scheme limits (52 weeks in any rolling 2-year period) were reached and recourse was made (as provided for under social emergency legislation) to the extraordinary temporary layoff benefit scheme (CIGS) which provides for a further 12 months coverage for company crisis due to sudden and unforeseeable events.

For FGA, government initiatives in the form of eco-incentives to consumers adopted in many European countries during 2009 to stimulate demand had a positive flow-through effect including for some of the Group's Italian plants, resulting in a reduction in the use of the temporary layoff benefit scheme and, in some cases, making it necessary to resort to overtime, or to transfer or second employees from other sites and companies where production stoppages were in effect, in order to respond to the increase in orders for certain models.

Under these extremely difficult circumstances, the Group succeeded, nonetheless, in converting 530 fixed-term contracts and 830 apprenticeship contracts into unlimited term employment contracts.

Outside Italy, production stoppages were also necessary to respond to the significant deterioration in volumes. Almost all Sectors utilised *Chômage Partiel* in France, *Expediente de Regulación de Empleo* in Spain and *Kurzarbeit* in Germany. In the United States, CNH instituted temporary layoffs at its plants in Wichita, Burlington and Calhoun, all belonging to the Construction Equipment business. Suspension of production activities, which took various forms, also involved the plants of certain Sectors in other countries, such as Poland, Belgium and the UK.

In Brazil, workforce reductions were made in the first quarter, primarily for blue collars, in response to the drop in production volumes attributable to the economic crisis, which began to ease in the second quarter. The reversal in the trend resulted in an increase in plant output and, consequently, a return to hiring and use of overtime.

In Poland, a significant increase in production volumes for Fiat Group Automobiles, driven by the introduction of eco-incentives and satisfied in large part through extensive use of overtime, also had a favourable impact on employment levels.

Restructuring and reorganisation was carried out in **Italy** and involved, in addition to measures to concentrate production for the Construction Equipment segment in two of the three existing plants, as mentioned previously, the principal Sectors where, pursuant to various agreements with the unions, redundancy programmes were established involving about 1,000 employees (primarily white collars) in 2009 and the first half of 2010. These are all employees who would become eligible for retirement during the period covered by *mobilità* (Government benefit scheme applicable to employees affected by collective redundancies for a duration of 3 years in northern Italy and 4 years in the south). In **Spain**, Iveco reached an agreement with the unions which allows for a reduction of approximately 350 employees at its plant in Madrid, including through early retirement. In **France**, restructuring was primarily handled through voluntary redundancy programmes and involved the FPT plants in Burbon Lancy and Garchizy, Magneti Marelli's Electronic Systems business line and the Comau plant at Castres. CNH initiated information and consultation procedures at CNH France in relation to the planned headcount reduction of 46 in the commercial area of its construction equipment business, while in the **USA**, it downsized the workforce including through a programme of voluntary redundancies. In the **UK**, CNH undertook a restructuring and reorganisation of its product development activities, following transfer of those activities to Italy, and in manufacturing, as a result of the decline in business volumes. Approximately 200 employees were affected.

In **Germany**, Iveco reduced the workforce by about 200 following an agreement reached with unions which also provides for use of early retirement. Also of note is the Lighting business line (Magneti Marelli) business line's planned relocation of pre-production for headlights and electronic components from Reutlingen (Germany) to Jilhava (Czech Republic) and Brotterode (Germany) respectively, involving some 130 employees.

World Class Manufacturing (WCM)

During the year, the Group continued its gradual rollout of the World Class Manufacturing programme at all Group plants. The integrated WCM model has been introduced at 114 plants where it is applied to all production processes, optimising performance through the enhancement of processes, improvements in product quality, control and continued reduction of production costs, flexibility in responding to market demand and customer requirements, as well as the involvement and motivation of employees. In 2009, following specific external audits, 23 plants worldwide received WCM recognition, including 17 at Bronze Level, while Silver Level was awarded to: Cassino and Melfi (FGA) and Verrone (FPT) in Italy; Tychy (FGA) and Bielsko Biala (FPT) in Poland; and, Bursa (FGA) in Turkey. The application of WCM methodologies was also discussed extensively with trade unions and employee representatives who participated actively in projects and initiatives for employee involvement at plants.

Collective bargaining

With regard to collective bargaining, agreements reached in 2009 provided for pay increases or a one-off payment to compensate employees for cost-of-living increases and were in line or slightly above the official cost-of-living increase recorded for the period.

On 15 October 2009, negotiations were concluded on the national collective labour agreement for employees in the metalworking sector (excluding managers), applicable to around 97% of all Fiat Group employees in **Italy**. Agreement was reached between Federmeccanica and the trade unions (with the exception of Fiom-CGIL) based on the new contractual framework established in the *Accordo Interconfederale* signed on 15 April 2009 (again with the exception of CGIL). The renewed agreement, whose content is mostly pay-related, is valid for three years beginning 1 January 2010. Provisions in the October 15th agreement relating to employment conditions contained no substantial modifications to the national collective labour agreement dated January 2008. On 25 November, the agreement for the renewal of the national collective labour agreement for managers of industrial companies was signed. This agreement applies to the majority of Group managers in Italy. The new agreement is valid until 31 December 2013 and covers both pay and employment conditions.

At Group level, on the basis of the Agreement of 17 July 2009 (applicable to the majority of employees of Group companies in the metalworking sector in Italy) signed by Fim, Uilm, Fismic, and UGL and valid for 2009 only, a performance-related bonus was paid, which averaged €1,943 for employees in categories 1 through 4. The amount was approximately €500 lower than the average bonus paid in 2008 as a result of the decrease in Group results reflecting the impact of the global economic crisis. As an interim, experimental measure, in addition to the bonus referred to above, the agreement also provides for a gross one-off payment of €200 to workers at plants which achieve WCM Silver Level in 2009 or 2010.

Outside Italy, the main company-level collective agreements established during 2009 include the annual negotiation in **France** which resulted in salary increases, in line with inflation, of between 1% and 1.5% depending on the company.

In **Germany**, agreement for renewal of the metalworkers contract, signed in November 2008 and applied by most Group companies in Germany, provided for salary increases of 2.1% in February and May 2009. A few Group companies exercised the option, provided for in the agreement, to defer the second increase from May to December 2009.

In **Poland**, company-wide pay negotiations generally provided for one-off bonuses (rather than structural increases) which averaged around PLZ 2,500 and were payable in two instalments, one of which was directly tied to and conditional upon the achievement of productivity objectives.

In **Brazil**, most Group companies applied collective bargaining agreements in place with the local industry associations for each industry sector (e.g., FIEMG for the companies in the Belo Horizonte, Betim, and Contagem areas). Others have stipulated analogous company-wide agreements. Overall, increases under these collective agreements were higher than inflation, reflecting the country's current economic growth and high production levels at Group plants but were, however, in line with increases applied for the local industrial system as a whole. Variable annual bonuses were also paid on the basis of company results.

The level of **labour unrest** experienced in Italy was higher than for 2008. Minor local labour action was also taken in defense of jobs - including strikes and protests against the non-renewal of temporary employment contracts and agency contracts and as result of the use of flexible labour mechanisms (transfer or secondment of workers from other locations or companies who would otherwise have been subject to temporary layoff; use of overtime; introduction of additional shifts, etc.) at certain plants where there was a significant increase in production levels due to the jump in orders following the introduction of government incentives to stimulate demand for the automotive sector.

In addition, in relation to the agreement for the Group performance bonus and the agreement for the renewal of the national collective labour agreement for metalworkers, limited strikes were conducted by Fiom-CGIL, the only trade union organisation which was not a signatory to the agreements.

The overall level of labour unrest in other countries was once again negligible this year.

FINANCIAL REVIEW - FIAT GROUP

INTRODUCTION

Principal changes in the scope of consolidation in 2009

- During the fourth quarter of 2009, Fiat Group Automobiles acquired activities formerly belonging to Gruppo Bertone.
- Fiat Automobiles Serbia Doo Kragujevac was consolidated on a line-by-line basis from 1 January 2009. The company is 66.7% held by Fiat Group Automobiles and 33.3% by the Republic of Serbia, pursuant to an agreement for the production of automobiles in Serbia.
- On 30 January 2009, Magneti Marelli sold its stake in the subsidiary Ergom France S.a.S., which formed part of the Plastic Components & Modules line.

FINANCIAL REVIEW

Operating Performance

(€ million)	2009	2008 (*)
Net revenues	**50,102**	59,564
Cost of sales	**43,261**	49,612
Selling, general and administrative	**4,296**	5,075
Research and development	**1,398**	1,497
Other income/(expense)	**(89)**	(18)
TRADING PROFIT/(LOSS)	**1,058**	**3,362**
Gains/(losses) on disposal of investments	**4**	20
Restructuring costs	**312**	165
Other unusual income/(expense)	**(391)**	(245)
OPERATING PROFIT/(LOSS)	**359**	**2,972**
Financial income/(expense)	**(753)**	(947)
Result from investments:	**27**	162
Share of profit/(loss) of investees accounted for using the equity method	**18**	133
Other income/(expense) from investments	**9**	29
PROFIT/(LOSS) BEFORE TAXES	**(367)**	**2,187**
Income taxes	**481**	466
PROFIT/(LOSS) FROM CONTINUING OPERATIONS	**(848)**	**1,721**
Profit/(loss) from discontinued operations	**-**	-
PROFIT/(LOSS)	**(848)**	**1,721**
PROFIT/(LOSS) ATTRIBUTABLE TO:		
Owners of the parent	(838)	1,612
Non-controlling interests	(10)	109

(*) Following adoption of the improvement to IAS 16 in 2009, amounts published in the Consolidated Financial Statements at 31 December 2008 have been adjusted as follows: a €184 million increase in net revenues, a €189 million increase in cost of sales and a €5 million decrease in other income (net of other expense).

The following review provides an analysis of net revenues and trading profit by individual Business/Sector. Other data relates to the Group as a whole.

Net revenues

Group **revenues** for 2009 totalled €50,102 million, representing a 15.9% decrease over 2008. Demand was impacted significantly by the global economic slowdown. The levels of decline experienced in the second half of the year, however, were more contained than for the first six months.

Revenues by Business

(€ million)	2009	2008 (*)	% change
Automobiles (Fiat Group Automobiles, Maserati, Ferrari)	**28,351**	29,380	-3.5
Agricultural and Construction Equipment (CNH – Case New Holland)	**10,107**	12,781	-20.9
Trucks and Commercial Vehicles (Iveco)	**7,183**	10,894	-34.1
Components & Production Systems (FPT, Magneti Marelli, Teksid, Comau)	**10,327**	13,793	-25.1
Other Businesses	**1,096**	1,394	-21.4
Eliminations	**(6,962)**	(8,678)	-
Total for the Group	**50,102**	**59,564**	**-15.9**

(*) Following adoption of the improvement to IAS 16 in 2009, amounts for net revenues published in the Consolidated Financial Statements at 31 December 2008 have been adjusted as follows: a €126 million increase for Trucks and Commercial Vehicles and a €58 million increase for Agricultural and Construction Equipment.

Following is a review of net revenues by Business/Sector:

Automobiles

In 2009, the **Automobiles** businesses had revenues of €28,351 million, down 3.5% over 2008. Fiat Group Automobiles limited the decrease in revenues to 2.4%, taking full advantage of the increase in demand which resulted from the introduction of eco-based incentives in several countries. For Ferrari, revenues were down 7.4% over 2008, a year with particularly high volumes. Maserati, with revenues down 45.7%, was impacted by the significant decline in demand in its reference market.

(€ million)	2009	2008	% change
Fiat Group Automobiles	**26,293**	26,937	-2.4
Maserati	**448**	825	-45.7
Ferrari	**1,778**	1,921	-7.4
Eliminations	**(168)**	(303)	-
Total	**28,351**	**29,380**	**-3.5**

- **Fiat Group Automobiles** posted revenues of €26,293 million, a 2.4% decrease over 2008 (substantially unchanged at constant exchange rates). After the sharp volume declines experienced in the first half, resulting from the significant contraction in market demand, the Sector achieved year-on-year volume increases for passenger cars in the second half.

  Fiat Group Automobiles delivered a total of 2,150,700 passenger cars and light commercial vehicles for the year, in line with 2008 (2,152,500 units). There was a significant divergence, however, between performance for passenger cars (+5.7%) and light commercial vehicles (-24.8%).

  In Western Europe, total deliveries were unchanged at 1,238,100 units. Performance was positive in Italy (+0.5%) and the UK (+5.2%) and very strong growth was achieved in Germany (+46.2%). There was a decrease in France (-7.3%) and a sharp decline in Spain (-48.3%), with the latter also impacted by measures adopted to realign dealer inventory levels to market demand. For Western Europe, passenger car deliveries rose 8.9%, with the level of demand increasing slightly (+0.5%) over 2008.

  Fiat Group Automobiles' strong offering of environmentally-friendly cars enabled the Sector to fully benefit from eco-based government incentives. The Sector continued to make positive share gains in the passenger vehicle market, reaching 32.8% in Italy (+0.9 percentage points over 2008) and 8.8% in Western Europe (+0.6 percentage points). FGA's relative performance was particularly strong in Germany (+1.5 percentage points to 4.7%) and positive also in the UK (+0.6 percentage points to 3.5%).

In Brazil, where overall demand rose 12.6%, deliveries for cars and light commercial vehicles increased 12.6% over 2008. FGA maintained its leadership of the market, recording a 24.5% share.

- **Maserati** reported revenues of €448 million, down 45.7% over the previous year. A total of 4,489 cars were delivered to the network during the year, representing a 48.7% year-on-year decrease attributable to the significant decline in demand in the company's reference markets. Maserati maintained its overall market share, with an improvement in the Quattroporte segment.
- **Ferrari** had revenues of €1,778 million, down 7.4% over 2008 due to lower sales volumes and a less favourable sales mix. A total of 6,235 vehicles were delivered to the network during the year, a decrease of 4.5% against an approximate 35% drop for Ferrari's reference segment globally. The level of deliveries for 8-cylinder vehicles benefited from the success of the Ferrari California.

Agricultural and Construction Equipment

CNH – Case New Holland had revenues of €10,107 million for 2009, a decrease of 20.9% over 2008 (-25% in US dollar terms), reflecting the severe global construction equipment industry decline and weaker market conditions in the agricultural business (compared to record high 2008 levels, particularly for combines). Revenues from construction equipment sales were also impacted by heavy destocking actions both at company and dealer level. For agricultural equipment, revenues were down slightly in North America, with decreases in tractor sales and network destocking actions being partially offset by stronger combine sales. Declines in the remaining regions were attributable to an overall decline for the industry, network destocking actions and tight credit markets.

In 2009, the global market for agricultural equipment decreased 7%, with declines in retail unit volumes for tractors and combines of 7% and 19%, respectively, compared to exceptionally strong 2008 volumes. CNH's extensive and upgraded product portfolio supported market share performance in an increasingly competitive environment. In the tractor market, CNH gained share in North America in over 40 hp models. Share in Latin America and Western Europe remained flat. Market share was eroded in Rest-of-World, where demand in fast growing markets such as China is mainly satisfied by local, low-range products. In the global market for combine harvesters, CNH share increased in Latin America, was stable in Rest-of-World and in Western Europe, and decreased in North America (with gains in the more profitable higher-end segment).

Worldwide construction equipment industry retail unit sales dropped 38%. CNH market share improved in Latin America for both light and heavy segments, while North America was stable. Share declined for both segments in Rest-of-World (where CNH has a limited presence) and Western Europe, in a highly competitive environment driven by aggressive destocking actions.

Trucks and Commercial Vehicles

Iveco reported 2009 revenues of €7,183 million, down 34.1% year-over-year, with lower sales volumes reflecting the negative market trend, particularly in Europe.

Iveco delivered 103,866 vehicles, a decrease of 45.9% over 2008. A total of 66,754 vehicles were delivered in Western Europe (-46.7%), with declines in all major markets: Italy (-30.7%), Germany (-43.3%), France (-45.9%), Spain (-60.3%) and the UK (-73.1%). Deliveries were down 72.6% in Eastern Europe, while the decline in Latin America was contained at 19.1%.

The Sector's market share in Western Europe (GVW ≥ 2.8 tonnes) stood at 9.2% (down 0.7 percentage points vs. 2008) with declines in all segments. Share was down 0.5 percentage points in the light segment, heavily influenced by the performance in France, but up in Italy and Spain (+0.4 percentage points and +0.8 percentage points, respectively). For the medium segment, share decreased 0.7 percentage points, notwithstanding gains in Italy and France. In the heavy segment, share declined 1.1 percentage points, attributable entirely to an unfavourable market mix, which more than offset positive performances in Italy (+0.6 percentage points), France (+0.4 percentage points) and Spain (+2.7 percentage points).

Market share in Eastern Europe (GVW ≥ 2.8 tonnes) was 10.7% (-1.1 percentage points over 2008), with share holding for heavy vehicles and declining for light and medium vehicles.

Components & Production Systems

Components & Production Systems had revenues of €10,327 million, a decrease of 25.1% primarily reflecting the drop in volumes attributable to the market crisis, which was in part contained by a recovery for passenger cars in many markets during the second half of the year. Revenues for Magneti Marelli were down 16.9% and sales for FPT Powertrain Technologies (-29.3%) were impacted by the significant decline in volumes experienced by the Industrial & Marine product line. Revenues for Teksid and Comau decreased 30.9% and 35.2%, respectively.

(€ million)	2009	2008	% change
FPT Powertrain Technologies	**4,952**	7,000	-29.3
Components (Magneti Marelli)	**4,528**	5,447	-16.9
Metallurgical Products (Teksid)	**578**	837	-30.9
Production Systems (Comau)	**728**	1,123	-35.2
Eliminations	**(459)**	(614)	-
Total	**10,327**	**13,793**	**-25.1**

- **FPT Powertrain Technologies** had 2009 revenues of €4,952 million, down 29.3% over 2008, with the decline in sales volumes being particularly pronounced for the Industrial & Marine product line. Sales to external customers and joint ventures accounted for 16% of total revenues (22% for 2008).

  The Passenger & Commercial Vehicles product line reported revenues of €3,372 million, a 7.6% decline over 2008, which was contained by a recovery for passenger cars in many major markets during the second half of 2009. Sales to Fiat Group companies accounted for 92% of revenues, with the remainder consisting principally of the sale of diesel engines to external customers. A total of 2,290,000 engines (-2.7%) and 2,208,000 transmissions (+9.4%) were sold during the year.

  Industrial & Marine reported revenues of €1,580 million, down 53% over 2008 due to the sharp volume declines experienced. A total of 268,000 engines (-50.9%) were sold, primarily to Iveco (38%), CNH (25%) and Sevel (26%), the JV in light commercial vehicles. In addition, 53,000 transmissions (-50.2%) and 105,000 axles (-61.5%) were delivered.

- **Magneti Marelli** reported 2009 revenues of €4,528 million, a 16.9% reduction over 2008 (-14% on a comparable scope of operations) primarily attributable to the drop in volumes experienced in the first half. The level of decline began to slow from July onward as demand from automakers increased. The most significant decreases in sales volumes were experienced in Europe (excluding Poland) and the US, while performance was positive in China and stable in Brazil.

  All business lines were impacted by the economic downturn. The overall drop in volumes was most severe in the medium-high car segment (in which the Lighting business line is the most active) and in light commercial vehicles (with negative consequences for the Suspension Systems business line). By contrast, the Engine Control business line grew in India, driven by the production of diesel control units, and China. There was strong sales performance for the Exhaust Systems business line in Brazil (to both external customers and Fiat).

- **Teksid** had revenues of €578 million for 2009, down 30.9% over the prior year, principally due to lower sales volumes, which decreased 26.6% for the Cast Iron business unit and 5.5% for the Aluminium business unit.

- **Comau** had revenues of €728 million for 2009. The 35.2% decrease over 2008 (-31% on a constant scope of operations) was primarily attributable to the Body Welding activities.

Other Businesses

Other Businesses includes the contribution from the Group's publishing businesses, service companies and holding companies. For 2009, Other Businesses had revenues of €1,096 million, down 21.4% year-over-year.

Trading profit/(loss)

The Group's full year **trading profit** was €1,058 million, compared with €3,362 million for 2008. Decisive cost containment measures helped mitigate the impact of revenue declines and contributed to the achievement of a 2.1% trading margin.

Trading profit/(loss) by Business

(€ million)	2009	2008	Change
Automobiles (Fiat Group Automobiles, Maserati, Ferrari)	**719**	1,102	-383
Agricultural and Construction Equipment (CNH – Case New Holland)	**337**	1,122	-785
Trucks and Commercial Vehicles (Iveco)	**105**	838	-733
Components & Production Systems (FPT, Magneti Marelli, Teksid, Comau)	**(40)**	402	-442
Other Businesses and **Eliminations**	**(63)**	(102)	39
Total for the Group	**1,058**	**3,362**	**-2,304**
Trading margin (%)	**2.1**	**5.6**	

Following is a discussion of trading profit by Business/Sector:

Automobiles

The Automobiles businesses reported trading profit of €719 million for 2009, down €383 million over the €1,102 million figure for 2008. All Sectors contributed positively, although profit levels were lower than for the prior year. Significant efficiency gains succeeded in limiting the negative impact of lower volumes and unfavourable mix. Trading margin was 2.5% compared with 3.8% for 2008.

(€ million)	2009	2008	Change
Fiat Group Automobiles	**470**	691	-221
Maserati	**11**	72	-61
Ferrari	**238**	339	-101
Total	**719**	**1,102**	**-383**
Trading margin (%)	**2.5**	**3.8**	

- **Fiat Group Automobiles** recorded a €470 million trading profit for 2009 (trading margin of 1.8%), compared to the €691 million figure for 2008 (2.6% margin). The decrease was primarily attributable to weaker demand for light commercial vehicles which was partially offset by cost containment measures.
- **Maserati** had a 2009 trading profit of €11 million (€72 million for 2008) with a realignment of production levels and rigorous cost containment measures partly offsetting the significant decline in volumes.
- **Ferrari** closed 2009 with a trading profit of €238 million, compared to €339 million for 2008. The year-on-year decrease reflects the negative impact of volumes and product mix (both particularly favourable in 2008), in addition to unfavourable currency movements. These negative effects were partially offset by efficiency gains achieved.

Agricultural and Construction Equipment

CNH – **Case New Holland** had a trading profit of €337 million for 2009, compared to €1,122 million for 2008. Cost containment measures and positive pricing only partially offset the drastic volume declines in the construction equipment market.

Trucks and Commercial Vehicles

Despite steep volume declines, **Iveco** delivered a trading profit of €105 million in 2009 (€838 million in 2008), due to realignment of production levels and rigorous cost containment measures, as well as margin support from the after-sales activities, Latin America and special vehicles business.

Components & Production Systems

Components & Production Systems reported an aggregate trading loss of €40 million, compared with a €402 million trading profit for 2008. Although significant cost containment measures were implemented, the sharp decline in demand resulted in negative performance for the year.

(€ million)	2009	2008	Change
FPT Powertrain Technologies	**(25)**	166	-191
Components (Magneti Marelli)	**25**	174	-149
Metallurgical Products (Teksid)	**(12)**	41	-53
Production Systems (Comau)	**(28)**	21	-49
Total	**(40)**	**402**	**-442**
Trading margin (%)	**(0.4)**	**2.9**	

- **FPT Powertrain Technologies** closed 2009 with a trading loss of €25 million, compared with a profit of €166 million for 2008. The decrease was principally the result of a contraction in volumes and, more importantly, a less favourable sales mix. Significant efficiency gains achieved in overhead, manufacturing and purchasing costs only partially offset those negative impacts.
- **Magneti Marelli** reported trading profit of €25 million for 2009 (€174 million for 2008). The positive effect of reductions in overheads and increased production and purchasing efficiencies enabled the Sector to contain the impact of lower revenues.
- **Teksid** closed the year with a trading loss of €12 million (profit of €41 million for 2008), reflecting the significant contraction in volumes.
- **Comau** reported a trading loss of €28 million for 2009 (profit of €21 million for 2008). This decrease was primarily attributable to lower business volumes for the Body Welding and Die-cutting operations.

Other Businesses

In 2009, **Other Businesses** reported a trading loss of €63 million, including eliminations and consolidation adjustments, compared to a €102 million loss for 2008.

Operating profit/(loss)

Operating profit was €359 million for 2009, compared with €2,972 million for 2008. The decrease reflected lower trading profit (down €2,304 million) and a €309 million increase in net unusual expense resulting from a €147 million increase in restructuring costs, a net increase in other unusual expense of €146 million and a €16 million decrease in gains on disposal of investments.

Net gains on the disposal of investments totalled €4 million, compared to €20 million for 2008 which included gains of €14 million on the sale of the interest in S.C.M. Ltda and €4 million on the sale of Targasys S.r.l.

Restructuring costs totalled €312 million and mainly related to CNH – Case New Holland (€87 million), Magneti Marelli (€62 million), FPT Powertrain Technologies (€58 million), Fiat Group Automobiles (€54 million) and Iveco (€22 million). For 2008, restructuring costs totalled €165 million and mainly related to Fiat Group Automobiles (€62 million) and Magneti Marelli (€77 million).

Other unusual income/(expense) was a negative €391 million and included write-downs by the Automobiles business of certain investments in platforms and architectures related to the strategic realignment with Chrysler Group LLC, other non-recurring expenses and impairment losses recognized by the Group as a consequence of the global economic crisis, in addition to costs related to the acquisition of the interest in Chrysler Group LLC. For 2008, Other unusual income/(expense) was a negative €245 million and mainly included costs relating to the rationalisation of strategic suppliers and additional provisions, associated with the serious and abrupt crisis in the automotive market globally, recognised by FGA and Iveco primarily for residual value risk on leased vehicles, vehicles sold under buy-back commitments and used vehicles in inventory.

Following is a summary of the principal components of operating profit, broken down by Sector:

	Trading profit/(loss)		Gains/(losses) on the disposal of investments		Restructuring costs		Other unusual income/(expense)		Operating profit/(loss)	
(€ million)	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Fiat Group Automobiles	**470**	691	**-**	18	**54**	62	**(199)**	(187)	**217**	460
Maserati	**11**	72	**-**	-	**-**	-	**-**	-	**11**	72
Ferrari	**238**	339	2	-	**-**	-	**5**	2	**245**	341
Agricultural and Construction Equipment (CNH)	**337**	1,122	**1**	4	**87**	(14)	**-**	6	**251**	1,146
Trucks and Commercial Vehicles (Iveco)	**105**	838	**-**	1	**22**	12	**(173)**	(48)	**(90)**	779
FPT Powertrain Technologies	**(25)**	166	**-**	1	**58**	-	**(31)**	(5)	**(114)**	162
Components (Magneti Marelli)	**25**	174	**(3)**	-	**62**	77	**-**	(4)	**(40)**	93
Metallurgical Products (Teksid)	**(12)**	41	**-**	-	**4**	5	**2**	13	**(14)**	49
Production Systems (Comau)	**(28)**	21	**1**	-	**5**	3	**-**	(18)	**(32)**	-
Other Businesses and Eliminations	**(63)**	(102)	**3**	(4)	**20**	20	**5**	(4)	**(75)**	(130)
Total for the Group	**1,058**	**3,362**	**4**	**20**	**312**	**165**	**(391)**	**(245)**	**359**	**2,972**

Profit/(loss)

Net financial expense totalled €753 million (€947 million for 2008) and included a €117 million gain in the mark-to-market value of two stock option-related equity swaps (a €263 million loss in 2008). Excluding the effect of those equity swaps, financial expense for the year increased €186 million, primarily due to the higher level of debt existing during the year.

Investment income for 2009 totalled €27 million, down from the €162 million figure for 2008 mainly due to a decrease in earnings for certain joint venture companies.

The Group recorded a **loss before taxes** of €367 million (profit before taxes of €2,187 million for 2008). This reflects the significantly lower operating profit (down €2,613 million) and a decrease in investment income (down €135 million), which were partially compensated for by a €194 million decrease in net financial expense.

Income taxes totalled €481 million (€466 million for 2008), of which €99 million for IRAP (€168 million for 2008) and €24 million for taxes relating to prior periods €23 million for 2008) with the remainder relating to the taxable income of companies operating outside Italy.

The year closed with a **net loss** of €848 million, compared with a profit of €1,721 million for 2008.

The **loss attributable to owners of the parent** was €838 million (profit of €1,612 million for 2008).

Consolidated Statement of Cash Flows

Following is a summary statement of cash flows and related comments. A full statement of cash flows is provided in the consolidated financial statements.

(€ million)	2009	2008 (*)
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR (AS REPORTED)	**3,683**	**6,639**
Cash and cash equivalents included under Assets held for sale	-	2
B) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**3,683**	**6,641**
C) CASH FROM/(USED IN) OPERATING ACTIVITIES DURING THE YEAR	**4,601**	**166**
D) CASH FROM/(USED IN) INVESTING ACTIVITIES	**(2,559)**	**(6,092)**
E) CASH FROM/(USED IN) FINANCING ACTIVITIES	**6,281**	**3,127**
Currency translation differences	220	(159)
F) NET CHANGE IN CASH AND CASH EQUIVALENTS	**8,543**	**(2,958)**
G) CASH AND CASH EQUIVALENTS AT END OF THE YEAR	**12,226**	**3,683**
of which: Cash and cash equivalents included under Assets held for sale	-	-
H) CASH AND CASH EQUIVALENTS AT END OF THE YEAR (AS REPORTED)	**12,226**	**3,683**

(*) Following adoption of the improvement to IAS 16 in 2009, as described in the Notes to the Consolidated Financial Statements, the amount for "Cash from operating activities" reported in the 2008 Consolidated Financial Statements was reduced by €218 million and "Cash used in investing activities" was reduced by the same amount.

In 2009, €4,601 million in cash was generated from **operating activities**, consisting of a €2.6 billion decrease in working capital (calculated on a comparable scope of operations and at constant exchange rates) and €2 billion in income-related cash inflows (i.e., net profit plus amortisation and depreciation, dividends, changes in provisions and various items related to sales with buy-back commitments and operating leases, net of "Gains/losses on disposal and Other non-cash items").

Cash used in **investing activities** totalled €2,559 million.

Expenditure for tangible and intangible assets (including €1,046 million in capitalised development costs) totalled €3,386 million.

Investments in subsidiaries and associates totalled €105 million and included the recapitalisation of the 50/50 joint venture Fiat India Automobiles Private Limited (€48 million).

For 2009, proceeds from the sale of non-current assets totalled €108 million and related to both tangible and intangible assets.

The €882 million decrease in receivables from financing activities was primarily attributable to the reduction in financing provided by the financial services companies of CNH - Case New Holland as a result of lower business volumes.

Approximately €6.3 billion was generated by **financing activities**, primarily from bonds issued by Fiat Finance and Trade Ltd SA (€4.2 billion) and Case New Holland Inc. (USD 1 billion, equivalent to approximately €0.7 billion), in addition to net new medium-term financing – including utilisation of a new €1 billion, 3-year syndicated credit facility and a €400 million term loan provided by the European Investment Bank – totalling €1.8 billion. During 2009, approximately €0.5 billion in bonds were repaid at maturity.

Consolidated Statement of Financial Position at 31 December 2009

At 31 December 2009, **total assets** amounted to €67,235 million, increasing €5,463 million from the €61,772 million figure at 31 December 2008.

Non-current assets totalled €25,484 million, an increase of €733 million over the figure for 31 December 2008.

The increase in property, plant and equipment (+€430 million), intangible assets (+€151 million) and deferred tax assets (+€194 million), was partially offset by the decrease in leased assets (-€48 million).

Current assets totalled €41,669 million, an increase of €4,685 million principally attributable to the increase in cash and cash equivalents (+€8,543 million), net of decreases for other principal line items (inventory, trade receivables and receivables from financing activities).

Receivables from financing activities totalled €12,695 million at 31 December 2009, a decrease of €441 million over 31 December 2008. Net of currency translation differences and impairment, the decrease was €882 million.

Working capital (net of items related to vehicles sold under buy-back commitments and vehicles no longer subject to lease agreements which are included in inventory) was a negative €1,664 million, a €2,359 million decrease over the beginning of the period.

(€ million)		At 31.12.2009	At 31.12.2008	Change
Inventory	(a)	**7,887**	10,453	-2,566
Trade receivables		**3,649**	4,390	-741
Trade payables		**(12,295)**	(13,258)	963
Net Current Taxes Receivable/(Payable) & Other Current Receivables/(Payables)	(b)	**(905)**	(890)	-15
Working capital		**(1,664)**	**695**	**-2,359**

(a) Inventory is reported net of the value of vehicles sold under buy-back commitments by Fiat Group Automobiles and, following adoption of the improvement to IAS 16 in 2009, includes vehicles of other Sectors which are no longer subject to buy-back commitments or lease agreements and are held for sale. The value of these ex-lease vehicles at 31 December 2008 (€48 million) was deducted from inventory and, therefore, is reflected in the calculation of working capital.

(b) Other current payables included under the item Net Current Taxes Receivable/(Payable) & Other Current Receivables/(Payables) excludes the buy-back price payable to customers upon expiration of lease contracts and advanced payments from customers for vehicles sold under buy-back commitments, which is equal to the difference, at the contract date, between the initial sale price and the buy-back price. Recognition of such amounts is apportioned over the entire term of the contract.

At 31 December 2009, trade receivables, other receivables and receivables from financing activities falling due after that date and sold without recourse – and, therefore, eliminated from the statement of financial position pursuant to the derecognition requirements of IAS 39 – totalled €4,611 million (€5,825 million at 31 December 2008). This amount includes financial receivables, mostly from the sales network, of €2,530 million (€3,181 million at 31 December 2008) sold to jointly-controlled financial services companies (FGA Capital group) and of €440 million (€752 million at 31 December 2008) sold to associate financial services companies (Iveco Finance Holdings Limited).

Working capital (calculated on a comparable scope of operations and at constant exchange rates) decreased €2,562 million, principally due to the significant reduction of inventories and a decrease in trade receivables, net of the decrease in trade payables resulting from lower production levels.

At 31 December 2009, consolidated **net debt** totalled €15,898 million, down €2,056 million over the €17,954 million figure at 31 December 2008. Positive cash flow from operating activities and portfolio decreases for the financial services companies during 2009 more than offset capital expenditure and currency translation differences.

(€ million)		At 31.12.2009	At 31.12.2008
Financial payables		**(28,527)**	(21,379)
Asset-backed financing		**(7,086)**	(6,663)
Other		**(21,441)**	(14,716)
Current financial receivables from jointly-controlled financial services entities	(a)	**14**	3
Financial payables, net of intersegment balances and current financial receivables from jointly-controlled financial services entities		**(28,513)**	**(21,376)**
Other financial assets	(b)	**636**	764
Other financial liabilities	(b)	**(464)**	(1,202)
Liquidity		**12,443**	3,860
Current securities		**217**	177
Cash and cash equivalents		**12,226**	3,683
Net (debt)/cash		**(15,898)**	**(17,954)**
Industrial Activities		**(4,418)**	(5,949)
Financial Services		**(11,480)**	(12,005)

(a) Includes current financial receivables from FGA Capital.
(b) Includes assets and liabilities arising from the fair value recognition of derivative financial instruments.

For 2009, **financial payables** increased €7,148 million (approximately €6.4 billion excluding currency translation differences). During the second half, the Group issued bonds for approximately €4.9 billion. In particular:

- Bonds were issued by the subsidiary Fiat Finance and Trade Ltd SA under the Global Medium Term Note programme for a total of €4.2 billion. The principal issues were: a €1,250 million bond was issued in July, due in July 2012 (fixed coupon of 9%); a €1,250 million bond was issued in September, due in September 2014 (fixed coupon of 7.625%); a €1,500 million bond was issued in November, due in February 2015 (fixed coupon of 6.875%).
- In August, CNH, through its subsidiary Case New Holland Inc., completed a $1 billion senior note issue, due in September 2013 (7.75% coupon payable semi-annually).

In addition to those issues, the Group raised new medium-term financing of €3.2 billion and repaid bonds totalling approximately €0.5 billion and other financial payables totalling €1.4 billion.

At 31 December 2009, **liquidity** (cash, cash equivalents and current securities) totalled €12,443 million, an €8,583 million increase over the €3,860 million figure at year-end 2008, which enables the Group to cover financial liabilities well beyond 2011 and ensures significant financial flexibility.

At year end, Cash and cash equivalents included Cash with a pre-determined use of €530 million (€473 million at year end 2008), primarily for the Financial Services companies and allocated to servicing securitisation vehicles (included under asset-backed financing).

Industrial Activities and Financial Services: results for 2009

The following tables provide a breakdown of the consolidated income statement, statement of financial position and statement of cash flows between "Industrial Activities" and "Financial Services". The latter includes the retail finance, leasing and rental companies of CNH – Case New Holland, Iveco, Fiat Group Automobiles and Ferrari.

Financial Services activities also include FGA Capital (the joint venture between Fiat Group Automobiles and Crédit Agricole) and Iveco Finance Holdings Limited (the joint venture between Iveco and Barclays), which are accounted for under the equity method.

Basis of analysis

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

Investments held by companies belonging to one activity segment in companies included in another segment are accounted for using the equity method. To avoid a misleading presentation of net profit, the results of investments accounted for in this manner are classified in the income statement under Result from intersegment investments.

The holding companies (Fiat S.p.A., FGI – Fiat Group International S.A., Fiat Partecipazioni S.p.A., Fiat Netherlands Holding N.V.) are classified under Industrial Activities.

The sub-consolidation of Industrial Activities also includes companies that perform centralised treasury activities (i.e., raising funding in the market and financing Group companies).These activities do not, however, include offering financing to third parties.

Operating Performance by Activity

(€ million)	2009 Consolidated	2009 Industrial Activities	2009 Financial Services	2008 (*) Consolidated	2008 (*) Industrial Activities	2008 (*) Financial Services
Net revenues	50,102	48,917	1,467	59,564	58,435	1,535
Cost of sales	43,261	42,404	1,139	49,612	48,971	1,047
Selling, general and administrative	4,296	4,133	163	5,075	4,899	176
Research and development	1,398	1,398	-	1,497	1,497	-
Other income/(expense)	(89)	(92)	3	(18)	(30)	12
TRADING PROFIT/(LOSS)	**1,058**	**890**	**168**	**3,362**	**3,038**	**324**
Gains/(losses) on disposal of investments	4	4	-	20	16	4
Restructuring costs	312	310	2	165	160	5
Other unusual income/(expense)	(391)	(412)	21	(245)	(242)	(3)
OPERATING PROFIT/(LOSS)	**359**	**172**	**187**	**2,972**	**2,652**	**320**
Financial income/(expense)	(753)	(753)	-	(947)	(947)	-
Result from investments: (**)	27	(6)	33	162	84	78
Share of profit/(loss) of investees accounted for using the equity method	18	(13)	31	133	54	79
Other income/(expense) from investments	9	7	2	29	30	(1)
PROFIT/(LOSS) BEFORE TAXES	**(367)**	**(587)**	**220**	**2,187**	**1,789**	**398**
Income taxes	481	435	46	466	368	98
PROFIT/(LOSS)	**(848)**	**(1,022)**	**174**	**1,721**	**1,421**	**300**
Result from intersegment investments	-	174	(16)	-	300	4
PROFIT/(LOSS)	**(848)**	**(848)**	**158**	**1,721**	**1,721**	**304**

(*) Following adoption of the improvement to IAS 16 in 2009, as described in the Notes to the Consolidated Financial Statements, previously reported amounts for 2008 were adjusted as follows: a €184 million increase in net revenues (of which €126 million relates to Industrial Activities), a €189 million increase in the cost of sales (of which €131 million relates to Industrial Activities). Other income (net of other expenses) was reduced by €5 million (related entirely to Industrial Activities).

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

Industrial Activities

For 2009, **net revenues** for Industrial Activities were down 16.3% over the prior year: the significant declines in demand experienced by all businesses in the first half of the year (net revenues down 24% over H1 2008) reduced substantially during the second half (down 6.6% over H2 2008). The Automobiles businesses recorded a slight decrease in revenues (-3.6%), with FGA revenues unchanged at constant exchange rates. Significant revenue declines were experienced by CNH – Case New Holland (-22.4%; -26.4% in US dollar terms), reflecting the severe global construction equipment industry decline, and by Iveco (-35.0%), with lower sales volumes attributable to the negative market trend, particularly in Europe. All Sectors comprising the Components & Production Systems business area were impacted by volume declines (25.1% decrease in net revenues). More specifically, FPT Powertrain Technologies (-29.3%) was impacted by lower volumes for the Industrial & Marine product line, whereas Magneti Marelli (-14% on a comparable scope of operations) was particularly influenced by the declines experienced in the first six months of 2009. Teksid (-30.9%) and Comau (-35.2%) also reported lower revenues.

Industrial Activities reported a **trading profit** of €890 million (€3,038 million for 2008). Despite significantly weaker demand, particularly in the first half, the realignment of production levels and aggressive cost containment measures enabled the Group's principal business areas to report a positive trading result, with the exception of Components & Production Systems.

Industrial Activities reported **operating profit** of €172 million, compared with €2,652 million for 2008. The decrease reflects the decline in trading profit (down €2,148 million) and higher net unusual expense (+€332 million).

Financial Services

Net revenues for Financial Services totalled €1,467 million, down 4.4% over 2008.

(€ million)	2009	2008 (*)	% change
Fiat Group Automobiles	**168**	160	5.0
Ferrari	**22**	14	57.1
Agricultural and Construction Equipment (CNH - Case New Holland)	**1,129**	1,227	-8.0
Trucks and Commercial Vehicles (Iveco)	**151**	137	10.2
Holding and Other Companies, and **Eliminations**	**(3)**	(3)	-
Total	**1,467**	**1,535**	**-4.4**

(*) Following adoption of the improvement to IAS 16 in 2009, as described in the Notes to the Consolidated Financial Statements, the amount previously reported for CNH - Case New Holland for 2008 was increased by €58 million.

Financial Services for Fiat Group Automobiles reported revenues of €168 million for year, compared with the €160 million figure for 2008. The 5% increase was primarily attributable to the positive performance of retail activities in Brazil.

Financial Services for the Agricultural and Construction Equipment Sector reported revenues of €1,129 million, down 8% (-12.7% in US dollar terms) over 2008, reflecting a decrease in the portfolio attributable to declines in sales volumes for both the agricultural and construction equipment segments only partially offset by the positive effect of currency translation differences.

Iveco Financial Services had net revenues of €151 million, up 10.2% over the €137 million figure for 2008. The increase was attributable to new sales finance activities for CNH in Eastern Europe (where CNH has no financial services companies), as well as to higher interest income for traditional activities.

Trading profit totalled €168 million for the year, down €156 million over 2008 due to declines for CNH and Iveco.

(€ million)	2009	2008	Change
Fiat Group Automobiles	**35**	40	-5
Ferrari	**6**	2	4
Agricultural and Construction Equipment (CNH - Case New Holland)	**153**	265	-112
Trucks and Commercial Vehicles (Iveco)	**(26)**	18	-44
Holding and Other Companies, and **Eliminations**	**-**	(1)	1
Total	**168**	**324**	**-156**

Trading profit for the Financial Services businesses of Fiat Group Automobiles totalled €35 million for 2009, down €5 million over the €40 million figure for 2008. The reduction is primarily due to higher provisions and a decrease in market rates of interest.

Trading profit for CNH - Case New Holland's Financial Services totalled €153 million for the year, compared with €265 million for 2008. This decrease was due to lower net interest margins and higher provisions connected to the downturn in the US and European construction equipment markets, as well as additional provisions for the agricultural equipment portfolio in Brazil. Reductions in sales, general and administrative expense only partially offset the lower net interest margins and increased provisions.

Iveco's Financial Services businesses reported a trading loss of €26 million (compared with a trading profit of €18 million for 2008), primarily attributable to higher risk provisions on the portfolio (particularly for Eastern Europe).

Statement of Financial Position by Activity

(€ million)	At 31.12.2009 Consolidated	At 31.12.2009 Industrial Activities	At 31.12.2009 Financial Services	At 31.12.2008 (*) Consolidated	At 31.12.2008 (*) Industrial Activities	At 31.12.2008 (*) Financial Services
Intangible assets	**7,199**	**7,103**	**96**	7,048	6,950	98
Property, plant and equipment	**12,945**	**12,939**	**6**	12,515	12,509	6
Investment property	-	-	-	-	-	-
Investments and other financial assets	**2,159**	**3,968**	**944**	2,177	3,756	987
Leased assets	**457**	**7**	**450**	505	11	494
Defined benefit plan assets	**144**	**140**	**4**	120	116	4
Deferred tax assets	**2,580**	**2,433**	**147**	2,386	2,225	161
Total non-current assets	**25,484**	**26,590**	**1,647**	**24,751**	**25,567**	**1,750**
Inventory	**8,748**	**8,614**	**134**	11,438	11,341	97
Trade receivables	**3,649**	**3,590**	**121**	4,390	4,301	235
Receivables from financing activities	**12,695**	**5,506**	**13,368**	13,136	6,448	13,420
Current taxes receivable	**674**	**650**	**24**	770	761	15
Other current assets	**2,778**	**2,514**	**296**	2,600	2,443	188
Current financial assets	**899**	**827**	**76**	967	908	62
Current investments	**46**	**46**	**-**	26	26	-
Other current securities	**217**	**164**	**53**	177	134	43
Other financial assets	**636**	**617**	**23**	764	748	19
Cash and cash equivalents	**12,226**	**10,819**	**1,407**	3,683	2,604	1,079
Total current assets	**41,669**	**32,520**	**15,426**	**36,984**	**28,806**	**15,096**
Assets held for sale	**82**	**79**	**10**	37	30	7
TOTAL ASSETS	**67,235**	**59,189**	**17,083**	**61,772**	**54,403**	**16,853**
Total assets adjusted for asset-backed financing transactions	**60,149**	**58,725**	**10,428**	**55,109**	**53,734**	**10,839**
Equity	**11,115**	**11,115**	**2,756**	11,101	11,101	2,565
Provisions	**8,432**	**8,333**	**99**	8,144	7,989	155
Employee benefits	**3,447**	**3,431**	**16**	3,366	3,351	15
Other provisions	**4,985**	**4,902**	**83**	4,778	4,638	140
Financial payables	**28,527**	**20,898**	**13,812**	21,379	14,522	13,590
Asset-backed financing	**7,086**	**464**	**6,655**	6,663	669	6,014
Other	**21,441**	**20,434**	**7,157**	14,716	13,853	7,576
Other financial liabilities	**464**	**420**	**48**	1,202	1,078	127
Trade payables	**12,295**	**12,253**	**108**	13,258	13,216	189
Current taxes payable	**377**	**347**	**32**	331	276	55
Deferred tax liabilities	**152**	**148**	**4**	170	169	1
Other current liabilities	**5,865**	**5,675**	**216**	6,185	6,052	169
Liabilities held for sale	**8**	**-**	**8**	2	-	2
TOTAL EQUITY AND LIABILITIES	**67,235**	**59,189**	**17,083**	**61,772**	**54,403**	**16,853**
Total equity and liabilities adjusted for asset-backed financing transactions	**60,149**	**58,725**	**10,428**	**55,109**	**53,734**	**10,839**

(*) Following adoption of the improvement to IAS 16 in 2009, as described in the Notes to the Consolidated Financial Statements, the amount originally reported for Property, Plant and Equipment at 31 December 2008 was reduced by €92 million (entirely relating to Industrial Activities) and Inventory was increased by the same amount.

Net Debt by Activity

(€ million)		At 31.12.2009 Consolidated	Industrial Activities	Financial Services	At 31.12.2008 Consolidated	Industrial Activities	Financial Services
Financial payables		(28,527)	(20,898)	(13,812)	(21,379)	(14,522)	(13,590)
Asset-backed financing		(7,086)	(464)	(6,655)	(6,663)	(669)	(6,014)
Other		(21,441)	(20,434)	(7,157)	(14,716)	(13,853)	(7,576)
Current financial receivables from jointly-controlled financial services entities	(a)	14	14	-	3	3	-
Intersegment financial receivables		-	5,286	893	-	6,162	570
Intersegment financial receivables included under Assets held for sale		-	-	4	-	-	1
Financial payables, net of intersegment balances and current financial receivables from jointly-controlled financial services entities		**(28,513)**	**(15,598)**	**(12,915)**	**(21,376)**	**(8,357)**	**(13,019)**
Other financial assets	(b)	636	617	23	764	748	19
Other financial liabilities	(b)	(464)	(420)	(48)	(1,202)	(1,078)	(127)
Liquidity		12,443	10,983	1,460	3,860	2,738	1,122
Current securities		217	164	53	177	134	43
Cash and cash equivalents		12,226	10,819	1,407	3,683	2,604	1,079
Net (debt)/cash		**(15,898)**	**(4,418)**	**(11,480)**	**(17,954)**	**(5,949)**	**(12,005)**

(a) Includes current financial amounts receivable from FGA Capital by other companies in the Fiat Group.
(b) Includes assets and liabilities arising from the fair value recognition of derivative financial instruments.

Financial payables for Industrial Activities consist partially of funding raised by the central treasury to support the activities of the financial services companies (shown under intersegment financial receivables).

Intersegment financial receivables for Financial Services companies, however, represent loans or advances to industrial companies – in relation to receivables sold to financial services companies which do not meet the derecognition requirements of IAS 39 – as well as liquidity temporarily deposited with the central treasury.

At year end, Cash and cash equivalents included Cash with a pre-determined use of €530 million (€473 million at year end 2008), primarily for the Financial Services companies and allocated to servicing securitisation vehicles (included under asset-backed financing).

Net debt for the **Financial Services** companies at 31 December 2009 reflected a decrease of €525 million over 31 December 2008. Cash from operating activities (€245 million) and a decrease in the lending portfolio (€843 million) were partly offset by dividends paid to industrial companies (€139 million) and currency translation differences (€487 million).

Change in Net Industrial Debt

(€ million)	2009	2008 (*)
Net industrial (debt)/cash at the beginning of the year	**(5,949)**	**355**
Profit/(loss)	(848)	1,721
Amortisation and depreciation (net of vehicles sold under buy-back commitments or leased)	2,667	2,802
Change in provisions for risks and charges and similar	118	(769)
Cash from/(used in) operating activities during the year before change in working capital	**1,937**	**3,754**
Change in working capital	2,564	(3,604)
Cash from/(used in) operating activities during the year	**4,501**	**150**
Investments in property, plant and equipment and intangible assets (net of vehicles sold under buy-back commitments or leased)	(3,382)	(4,973)
Net cash from/(used in) operating activities, net of capital expenditures	**1,119**	**(4,823)**
Change in consolidation scope and other changes	525	(942)
Net industrial cash flow	**1,644**	**(5,765)**
Capital increases, (purchase)/disposal of own shares and dividends	(20)	(770)
Currency translation differences	(93)	231
Change in net industrial debt	**1,531**	**(6,304)**
Net industrial (debt)/cash at the end of the year	**(4,418)**	**(5,949)**

(*) Following adoption of the improvement to IAS 16 in 2009, amounts previously reported for 2008 “Cash used in operating activities” and “Investments in property, plant and equipment and intangible assets (net of vehicles sold under buy-back commitments or leased)” were reduced by €6 million and €7 million, respectively, and “Changes in consolidation scope and other changes” was increased by €1 million.

During 2009, **net industrial debt** decreased €1,531 million to €4,418 million.

Operating activities generated €4.5 billion in cash for the period, of which approximately €2.6 billion related to the release of working capital primarily through reductions in inventory levels, while “Change in consolidation scope and other changes” was positive (€525 million) and mainly included the impacts from fair value measurement of derivate financial instruments. These positive items more than compensated for the amount absorbed by capital expenditure (€3,382 million), dividend payments and currency translation differences.

Statement of Cash Flows by Activity

(€ million)		2009 Consolidated	2009 Industrial Activities	2009 Financial Services	2008 (*) Consolidated	2008 (*) Industrial Activities	2008 (*) Financial Services
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR (AS REPORTED)		**3,683**	**2,604**	**1,079**	**6,639**	**5,546**	**1,093**
Cash and cash equivalents included under Assets held for sale		-	-	-	2	2	-
B) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		**3,683**	**2,604**	**1,079**	**6,641**	**5,548**	**1,093**
C) CASH FROM/(USED IN) OPERATING ACTIVITIES DURING THE YEAR:							
Profit/(loss)		(848)	(848)	158	1,721	1,721	304
Amortisation and depreciation (net of vehicles sold under buy-back commitments or leased)		2,673	2,667	6	2,811	2,802	9
(Gains)/losses on disposal of non-current assets and other non-cash items	(a)	343	8	177	203	(119)	18
Dividends received		53	183	15	84	115	9
Change in provisions		96	171	(75)	(161)	(149)	(12)
Change in deferred income taxes		(179)	(188)	9	(490)	(532)	42
Changes relating to buy-back commitments	(b)	(58)	(59)	1	(88)	(81)	(7)
Changes relating to operating leases	(c)	(41)	3	(44)	(147)	(3)	(144)
Change in working capital		2,562	2,564	(2)	(3,767)	(3,604)	(163)
TOTAL		**4,601**	**4,501**	**245**	**166**	**150**	**56**
D) CASH FROM/(USED IN) INVESTING ACTIVITIES:							
Investments in:							
Property, plant and equipment and intangible assets (net of vehicles sold with buy-back commitments or leased)		(3,386)	(3,382)	(4)	(4,979)	(4,973)	(6)
Unconsolidated subsidiaries and other investments		(105)	(105)	-	(148)	(152)	-
Proceeds from the sale of non-current assets (net of vehicles sold under buy-back commitments)		108	105	3	234	203	31
Net change in receivables from financing activities		882	39	843	(1,493)	10	(1,503)
Change in other current securities		(27)	(30)	3	118	24	94
Other changes		(31)	1,395	(1,426)	176	(1,194)	1,370
TOTAL		**(2,559)**	**(1,978)**	**(581)**	**(6,092)**	**(6,082)**	**(14)**
E) CASH FROM/(USED IN) FINANCING ACTIVITIES:							
Net change in financial payables and other financial assets/liabilities		6,295	5,602	693	3,896	3,840	56
Increase in share capital		13	13	-	15	14	5
(Purchase)/disposal of own shares		-	-	-	(238)	(238)	-
Dividends paid		(27)	(33)	(139)	(546)	(546)	(40)
TOTAL		**6,281**	**5,582**	**554**	**3,127**	**3,070**	**21**
Currency translation differences		220	110	110	(159)	(82)	(77)
F) NET CHANGE IN CASH AND CASH EQUIVALENTS		**8,543**	**8,215**	**328**	**(2,958)**	**(2,944)**	**(14)**
G) CASH AND CASH EQUIVALENTS AT END OF THE YEAR		**12,226**	**10,819**	**1,407**	**3,683**	**2,604**	**1,079**
of which: Cash and cash equivalents included under Assets held for sale		-	-	-	-	-	-
H) CASH AND CASH EQUIVALENTS AT END OF THE YEAR (AS REPORTED)		**12,226**	**10,819**	**1,407**	**3,683**	**2,604**	**1,079**

(*) Some figures for 2008 differ marginally from those published in the 2008 Annual Report, as they have been restated to reflect the improvement to IAS 16, as described in the Notes to the Consolidated Financial Statements and notes to preceding tables.
(a) For 2009, includes the reversal of a €117 million gain (€271 million loss for 2008) in the fair value of two stock-option related swaps on Fiat S.p.A. shares.
(b) Cash from vehicles sold under buy-back commitments for the periods reported above, net of amounts already recognised through the income statement, is included in a separate line item under operating activities which also includes the change in working capital, capital expenditures and depreciation.
(c) Cash flows from operating leases are recognised under operating activities in a separate line item which includes capital expenditure, depreciation, impairment losses and changes in inventory.

Industrial Activities

For 2009, Industrial Activities generated cash and cash equivalents totalling €8,215 million. In particular:

- **Operating activities** generated cash of €4,501 million, due to the €2,564 million decrease in working capital (on a comparable scope of operations and at constant exchange rates) and €1,937 million in income-related cash inflows (net profit plus amortisation and depreciation), net of gains/losses on disposal and other non-cash items, changes in provisions, deferred taxes and items relating to vehicles sold under buy-back commitments or leased, and dividends received.
- **Investing activities** absorbed a total of €1,978 million in cash primarily related to investments in tangible and intangible assets and equity investments (€3,487 million) which was partly offset by the sale of non-current assets, for a total of €105 million, and the decrease in funding provided to the Group's financial services companies by central treasury companies (included under other changes).
- **Financing activities** generated €5,582 million in cash, primarily from bonds issued during the second half (€4.9 billion), a net increase in bank borrowing (which include drawdown on the new 3-year €1 billion syndicated loan facility and €0.4 billion in financing from the European Investment Bank), net of dividend payments, primarily to holders of Fiat S.p.A. savings shares.

Financial Services

Cash and cash equivalents for Financial Services activities totalled €1,407 million at 31 December 2009, up €328 million over 31 December 2008.

Changes in cash during 2009 were attributable to:

- **Operating activities**, which generated €245 million in cash, principally from income-related cash inflows (net profit plus amortisation and depreciation).
- **Investing activities** (including changes in financial receivables from/payables to industrial companies), which absorbed €581 million in cash. Cash generated from the decrease in the lending portfolio was more than offset by a decrease in funding received from treasury companies (included under other changes).
- **Financing activities**, which generated a total of €554 million in cash, relating principally to an increase in asset-backed financing (following renewed access to the North American securitization market), net of dividends paid to industrial companies.

CORPORATE GOVERNANCE

FOREWORD

The Fiat Group adopted and adheres to the Corporate Governance Code for Italian Listed Companies issued in March 2006, with additions and amendments related to the specific characteristics of the Group.

In accordance with legal and regulatory requirements, every year the Company prepares an "**Annual Report on Corporate Governance**" which provides a general description of the corporate governance system adopted by the Group and contains information on its ownership structure and adherence to the provisions of the Corporate Governance Code, including key governance practices and the principal characteristics of the system of risk management and internal control over financial reporting. This Report, available in the Corporate Governance section of the Fiat Group website (www.fiatgroup.com), is divided into four sections: the first contains a description of the governance structure; the second gives information on our ownership structure; the third provides an analysis of the implementation of the Code and describes the principal characteristics of the system of risk management and internal control over financial reporting, in addition to the principal governance practices implemented; and, the fourth consists of summary tables and corporate governance documents for the Fiat Group, as well as a side-by-side comparison showing the principles of the Code and how they have been implemented. A summary of aspects relevant to the Report on Operations is provided below. The Corporate Governance Code is available on the website of Borsa Italiana S.p.A. (www.borsaitaliana.it).

DIRECTION AND COORDINATION

Fiat S.p.A. is not subject to direction and coordination of any other company or entity and is fully independent in the definition of its general strategic and operating guidelines. Pursuant to Article 2497-bis of the Civil Code, the Company's direct and indirect subsidiaries in Italy, except in certain specific cases, have named Fiat S.p.A. as the entity which exercises direction and coordination over them. This activity consists in providing general strategic and operating guidelines for the Group and takes concrete form in the definition and updating of the internal control system, corporate governance model and corporate structure, the issue of a Code of Conduct which is adopted throughout the Group, and the establishment of general policies for the management of human and financial resources, purchasing of production materials, and marketing and communication. Furthermore, coordination of the Group includes specialised companies which provide centralised cash management, corporate and accounting, and internal audit services.

Direction and coordination undertaken at Group level enables subsidiaries, which retain full management and operating autonomy, to realize economies of scale by availing themselves of professional and specialised services with improving levels of quality and to concentrate their resources on the management of their core business.

BOARD OF DIRECTORS

Pursuant to the By-laws, the Board of Directors may have from nine to fifteen members. At the Annual General Meeting held on 27 March 2009, Shareholders elected fifteen Board members whose term of office expires on the date of the General Meeting held to approve the 2011 Financial Statements. Pursuant to the By-laws (Article 11), Board members are appointed through a voting list system which ensures that minority shareholders can elect a director. The minimum equity interest required for submission of a list of candidates is that established by Consob with reference to the Company's market capitalisation for the last quarter of the final financial year of the mandate. Each list must indicate at least one candidate that satisfies the independence requirements imposed by law.

The voting list system for the election of the Board of Directors was used for the first time at the General Meeting on 27 March 2009. On that occasion, the Company invited shareholders who, individually or jointly with others, owned at least 1% of ordinary shares (as established by Consob with reference to Fiat's average market capitalisation for the fourth quarter of 2008) to submit lists of candidates who satisfied the requirements of law and the Company's By-laws. EXOR S.p.A., holder of 30.45% of ordinary shares, was the only shareholder to submit a list of candidates and, therefore, all candidates on the list were elected.

Under Article 16 of the Company By-laws, all directors with executive responsibilities are vested, separately and individually, with the power to represent the Company and under Article 12 the Vice Chairman, if appointed, shall act as Chairman if the latter is absent or unable to carry out his role. In application of this provision, the Board of Directors has, as in the past, adopted a model which delegates broad operating powers to the Chairman and the Chief Executive Officer who are empowered, separately and individually, to perform all ordinary and extraordinary acts that are consistent with the Company's purpose and not reserved by law for, or otherwise delegated or assumed by, the Board of Directors itself. In practice, the Chairman has the role of coordination and strategic direction for the activities of the Board of Directors, while the Chief Executive Officer is responsible for the operational management of the Group. From an operational perspective, the Chief Executive is supported by the Group Executive Council (GEC), a decision-making body led by the Chief Executive and composed of the heads of the operating sectors and certain central functions.

The Board has established "**Guidelines for Significant Transactions and Transactions with Related Parties**" in which it reserves the right to prior examination and approval of any transaction having a significant impact on the Company's earnings and financial position, including the most significant transactions with related parties, and has made all transactions with related parties subject to specific criteria in terms of substance and procedure. Therefore, decisions relating to significant transactions are excluded from the powers conferred on executive directors. "Significant transactions" are considered to be those transactions that, in and of themselves, the company is required to disclose to the market in accordance with specific rules established by the regulatory authorities. When the Company has the need to undertake a significant transaction, the executive directors are to provide the Board of Directors with a summary analysis of the strategic compatibility, economic feasibility and expected return for the Company a reasonable time in advance. Decisions regarding the most significant transactions with related parties are also excluded from the powers conferred on executive directors, with all such transactions being subject to specific criteria in terms of substance and procedure and requiring disclosure to the Board.

Pursuant to Article 12 of the By-laws, after receiving the opinion of the Board of Statutory Auditors, the Board of Directors shall appoint the **manager responsible for the preparation of the Company's financial reports**. The Board may vest with the relevant functions more than one individual provided that these individuals perform such functions together and have joint responsibility. Only a person who has acquired several years of experience in the accounting and financial affairs at large companies may be appointed. In execution of this provision of the By-laws, the Board of Directors appointed the heads of the Group Control and Group Treasury functions as jointly responsible for preparing the Company's financial reports, vesting them with the relevant powers.

At 31 December 2009, the Board of Directors was composed of three executive directors and twelve non-executive directors, who have not been delegated specific authorities or executive responsibilities at the Company or the Group, eight of whom (representing a majority) qualified as independent on the basis of the criteria approved by Shareholders on 27 March 2009, which were as previously adopted. As required by law and the By-laws, two of the directors (Gian Maria Gros-Pietro and Mario Zibetti) also meet the requirements of independence as stipulated in Legislative Decree 58/98.

The **executive directors** are the Chairman, the Vice Chairman, who substitutes for the Chairman if the latter is absent or prevented from carrying out his role, and the Chief Executive Officer. These directors also hold management positions at subsidiary companies: Luca Cordero di Montezemolo is Chairman of Ferrari S.p.A., John Elkann is Chairman of Itedi S.p.A., and Sergio Marchionne who, in addition to being Chairman of the principal subsidiaries including CNH Global N.V. (an NYSE-listed company), is also Chief Executive Officer of Fiat Group Automobiles S.p.A.

An adequate number of independent directors is essential to protect the interests of shareholders, particularly minority shareholders, and third parties. For this reason, and believing it to be significantly in the Company's interests to maintain a high level of guarantees and protection against potential conflicts of interest, the Board of Directors proposed that for the elections held on 27 March 2009, Shareholders elect - in addition to the two independent directors required by law - an appropriate number of independent directors and confirm the criteria for determining independence adopted for previous elections.

The **independence** of directors is assessed annually and is based on the absence or non-relevance, during the previous three years, of economic or shareholding relationships or other relationships, whether direct, indirect or on behalf of third parties, with the Company, its executive directors and executives with strategic responsibilities, its controlling companies or subsidiaries, or any other party related to the Company. The results of these assessments are published in the Annual Report on Corporate Governance.

At the meeting held on 22 July 2009, the Board of Directors confirmed that Messrs. Roland Berger, René Carron, Luca Garavoglia, Gian Maria Gros-Pietro, Vittorio Mincato, Pasquale Pistorio, Ratan Tata and Mario Zibetti satisfied the requirements of independence.

Some directors also hold positions at other listed companies or companies of significant interest. Excluding the positions held by executive directors within the Fiat Group mentioned above, the most significant are as follows:

- Andrea Agnelli: Director of EXOR S.p.A.;
- Carlo Barel di Sant'Albano: Chief Executive Officer of EXOR S.p.A., Director of Juventus FC S.p.A., Sequana S.A., SGS S.A., Cushman & Wakefield and Vision Investment Management Ltd., Member of the Supervisory Board of Intesa Sanpaolo S.p.A.;
- Roland Berger: Vice Chairman Wilhelm von Finck AG, Director of Telecom Italia S.p.A., Chairman of the Supervisory Board of Prime Office AG, SPAC Germany 1 Acquisition Ltd and WMP EuroCom AG, Member of the Supervisory Board of Schuler AG, Senator Entertainment AG, Fresenius SE and Loyalty Partner Holdings S.A.;
- Tiberto Brandolini D'Adda: Chairman of Sequana S.A. and EXOR S.A., General Partner of Giovanni Agnelli & C. S.a.p.A., Vice Chairman of EXOR S.p.A., Director of SGS S.A. and Vittoria Assicurazioni S.p.A;
- René Carron: Chairman of Crédit Agricole S.A. and Caisse Regionale de Crédit Agricole des Savoie, Vice Chairman of Confédération Nationale de la Mutualité de la Coopération et du Crédit Agricoles, Director of GDF-Suez and Member of the Supervisory Board of Lagardere SCA;
- Luca Cordero di Montezemolo: Director of Poltrona Frau S.p.A., Tod's S.p.A., Pinault Printemps Redoute S.A., Member of the International Advisory Board of Citi Inc.;
- John Elkann: Vice Chairman and General Partner of Giovanni Agnelli & C. S.a.p.A., Chairman of EXOR S.p.A., Director of RCS Mediagroup S.p.A. and Banca Leonardo Group S.p.A., Member of the Supervisory Board of Le Monde S.A.;
- Luca Garavoglia: Chairman of Davide Campari Milano S.p.A., Director of Indesit Company S.p.A.;
- Gian Maria Gros-Pietro: Chairman of Autostrade per l'Italia S.p.A., Atlantia S.p.A. and Credito Piemontese S.p.A., Director of Edison S.p.A.;
- Sergio Marchionne: Chief Executive Officer of Chrysler Group LLC, Chairman of SGS S.A., Non-executive Vice Chairman and Senior Independent Director of UBS AG, Director of Philip Morris International Inc.;
- Virgilio Marrone: Director of Old Town S.A. and Member of the Management Board of Intesa Sanpaolo S.p.A.;
- Vittorio Mincato: Director of Parmalat S.p.A. and Tecno Holding S.p.A., Vice Chairman of Nordest Merchant S.p.A., Chairman of Casa Editrice Neri Pozza S.p.A.;
- Pasquale Pistorio: Honorary Chairman of S.T. Microelectronics N.V., Director of Atos Origin S.A. and Brembo S.p.A.;
- Ratan Tata: Chairman of The Indian Hotels Company Ltd, Director of Alcoa Inc., Antrix Corporation Ltd and JaguarLandRover Ltd (UK). Mr. Tata also serves as Chairman of the principal companies of the Tata Group;
- Mario Zibetti: Director of Ersel Sim S.p.A.

COMMITTEES ESTABLISHED BY THE BOARD OF DIRECTORS

The Board of Directors established the Internal Control Committee, the Nominating and Corporate Governance Committee, which in 2009 was also allocated responsibility for sustainability issues and renamed the Nominating, Corporate Governance and Sustainability Committee, with responsibility for, among others, selecting and proposing nominees to serve as director, and the Compensation Committee, with an advisory role for compensation issues.

INTERNAL CONTROL SYSTEM

The Board established the "Guidelines for the Internal Control System", which came into effect on 1 January 2003, and constituted a revision of the procedures established in 1999, including adoption of changes to the Corporate Governance Code. Essential elements of the Internal Control System are the **Code of Conduct**, adopted in 2002 to replace the Code of Ethics and subsequently revised in 2010, and the **Compliance Program**, adopted by the Board of Directors in implementation of regulations on the 'Liability of Legal Persons' pursuant to Legislative Decree 231/2001, as amended. The Code of Conduct embodies the principles of business ethics to which the Company adheres and with which directors, statutory auditors, employees, consultants and partners are required to comply.

During 2009, as a result of changes in law and legal precedent, the **Compliance Program** pursuant to Legislative Decree 231/2001 and the Guidelines for adoption of the Program by the Group's Italian companies were revised.

With these amendments, new criminal offenses were included and the relevant sensitive processes were identified. In particular, the Compliance Program was amended to include crimes relating to: "Organised crime", "Counterfeiting money, public credit cards, duty stamps, and distinguishing instruments or marks", "Offences against industry and commerce", "Offences related to the violation of copyright laws", and "Induction offences for not making declarations or making false declarations to judicial authorities".

The Compliance Program Supervisory Body is composed of the Compliance Officer, the Senior Counsel, and an external advisor. It has its own Internal Policies and Procedures and its activities are based on a specific Supervisory Program. This body meets at least once per quarter and reports to the Board of Directors (including through the Internal Control Committee) and the Board of Statutory Auditors.

In application of the Compliance Program, the Code of Conduct, and the provisions of the Sarbanes-Oxley Act, to which the Company was subject insofar as it was listed on the NYSE, on whistleblowing, the **Whistleblowing Procedures** were adopted as of 1 January 2005 for management of reports and claims filed by individuals inside and outside the Company in relation to suspected or presumed violations of the code of conduct, fraud involving company assets or financial reporting, oppressive behaviour towards employees or third parties, reports or claims regarding accounting, internal accounting controls, and independent audits.

The **Procedure for the Engagement of Audit Firms** regulates the engagement by Fiat S.p.A. and its subsidiaries of audit firms and those companies or professional firms that maintain an ongoing relationship (so-called network) with the audit firms, in order to safeguard the principle of independence of the firms engaged to audit the financial statements.

Fiat has put in place **system of risk management and internal control over financial reporting** based on the COSO Report model, according to which the internal control system is defined as a set of rules, procedures and tools designed to provide reasonable assurance of the achievement of corporate objectives. In relation to the financial reporting process, the objectives are the reliability, accuracy, completeness and timeliness of the information itself. Risk management constitutes an integral part of the internal control system. The periodic evaluation of the system of internal control over financial reporting is designed to ensure the overall effectiveness of the components of the COSO Framework model (control environment, risk assessment, control activities, information and communication, monitoring) in achieving those objectives. As mentioned previously, the principal characteristics of the system of risk management and internal control over financial reporting are provided in the Annual Report on Corporate Governance.

Documents and financial information regarding the Company are made public, including via the internet, in accordance with the provisions of the **Disclosure Controls & Procedures** adopted in the past to comply with the US regulation applicable at the time.

With reference to the "Conditions for the listing of shares of companies having control over companies incorporated and regulated under the laws of a non-EU member State", pursuant to Articles 36 and 39 of the Market Rules, the accounting systems in place at the Company and its subsidiaries, as discussed in the Annual Report on Corporate Governance, enable public disclosure of the accounts prepared by companies included in the scope of application of the Regulation and used in preparation of the consolidated financial statements and are adequate for the regular provision to management and the Parent Company's auditors of information necessary for preparation of the consolidated financial statements. In addition, there is an effective flow of information to the Parent Company's auditors, including regular information on the composition of corporate bodies within all subsidiary companies and the position held by each member. The Company is also is responsible for systematically maintaining and updating centralised records of formal documents related to the By-laws and delegation of powers to members of the corporate bodies. The requirements of Article 36 (a) (b) and (c) of the Market Rules issued by Consob have therefore been satisfied.
During the year, no companies incorporated under the laws of a non-EU member State were acquired which, on an individual basis, are significant for the purposes of the aforementioned Regulation.

BOARD OF STATUTORY AUDITORS

As required under Article 17 of the By-laws, the Board of Statutory Auditors is comprised of three regular auditors and three alternates, all of whom must be entered in the Register of Auditors and have at least three years' experience as a statutory account auditor. They may, within the legal limit, also hold other positions as director or regular auditor.

Pursuant to Legislative Decree 58/98 and in accordance with Article 17 of the Company's By-laws, appropriately constituted **minority** groups have the right to appoint one regular auditor, to serve as Chairman, and one alternate auditor. In accordance with the By-laws, the minimum equity interest required for submission of a list of candidates is set at a percentage no lower than that required by law for the submission of lists of candidates for the appointment of the Company's Board of Directors. The lists presented, together with the documentation required by law and the Company's By-laws, must be deposited at the Company's registered office at least fifteen days prior to the date set for the General Meeting on first call, or, in specific cases, up to five days after that deadline. The Board of Statutory Auditors was elected by Shareholders on 27 March 2009 using the voting list system.

The Board of Statutory Auditors is currently composed of: Riccardo Perotta, Chairman; Giuseppe Camosci and Piero Locatelli, regular auditors; and Lucio Pasquini, Fabrizio Mosca and Stefano Orlando, alternate auditors. The regular auditors Giuseppe Camosci and Piero Locatelli were elected from the list presented by the majority shareholder, EXOR S.p.A., while Riccardo Perotta, Chairman of the Board of Statutory Auditors, was elected from the minority list receiving the highest number of votes. The minimum shareholding required to submit a list of candidates was 1% of ordinary shares, as established by Consob with reference to Fiat's average market capitalisation for the fourth quarter of 2008. That percentage was subsequently reduced to 0.5%, as required by law, thereby enabling shareholders which together held 0.97 % of ordinary shares (a complete list of those shareholders is provided in the Annual Report on Corporate Governance) to submit a minority list. Additional information provided to Shareholders on the candidates and lists presented are still available in the Investor Relations section of the Group website (www.fiatgroup.com).

The Board of Statutory Auditors' current term of office expires on the date of the General Meeting of Shareholders called to approve the 2011 financial statements. Following is a list of the most significant positions held by the members of the Board of Statutory Auditors. As required by law, more complete information is provided in the Report of the Board of Statutory Auditors on the 2009 Financial Statements. Riccardo Perotta is Chairman of the Board of Statutory Auditors of Coface Assicurazioni S.p.A., Coface Factoring Italia S.p.A., Hyundai Motor Company Italy S.r.l., Jeckerson S.p.A., Metroweb S.p.A., Value Partners S.p.A. and a regular auditor of Mediolanum S.p.A., Prada S.p.A. and Snam Rete Gas S.p.A.; Giuseppe Camosci is Chairman of the Board of Statutory Auditors of Samsung Electronics Italia S.p.A. and a regular auditor of Trussardi S.p.A. and Finos S.p.A.; Piero Locatelli is a regular auditor of Giovanni Agnelli & C. S.a.p.A. and Simon Fiduciaria S.p.A.

INCENTIVE PLANS BASED ON FINANCIAL INSTRUMENTS

Fiat S.p.A. has established incentive plans based on financial instruments for more than 900 Group employees, in Italy and abroad, whose activities and leadership have a significant impact on the Group.

Five plans are currently in place, approved by Fiat S.p.A. between 2002 and 2009, which in certain cases allow shares to be purchased at a predetermined price (stock options) and in other cases provide for the granting of Fiat ordinary shares (stock grants).

In addition, the subsidiaries CNH Global N.V. and Ferrari S.p.A. have stock option and/or stock grant plans based on their ordinary shares. Ferrari S.p.A. granted options for 184,000 Ferrari shares to its Chairman, Luca Cordero di Montezemolo. Mr. Montezemolo still holds 80,000 of those options to purchase an equivalent number of newly issued shares, subject to Ferrari shares being listed, at a price of €175 per share and exercisable until 31 December 2010. Other companies had, prior to coming under the Group's control, approved cash-settled share-based payment plans referred to as Stock Appreciation Rights (SARs).

Following is a description of the principal characteristics of incentive plans based on financial instruments issued by Fiat S.p.A.

These plans were established to incentivize individuals in key positions toward the achievement of Company and Group performance targets and align those incentive plans to the long-term value created for shareholders. The level of commitment is further strengthened where, as has generally been the practice since 2004, vesting is subject to achievement of specific profitability targets during the reference period.

At the same time, motivating management by granting instruments which reflect the Company's market value contributes to the alignment of management's interests with those of shareholders, promoting management's sense of identification with the Group and significantly enhancing retention.

Plan beneficiaries are selected using objective criteria which take into account the impact of their role on business objectives. The number of options/shares actually granted is determined on the basis of individual leadership qualities.

The stock option plans established by Fiat S.p.A. grant beneficiaries the option to purchase one Fiat ordinary share for each option exercised at a predetermined price.

The options are subject to a predetermined exercise period beginning from the vesting date until the plan expiry date.

For all stock option plans, the strike price is based on the average daily market price for the month prior to the grant date and may be subject to adjustment as a result of transactions affecting the Company's share capital, with any adjustment factor being determined by the AIAF. The exercise price is payable in cash at the moment of exercise.

On 26 July 2004, the Board of Directors granted Sergio Marchionne, as variable compensation for his role as Chief Executive Officer, options to purchase 10,670,000 Fiat S.p.A. ordinary shares at a price of €6.583 per share, exercisable from 1 June 2008 to 1 January 2011. In each of the first three years following the grant date, Mr. Marchionne accrued the right to purchase a maximum of 2,370,000 shares per year commencing 1 June 2008. As of 1 June 2008, he also acquired the right to exercise the remaining 3,560,000 options, having achieved the profitability targets established for the reference period. At the Annual General Meeting held on 27 March 2009, Shareholders approved a number of amendments proposed by the Board of Directors, which determined that it was significantly in the Group's interests to restore the retention capability of the Plan given the change in conditions in the real economy and financial markets and the particularly uncertain period being faced by the automotive sector globally. More specifically, the amendments relate to the reintroduction of a vesting period, solely conditional on Mr. Marchionne remaining in office, which shall render the options unexercisable until 31 December 2010 and extend the exercise period through to 1 January 2016, with all other conditions of the plan remaining unchanged.

On 3 November 2006, Fiat S.p.A.'s Board of Directors approved an eight-year plan consisting of 20 million stock options, authorised by Shareholders on 5 April 2007, which grants certain Group managers and the Chief Executive Officer of Fiat S.p.A. the right to acquire a determined number of Fiat S.p.A. ordinary shares at the price of €13.37 per share. More specifically, 10,000,000 options were granted to employees and 5,000,000 options were granted to Mr. Marchionne, to be vested over 4 years with one-quarter of the total being vested each year, subject to the achievement of profitability targets for the reference period. Options which vested for those years in which the profitability targets were achieved will be exercisable from the date of the approval of the 2010 financial statements. The remaining 5,000,000 options granted to the Chief Executive Officer of Fiat S.p.A. also have a vesting period of four years with a quarter of the number vesting each year and may be exercised from November 2010. In addition, the ability to exercise the options is additionally subject to specific restrictions regarding the duration of the employment relationship or the continuation of the position held. The Board exercised its powers under Article 2443 of the Civil Code to issue new shares, in service of these incentive plans, to employees of the Company and/or its subsidiaries up to 1% of share capital or a maximum of €50,000,000 (fifty million euros) in the form of 10,000,000 (ten million) ordinary shares having a par value of €5.00 (five euros) each, representing 0.78% of total share capital or 0.92% of ordinary share capital, at a price of €13.37 each. Execution of the capital increase is subject to the conditions of the Plan being satisfied.

On 26 February 2008, the Board of Directors of Fiat S.p.A. approved an incentive plan, authorised by Shareholders on 31 March 2008, which allows for the periodic granting of a maximum 4 million stock options and/or share appreciation rights until the end of 2010. This plan is intended for managers hired or promoted subsequent to the stock option plan established on 3 November 2006, or who, in any event, warrant additional recognition, and is structured similarly to the 2006 plan in terms of profitability targets, vesting and exercise. On 23 July 2008, the Board of Directors, in execution of that plan, voted to grant 1,418,500 stock options at an exercise price of €10.24.

On 23 February 2009, the Board of Directors approved an incentive plan, subsequently approved by Shareholders on 27 March 2009, based on the granting of rights which, subject to the achievement of predetermined performance targets for 2009 and 2010 and continuation of the professional relationship with the Group, provides for the granting of an aggregate total of 8 million Fiat ordinary shares to plan beneficiaries, 2 million of which to the Chief Executive Officer, Sergio Marchionne, and a maximum of 6 million to executives holding key positions which have a significant impact on business results. With approval of the Plan by Shareholders, the grants to the Chief Executive Officer became immediately effective. The Chief Executive Officer of Fiat S.p.A. is responsible for selecting Plan beneficiaries in accordance with the organisational criteria adopted for the 2006 and 2008 plans, determining the number of rights to be granted to each manager as well as the reassigning of any rights forfeit pursuant to termination of the employment relationship.

Both the 2008 and 2009 Plans are to be serviced through shares bought on the market rather than through the issue of new shares.

Detailed information on all Plans is also available in the notes to both the consolidated and parent company financial statements.

SHARES HELD BY MEMBERS OF THE BOARDS OF DIRECTORS AND STATUTORY AUDITORS, GENERAL MANAGERS AND OTHER EXECUTIVES WITH STRATEGIC RESPONSIBILITIES (ARTICLE 79 OF CONSOB RESOLUTION NO. 11971 OF 14 MAY 1999)

Name	Shares held	No. of shares held at 31.12.2008	No. of shares bought in 2009	No. of shares sold in 2009	Change in no. of shares incoming /(outgoing) managers	No. of shares held at 31.12.2009
Luca Cordero di Montezemolo	Fiat Ordinary	127,172	-	-	-	127,172
Sergio Marchionne	Fiat Ordinary	240,000	-	-	-	240,000
Gian Maria Gros-Pietro	Fiat Ordinary	3,300	-	-	-	3,300
Executives with strategic responsibilities	Fiat Ordinary	106,291	6,000	-	-8,317	103,974
	Fiat Preference	-	-	-	-	-
	Fiat Savings	618	-	-	-	618
	CNH Ordinary	7,464	-	-	-	7,464

TRANSACTIONS BETWEEN GROUP COMPANIES AND WITH RELATED PARTIES

During the period, there were no transactions, including intragroup, with related parties which qualified as unusual or atypical. Any related party transactions formed part of the normal business activities of companies in the Group. Such transactions are concluded at standard market terms for the nature of goods and/or services offered.

Information on transactions with related parties, including specific disclosures required by the Consob Communication of 28 July 2006, is provided in Note 35 of the Consolidated Financial Statements and in Note 30 of Fiat S.p.A.'s Financial Statements.

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As part of the requirements of Legislative Decree 196/03 (the Italian data protection act), several activities to evaluate the system of data protection for information held by Group companies subject to this law, including specific audits, were performed. These activities confirmed that legislative requirements relating to the protection of personal data processed by Group companies had been substantially complied with, including preparation of the Security Planning Document.

SUBSEQUENT EVENTS AND OUTLOOK

SUBSEQUENT EVENTS

In February, Fiat S.p.A. and Sollers announced the establishment of a global alliance in the form of a joint venture for the production of passenger cars and SUVs. The new JV is expected to reach total production capacity of up to 500,000 vehicles per year by 2016. Nine new models (C & D segment and SUV) will be sold in the Russian market, six of which will be based on a new global Fiat-Chrysler platform. A minimum of 10% of the vehicles will be produced for the export market. The Fiat/Sollers project will be based in Naberezhnye Chelny, located 1,000 km east of Moscow in the Republic of Tatarstan. Sollers' current site in Naberezhnye Chelny will be expanded to include new production facilities and a technology park for component production. The Russian Government is expected to provide support for the joint venture through subsidized long-term financing for the entire amount of investment required, estimated at €2.4 billion.

OUTLOOK

After a particularly difficult 2009, with uneven trading conditions across the Group's international scope of operations, 2010 is positioning itself as a year of transition and stabilization.

The Group expects all of its Sectors to improve performance over the prior year, with the exception of the Automobiles business, the performance of which will be impacted by the reduction of eco-incentive programs which underpin demand in Western Europe.

The Group's forecasts include a continuation of the rigorous cost containment action initiated as early as the latter part of 2008, and which were implemented vigorously throughout 2009.

The capital expenditure programs which formed part of the 2007-2010 industrial plan outlined to the financial community in November 2006 underwent a severe contraction in 2009, in response to the uncertainty of the demand function for the Group's various businesses and the tightening of credit markets. This contraction is expected to ease in 2010, with the resumption of a normalized level of capital commitments across all Sectors, yielding a 30% to 35% rise in expenditures over 2009.

Targets for the year, which are heavily influenced by the non-renewal of eco-incentives on new car purchases in Italy, are as follows:

- Revenues of approximately €50 billion.
- Trading profit of €1.1 to €1.2 billion.
- Net profit near break even.
- Net industrial debt above €5 billion.

Fiat will, in any event, have more than adequate resources to transition to what is expected to be a normalized trading environment in 2011 and later years.

While working on the achievement of its objectives, the Fiat Group will continue to implement its strategy of targeted alliances in order to optimize capital commitments and reduce risks.

OPERATING PERFORMANCE BY SECTOR

FIAT GROUP AUTOMOBILES

Fiat, Abarth, Alfa Romeo, Lancia and Fiat Professional

HIGHLIGHTS

(€ million)	2009	2008
Net revenues	**26,293**	26,937
Trading profit/(loss)	**470**	691
Operating profit/(loss) (*)	**217**	460
Investments in tangible and intangible assets	**1,495**	2,288
of which capitalised R&D costs	**446**	641
Total R&D expenditure (**)	**669**	843
Cars and light commercial vehicles delivered (no. of units)	**2,150,700**	2,152,500
No. of employees at year end	**54,038**	52,634

(*) Including restructuring costs and other unusual income/(expense).
(**) Includes capitalised R&D and R&D charged directly to the income statement.

COMMERCIAL PERFORMANCE

After a particularly negative start to the year, the scrapping incentives introduced in several major markets led to a gradual recovery in demand in Western Europe, where the **passenger car** market closed the year with volumes slightly higher than 2008 (+0.5%).

These incentives had a very positive impact in Germany, where demand increased 23.2%, and in France, where the market grew 10.7% over 2008. In Italy, government incentives helped maintain demand substantially in line with 2008 (-0.2%). In both the UK and Spain, however, where incentives were introduced towards the end of the first half, demand was down 6.4% and 17.9%, respectively.

Outside of Western Europe, performance in the Sector's key markets was mixed. In Poland, demand remained stable (+0.1%), while in Brazil there was a further increase (+12.6%) over the positive performance in 2008 underpinned by government purchase incentives and a generally favourable economic environment.

FGA's strong offering of environmentally-friendly cars enabled the Sector to fully benefit from eco-based government incentives. Fiat Group Automobiles continued to make positive share gains in the passenger car market, reaching 32.8% in Italy (+0.9 percentage points over 2008) and 8.8% in Western Europe (+0.6 percentage points). FGA's relative performance was particularly strong in Germany (+1.5 percentage points to 4.7%) and positive also in the UK (+0.6 percentage points to 3.5%). Market share for the Fiat brand increased to 7.1% in Western Europe (+0.5 percentage points over 2008) and 25.5% in Italy (+0.4 percentage points). Lancia and Alfa Romeo also increased market share in Western European, each gaining 0.1 percentage points to 0.9% and 0.8%, respectively.

The **light commercial vehicle** market in Western Europe declined 27.4% over 2008. Demand fell in all major markets: France (-18.8%), Italy (-21.4%), Germany (-24.8%), the UK (-35.5%) and Spain (-35.6%).

Fiat Professional's market share for light commercial vehicles in Italy was 39.9%, down 3.4 percentage points over 2008, driven by the phase out of the Doblò (with market supply of the new Doblò beginning in early 2010) and the sharp drop in demand in the camper segment, where Fiat Professional has the lion's share of the market. In Western Europe, share was up slightly to 12.6% (+0.3 percentage points).

In Brazil, FGA maintained its leadership of the market, recording an overall share of 24.5% (-0.1 percentage points over 2008). Share for passenger cars only was 24.6% (-0.3 percentage points). This was, however, offset by an increase in market share for light commercial vehicles, which was up 1.1 percentage points to 24.1%.

Fiat Group Automobiles delivered a total of 2,150,700 passenger cars and light commercial vehicles for the year, in line with 2008 (-0.1%).

In Western Europe, total deliveries were unchanged at 1,238,100 units. Performance was positive in Italy (+0.5%) and the UK (+5.2%) and very strong growth was achieved in Germany (+46.2%). There was a decrease in France (-7.3%) and a sharp decline in Spain (-48.3%), which was also impacted by measures to realign dealer inventory levels to market demand.

In Poland, volumes increased 1.8% over the 2008 level.

Passenger Car Market

(units in thousands)	2009	2008	% change
France	**2,268.7**	2,050.3	10.7
Germany	**3,807.2**	3,090.0	23.2
UK	**1,995.0**	2,131.8	-6.4
Italy	**2,158.0**	2,161.7	-0.2
Spain	**952.8**	1,161.2	-17.9
Western Europe	**13,632.9**	**13,561.2**	**0.5**
Poland	**320.1**	319.9	0.1
Brazil	**2,520.2**	2,237.3	12.6

Sales Performance
Passenger Cars and Light Commercial Vehicles

(units in thousands)	2009	2008	% change
France	**114.8**	123.8	-7.3
Germany	**179.5**	122.8	46.2
UK	**75.1**	71.4	5.2
Italy	**721.9**	718.1	0.5
Spain	**25.2**	48.7	-48.3
Rest of Western Europe	**121.6**	153.1	-20.6
Western Europe	**1,238.1**	**1,237.9**	**-**
Poland	**42.4**	41.6	1.8
Brazil	**749.5**	665.6	12.6
Rest of World	**120.7**	207.4	-41.8
Total Sales	**2,150.7**	**2,152.5**	**-0.1**
Associate companies	**126.9**	76.5	66.0
Grand Total	**2,277.6**	**2,229.0**	**2.2**

For passenger cars only, FGA delivered a total of 1,843,400 units (an increase of 5.7% over the prior year). In Western Europe, passenger car deliveries rose 8.9% to 1,085,100 units, with the level of demand increasing slightly (+0.5%) over 2008. Deliveries were up 6.2% in Italy, 17.7% in the UK, and doubled in Germany (+96.6%), significantly outpacing overall growth in those markets. Deliveries increased 1% in France, but were down 43.9% in Spain.

The Panda and 500 continued to hold the top two positions in the A segment and the Punto was also one of the most sold models in Western Europe.

A total of 307,300 light commercial vehicles were delivered in 2009, representing a 24.8% decrease over 2008. In Western Europe, where the overall market declined sharply, deliveries were down 36.5% to 153,000 units. This was partially due to measures implemented to realign dealer inventory levels to the significant slowdown in market demand. Deliveries for the Sector decreased in all major markets: Italy (-33.2%), France (-28.9%), Germany (-35.1%), the UK (-55.7%) and Spain (-62.9%).

Outside of the European Union, Fiat Group Automobiles strengthened its presence in those markets where it is already well-established, such as Brazil, Argentina and Turkey, while also pursuing development opportunities in other emerging markets in collaboration with local partners.

In Brazil, where the Sector delivered a total of 749,500 passenger cars and light commercial vehicles, sales increased 12.6% over 2008, confirming the Sector's leading position for the market overall.

In Argentina, the passenger car market declined 12% over 2008 and Fiat Group Automobiles recorded a 10.4% market share (down 1.5 percentage points). Deliveries of passenger cars and light commercial vehicles decreased 27% to 47,900 units.

In Turkey, the automobile sector staged a recovery with the passenger car and light commercial vehicle market growing 12.8% over the previous year to reach 557,000 units. Tofas (a local joint venture in which Fiat Group Automobiles holds a 37.9% interest) saw a 40.5% increase in sales with market share up 2.9 percentage points year-on-year to 15.3%.

STRATEGIC ALLIANCES

In 2009, the Group took a major step forward in its strategy of international strategic alliances through its agreement with Chrysler.

On 10 June 2009, Chrysler Group LLC and Fiat finalized an agreement to establish a global strategic alliance and the new Chrysler became operational on the same date. The agreement grants the US automaker access to Fiat technology, platforms and powertrains for small and medium-sized cars, which are amongst the most innovative and advanced in the world. This will enable Chrysler to expand its product offering with the addition of low environmental impact models. Chrysler will also have access to Fiat's international distribution network. The alliance represents an important step toward positioning both Fiat and Chrysler among the next generation of leaders of the auto industry globally. As consideration, Fiat received an initial equity interest of 20% in the newly-formed Chrysler Group LLC, which could increase up to a total of 35% upon achievement of specific pre-established targets. The agreement does not contemplate any cash investment in Chrysler by Fiat or commitment to fund Chrysler in the future. Fiat will also have the right to acquire a majority interest in Chrysler once all government loans have been fully repaid. The alliance is expected to bring enormous benefits to both companies by giving them the critical mass necessary to compete at a global level. Fiat will also be able to expand its geographical footprint by leveraging new market opportunities such as a return to the US market and introduction of new models in Europe. Fiat's presence and experience in the smaller car segments combined with Chrysler's presence and experience in the medium and larger segments will enable the Group to offer a full range of products.

Chrysler's strategic business plan, presented at the beginning of November 2009, projects the launch of 21 new models over the next five years with sales volumes increasing to 2.8 million cars by 2014 (40% higher than in 2008 and more than double 2009 volumes). Approximately 60% of those vehicles are to be based on Fiat platforms. By 2014, Chrysler expects to have annual revenues of approximately USD 68 billion and operating income of USD 5 billion, with its current debt level halved and loans from the American and Canadian governments fully repaid.

To further strengthen its position in terms of both products and distribution capability in international markets, Fiat signed a framework agreement in July with GAC (Guangzhou Automobile Group Co. Ltd.) for the creation of a 50/50 joint venture in China to produce engines and passenger cars for the Chinese market. GAC, a state-owned company and one of the largest passenger car manufacturers in China, operates in both the domestic and international markets. The agreement calls for the construction of a new plant and total investment by the joint venture is projected to be in excess of €400 million. The joint venture will initially have a production capacity of up to 140,000 passenger cars and 220,000 engines a year, which may be increased to 250,000 cars and 300,000 engines. Start of production is planned for the second half of 2011. The joint venture was approved by the National Development and Reform Commission in November 2009, and final approval is expected in the first quarter of 2010.

INNOVATION AND PRODUCTS

In 2009, despite the global economic crisis that had a severe impact on the automobile industry, Fiat Group Automobiles was very active in launching new models with highly innovative technological solutions. Upgrades to and expansion of the range across all brands enabled Fiat Group Automobiles to best respond to difficult market conditions and also resulted in several major international awards being received for its products.

For the **Fiat** brand, 2009 was the year of the Punto Evo, a companion to the Grande Punto that sets a new standard in innovation, safety and style in the B segment. The "Evo" in the name underscores the technological progress and excellence that this model embodies, above all with its extensive range of Euro 5 engines including the second-generation 1.3 MultiJet, 1.4 MultiAir and CNG/gasoline engines.

Other products launched during the year include the Fiat 500C cabriolet with a sophisticated, electrically controlled soft-top. Toward the end of the year, the new Euro 5 1.3 MultiJet II engine, equipped with the Start&Stop system as standard, was made available on both the Fiat 500C and Fiat 500. In October, sale of the Fiat 500 began in Brazil. The vehicle was equipped with modified injection and suspension system to adapt it to the requirements of the local market. As further evidence of the success of the Fiat 500, it was named "2009 World Car Design of the Year" in New York by a panel of 59 automotive sector journalists from 25 countries around the world.

December saw the launch of the "family space" Fiat Doblò, with new styling, range of engines and upgraded technical specifications. Fiat also expanded its offer of bifuel cars (LPG/gasoline and CNG/gasoline), which now includes the Punto Classic, Idea, Qubo, Panda, Grande Punto and Bravo. In addition, the Sedici underwent styling and engine upgrades, and there was the unveiling of the Panda Panda Cross, the first low environmental impact City SUV, the special edition Bravo MSN Edition, the result of a collaboration with Microsoft, and the special edition Fiat Panda 4x4 Adventure. The Trekking version of the Qubo also made its debut.

Finally, already leader two years running, in September 2009 the Fiat brand was once again confirmed by JATO Dynamics as having the lowest average CO_2 emissions amongst the top 25 selling brands in Europe.

Abarth unveiled two brand new models: the Abarth 695 Tributo Ferrari and the Abarth 500 R3T, which will feature in a dedicated promotional street racing trophy.

In 2009, **Alfa Romeo** launched the 105 hp and 135 hp MiTo 1.4 MultiAir, the first vehicle to be equipped with this new technology for gasoline engines. Also new was the 170 hp "Quadrifoglio Verde" version. The range of engines available on the MiTo was further expanded to include the 120 hp 1.4 Turbo gasoline, the first bifuel (LPG/gasoline) turbo produced directly by the Group, and the 95 hp 1.3 JTDM-2 diesel engine with Start&Stop system as standard. During the year, Alfa Romeo also launched two new Euro 5 engines: the 170 hp 2.0 JTDM diesel and the 200 hp 1750 Turbo gasoline (TBi) which are available on the Brera, Spider and 159 nameplates.

Lancia released the new Delta Executive, equipped with a number of advanced technological features and the new 200 hp 1.8 Bi TurboJet, a Euro 5-compliant direct injection gasoline engine which offers more power and lower emissions. The brand also introduced the low environmental impact ECOchic Ypsilon and Musa which are equipped with a bifuel LPG/gasoline engine. In October, Lancia presented the Delta Turbo LPG which, with its 120 hp 1.4 LPG/gasoline TurboJet engine, is the first car ever to receive Legambiente's climate seal of approval.

Fiat Professional released the Ducato 140 Natural Power early in the year and then in the autumn launched the CNG/gasoline-powered Fiorino Natural Power, the only one of its type in the segment. Capping off the year was the arrival of the new Doblò Cargo, the professional version of a model that has so far sold over one million units.

FGA made several major achievements in the development of environmentally-focused products during the year. These resulted in the addition of several new eco-friendly, CNG/gasoline-powered models to the Natural Power range. The Start&Stop system, already offered on the Fiat 500 in 2008, was also made available on a further six models.

Development also continued on new models which will be presented in 2010, including the Alfa Romeo Giulietta. This vehicle's world debut will be at the Geneva Motor Show in March and it will be progressively rolled out to all major European markets during the spring, relaunching the brand's presence in one of the most important product segments. The Alfa Romeo Giulietta will be based on a new platform that represents a significant step forward in technological content in terms of materials, flexibility and potential applications.

SERVICES

In 2009, actions were taken to improve customer response capabilities and a customer satisfaction monitoring system was completed which will further contribute to the success of the sales and service networks.

Technical Services made operational improvements to its maintenance and repair services throughout Europe. New information tools were rolled out to all markets which will provide faster, more effective support to the service network. In addition, service levels were improved through implementation of databases available on-line in 19 languages to provide additional support in the area of diagnostics and repair to the service network.

For warranty service, a new management model was introduced in Europe in partnership with leading third party service providers which achieved the expected benefits in terms of cost reduction.

In Italy, further investment was made in support for the network through establishment of new communication channels and management of dealer requests using the same methods and service level offered to end customers.

The Customer Service Centre at Arese represents one of the Sector's most important customer relationship tools. It currently manages over 25 different services and covers 18 European markets. In 2009, the number of customer contacts handled by the Centre was up 18% over the prior year.

Customer Mobility Support provides assistance to customers at the most critical moments, when their cars are in for service or they are in need of roadside service, with rapid and effective support to ensure that their mobility requirements are met. In 2009, activity focused on monitoring in the major markets, improving services and managing agreements with providers that were approaching expiry or renewal. In the first half of 2009, a new model was implemented in all markets through a pan-European roadside assistance policy which offers a more comprehensive range of services.

Fiat Group Automobiles offers **financial services** in Europe, Latin America and China.

In Europe, this activity is managed by FGA Capital, a 50/50 joint venture with the Crédit Agricole group (accounted for under the equity method).

FGA Capital supports the Sector's European sales activities through dealer financing, end-customer financing and medium and long-term rental. The collaboration with Crédit Agricole continued to prove its effectiveness throughout 2009, in line with expectations, and successfully supported sales and new product launches. In addition, in the second half of 2009 the joint venture began working with Chrysler to provide financial services to its distribution networks and end customers in Europe.

In 2009, new loans to the dealer network totalled €16,963 million (€11,850 million in 2008). A total of €5,921 million (€5,184 million in 2008) was provided to retail customers to finance 513,591 vehicles (441,304 in 2008), representing a penetration rate of 29.3% (25.5% in 2008).

There were new rental agreements on 57,586 vehicles (74,665 in 2008), representing a financed value of €793 million (€1,114 million in 2008) and a penetration rate of 3.9% (5.6% in 2008).

In Latin America, financial services are provided by Banco Fidis de Investimento in Brazil and Fiat Credito Compania Financiera in Argentina. In China, financial services are provided by Fiat Automotive Finance. All three companies are subsidiaries of Fidis S.p.A., (whose principal activities in Italy are the provision of factoring and guarantees), a wholly-owned fully-consolidated subsidiary of FGA.

In addition, in the second half of 2009 Fidis S.p.A. began collaboration with Chrysler to provide financial services to dealers and end customers outside of Europe through direct solutions in Brazil, Argentina and China and development of partnership agreements with external financial providers in other non-European markets.

During 2009, Fidis S.p.A. continued to reduce its supplier factoring activities, with managed receivables dropping from €505 million to €430 million at year end.

MASERATI

HIGHLIGHTS

(€ million)	2009	2008
Net revenues	448	825
Trading profit/(loss)	11	72
Operating profit/(loss) (*)	11	72
Investments in tangible and intangible assets	65	73
of which capitalised R&D costs	31	37
Total R&D expenditure (**)	33	47
Automobiles delivered (no. of units)	4,489	8,759
No. of employees at year end	723	767

(*) Including restructuring costs and other unusual income/(expense).
(**) Includes capitalised R&D and R&D charged directly to the income statement.

OPERATING PERFORMANCE

In 2009, after three consecutive years of growth, Maserati experienced a significant decline in volumes attributable to the global contraction in demand which also impacted its market segment.

Deliveries to the network were down 48.7% for the year. However, Maserati succeeded in maintaining overall market share in line with 2008, and gained share in the Quattroporte segment.

Despite a significant reduction in sales volumes, the company achieved a trading profit of €11 million (compared to a profit of €72 million in 2008).

With 1,653 units sold during the year, the Quattroporte was once again the fourth best-selling car in its class in Maserati's eight main markets and the model continued to receive recognition at both the national and international level, amassing some 54 awards since its launch.

With more than 2,800 units sold to date, the GranTurismo (including the new GranTurismo S Automatic) continued its success.

In motor sport, the Maserati MC12 won the FIA GT Driver and Team titles, achieving an extraordinary record of 12 titles in the last five seasons.

The marque also celebrated two major milestones in its long sporting tradition: the 70th anniversary of the first of its two victories at the Indianapolis 500 (the only Italian car ever to win this classic American event), and the 80th anniversary of the first land speed record set by a Maserati over a ten kilometre course.

In 2009, Maserati delivered 4,489 vehicles to the network, a 48.7% decline over 2008 reflecting not only a reduction in market demand but also destocking by the sales network. Decreases were experienced in all of Maserati's 59 markets. Significant declines were recorded in Spain (-85%), Japan (-69%), the UK (-59%), France and Germany (-53%) and the USA (-47%).

At year end, the order backlog stood at 990 units.

INNOVATION AND PRODUCTS

Although 2009 proved a difficult year, Maserati was present at every major event to showcase its new models.

At the Detroit Motor Show in January, Maserati presented the new Quattroporte Sport GT S, targeted at the luxury sport sedan segment. This car is the best optimization ever achieved by Maserati between a luxury sedan and a sports car.

The Geneva Motor Show in March was the venue for the second unveiling of the year in the form of the 4.7-litre GranTurismo S Automatic.

At the Frankfurt Motor Show in September, Maserati debuted the new GranCabrio, its first ever four-seater cabriolet. This car, the result of in-depth aerodynamic research, is a true 4-seater convertible. The interior is significantly more spacious than the segment standard, providing the maximum comfort even for rear passengers. It is powered by a 4.7-litre V8 engine (440 hp) coupled with a 6-speed transmission with torque converter. The GranCabrio joins the Quattroporte and GranTurismo to complete the current Maserati range.

FERRARI

HIGHLIGHTS

(€ million)	2009	2008
Net revenues	**1,778**	1,921
Trading profit/(loss)	**238**	339
Operating profit/(loss) (*)	**245**	341
Investments in tangible and intangible assets	**290**	311
of which capitalised R&D costs	**119**	117
Total R&D expenditure (**)	**156**	164
Type-approved vehicles delivered to the network (no. of units)	**6,193**	6,452
No. of employees at year end	**2,835**	3,017

(*) Including restructuring costs and other unusual income/(expense).
(**) Includes capitalised R&D and R&D charged directly to the income statement.

OPERATING PERFORMANCE

Due to the success of its models, Ferrari largely contained the effects of the economic crisis that also impacted its core markets. The decline in revenues was limited to 7.4% over the 2008 level, which benefited from particularly strong sales, and the Sector achieved a trading margin of 13.4%.

In 2009, Ferrari continued renewal of its product range. Following launch of the Ferrari California in late 2008 – with deliveries beginning early 2009 – the new rear-centre mounted V8 458 Italia coupé was unveiled at the Frankfurt Motor Show.

This car represents a generational leap forward for its class and replaces the F430, of which the very last model produced was auctioned to raise money for victims of the earthquake in Abruzzo.

The 458 Italia immediately grabbed the attention of the media, both specialist and general, as a truly innovative vehicle which sets a new benchmark for the entire sector. One of the first acknowledgements received was the prestigious Top Gear Award for best car in its class as well as best overall for 2009.

For the launch of the 458 Italia, Ferrari once again used the internet as the primary platform for communicating with customers and enthusiasts around the world. A Japanese version of the website is also available as of January 2010, enabling closer contact with a market that has historically been one of Ferrari's most important.

The company continued expansion of the Ferrari Store network opening new sales outlets internationally, most notably on Regent Street in central London and in Dubai, the largest in the world.

A total of 6,250 type-approved cars were **sold to end customers**, a 5.1% decrease over 2008 (including non-type-approved vehicles, the total was 6,293 units; -5.5% vs. 2008).

The year-on-year decline experienced in North America (-13.7% over 2008) - Ferrari's number one market again in 2009 with 1,467 type-approved vehicles being sold (23.4% of worldwide sales) - was partly offset by increased sales to the Middle East and Africa (+28.7% with 471 deliveries to end customers). The main European markets, principally Germany (644 deliveries to end customers) and Italy (655), posted decreases over 2008 of 9.8% and 9.2% respectively, partially offset by increases for Switzerland (+13.8% to 330 units), Belgium (+19.6% with 128 vehicles sold) and France (+9% to 353 units). There was notable growth also in Austria, the Czech Republic and Romania, where a combined total of 139 vehicles were delivered, representing a rise of 35%. The Asia Pacific region also made a vital contribution with a total of 1,117 cars being delivered to end customers (+2.6% over 2008), of which 502 were in Japan (+15.9% over 2008) and 349 in China and Hong Kong (+5%).

In 2009, 6,193 type-approved vehicles were **delivered to the network**, a decrease of 4% year on year (6,235 including non-type approved vehicles; -4.5% vs. 2008).

INNOVATION AND PRODUCTS

At the Geneva Motor Show in March, Ferrari unveiled two important new products in the form of the Handling GT Evoluzione (HGTE) package for the 599 GTB Fiorano and the 599XX. The HGTE package offers a decidedly sportier and more dynamic driving experience for the 599 GTB Fiorano. The 599XX is a non-type approved car for on-track use, targeted at a select customer base who desire the highest level of performance and technological innovation.

The new Ferrari 458 Italia was presented at the Frankfurt Motor Show in September. It evokes Italy not only in name, but also through the creativity and capacity for innovation which it embodies. This vehicle represents a generational leap forward. Powered by a rear-centre mounted, 4.5-litre 8-cylinder engine delivering 570 hp, it offers exceptional performance with top speed in excess of 325 kph and acceleration from 0 to 100 kph in under 3.4 seconds. In addition, this extraordinary concentration of innovation leverages Ferrari's extensive competition experience to offer outstanding fuel performance for a supercar, consuming just 13.3 l per 100 km.

Through Ferrari Financial Services, Ferrari also offers car financing to customers in several European countries (Germany, Switzerland, France, Belgium, Austria and Italy) and in the USA. Beginning in December 2009, financing was also offered to customers in the UK.

During the year, the new Dealer Finance business line was added to support the Ferrari sales network. This programme was launched toward the end of the year and is currently limited to the United States, Germany and Switzerland.

AGRICULTURAL AND CONSTRUCTION EQUIPMENT

CNH – Case New Holland

HIGHLIGHTS

(€ million)	2009	2008[1]
Net revenues	**10,107**	12,781
Trading profit/(loss)	**337**	1,122
Operating profit/(loss) (*)	**251**	1,146
Investments in tangible and intangible assets (**)	**330**	451
of which capitalised R&D costs	**151**	73
Total R&D expenditure (***)	**283**	286
No. of employees at year end	**28,466**	31,521

(1) Following adoption of the improvement to IAS 16 in 2009, as described in the Notes to the Consolidated Financial Statements, 2008 net revenues were increased by €58 million and investments in tangible and intangible assets were reduced by €225 million.
(*) Including restructuring costs and other unusual income/(expense).
(**) Net of vehicles leased out.
(***) Includes capitalised R&D and R&D charged directly to the income statement.

COMMERCIAL PERFORMANCE

In 2009, the global market for **agricultural equipment** decreased by 7%, with retail unit volumes for tractors and combines declining 7% and 19%, respectively, compared with exceptionally strong 2008 levels. Demand suffered from the general economic slowdown, lower commodity prices and continued uncertainty in credit availability (particularly in Latin America, Eastern Europe, the CIS states and other Rest-of-World areas). Industry demand for tractors was down in all regions, with the exception of Rest-of-World. In North America, sales decreased for both under and over 100 hp models, with over 100 hp models declining at a much lower rate. Combine harvester retail unit sales increased in North America. However, that increase was more than offset by decreases in the other regions.

CNH's extensive and upgraded product portfolio supported market share performance in an increasingly competitive environment. In the tractor market, CNH gained share in North America in over 40 hp models. Share in Latin America and Western Europe remained flat. Market share was eroded in Rest-of-World, where demand in fast growing markets such as China is mainly satisfied by local, low-range products. In the global market for combine harvesters, CNH share increased in Latin America, was stable in Rest-of-World and in Western Europe, and decreased in North America (with gains in the more profitable higher-end segment).

In 2009, worldwide **construction equipment** industry retail unit sales dropped 38%. Industry sales of heavy construction equipment were down 30% and light construction equipment fell 45%, with Rest-of-World declining less than other regions in both segments due to demand in China.

CNH market share improved in Latin America for both light and heavy segments, while North America was stable. Share declined for both segments in Rest-of-World (where CNH has a limited presence) and Western Europe, in a highly competitive environment driven by aggressive destocking.

As a result of continued weak trading conditions in the global construction equipment market, CNH has undertaken a thorough review of the positioning of its brands and undertaken a series of actions to reduce operating costs and strengthen the competitiveness of its product portfolio. Reorganization of the internal management structure has been completed and the workforce reduced to reflect current conditions.

At the beginning of October, CNH and KAMAZ (the leading heavy truck manufacturer in Russia and one of the largest globally) signed a letter of intent to form an industrial and commercial alliance that will further strengthen CNH's leading position in Russia's agricultural and construction equipment sectors. Under the agreement, the two companies will set up an industrial joint venture whose initial objective will be the local production of CNH agricultural and construction equipment for distribution in Russia. Production is scheduled to commence in 2010. The two companies will also integrate their respective sales networks that will distribute the full range of CNH products (both locally-produced and imported) in the Russian Federation.

INNOVATION AND PRODUCTS

Case IH Agriculture expanded its Magnum tractor range in North America with the release of the new 180-225 hp continuously variable transmission (CVT) Magnum. Also presented were the Maxxum 110-140, updated to include a multi-control armrest, new A-pillar instrumentation and restyled hood and an upgraded version of the Puma (125-192 hp).

Three new models in the Farmall line of compact tractors with continuously variable transmission were launched in North America and the Quantum N and V specialty tractors in Rest-of-World markets. The brand also entered the all-terrain-vehicle (ATV) market with the launch of the Case IH Scout XL.

Case IH released a basic model sugar cane harvester, developed to mechanize the sector in Africa, India and China, as well as the Austoft 8000 series, which offers a 35% increase in cutting power and electronic ground drive with cruise control.

New Holland Agriculture launched the T7000 series Auto CommandTM tractors (167-225 hp) in Europe and North America designed for large-scale agricultural producers and contract operators. The range features a new continuously variable transmission that optimizes engine performance and operating costs.

The brand introduced the TD4000F orchard tractors in Europe and the TDF series designed for application in olive groves, vineyards and landscaping. In India, three tractor models were launched in the TT tractor line, ranging in power from 35 to 50 hp and in 2-wheel and 4-wheel drive versions. In Latin America, the brand launched the 75 hp TT4030 standard tractor, ideal for small and mid-sized farms.

Also launched during the year was the new T6000 Range & Power Command series of tractors, with increased power ratings, and including the T6090 which has the best power-to-weight ratio in its category. New Holland also introduced the new Workmaster 45/55 series in North America, which includes a four-wheel-drive model and forward/reverse synchronized shuttle. The Boomer range added the 3000 Series CAB with EasyDrive continuously variable transmission.

The brand also introduced the new Class 9 (CR9090) 500+ hp combine in North America and Australia.

Case Construction introduced seven new B-series excavators with increased fuel efficiency and reduced noise levels. The company also added the new CX 130B "long reach" model to its crawler excavator range, and the 650L crawler dozer, whose technological features guarantee a significant increase in productivity. It delivers 74 net horsepower through a Tier 3 turbo-charged engine with electronic fuel injection.

New Holland Construction added several new features to its North American crawler excavators to improve product applicability and safety, particularly for demolition activities.

During 2009, CNH brands received numerous acknowledgements around the world. In the United States, the American Society of Agricultural and Biological Engineers showed recognition for the strong commitment to innovation demonstrated by New Holland Agriculture and Case IH, awarding five and three AE50 awards, respectively. At the Gerdau Awards in Brazil, New Holland Agriculture received the agricultural industry's most important award, winning the Golden Trophy in the "Outstanding" category with the New Holland TL75 78 hp tractor.

At Agritechnica, the agricultural machinery exhibition held in Hanover, the New Holland T7070 Auto Command tractor was named "Tractor of the Year" and "Golden Tractor for Design". The New Holland T7000 Auto Command and the Case IH Puma CVX were named "Maschine des Jahres 2010" (Machine of the Year 2010) in the medium-high power tractor category by the German industry press.

SERVICES

In 2009, CNH maintained its focus on the sales network and customer assistance.

Case IH Agriculture continued to provide its North American and European customers with a resource centre that works in cooperation with dealers to help minimise customer downtime and maximise productivity within the "Max ServiceSM" programme. In addition, Case IH and Steyr launched the 5 Star service programme to support the introduction of the PUMA CVX in Europe and the PUMA CVT in North America. Satisfaction with the brand and product is monitored continuously through the various customer experience phases of purchasing, delivery and ownership. In addition, customers benefit from faster and more reactive support for technical problems. Since June 2009, 175 customers have been enrolled in the programme across Germany, Austria, France, the UK, Benelux and North America.

Case Construction Equipment opened a new customer centre outside of Paris to give customers a unique opportunity to operate equipment in an environment that simulates their specific application. The site also offers customers training for their own machine operators, building expertise and further reducing operating costs through more efficient and productive use of equipment. Additionally, the brand expanded its Customer Assistance programme to include all models from its 15 product lines.

During 2009, New Holland Agriculture launched a lead management service in Spain, the UK, Germany and Italy to channel potential customers to the dealer network. The principal platform for this new service is the New Holland Agriculture website.

The lead management service is also available for New Holland Construction in Germany, Italy and France. The brand also launched an exclusive “Click to Call” feature on the brand’s website, which offers customers the option of contacting the manufacturer or local dealer to discuss products and services.

In addition to the above initiatives, the North American Parts & Service group launched the CNH Reman initiative, which offers customers remanufactured components for a lower overall operating cost and an increased speed of repair.

CNH offers **financial services** in North America, Europe, Brazil and Australia through a comprehensive range of financial products such as sales network and end-customer financing, finance leases, operating leases, credit cards, equipment rental programs and insurance products. Differentiated financial services are offered for both the Agricultural Equipment and Construction Equipment businesses.

In North America, the activity is run by wholly-owned financial services companies that support the Sector’s sales through wholesale financing, retail financing to end customers, operating lease agreements, private-label credit cards and insurance products. CNH Capital also offers financial services for Maserati in the United States.

In Europe, the end-use customer financing activity is mainly run by CNH Capital Europe S.a.S., a joint venture (which CNH owns 49.9% and accounts for under the equity method) with BNP Paribas Group that operates in Italy, France, Germany, the UK and Austria. Vendor programs with banking partners also exist in France, Spain, Portugal and Poland.

Dealer financing and end-customer financing activities not managed by the joint venture with BNP Paribas are managed through captive financial services subsidiaries.

In Brazil, Banco CNH Capital S.A., a captive financial services company, offers dealer and end-customer financing. For end-customer financing, the company mainly serves as intermediary for funding provided by the Banco Nacional de Desenvolvimento Economico e Social (BNDES), a federally-owned company connected to the Brazilian Ministry of Development, Industry and Foreign Trade. Vendor programs offered jointly with banking partners are also in place.

In Australia, CNH offers wholesale financing and retail financing to end customers through a captive financial service company.

TRUCKS AND COMMERCIAL VEHICLES

Iveco

HIGHLIGHTS

(€ million)	2009	2008[1]
Net revenues	7,183	10,894
Trading profit/(loss)	105	838
Operating profit/(loss) (*)	(90)	779
Investments in tangible and intangible assets (**)	217	367
of which capitalised R&D costs	84	120
Total R&D expenditure (***)	169	246
No. of employees at year end (****)	24,917	27,108

(1) Following adoption of the improvement to IAS 16 in 2009, as described in the Notes to the Consolidated Financial Statements, 2008 net revenues were increased by €126 million and investments in tangible and intangible assets were reduced by €59 million.
(*) Including restructuring costs and other unusual income/(expense).
(**) Net of vehicles sold under buy-back commitments and leased.
(***) Includes capitalised R&D and R&D charged directly to the income statement.
(****) Excludes employees of the powertrain businesses transferred to FPT (7,685 at year-end 2009 and 8,335 at year-end 2008).

COMMERCIAL PERFORMANCE

In 2009, demand for commercial vehicles (Gross Vehicle Weight or "GVW" ≥ 2.8 tonnes) in Western Europe fell 34.6% over 2008 to 765,162 units, with significant declines in all major markets: Spain (-51.7%), the UK (-40.6%), Italy (-33.6%), France (-30.0%) and Germany (-28.5%).

The light segment (GVW 2.8-6 tonnes) fell 31.7% over 2008. Significant decreases were recorded in Spain (-45.3%), the UK (-39.9%), Italy (-29.4%) and France (-27.1%) and, to a lesser extent, Germany (-23.1%).

Demand in the medium segment (GVW 6.1-15.9 tonnes) fell 33.1% over 2008, with declines in all major markets: Spain (-49.5%), the UK (-37.2%), Germany (-32.9%), Italy (-26.9%) and France (-26.5%).

The heavy segment (GVW ≥ 16 tonnes) experienced the largest drop in demand for the year (-44.1%). Particularly large decreases were recorded in Spain (-66.7%) and Italy (-50.5%). Germany, the UK and France closed the year with declines in excess of 40% (-41.6%, -44.7% and -40.2% respectively).

For Eastern Europe (GVW ≥ 2.8 tonnes), market demand totalled 69,669 units for 2009, a fall of 53.4% with significant declines recorded in all three segments. Demand was down 43.8% in the light segment (GVW 2.8-6 tonnes) and 55.5% in the medium segment (GVW 6.1-15.9 tonnes). The sharpest decline, however, was in the heavy segment (GVW ≥ 16 tonnes), which was down 69.7%.

Demand for buses in Western Europe totalled 35,000 units, decreasing 11% over 2008 driven by falls in both the Minibus and Truck Derived segment (-20%) and the Intercity & Coach segment (-15%), which were only partially offset by growth in the City segment (+5%). Demand for buses was down in all Western European markets with the exception of France, where it remained broadly stable.

Iveco's market share in Western Europe (GVW ≥ 2.8 tonnes) was 9.2% (down 0.7 percentage points vs. 2008). Share in the light segment (7.9%) was down 0.5 percentage points overall, heavily influenced by the performance in France, but up in Italy and Spain (+0.4 percentage points and +0.8 percentage points, respectively). Share for the medium segment decreased 0.7 percentage points to 24.2%, despite the share gains achieved in Italy and France. In the heavy segment, Iveco's share was 9.3%, representing a decline of 1.1 percentage points, attributable entirely to an unfavourable market mix, which more than offset the positive performance in Italy (+0.6 percentage points), France (+0.4 percentage points) and Spain (+2.7 percentage points).

In Eastern Europe, Iveco's market share for 2009 (GVW ≥ 2.8 tonnes) was 10.7% (down 1.1 percentage points vs. 2008), with falls in both the light vehicle segment (-0.9 percentage points) and the medium vehicle segment (-3.3 percentage points). Share of the heavy vehicle segment was in line with 2008.

Iveco Irisbus' market share of 18.3% in Western Europe was substantially in line with 2008. The reductions experienced in France and Italy, where Iveco nevertheless maintained its position as market leader, were offset by significant growth in Germany and the Scandinavian countries.

In 2009, Iveco delivered a total of 103,866 vehicles, representing a 45.9% decrease over the prior year. In Western Europe, 66,754 vehicles were delivered (down 46.7%), with decreases experienced in all principal markets, in particular: the UK (-73.1%), Spain (-60.3%), France (-45.9%), Germany (-43.3%) and Italy (-30.7%). The sharpest decline was in the heavy segment, which plummeted 61.9% over the previous year, while light and medium vehicles fell by 41.9% and 40.8%, respectively. In Eastern Europe, deliveries contracted 72.6%. The decline was less marked in the Latin American markets where Iveco offers its full range of vehicles: 17,001 units were sold in 2009, down 19.1% over the 21,012 figure for 2008.

Iveco delivered a total of 7,771 buses during the year, an 18.7% decline from 2008.

Commercial Vehicle Market (GVW ≥ 2.8 tonnes)

(units in thousands)	2009	2008	% change
France	**155.1**	221.5	-30.0
Germany	**197.6**	276.5	-28.5
UK	**116.1**	195.4	-40.6
Italy	**83.1**	125.1	-33.6
Spain	**41.7**	86.5	-51.7
Rest of Western Europe	**171.6**	264.8	-35.2
Western Europe	**765.2**	**1,169.8**	**-34.6**

Commercial Vehicle Market by product (GVW ≥ 2.8 tonnes)

(units in thousands)	2009	2008	% change
Heavy	**149.5**	267.4	-44.1
Medium	**49.2**	73.5	-33.1
Light	**566.5**	828.9	-31.7
Western Europe	**765.2**	**1,169.8**	**-34.6**

In China, Naveco - the 50/50 joint venture with Nanjing Automotive Corporation (NAC), a subsidiary of the SAIC Group - sold 25,037 light vehicles in the Power Daily range (up 12.7% over 2008) and 50,670 medium vehicles in the Yuejin range (up 37.8% over 2008).

In 2009, SAIC Iveco Hongyan Commercial Vehicles Co. Ltd., held 33.5% by Iveco, sold 19,598 heavy commercial vehicles, representing a 12.3% decline over the previous year.

Including LSVs (for agricultural use), these two joint ventures sold a total of 107,000 units, up from 92,000 in 2008.

In Russia, no further investment was made in the joint venture between Iveco and the industrial group Samotlor-NN due to the global recession (which was particularly harsh in Eastern Europe) and its severe repercussions on our partner's financial stability.

INNOVATION AND PRODUCTS

Innovation continued, as in previous years, with both product- and methodology-focused initiatives geared toward sustainable mobility.

Product innovation centred around six key elements: new-generation low environmental impact vehicles, best-in-class fuel efficiency, high-quality cabin environment, cost-effective solutions for frames, excellence in preventive safety and the evolution of telematic capabilities.

Innovation in methodology focused on the following key areas: product development processes, virtual analysis, performance measurement and control, product-process integration and the upgrading of technical standards.

In 2009, Iveco continued to seek innovative technological solutions to both lowering emissions – an area in which Iveco has always been an innovator – and improving fuel efficiency.

The line of CNG-powered vehicles was expanded and all vehicles in this range comply with the strictest European emissions regulations, well in advance of the regulatory deadline. Iveco is the only manufacturer of trucks and commercial vehicles in the world today to offer a complete range of low environmental impact vehicles which run on alternative fuels.

During the year, investment also continued in the development of diesel-electric hybrid technology. Of note was the continuation of road testing, in collaboration with major international customers, of the diesel-electric hybrid Daily (minibus and van versions) and, in the medium segment, the diesel-electric hybrid Eurocargo, the first European vehicle of its type and size designed for urban use. Iveco's latest generation of hybrid technology offers up to 30% fuel savings for urban use and a consequent reduction in CO_2 emissions through the application of sophisticated operating and control systems which optimise propulsion systems for urban driving conditions.

Iveco is also actively testing alternative fuels and next-generation lubricants. In particular, current research relates to two lines of biofuels – one derived from vegetable oils and not disruptive to the food chain, and the other based on biomass – as well as the new, synthetic low and ultra-low viscosity lubricants with low ash content, which aid in reducing fuel consumption and carbon dioxide emissions, and improving compatibility with particulate filters. This latter area of research led to development of a new low-viscosity (SAE 5W30) and low ash content (LowSAPs) motor oil for F1 engines which went into production in 2009.

In 2009, Iveco completed a major phase of renewal and expansion of the product range, which saw the launch of 12 new models over a period of 3 years – one new product every three months – as part of its programme of continuous improvements in performance, as well as the technological and environmental quality of the product range.

In March, the new Genlyon, the first result of the joint venture between SAIC and Iveco, was unveiled in Beijing. This new heavy vehicle manufactured by SAIC Iveco Hongyan Commercial Vehicles (SIH) was designed and developed in China and brings Iveco's technological excellence and European quality standards to the Chinese market.

In June, Iveco launched the EcoDaily, the latest evolution of a model that has sold over 2 million vehicles to date. The vehicle has a new look and new range of engines and enhancements to comfort and on-board electronics. The strong points of the EcoDaily are two diesel engines that comply with the strict EEV (Enhanced Environmentally-friendly Vehicle) standard, a bifuel CNG/gasoline engine and an electric engine.

Sales Performance
Commercial Vehicles by country

(units in thousands)	2009	2008	% change
France	**15.0**	27.6	-45.9
Germany	**11.1**	19.6	-43.3
UK	**3.7**	13.8	-73.1
Italy	**21.7**	31.3	-30.7
Spain	**5.3**	13.3	-60.3
Rest of Western Europe	**10.0**	19.6	-48.9
Western Europe	**66.8**	**125.2**	**-46.7**
Eastern Europe	**8.1**	29.5	-72.6
Rest of the World	**29.0**	37.4	-22.6
Total Sales	**103.9**	**192.1**	**-45.9**
Naveco	**75.7**	58.9	28.4
SAIC Iveco Hongyan	**19.6**	22.3	-12.3
Grand Total	**199.2**	**273.3**	**-27.1**

Sales Performance
Commercial Vehicles by product

(units in thousands)	2009	2008	% change
Heavy	**22.1**	57.9	-61.9
Medium	**12.0**	20.2	-40.8
Light	**57.4**	98.9	-41.9
Buses	**7.8**	9.6	-18.7
Special-use vehicles (*)	**4.6**	5.5	-17.3
Total Sales	**103.9**	**192.1**	**-45.9**

(*) Astra, defence, fire trucks

In September, Iveco presented a prototype of the Daily Electric in Brazil. The project was the result of a partnership between Iveco and Itaipu Binacional, the company that manages the largest hydro-electric power plant in the world on the border between Brazil and Paraguay. The prototype is the first zero-emission light commercial vehicle produced in Latin America.

Also in September, Iveco unveiled the Magelys HDH, the latest addition to the Iveco Irisbus Gran Turismo range. This innovative and comfortable triple-axle bus is the real jewel in the crown of the fleet.

In October, Iveco presented the new medium Vertis (in the 9-13 tonnes segment) at Fenatran 2009 in São Paolo, Brazil. This vehicle was developed at the Design Centre in Sete Lagoas, Brazil and produced using around 80% locally-manufactured components.

Turning to awards, the Daily CNG was named “Green Van of the Year 2009” by a prestigious UK trade journal and Iveco won the “Transport Innovation of the Year” award for Blue&Me Fleet, an advanced telematic fleet management system. The Daily was also named “Green Commercial of the Year 2009” at the Irish Fleet Transport Awards.

In November, the Italy-China Foundation and the newspaper *Milano Finanza* conferred the prestigious “Top Investor in China” award on Iveco, an award that recognises companies that have taken advantage of opportunities created through Italian-Chinese relations. In China, the new heavy segment Genlyon, the result of the partnership between Iveco and SAIC, was named “Truck of the Year” in the fleet class by *China Auto News*.

In December, Iveco was conferred the “Truck of the Year” award, for the third year running, by the prestigious Brazilian trade journal *Autodata* for its medium segment Tector. *Autodata* also awarded Iveco the “Business Management” prize for its expansion strategy for the Iveco brand in South America.

Iveco won the title of best importer in the transport sector in Germany.

Lastly, the Iveco Off-Road website won “Best in Class” in the automotive category at the Interactive Media Awards in New York, one of the most coveted awards given for demonstrating the highest standards of innovation in website design.

SERVICES

For 2009, performance in the Customer Services area was heavily influenced by a decline in after-sales activity, which had already shown signs of a slowdown in the latter part of 2008. During the year, spare parts inventories were scaled back by dealers to adjust to reduced business volumes, with no significant recovery in average mileage expected in the near term. The situation affected all markets, but was particularly extreme in Spain, the UK and Eastern Europe.

The availability of spare parts was impacted by difficulties in procurement as suppliers reduced production in response to the economic downturn. Iveco’s integrated virtual warehouse did however guarantee sufficient availability of critical spare parts.

Work continued on the implementation of RFID (Radio Frequency Identification) technology, which will improve logistics tracking and guarantee that customers receive spare parts made by Iveco.

In November, the VOR Parts programme became fully operational. This programme forms part of an integrated process to reduce downtime, providing a faster response when critical parts are required.

Finally, the company established a three-year investment plan to increase the flexibility of its infrastructure and logistics processes, partly in view of the fact that the market is not expected to recover in the near term.

Despite difficult economic conditions, 2009 provided confirmation of the value of investment by the service network in technical and diagnostic expertise. During the year, a new call management system for technical assistance and spare parts requests was implemented for the Western European network, making it possible to measure, in both quantitative and qualitative terms, the level of service provided by Help Desks. This forms the basis of the VOR Log system, which monitors vehicles being serviced across the network so that activities carried out at Iveco and the service centres can be optimised to minimise vehicle downtime. Launched in 2009, this system will be rolled out in all Western European markets by year-end 2010.

Iveco offers **financial services** in Europe and, through the financial services companies of Fiat Group Automobiles, in Latin America and China.

Since 2005, activity in Western Europe has been managed by Iveco Finance Holdings Limited (IFHL), a joint venture with Barclays Group in which Iveco holds a 49% stake (accounted for under the equity method). This joint venture supports the Sector's European sales through dealer and retail financing in France, Germany, Italy, Switzerland and the United Kingdom.

In Spain, the activity is managed by Transolver Finance Est. Financiero de Credito S.A., a 50/50 joint venture with the Santander Group (accounted for under the equity method). The company offers both dealer and retail financing. Iveco also provides medium and long-term rental services in Spain through Transolver Service S.A., a wholly-owned subsidiary (consolidated on a line-by-line basis).

In Switzerland, Austria and Eastern Europe the activity is run by captive financial services companies (consolidated on a line-by-line basis).

During 2009, the economic downturn had a severe impact on the Sector's sales volumes and, as a result, new financing volumes were also down in both Western and Eastern Europe.

For fully-consolidated subsidiaries only, the number of financed vehicles in 2009 was 2,776 (6,229 in 2008), with 1,118 new vehicles financed (3,260 in 2008) representing a penetration rate of 39% (39.2% in 2008).

If the activities of Iveco Finance Holdings Ltd. are added, the number of vehicles financed through the Sector's Financial Services activities decreased from 43,146 in 2008 to 22,637 in 2009. A total of 14,458 new vehicles were financed (30,738 in 2008), representing a penetration rate of 22.4% (28.2% in 2008).

FPT Powertrain Technologies

HIGHLIGHTS

(€ million)	2009	2008
Net revenues	4,952	7,000
Trading profit/(loss)	(25)	166
Operating profit/(loss) (*)	(114)	162
Investments in tangible and intangible assets	562	898
of which capitalised R&D costs	99	105
Total R&D expenditure (**)	140	141
No. of employees at year end (***)	19,638	20,507

(*) Including restructuring costs and other unusual income/(expense).
(**) Includes capitalised R&D and R&D charged directly to the income statement.
(***) Also includes Iveco personnel employed at powertrain product lines transferred to FPT (7,685 employees at year-end 2009 and 8,335 employees at year-end 2008).

OPERATING PERFORMANCE

FPT Powertrain Technologies operates through two product lines: Passenger & Commercial Vehicles (P&CV), which produces engines and transmissions for cars and light commercial vehicles, and Industrial & Marine (I&M), which produces powertrains for trucks and agricultural and construction equipment, as well as marine engines. FPT's activities also include engine and transmission research carried out by Centro Ricerche Fiat, and coordination of the same areas of research activity at Elasis.

The Sector experienced a sharp contraction in volumes during the first half of 2009 followed by a recovery in delivery of passenger car engines in the second half. For the Industrial & Marine product line, the decline remained particularly pronounced throughout the year.

Revenues for 2009 totalled €4,952 million, a 29.3% decrease over the previous year. Sales to external customers and joint ventures represented 16% of total revenues (22% in 2008).

The P&CV product line sold 2,290,000 engines in 2009, representing a 2.7% decline, and 2,208,000 transmissions, 9.4% higher than the previous year. Sales of diesel engines to external customers accounted for approximately 7% of total sales volumes, compared with 14% for 2008.

The I&M product line sold 268,000 units, down 50.9% over 2008. Deliveries were mainly to Iveco (38%), CNH (25%) and Sevel (26%), the joint venture in the production of light commercial vehicles. In addition, 53,000 transmissions (-50.2%) and 105,000 axles (-61.5%) were sold.

During the year, FPT Powertrain Technologies continued implementation of agreements signed in previous years and signed several new agreements.

The Verrone plant was expanded and upgraded following the letter of understanding signed in 2008 between FPT, the Region of Piedmont, the Province of Biella and the City of Verrone and began production of the new C635 transmission for medium segment vehicles.

The Campo Largo facility, located in the metropolitan area of Curitiba (Paraná, Brazil), began production of a new range of cutting-edge and extremely cost-effective mid-size engines. The plant underwent a major upgrade related to new systems required for Fiat applications.

In June, FPT and Perkins Engines Company Limited signed a strategic cooperation agreement for the long-term supply of a 3.4-litre low environmental impact engine for application on agricultural and construction equipment.

In July, Fiat Group and the Chinese group GAC (Guangzhou Automobile Group Co. Ltd.) signed a framework agreement for the creation of a 50/50 joint venture to produce engines and passenger cars for the Chinese market. Production capacity of a total 220,000 engines per year is planned.

INNOVATION AND PRODUCTS

Passenger & Commercial Vehicles

In 2009, FPT continued development of innovative powertrain systems (engines and transmissions combined) for Fiat Group Automobiles.

One of the most significant developments was the start of production, in May, of the MultiAir engines, a new generation of gasoline engines that reduce fuel consumption and emissions, while at the same time enhancing performance and driving comfort. These engines generate 10% more power and 15% more torque than a traditional engine of equivalent cubic capacity, while at the same time delivering a 10% reduction in both fuel consumption and CO_2 emissions. The MultiAir technology received the “Technobest 2009”, “ADAC – Gelber Engel 2010” and “Engine Development Team of the Year” (from *Automotive Testing Technology International*) awards. MultiAir engines were offered on the 105 hp naturally-aspirated and the 135 hp Turbo versions of the Alfa MiTo and Punto Evo. Development also continued on 170 hp and 135 hp dual dry clutch versions.

The new B family 1.8 direct injection turbo also went into production and development continued on a 230 hp version for Alfa Romeo.

In the area of diesel engines, FPT began supply to Fiat Group Automobiles of low environmental impact engines for the Alfa MiTo (1.3 JTDM 90 hp with DPF), the Grande Punto (1.6 MultiJet 120 hp Euro 5) and the Alfa 159 (2.0 JTDM 170 hp Euro 5). Production also began on the Euro 5 1.3 Small Diesel Engine (in 75 hp and 95 hp versions), complete with the innovative Common Rail MultiJet II injection system. This engine was launched at the end of September on the Fiat Punto Evo.

Development also continued on low CO_2 emissions diesels to be introduced in 2010, and on the new 2-cylinder Small Gasoline Engine, with MultiAir technology for both the naturally-aspirated and turbo versions. Development of a CNG turbo application will follow. The commercial debut of the 2-cylinder SGE (turbo version) will be on the Fiat 500.

Development continued on the Fire 1.4 Turbo bifuel (CNG/gasoline), as well as LPG (for Europe) and Flex engines (for Latin America) which are increasingly in demand. FPT also completed collaboration with FGA on development of LPG applications for the Fire family of engines (both naturally-aspirated and turbo).

For transmissions, new developments included the production launch of the new C635 six-speed, manual transmission and completion of development on the dry dual clutch version, which will be launched at the 2010 Geneva Motor Show on the MiTo 135 hp MultiAir.

Industrial & Marine
The Industrial & Marine business line designs and manufactures engines for on-road vehicles and off-road industrial and agricultural applications.

For Light Commercial Vehicles, FPT Powertrain Technologies launched the 3-litre 136 hp bifuel (CNG/gasoline) engine for the Fiat Ducato 140 Natural Power. Also for application on the Ducato, production commenced on a heavy duty Euro 5 diesel version of the 107 kW F1C engine (with variable geometry turbo) in September. For Daimler-Fuso projects, production also began the 107 kW F1C engine for its first application to a vehicle produced by Mitsubishi Fuso Bus & Truck Corporation (Daimler Truck Group), while development for subsequent applications continued.

For the new EcoDaily Iveco, FPT developed two 2.3-litre engines (106 hp and 126 hp) and two 3-litre engine (140 hp and 170 hp Twin Stage). These comply with the Enhanced Environmentally-friendly Vehicle (EEV) standard, the strictest emissions standard imposed by European legislation. The range of FPT engines for the EcoDaily was further expanded to include a Natural Power bifuel (CNG/gasoline) version that is also EEV compliant.

In the first quarter of 2009, EEV certification of all engines in the Iveco range was also completed.

As part of the strategic cooperation agreement with Perkins Engine Company Limited, referred to above, development began on a 3.4-litre engine based on the current F32. The engine is intended for application on agricultural and construction equipment and will meet Tier 4A and Stage IIIB standards.

For heavy and medium engines, production also began on a new CNG version of the Cursor 8 engine, which offers enhanced performance and complies with the strictest EEV emissions limits. 2009 also saw continued development of the Cursor and NEF engines to comply with future Euro 6 and Tier 4A emissions limits, which apply respectively to on-road and off-road vehicles.

In China, the SAIC Fiat Powertrain Hongyan joint venture began production of Cursor 9 diesel engines at the new production facility in the city of Chongqing, which will serve both SIH, the joint venture between Iveco, SAIC and Hongyan Automotive, and the non-captive market.

Finally, FPT presented the 620 hp and 380 hp versions of the new C90 engine at the Genoa International Boat Show. The engine confirms the Sector's capacity to create new technologies and develop a variety of applications.

COMPONENTS

Magneti Marelli

HIGHLIGHTS

(€ million)	2009	2008
Net revenues	**4,528**	5,447
Trading profit/(loss)	**25**	174
Operating profit/(loss) (*)	**(40)**	93
Investments in tangible and intangible assets	**356**	474
of which capitalised R&D costs	**114**	118
Total R&D expenditure (**)	**245**	268
No. of employees at year end	**31,628**	33,216

(*) Including restructuring costs and other unusual income/(expense).
(**) Includes capitalised R&D and R&D charged directly to the income statement.

OPERATING PERFORMANCE

The global economic crisis had a significant impact on performance throughout year. The impact was most severe in the first half of the year, while in the second half the positive effects of external measures (e.g., government incentives) and internal measures (e.g., cost cutting implemented by the Sector) began to show through. However, these measures did not fully offset the negative trend experienced in the first half of the year.

During 2009, the Sector signed several important agreements for the development of innovative products in its core components activities.

In January, it announced the launch of a technological partnership with Brembo and Pirelli to develop cutting-edge solutions for the Italian and international automotive industry.

Also in January, Magneti Marelli formalized its agreement with the Indian group Unitech Machines Limited for the design, production and assembly of electronic automotive components in India through the acquisition of a 51% interest in Magneti Marelli UM Electronic Systems Private Limited.

In April, SAIC Magneti Marelli Powertrain Co. Ltd. - a 50/50 joint venture between Magneti Marelli and Shanghai Automobile Gear Works - was formed in China to produce hydraulic components for Magneti Marelli's AMT (Automated Manual Transmission).

In May, Magneti Marelli and Politecnico di Torino signed a 5-year partnership agreement for collaboration in the areas of research and innovation, teaching and technical training.

In November, Magneti Marelli and Samsung Mobile Display signed a cooperation agreement for the design and development of new generations of display-based products for application to automotive instrument clusters, navigation devices and infomobility applications.

In December, Magneti Marelli and Telit Communications S.p.A. signed a memorandum of understanding for the development of in-car information and tracking capabilities and services globally, with a particular focus on Europe and Brazil.

All business lines suffered from the recession. Highlights of the operating performance of the individual business lines are provided below.

Lighting

Revenues totalled €1,228 million in 2009, a decrease of 19% over the previous year. The general drop in sales volumes attributable to the global financial crisis was most pronounced in the medium-to-high-end segment, where the business line is most active.

Innovations included the Bihalogen Projection Module, a new halogen standard that provides a brighter and wider beam of light.

Major new orders included: headlamps for Mercedes, Audi and Skoda models, and headlamps and tail lights for Land Rover and Peugeot.

Engine Control

Revenues totalled €850 million for 2009, a drop of 9% over 2008. Performance varied by region, with declines in Europe and the US contrasted by growth in India - driven by the production of diesel control units - and China, while performance in Brazil was in line with the previous year.

New products launched during the year included throttle bodies for Peugeot and Citroen and for the South African, Indian and Russian markets, as well as the GDI injector for the Volkswagen group. Innovation focused on development of components and battery packs for electric and hybrid vehicles, as well as projects to reduce nitrogen oxide emissions on diesel engines.

Major orders received during the year included: for Fiat, CNG systems for the Grande Punto and the MultiAir control unit for the Punto Evo and MiTo; for Volkswagen, systems for 1.0 and 1.4 engines; for Fiasa, systems for 1.6/1.8 Tritec engines; and the Freechoice system for General Motors in Brazil.

Suspension Systems

Revenues for the year totalled €525 million, representing a 23% decrease over the prior year on a like-for-like basis. The largest decline was in Italy and was due to the contraction in the production of light commercial vehicles. For the business line’s other principal markets: Poland benefited from an increase in sales to Fiat and other manufacturers, and Brazil was in line with 2008.

The principal production launch during the year was the suspension system for the Fiat 500C in Poland, while major new orders included the strut for future BMW platforms, which will be manufactured in Poland.

Shock Absorbers

Revenues for the business line totalled €281 million for 2009. The 11% decline over the previous year was attributable to the drop in both the European and American markets. Poland was the only market to record an increase in revenues over 2008.

In 2009, production began on the electronic Synaptic Damping Control suspension system for the Lancia Delta and Alfa Romeo MiTo. The main innovation projects included: an inertial valve (a new valve for shock absorbers) and the selectronic project (a new concept in electronic shock absorber).

Electronic Systems

Total revenues were €501 million in 2009, an overall decrease of 12% over the previous year, with sales performance in China and Brazil, however, going against the trend.

There was an increase in revenues from instrument panels (+10%), primarily attributable to higher volumes for external customers. Revenues from telematics recorded a significant drop (-52%), however, due to the shift in demand toward less content-rich infotainment products. Sales of products for vehicle interiors were in line with 2008.

In the area of innovation, a number of new products were developed for instrument panels and vehicle interiors for Fiat, Volkswagen/Audi and Ferrari. In the telematics area, development focused on the new radionavigation platform for PSA, evolution of Blue&Me for Fiat and upgrades to Instant Nav for Fiat. For Ford, development continued, in collaboration with Microsoft, on the new Fordworks system which, based on the Windows platform, provides navigation and high-speed internet access.

Major new orders included instrument panels for Volkswagen, dashboard pin outs for Fiat models and infotainment products for external customers. For telematics, new orders were acquired for the aftermarket channel, including the tracking container and the TomTom kit for Fiat.

Exhaust Systems

Revenues totalled €543 million for 2009, a 15% drop over the previous year. The decrease reflected a negative price effect linked to a fall in the market price of a core material that was partially offset by new product launches.

In terms of innovation, activities were focused on existing projects in the area of noise reduction for diesel engines, sound quality (dual-mode muffler) and reductions in CO_2 emissions and fuel consumption. During the year, production and distribution began of Abarth brand exhausts with “dual-mode muffler” technology.

Major new orders included exhaust systems for new Euro 5 engines and a complete exhaust system for Seat.

Motorsport

During 2009, Magneti Marelli continued to be active at major sporting events, supplying electronic control systems, fuel systems, electro-mechanical components and telemetry and data acquisition systems to such major Formula 1 teams as Ferrari, Toyota, Renault, Toro Rosso and Red Bull.

Magneti Marelli also continued its involvement in the Rally and Moto GP championships. For the latter, it provided electronic control and fuel injection systems to Yamaha (2009 World Champion), Ducati, Suzuki and Kawasaki.

Aftermarket
Revenues totalled €237 million for 2009, broadly in line with the previous year.

Increased volumes for rotary machinery and battery products, and the extension of the product range to include shock absorbers and bumpers offset the drop in sales in traditional areas such as lighting and electrical.

Significant events included the recent launch of new telematic products, as well as important commercial and collaboration agreements with major partners in the area of products and technical services for inspection centres, as well as diagnostic equipment.

Plastic Components and Modules
The business line achieved revenues of €469 million, a 14% decrease over the prior year on a like-for-like basis mainly as a result of reduced sales volumes attributable to the contraction in market demand.

Product innovation related to the application of multilayer blow-moulding technology to production of tanks for small/medium displacement vehicles and the use of slush technology (for enhanced aesthetics) for development of dashboards for commercial vehicles.

All business lines began development of new products for Fiat 500 models to be sold in the US.

METALLURGICAL PRODUCTS
Teksid

HIGHLIGHTS

(€ million)	2009	2008
Net revenues	578	837
Trading profit/(loss)	(12)	41
Operating profit/(loss) (*)	(14)	49
Investments in tangible and intangible assets	33	41
Total R&D expenditure (**)	2	3
No. of employees at year end	6,194	7,600

(*) Including restructuring costs and other unusual income/(expense).
(**) Includes capitalised R&D and R&D charged directly to the income statement.

OPERATING PERFORMANCE

In 2009, the global economic situation caused sharp declines in demand in the first half, followed by a partial recovery beginning in the third quarter, albeit with performance varying by country and region. More specifically, performance in Teksid's principal markets was as follows: in Western Europe, the passenger vehicle market was stable with respect to the previous year, while demand for light commercial vehicles plummeted; in Brazil, the overall market recorded positive performance.

The heavy vehicles market was down significantly in all regions, with the exception of Asia, where the decline was less pronounced.

As a result of the economic circumstances already described, Teksid experienced a 30.9% decline in revenues for 2009.

The Cast Iron business unit recorded a 26.6% decrease in volumes over 2008, attributable to decreases in Europe (-9%), the NAFTA area (-52%), where the Sector is predominantly focused on heavy vehicles, and Brazil (-30%) where the decline was also attributable to a sharp decrease in supply for heavy vehicles. Revenues for the business unit were down 32.3%.

In addition, Teksid's Cast Iron business unit operates in China through Hua Dong Teksid Automotive Foundry Co. Ltd., a joint venture with the SAIC group, accounted for under the equity method. In 2009, the company recorded a decrease in delivery volumes of 12.5%.

The Aluminium business unit posted a 5.5% decline in volumes and a 22.8% fall revenues, attributable to lower sales volumes, lower revenues from secondary activities (equipment sales), as well as a decrease in selling prices driven by a drop in the market price of raw materials to which the unit's selling prices are linked.

PRODUCTION SYSTEMS
Comau

HIGHLIGHTS

(€ million)	2009	2008
Net revenues	**728**	1,123
Trading profit/(loss)	**(28)**	21
Operating profit/(loss) (*)	**(32)**	-
Investments in tangible and intangible assets	**13**	17
of which capitalised R&D costs	**2**	3
Total R&D expenditure (**)	**10**	13
No. of employees at year end	**11,708**	11,445

(*) Including restructuring costs and other unusual income/(expense).
(**) Includes capitalised R&D and R&D charged directly to the income statement.

OPERATING PERFORMANCE

In 2009, the Sector's reference market was negatively impacted by the global financial and industrial crisis which affected all markets.

In the western hemisphere, all automakers reduced capital investment to minimum levels and new model launches were scaled back or delayed.

Cuts in capital investment were less severe in Mercosur and China however, with limited new investment commitments in the first half of the year but a recovery in the second half.

Service activities, by contrast, saw an increase in Mercosur countries.

Additionally, the tendency to favour conversion and rationalisation of existing production capacity, rather than the construction of new plants, continued.

In the last quarter, some improvement was observed in North America following the conclusion of bankruptcy proceedings for Chrysler and General Motors.

Comau's plan to restructure and redefine the scope of its activities and geographic presence, initiated in prior years in response to difficult market conditions, together with a series of temporary cost-cutting measures, made it possible to limit losses from significantly lower business volumes.

In 2009, Comau sold its companies in South Africa and the German company germanINTEC (engineering activities).

New orders for contract work, totalling €528 million, were 38% lower than in 2008 (-36% on a like-for-like basis).

Overall, 27% of new contract orders were acquired in Europe and 47% in the NAFTA region, with the remaining 26% in the Mercosur region and emerging markets. By customer, 20% of orders were received from Fiat Group companies and 80% from other automakers. At 31 December 2009, the order backlog totalled €478 million, a 9% decrease over the previous year.

Services benefited from growth in Mercosur, which did not however offset the contraction in orders in Europe resulting from the redefinition of the scope of activities.

FINANCIAL REVIEW - FIAT S.P.A.

The following financial review is based on the 2009 financial statements prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and adopted by the European Union, and with regulations implementing Article 9 of Legislative Decree 38/2005.

OPERATING PERFORMANCE

For 2009, the Parent Company reported net profit of €340 million, representing an €859 million decrease over the figure for the prior year, which included €879 million in non-recurring gains.

Following is a summary of Fiat S.p.A.'s income statement:

(€ million)	2009	2008
Income from investments	402	867
Dividends	1,260	874
Impairment (losses)/reversals on investments	(858)	(7)
Gains/(losses) on disposals	-	-
Personnel and operating costs, net of other income	(42)	(81)
Gains from non-recurring transactions	-	879
Financial income/(expense)	(14)	(422)
PROFIT/(LOSS) BEFORE TAXES	**346**	**1,243**
Income taxes	(6)	(44)
PROFIT/(LOSS) FOR THE YEAR	**340**	**1,199**

Income from investments was €402 million and consisted of dividends received during the period, net of impairment losses on investments. This represents a €465 million decrease over the prior year (2008: €867 million):

- **Dividends** of €1,260 million related to Fiat Group Automobiles S.p.A. (€700 million) and Iveco S.p.A. (€560 million).

  For 2008, dividends totalled €874 million and were primarily from Fiat Partecipazioni S.p.A. (€500 million), Ferrari S.p.A. (€85 million), Iveco S.p.A. (€78 million) and Fiat Netherlands Holding N.V. (€61 million);

- **Impairment losses on investments** of €858 million represented impairment losses recognised on the interests held in Iveco S.p.A. (€560 million), Fiat Group Automobiles S.p.A. (€200 million), Comau S.p.A. (€51 million), Teksid Aluminum S.r.l (€31 million) and Fiat Partecipazioni S.p.A. (€16 million).

For 2008, impairment losses on investments of €7 million related entirely to the interest in Comau S.p.A.

Personnel and operating costs, net of other income totalled €42 million, compared with €81 million for 2008.

Specifically:

- **Personnel and operating costs** of €117 million consisted of €31 million in personnel costs (€37 million for 2008) and €86 million in other operating costs (€114 million for 2008), which include services, amortisation/depreciation charges and other operating costs. The €34 million decrease over the prior year was attributable to a reduction in costs for services rendered by third parties and Group companies, in addition to lower non-cash expenses related to stock options. In 2009, the Company had an average of 152 employees (151 for 2008).
- **Other income** of €75 million (€70 million for 2008) related principally to services rendered, including by senior managers, to other Group companies, and changes in contract work in progress (contracts between Fiat S.p.A. and Treno Alta Velocità – T.A.V. S.p.A.), which are calculated on a percentage completion basis. Compared with the prior year, there was an increase in amounts charged to Group companies for services, recovery of costs and seconded of management personnel, which compensated for the discontinuation in royalties from the FIAT trademark.
- For 2009, there were no **gains from non-recurring transactions**, while in 2008 there was a net gain of €879 million from the sale of the Fiat trademark to the subsidiary Fiat Group Marketing & Corporate Communication S.p.A., which is responsible for brand management.
- **Net financial expense** was €14 million and included €131 million in net financial charges, primarily for interest on financial debt, which was largely offset by a €117 million gain on the mark-to-market value of two stock-option related equity swaps on Fiat S.p.A. shares. For 2008, there was net financial expense of €422 million, of which €159 million primarily related to interest on financial debt, in addition to a €263 million loss on the mark-to-market value of those equity swaps.
- **Income taxes** totalled €6 million and essentially consisted of IRAP (Italian regional income tax) amounts paid in relation to taxable income for the prior year, net of the release of deferred tax provisions. For 2008, income taxes totalled €44 million and consisted of current and deferred IRAP, in addition to adjustments related to the domestic tax consolidation for the previous year.

STATEMENT OF FINANCIAL POSITION

Following is a summary of Fiat S.p.A.'s statement of financial position:

(€ million)	At 31.12.2009	At 31.12.2008
Non-current assets	14,049	14,499
of which: Investments	13,991	14,445
Working capital	(235)	34
NET CAPITAL INVESTED	13,814	14,533
EQUITY	12,487	12,170
NET DEBT	1,327	2,363

Non-current assets consisted almost entirely of controlling interests in principal Group companies.

The €454 million decrease in investments over 31 December 2008 was essentially due to the impairment losses referred to above, net of recapitalisations amounting to €406 million for the year.

Working capital was a negative €235 million and consisted of trade receivables/payables, other receivables/payables (from/to tax authorities, employees, etc.), and inventory for contract work in progress net of advances, as well as provisions. The €269 million decrease over 31 December 2008 was essentially attributable to lower trade receivables and a reduction in taxes receivable following tax refunds received during the year (for consolidated VAT and for IRES on prior years' income).

At 31 December 2009, **equity** totalled €12,487 million, a net increase of €317 million over 31 December 2008 principally reflecting profit for the period (€340 million), net of dividends distributed on savings shares (€25 million).

A more detailed analysis of changes in equity is provided in Fiat S.p.A.'s financial statements.

At 31 December 2009, **net debt** totalled €1,327 million. The €1,036 million decrease over 31 December 2008 was primarily attributable to an increase in operating cash flow and decrease in working capital, net of the recapitalisation of subsidiaries referred to above. Net debt consisted of the following:

(€ million)	At 31.12.2009	At 31.12.2008
Current financial assets, cash and cash equivalents	(646)	-
Current financial liabilities	157	553
Non-current financial liabilities	1,816	1,810
NET DEBT/(CASH)	**1,327**	**2,363**

At 31 December 2009, current financial assets essentially consisted of the current account balance held with the subsidiary Fiat Finance S.p.A.

On the same date, current financial liabilities primarily represented amounts payable to factoring companies for advances on receivables.

Non-current liabilities consisted almost entirely of loans from Fiat Finance S.p.A., at market rates of interest, which mature between 2010 and 2013.

A more detailed analysis of cash flows is provided in Fiat S.p.A.'s financial statements.

RECONCILIATION BETWEEN EQUITY AND NET PROFIT OF THE PARENT COMPANY AND THE GROUP

Pursuant to the requirements of the Consob Communication of 28 July 2006, the following table provides a reconciliation between net profit and equity of Fiat S.p.A. for the year ended 31 December 2009 and the same values on a consolidated basis (attributable to owners of Fiat S.p.A.):

(€ million)	Equity at 31.12.2009	Net profit 2009	Equity at 31.12.2008	Net profit 2008
FINANCIAL STATEMENTS OF FIAT S.P.A.	**12,487**	**340**	**12,170**	**1,199**
Elimination of carrying amount of interests in consolidated entities and related dividends	(13,969)	(1,260)	(14,426)	(873)
Elimination of impairment losses (net of reversals) on consolidated entities	-	858	-	7
Equity and profit/(loss) of consolidated entities	13,568	(784)	14,398	3,317
Consolidation adjustments:				
Elimination of intercompany gains and losses on the disposal of investments	-	-	-	(7)
Elimination of the gain on disposal of the Fiat brand	(879)	-	(879)	(879)
Elimination of intercompany profits and losses on inventories and fixed assets, dividends paid between subsidiaries and other adjustments	(906)	8	(909)	(1,152)
CONSOLIDATED FINANCIAL STATEMENTS (ATTRIBUTABLE TO OWNERS OF FIAT S.P.A.)	**10,301**	**(838)**	**10,354**	**1,612**

MOTION FOR APPROVAL OF THE STATUTORY FINANCIAL STATEMENTS AND ALLOCATION OF 2009 NET PROFIT

Dear Shareholders,

We hereby submit the Statutory Financial Statements for the year ended 31 December 2009 for your approval and propose that the net profit for the year of €339,963,538 be allocated as follows:

- to the Legal reserve, €16,998,177;
- to Shareholders, a dividend of:
  - €0.17 per ordinary share, representing a total of approximately €185.7 million (€179.1 million excluding treasury shares currently held);
  - €0.31 per preference share, representing a total of approximately €32 million;
  - €0.325 per savings share, representing a total of approximately €26 million;
- to Retained profit, the remaining amount totalling approximately €79.3 million.

Payment of the dividend will be from 22 April 2010, with detachment of the coupon on 19 April. The dividend will be payable on shares outstanding at the coupon detachment date.

16 February 2010

On behalf of the Board of Directors

/s/ Luca Cordero di Montezemolo
Luca Cordero di Montezemolo
CHAIRMAN

"Every man is an artist." Joseph Beuys

FIAT GROUP CONSOLIDATED FINANCIAL STATEMENTS
at 31 December 2009

CONSOLIDATED INCOME STATEMENT (*)

(€ million)	Note	2009	2008
Net revenues	(1)	**50,102**	59,564
Cost of sales	(2)	**43,261**	49,612
Selling, general and administrative costs	(3)	**4,296**	5,075
Research and development costs	(4)	**1,398**	1,497
Other income (expenses)	(5)	**(89)**	(18)
TRADING PROFIT/(LOSS)		**1,058**	**3,362**
Gains (losses) on the disposal of investments	(6)	**4**	20
Restructuring costs	(7)	**312**	165
Other unusual income (expenses)	(8)	**(391)**	(245)
OPERATING PROFIT/(LOSS)		**359**	**2,972**
Financial income (expenses)	(9)	**(753)**	(947)
Result from investments:	(10)	**27**	162
Share of the profit/(loss) of investees accounted for using the equity method		**18**	133
Other income (expenses) from investments		**9**	29
PROFIT/(LOSS) BEFORE TAXES		**(367)**	**2,187**
Income taxes	(11)	**481**	466
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		**(848)**	**1,721**
Profit/(loss) from discontinued operations		**-**	-
PROFIT/(LOSS)		**(848)**	**1,721**
PROFIT/(LOSS) ATTRIBUTABLE TO:			
Owners of the parent		**(838)**	1,612
Non-controlling interests		**(10)**	109

(in €)			
BASIC EARNINGS/(LOSS) PER ORDINARY AND PREFERENCE SHARE	(13)	**(0.677)**	**1.290**
BASIC EARNINGS/(LOSS) PER SAVINGS SHARE	(13)	**(0.677)**	**1.445**
DILUTED EARNINGS/(LOSS) PER ORDINARY AND PREFERENCE SHARE	(13)	**(0.677)**	**1.285**
DILUTED EARNINGS/(LOSS) PER SAVINGS SHARE	(13)	**(0.677)**	**1.440**

(*) Pursuant to Consob Resolution No. 15519 of 27 July 2006, the effects of related party transactions on the consolidated income statement are presented in the specific Income Statement schedule provided in the following pages and are further described in Note 35.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€ million)	Note	2009	2008
PROFIT/(LOSS) (A)		**(848)**	**1,721**
Gains/(Losses) on cash flow hedges	(24)	408	(792)
Gains/(Losses) on fair value of available-for-sale financial assets	(24)	3	(15)
Gains/(Losses) on exchange differences on translating foreign operations	(24)	509	(304)
Share of other comprehensive income of entities accounted for using the equity method	(24)	(47)	(68)
Income tax relating to components of Other comprehensive income	(24)	(51)	85
TOTAL OTHER COMPREHENSIVE INCOME, NET OF TAX (B)		**822**	**(1,094)**
TOTAL COMPREHENSIVE INCOME (A)+(B)		**(26)**	**627**
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of the parent		(34)	522
Non-controlling interests		8	105

CONSOLIDATED STATEMENT OF FINANCIAL POSITION(*)

(€ million)	Note	At 31 December 2009	At 31 December 2008	At 1 January 2008
ASSETS				
Intangible assets	(14)	**7,199**	7,048	6,523
Property, plant and equipment	(15)	**12,945**	12,515	11,212
Investment property		**-**	-	10
Investments and other financial assets:	(16)	**2,159**	2,177	2,214
Investments accounted for using the equity method		**1,884**	1,899	1,930
Other investments and financial assets		**275**	278	284
Leased assets	(17)	**457**	505	396
Defined benefit plan assets		**144**	120	31
Deferred tax assets	(11)	**2,580**	2,386	1,892
Total Non-current assets		**25,484**	**24,751**	**22,278**
Inventories	(18)	**8,748**	11,438	10,024
Trade receivables	(19)	**3,649**	4,390	4,384
Receivables from financing activities	(19)	**12,695**	13,136	12,268
Current tax receivables	(19)	**674**	770	1,153
Other current assets	(19)	**2,778**	2,600	2,291
Current financial assets:		**899**	967	1,016
Current investments		**46**	26	22
Current securities	(20)	**217**	177	291
Other financial assets	(21)	**636**	764	703
Cash and cash equivalents	(22)	**12,226**	3,683	6,639
Total Current assets		**41,669**	**36,984**	**37,775**
Assets held for sale	(23)	**82**	37	83
TOTAL ASSETS		**67,235**	**61,772**	**60,136**
Total assets adjusted for asset-backed financing transactions		**60,149**	**55,109**	**53,316**

(*) Pursuant to Consob Resolution No. 15519 of 27 July 2006, the effects of related party transactions on the consolidated statement of financial position are presented in the specific Statement of financial position schedule provided in the following pages and are further described in Note 35.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(CONTINUED)

(€ million)	Note	At 31 December 2009	At 31 December 2008	At 1 January 2008
EQUITY AND LIABILITIES				
Equity:	(24)	**11,115**	11,101	11,279
Issued capital and reserves attributable to owners of the parent		**10,301**	10,354	10,606
Non-controlling interest		**814**	747	673
Provisions:		**8,432**	8,144	8,562
Employee benefits	(25)	**3,447**	3,366	3,597
Other provisions	(26)	**4,985**	4,778	4,965
Debt:	(27)	**28,527**	21,379	17,951
Asset-backed financing		**7,086**	6,663	6,820
Other debt		**21,441**	14,716	11,131
Other financial liabilities	(21)	**464**	1,202	188
Trade payables	(28)	**12,295**	13,258	14,725
Current tax payables		**377**	331	631
Deferred tax liabilities	(11)	**152**	170	193
Other current liabilities	(29)	**5,865**	6,185	6,572
Liabilities held for sale	(23)	**8**	2	35
TOTAL EQUITY AND LIABILITIES		**67,235**	**61,772**	**60,136**
Total equity and liabilities adjusted for asset-backed financing transactions		**60,149**	**55,109**	**53,316**

CONSOLIDATED STATEMENT OF CASH FLOWS(*)

(€ million)	Note	2009	2008
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR AS REPORTED	(22)	**3,683**	**6,639**
Cash and cash equivalents included as Assets held for sale		**-**	2
B) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	(22)	**3,683**	**6,641**
C) CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES DURING THE YEAR:			
Profit/(loss)		**(848)**	1,721
Amortisation and depreciation (net of vehicles sold under buy-back commitments and leased assets)		**2,673**	2,811
(Gains) losses on disposal of:			
Property plant and equipment and intangible assets (net of vehicles sold under buy-back commitments)		**(14)**	(30)
Investments		**(9)**	(20)
Other non-cash items	(37)	**366**	253
Dividends received		**53**	84
Change in provisions		**96**	(161)
Change in deferred taxes		**(179)**	(490)
Change in items due to buy-back commitments	(37)	**(58)**	(88)
Change in operating lease items	(37)	**(41)**	(147)
Change in working capital		**2,562**	(3,767)
TOTAL		**4,601**	**166**
D) CASH FLOWS FROM (USED IN) INVESTMENT ACTIVITIES:			
Investments in:			
Property plant and equipment and intangible assets (net of vehicles sold under buy-back commitments and leased assets)		**(3,386)**	(4,979)
Investments in consolidated subsidiaries		**(3)**	(62)
Other investments		**(102)**	(86)
Proceeds from the sale of:			
Tangible and intangible assets (net of vehicles sold under buy-back)		**87**	176
Investments in consolidated subsidiaries		**16**	-
Other investments		**5**	58
Net change in receivables from financing activities		**882**	(1,493)
Change in current securities		**(27)**	118
Other changes		**(31)**	176
TOTAL		**(2,559)**	**(6,092)**
E) CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:			
New issuance of bonds		**4,917**	50
Repayment of bonds		**(526)**	(225)
Issuance of other medium-term borrowings		**3,178**	3,601
Repayment of other medium-term borrowings		**(1,357)**	(1,136)
Net change in other financial payables and other financial assets/liabilities		**83**	1,606
Increase in share capital		**13**	15
(Buy-back) sale of treasury shares		**-**	(238)
Dividends paid		**(27)**	(546)
TOTAL		**6,281**	**3,127**
Translation exchange differences		**220**	(159)
F) TOTAL CHANGE IN CASH AND CASH EQUIVALENTS		**8,543**	**(2,958)**
G) CASH AND CASH EQUIVALENTS AT END OF THE YEAR	(22)	**12,226**	**3,683**
of which: Cash and cash equivalents included as Assets held for sale		**-**	-
H) CASH AND CASH EQUIVALENTS AT END OF THE YEAR AS REPORTED	(22)	**12,226**	**3,683**

(*) Pursuant to Consob Resolution No. 15519 of 27 July 2006, the effects of related party transactions on the consolidated statement of cash flows are presented in the specific Statement of Cash Flows schedule provided in the following pages.

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

(€ million)	Share capital	Treasury shares	Capital reserves	Earning reserves	Cash flow hedge reserve	Cumulative translation adjustment reserve	Available for sale financial assets reserve	Cumulative share of OCI of entities consolidated under the equity method	Non-controlling interests	Total
AT 1 JANUARY 2008	**6,377**	**(419)**	**682**	**3,585**	**125**	**207**	**15**	**34**	**673**	**11,279**
Changes in equity for 2008										
Capital increase	-	-	-	-	-	-	-	-	15	**15**
Dividends accrued or distributed	-	-	-	(509)	-	-	-	-	(37)	**(546)**
Buy-back of treasury shares	-	(238)	-	-	-	-	-	-	-	**(238)**
Increase in the reserve for share based payments	-	-	-	3	-	-	-	-	-	**3**
Total comprehensive income for the period	-	-	-	1,612	(693)	(310)	(16)	(71)	105	**627**
Other changes	-	-	-	(30)	-	-	-	-	(9)	**(39)**
AT 31 DECEMBER 2008	**6,377**	**(657)**	**682**	**4,661**	**(568)**	**(103)**	**(1)**	**(37)**	**747**	**11,101**
Changes in equity for 2009										
Capital increase	-	-	-	-	-	-	-	-	13	**13**
Dividends distributed	-	-	-	(25)	-	-	-	-	(2)	**(27)**
Increase in the reserve for share based payments	-	-	-	(1)	-	-	-	-	-	**(1)**
Total comprehensive income for the period	-	-	-	(838)	349	496	3	(44)	8	**(26)**
Other changes	-	-	-	7	-	-	-	-	48	**55**
AT 31 DECEMBER 2009	**6,377**	**(657)**	**682**	**3,804**	**(219)**	**393**	**2**	**(81)**	**814**	**11,115**

CONSOLIDATED INCOME STATEMENT

pursuant to Consob Resolution No. 15519 of 27 July 2006

		2009		2008	
(€ million)	Note	Total	of which Related parties (Note 35)	Total	of which Related parties (Note 35)
Net revenues	(1)	**50,102**	**2,062**	59,564	3,001
Cost of sales	(2)	**43,261**	**3,049**	49,612	4,610
Selling, general and administrative costs	(3)	**4,296**	**121**	5,075	99
Research and development costs	(4)	**1,398**	**-**	1,497	-
Other income (expenses)	(5)	**(89)**	**29**	(18)	21
TRADING PROFIT/(LOSS)		**1,058**		**3,362**	
Gains (losses) on the disposal of investments	(6)	**4**	**-**	20	-
Restructuring costs	(7)	**312**	**-**	165	-
Other unusual income (expenses)	(8)	**(391)**	**-**	(245)	-
OPERATING PROFIT/(LOSS)		**359**		**2,972**	
Financial income (expenses)	(9)	**(753)**	**(67)**	(947)	(85)
Result from investments:	(10)	**27**	**27**	162	156
Share of the profit or loss of investees accounted for using the equity method		**18**	**18**	133	133
Other income (expenses) from investments		**9**	**9**	29	23
PROFIT/(LOSS) BEFORE TAXES		**(367)**		**2,187**	
Income taxes	(11)	**481**	**-**	466	-
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		**(848)**		**1,721**	
Profit/(loss) from discontinued operations		**-**	**-**	-	-
PROFIT/(LOSS)		**(848)**		**1,721**	
PROFIT/(LOSS) ATTRIBUTABLE TO:					
Owners of the parent		**(838)**		1,612	
Non-controlling interests		**(10)**		109	

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

pursuant to Consob Resolution No. 15519 of 27 July 2006

		At 31 December 2009		At 31 December 2008	
(€ million)	Note	Total	of which Related parties (Note 35)	Total	of which Related parties (Note 35)
ASSETS					
Intangible assets	(14)	**7,199**	**-**	7,048	-
Property, plant and equipment	(15)	**12,945**	**-**	12,515	-
Investment property		**-**	**-**	-	-
Investments and other financial assets:	(16)	**2,159**	**1,979**	2,177	1,947
Investments accounted for using the equity method		**1,884**	**1,884**	1,899	1,899
Other investments and financial assets		**275**	**95**	278	48
Leased assets	(17)	**457**	**-**	505	-
Defined benefit plan assets		**144**	**-**	120	-
Deferred tax assets	(11)	**2,580**	**-**	2,386	-
Total Non-current assets		**25,484**		**24,751**	
Inventories	(18)	**8,748**	**10**	11,438	2
Trade receivables	(19)	**3,649**	**595**	4,390	627
Receivables from financing activities	(19)	**12,695**	**120**	13,136	134
Current tax receivables	(19)	**674**	**-**	770	2
Other current assets	(19)	**2,778**	**65**	2,600	51
Current financial assets		**899**	**52**	967	46
Current investments		**46**	**-**	26	-
Current securities	(20)	**217**	**-**	177	-
Other financial assets	(21)	**636**	**52**	764	46
Cash and cash equivalents	(22)	**12,226**	**651**	3,683	101
Total Current assets		**41,669**		**36,984**	
Assets held for sale	(23)	**82**	**59**	37	-
TOTAL ASSETS		**67,235**		**61,772**	
EQUITY AND LIABILITIES					
Equity:	(24)	**11,115**	**-**	11,101	-
Issued capital and reserves attributable to owners of the parent		**10,301**	**-**	10,354	-
Non-controlling interest		**814**	**-**	747	-
Provisions:		**8,432**	**80**	8,144	70
Employee benefits	(25)	**3,447**	**30**	3,366	22
Other provisions	(26)	**4,985**	**50**	4,778	48
Debt:	(27)	**28,527**	**1,144**	21,379	773
Asset-backed financing		**7,086**	**486**	6,663	279
Other debt		**21,441**	**658**	14,716	494
Other financial liabilities	(21)	**464**	**49**	1,202	95
Trade payables	(28)	**12,295**	**886**	13,258	1,051
Current tax payables		**377**	**-**	331	2
Deferred tax liabilities	(11)	**152**	**-**	170	-
Other current liabilities	(29)	**5,865**	**181**	6,185	153
Liabilities held for sale	(23)	**8**	**1**	2	-
TOTAL EQUITY AND LIABILITIES		**67,235**		**61,772**	

CONSOLIDATED STATEMENT OF CASH FLOWS

pursuant to Consob Resolution No. 15519 of 27 July 2006

		2009		2008	
(€ million)	Note	Total	of which Related parties	Total	of which Related parties
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR AS REPORTED	(22)	**3,683**		**6,639**	
Cash and cash equivalents included as Assets held for sale		-	-	2	-
B) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	(22)	**3,683**		**6,641**	
C) CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES DURING THE YEAR:					
Profit/(loss		(848)	-	1,721	-
Amortisation and depreciation (net of vehicles sold under buy-back commitments and leased assets)		2,673	-	2,811	-
(Gains) losses on disposal of:					
Property, plant and equipment and intangible assets (net of vehicles sold under buy-back commitments)		(14)	-	(30)	-
Investments		(9)	-	(20)	-
Other non-cash items	(37)	366	6	253	7
Dividends received		53	53	84	84
Change in provisions		96	8	(161)	(3)
Change in deferred taxes		(179)	-	(490)	-
Change in items due to buy-back commitments	(37)	(58)	-	(88)	-
Change in operating lease items	(37)	(41)	-	(147)	-
Change in working capital		2,562	(126)	(3,767)	(323)
TOTAL		**4,601**		**166**	
D) CASH FLOWS FROM (USED IN) INVESTMENT ACTIVITIES:					
Investments in:					
Tangible and intangible assets (net of vehicles sold under buy-back commitments and leased assets)		(3,386)	-	(4,979)	(12)
Investments in consolidated subsidiaries		(3)	-	(62)	-
Other investments		(102)	(62)	(86)	(82)
Proceeds from the sale of:					
Property, plant and equipment and intangible assets (net of vehicles sold under buy-back commitments)		87	-	176	-
Investments in consolidated subsidiaries		16	-	-	-
Other investments		5	-	58	-
Net change in receivables from financing activities		882	(22)	(1,493)	106
Change in current securities		(27)	-	118	-
Other changes		(31)	-	176	-
TOTAL		**(2,559)**		**(6,092)**	
E) CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:					
New issuance of bonds		4,917	-	50	-
Repayment of bonds		(526)	-	(225)	-
Issuance of other medium-term borrowings		3,178	-	3,601	-
Repayment of other medium-term borrowings		(1,357)	-	(1,136)	-
Net change in other financial payables and other financial assets/liabilities		83	319	1,606	256
Increase in share capital		13	-	15	-
(Buy-back) sale of treasury shares		-	-	(238)	-
Dividends paid		(27)	-	(546)	(146)
TOTAL		**6,281**		**3,127**	
Translation exchange differences		220		(159)	
F) TOTAL CHANGE IN CASH AND CASH EQUIVALENTS		**8,543**		**(2,958)**	
G) CASH AND CASH EQUIVALENTS AT END OF THE YEAR	(22)	**12,226**		**3,683**	
of which: Cash and cash equivalents included as Assets held for sale		-	-	-	-
H) CASH AND CASH EQUIVALENTS AT END OF PERIOD AS REPORTED	(22)	**12,226**		**3,683**	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

PRINCIPAL ACTIVITIES

Fiat S.p.A. is a corporation organised under the laws of the Republic of Italy. Fiat S.p.A. and its subsidiaries (the "Group") operate in approximately 50 countries. The Group is engaged principally in the manufacture and sale of automobiles, agricultural and construction equipment and commercial vehicles. It also manufactures other products and systems, principally engines, transmission systems, automotive-related components, metallurgical products and production systems. In addition, it is involved in certain other sectors, including publishing and communications, which represent a small portion of its activities. The head office of the Group is located in Turin, Italy.

The consolidated financial statements are presented in euros, that is the currency of the primary economic environment in which the Group operates.

SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The 2009 consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (the "IFRS") issued by the International Accounting Standards Board ("IASB") and adopted by the European Union, and with the provisions implementing article 9 of Legislative Decree no. 38/2005. The designation "IFRS" also includes all valid International Accounting Standards ("IAS"), as well as all interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), formerly the Standing Interpretations Committee ("SIC").

The financial statements are prepared under the historical cost convention, modified as required for the valuation of certain financial instruments, as well as on the going concern assumption. In this respect, despite operating in a difficult economic and financial environment, the Group's assessment is that no material uncertainties (as defined in paragraph 25 of IAS 1) exist about its ability to continue as a going concern, in view also of the measures already undertaken by the Group to adapt to the changed levels of demand and the Group's industrial and financial flexibility.

Format of the financial statements

The Group presents an income statement using a classification based on the function of expenses (otherwise known as the "cost of sales" method), rather than based on their nature, as this is believed to provide information that is more relevant. The format selected is that used for managing the business and for management reporting purposes and is consistent with international practice in the automotive sector. In this income statement, in which the classification of expenses is based on their function, the Trading profit/(loss) is reported specifically as part of Operating profit/(loss) and separate from the income and expense resulting from the non-recurring operations of the business, such as Gains (losses) on the sale of investments, Restructuring costs and any Other income (expenses) defined as unusual and of a similar nature to these items. By doing this, it is believed that the Group's actual performance from normal trading operations may be measured in a better way, while disclosing specific details of unusual income and expenses. Consequently, the definition of unusual transaction adopted by the Group differs from that provided in the Consob Communication of 28 July, 2006, under which unusual and abnormal transactions are those which, because of their significance or importance, the nature of the parties involved, the object of the transaction, the methods of determining the transfer price or the timing of the event (close to the year end), may give rise to doubts regarding the accuracy/completeness of the information in the financial statements, conflicts of interest, the safeguarding of an entity's assets or the protection of non-controlling interests.

For the Statement of financial position, a mixed format has been selected to present current and non-current assets and liabilities, as permitted by IAS 1. In more detail, both companies carrying out industrial activities and those carrying out financial activities are consolidated in the Group's financial statements. The investment portfolios of financial services companies are included in current assets, as the investments will be realised in their normal operating cycle. Financial services companies, though, obtain funds only partially from the market: the remaining are obtained from Fiat S.p.A. through the Group's treasury companies (included in industrial companies), which lend funds both to industrial Group companies and to financial services companies as the need arises. This financial service structure within the Group means that any attempt to separate current and non-current debt in the consolidated Statement of financial position cannot be meaningful. Suitable disclosure on the due dates of liabilities is moreover provided in the notes.

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

In connection with the requirements of the Consob Resolution No. 15519 of 27 July 2006 as to the format of the financial statements, specific supplementary Income Statement, Statement of Financial Position and Statement of Cash Flows formats have been added for related party transactions so as not to compromise an overall reading of the statements.

Basis of consolidation

Subsidiaries

Subsidiaries are enterprises controlled by the Group, as defined in IAS 27 – *Consolidated and Separate Financial Statements*. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are combined in the consolidated financial statements from the date that control commences until the date that control ceases. Non-controlling interest in the net assets of consolidated subsidiaries and non-controlling interest in the profit or loss of consolidated subsidiaries are presented separately from the interest of the owners of the parent in the consolidated statement of financial position and income statement respectively. When losses in a consolidated subsidiary attributed to the non-controlling interest exceed the minority's interest in the subsidiary's equity, the excess is allocated against the majority interest except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses, in which case the excess is recorded as an asset in the consolidated financial statements. If no such obligation exists, should profits be realised in the future, the non-controlling interest share of those profits is attributed to the issued capital and reserves attributable to owners of the parent, up to the amount necessary to recover the losses previously absorbed by the issued capital and reserves attributable to owners of the parent.

Subsidiaries that are either dormant or generate a negligible volume of business, are not consolidated. Their impact on the Group's assets, liabilities, financial position and profit/(loss) attributable to the owners of the parent is immaterial.

Jointly controlled entities

Jointly controlled entities are enterprises over whose activities the Group has joint control, as defined in IAS 31 – *Interests in Joint Ventures*. The consolidated financial statements include the Group's share of the earnings of jointly controlled entities using the equity method, from the date that joint control commences until the date that joint control ceases.

Associates

Associates are enterprises over which the Group has significant influence, but no control or joint control, over the financial and operating policies, as defined in IAS 28 – *Investments in Associates*. The consolidated financial statements include the Group's share of the earnings of associates using the equity method, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses of an associate, if any, exceeds the carrying amount of the associate in the Group's balance sheet, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred obligations in respect of the associate.

Investments in other companies
Investments in other companies that are available-for-sale financial assets are measured at fair value, when this can be reliably determined. Gains or losses arising from changes in fair value are recognised directly in equity until the assets are sold or are impaired, when the cumulative gains and losses previously recognised in equity are recognised in the income statement of the period.

Investments in other companies for which fair value is not available are stated at cost less any impairment losses.

Dividends received from these investments are included in Other income (expenses) from investments.

Transactions eliminated on consolidation
All significant intragroup balances and transactions and any unrealised gains and losses arising from intragroup transactions are eliminated in preparing the consolidated financial statements. Unrealised gains and losses arising from transactions with associates and jointly controlled entities are eliminated to the extent of the Group's interest in those entities.

Foreign currency transactions
Transactions in foreign currencies are recorded at the foreign exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the exchange rate prevailing at that date. Exchange differences arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the period or in previous financial statements, are recognised in the income statement.

Consolidation of foreign entities
All assets and liabilities of foreign consolidated companies with a functional currency other than the Euro are translated using the exchange rates in effect at the balance sheet date. Income and expenses are translated at the average exchange rate for the period. Translation differences resulting from the application of this method are classified as equity until the disposal of the investment. Average rates of exchange are used to translate the cash flows of foreign subsidiaries in preparing the consolidated statement of cash flows.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are recorded in the relevant functional currency of the foreign entity and are translated using the period end exchange rate.

The principal exchange rates used in 2009 and 2008 to translate into Euros the financial statements prepared in currencies other than the euros were as follows:

	Average 2009	At 31 December 2009	Average 2008	At 31 December 2008
U.S. dollar	**1.395**	**1.441**	1.471	1.392
Pound sterling	**0.891**	**0.888**	0.796	0.953
Swiss franc	**1.510**	**1.484**	1.587	1.485
Polish zloty	**4.328**	**4.105**	3.512	4.154
Brazilian real	**2.767**	**2.511**	2.674	3.244
Argentine peso	**5.201**	**5.473**	4.679	4.800

In the context of IFRS First-time Adoption, the cumulative translation difference arising from the consolidation of foreign operations outside the Euro zone was set at nil, as permitted by IFRS 1; gains or losses on subsequent disposal of any foreign operation only include accumulated translation differences arising after 1 January 2004.

Intangible assets

Goodwill

In the case of acquisitions of businesses, the acquired identifiable assets, liabilities and contingent liabilities are recorded at fair value at the date of acquisition. Any excess of the cost of the business combination over the Group's interest in the fair value of those assets and liabilities is classified as goodwill and recorded in the financial statement as an intangible asset. If this difference is negative (negative goodwill), it is recognised in the income statement at the time of acquisition.

When the Group acquires a non-controlling interest in controlled companies the excess of the acquisition cost over the carrying value of the assets and liabilities acquired is recognised as goodwill (the "Parent entity extension method").

Goodwill is not amortised, but is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

On disposal of part or whole of a business which was previously acquired and which gave rise to the recognition of goodwill, the remaining amount of the related goodwill is included in the determination of the gain or loss on disposal.

In the context of IFRS First-time Adoption, the Group elected not to apply IFRS 3 – *Business Combinations* retrospectively to the business combinations that occurred before 1 January 2004; as a consequence, goodwill arising on acquisitions before the date of transition to IFRS has been retained at the previous Italian GAAP amounts, subject to impairment testing at that date.

Development costs

Development costs for vehicle project production (cars, trucks, buses, agricultural and construction equipment, related components, engines, and production systems) are recognised as an asset if and only if both of the following conditions are met: that development costs can be measured reliably and that technical feasibility of the product, volumes and pricing support the view that the development expenditure will generate future economic benefits. Capitalised development costs include all direct and indirect costs that could be directly attributable to the development process. Capitalised development costs are amortised on a systematic basis from the start of production of the related product over the product's estimated average life, as follows:

	N° of years
Cars	4 - 5
Trucks and Buses	8
Agricultural and Construction Equipment	5
Engines	8 - 10
Components and Production Systems	3 - 5

All other development costs are expensed as incurred.

Intangible assets with indefinite useful lives

Intangible assets with indefinite useful lives consist principally of acquired trademarks which have no legal, contractual, competitive, economic, or other factors that limit their useful lives. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually or more frequently whenever there is an indication that the asset may be impaired.

Other intangible assets
Other purchased and internally-generated intangible assets are recognised as assets in accordance with IAS 38 – *Intangible Assets*, where it is probable that the use of the asset will generate future economic benefits and where the costs of the asset can be determined reliably.

Such assets are measured at purchase or manufacturing cost and amortised on a straight-line basis over their estimated useful lives, if these assets have finite useful lives.

Other intangible assets acquired as part of an acquisition of a business are capitalised separately from goodwill if their fair value can be measured reliably.

Property, plant and equipment

Cost
Property, plant and equipment are stated at acquisition or production cost and are not revalued.

Subsequent expenditures and the cost of replacing parts of an asset are capitalised only if they increase the future economic benefits embodied in that asset. All other expenditures are expensed as incurred. When such replacement costs are capitalised, the carrying amount of the parts that are replaced is recognised in the income statement.

Property, plant and equipment also include vehicles sold with a buy-back commitment, which are recognised according to the method described in the paragraph Revenue recognition if the buy-back commitment originates from the Trucks and Commercial Vehicles Sector.

Assets held under finance leases, which provide the Group with substantially all the risks and rewards of ownership, are recognised as assets of the Group at their fair value or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the financial statement as a debt. The assets are depreciated by the method and at the rates indicated below.

Leases where the lessor retains substantially all the risks and rewards of ownership of the assets are classified as operating leases. Operating lease expenditures are expensed on a straight-line basis over the lease terms.

Depreciation
Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

	Depreciation rates
Buildings	2.5% - 10%
Plant and machinery	5% - 20%
Industrial and commercial equipment	15% - 25%
Other assets	10% - 33%

Land is not depreciated.

Leased assets
Leased assets include vehicles leased to retail customers by the Group’s leasing companies under operating lease agreements. They are stated at cost and depreciated at annual rates of between 20% and 33%.

When such assets cease to be rented and become held for sale, the Group reclassifies their carrying amount in Inventories.

Investment property

Real estate and buildings held in order to obtain rental income are carried at cost less accumulated depreciation (charged at annual rates of between 2.5% to 5%) and impairment losses.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets (as defined under IAS 23 – *Borrowing costs*), which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised and amortised over the useful life of the class of assets to which they refer.

All other borrowing costs are expensed when incurred.

Impairment of assets

The Group reviews, at least annually, the recoverability of the carrying amount of intangible assets (including capitalised development costs) and property, plant and equipments, in order to determine whether there is any indication that those assets have suffered an impairment loss. If indications of impairment are present, the carrying amount of the asset is reduced to its recoverable amount. An intangible asset with an indefinite useful life is tested for impairment annually or more frequently, whenever there is an indication that the asset may be impaired.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount of an asset is the higher of fair value less disposal costs and its value in use. In assessing its value in use, the pre-tax estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised when the recoverable amount is lower than the carrying amount. Where an impairment loss for assets other than goodwill subsequently no longer exists or has decreased the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but not in excess of the carrying amount that would have been recorded had no impairment loss been recognised. A reversal of an impairment loss is recognised in the income statement immediately.

Financial instruments

Presentation

Financial instruments held by the Group are presented in the financial statements as described in the following paragraphs.

Investments and other non-current financial assets comprise investments in unconsolidated companies and other non-current financial assets (held-to-maturity securities, non-current loans and receivables and other non-current available-for-sale financial assets).

Current financial assets, as defined in IAS 39, include trade receivables, receivables from financing activities (retail financing, dealer financing, lease financing and other current loans to third parties), current securities, and other current financial assets (which include derivative financial instruments stated at fair value as assets), as well as cash and cash equivalents.

In particular, Cash and cash equivalents include cash at banks, units in liquidity funds and other money market securities that are readily convertible into cash and are subject to an insignificant risk of changes in value.

Current securities include short-term or marketable securities which represent temporary investments of available funds and do not satisfy the requirements for being classified as cash equivalents; current securities include both available-for-sale and held for trading securities.

Financial liabilities refer to debt, which includes asset-backed financing, and other financial liabilities (which include derivative financial instruments stated at fair value as liabilities), trade payables and other payables.

Measurement

Investments in unconsolidated companies classified as non-current financial assets are accounted for as described in the section Basis of consolidation.

Non-current financial assets other than investments, as well as current financial assets and financial liabilities, are accounted for in accordance with IAS 39 – *Financial Instruments: Recognition and Measurement.*

Current financial assets and held-to-maturity securities are recognised on the basis of the settlement date and, on initial recognition, are measured at acquisition cost, including transaction costs.

Subsequent to initial recognition, available-for-sale and held for trading financial assets are measured at fair value. When market prices are not available, the fair value of available-for-sale financial assets is measured using appropriate valuation techniques e.g. discounted cash flow analysis based on market information available at the balance sheet date.

Gains and losses on available-for-sale financial assets are recognised directly in equity until the financial asset is disposed or is determined to be impaired; when the asset is disposed of, the cumulative gains or losses, including those previously recognised in equity, are reclassified into the income statement for the period; when the asset is impaired, accumulated losses are recognised in the income statement. Gains and losses arising from changes in fair value of held for trading financial instruments are included in the income statement for the period.

Loans and receivables which are not held by the Group for trading (loans and receivables originating in the course of business), held-to-maturity securities and all financial assets for which published price quotations in an active market are not available and whose fair value cannot be determined reliably, are measured, to the extent that they have a fixed term, at amortised cost, using the effective interest method. When the financial assets do not have a fixed term, they are measured at acquisition cost. Receivables with maturities of over one year which bear no interest or an interest rate significantly lower than market rates are discounted using market rates.

Assessments are made regularly as to whether there is any objective evidence that a financial asset or group of assets may be impaired. If any such evidence exists, an impairment loss is included in the income statement for the period.

Except for derivative instruments, financial liabilities are measured at amortised cost using the effective interest method.

Financial assets and liabilities hedged by derivative instruments are measured in accordance with hedge accounting principles applicable to fair value hedges: gains and losses arising from remeasurement at fair value, due to changes in relevant hedged risk, are recognised in the income statement and are offset by the effective portion of the loss or gain arising from remeasurement at fair value of the hedging instrument.

Derivative financial instruments

Derivative financial instruments are used for hedging purposes, in order to reduce currency, interest rate and market price risks. In accordance with IAS 39, derivative financial instruments qualify for hedge accounting only when at the inception of the hedge there is formal designation and documentation of the hedging relationship, the hedge is expected to be highly effective, its effectiveness can be reliably measured and it is highly effective throughout the financial reporting periods for which the hedge is designated.

All derivative financial instruments are measured in accordance with IAS 39 at fair value.

When derivative financial instruments qualify for hedge accounting, the following accounting treatment applies:

- *Fair value hedge* – Where a derivative financial instrument is designated as a hedge of the exposure to changes in fair value of a recognised asset or liability that is attributable to a particular risk and could affect the income statement, the gain or loss from remeasuring the hedging instrument at fair value is recognised in the income statement. The gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the hedged item and is recognised in the income statement.
- *Cash flow hedge* – Where a derivative financial instrument is designated as a hedge of the exposure to variability in future cash flows of a recognised asset or liability or a highly probable forecasted transaction and could affect income statement, the effective portion of any gain or loss on the derivative financial instrument is recognised directly in equity. The cumulative gain or loss is removed from equity and recognised in the income statement at the same time as the economic effect arising from the hedged item affects income. The gain or loss associated with a hedge or part of a hedge that has become ineffective is recognised in the income statement immediately. When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss realised to the point of termination remains in equity and is recognised in the income statement at the same time as the underlying transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealised gain or loss held in equity is recognised in the income statement immediately.
- *Hedge of a net investment* – If a derivative financial instrument is designated as a hedging instrument for a net investment in a foreign operation, the effective portion of the gain or loss on the derivative financial instrument is recognised in equity. The cumulative gain or loss is reclassified from equity to profit or loss on the disposal of the foreign operation.

If hedge accounting cannot be applied, the gains or losses from the fair value measurement of derivative financial instruments are recognised immediately in the income statement.

Sales of receivables

The Group sells a significant part of its financial, trade and tax receivables through either securitisation programs or factoring transactions.

A securitisation transaction entails the sale of a portfolio of receivables to a securitisation vehicle. This special purpose entity finances the purchase of the receivables by issuing asset-backed securities (i.e. securities whose repayment and interest flow depend upon the cash flow generated by the portfolio). Asset-backed securities are divided into classes according to their degree of seniority and rating: the most senior classes are placed with investors on the market; the junior class, whose repayment is subordinated to the senior classes, is normally subscribed for by the seller. The residual interest in the receivables retained by the seller is therefore limited to the junior securities it has subscribed for. In accordance with SIC 12 – *Consolidation – Special Purpose Entities* (SPE), all securitisation vehicles are included in the scope of consolidation, because the subscription of the junior asset-backed securities by the seller entails its control in substance over the SPE.

Furthermore, factoring transactions may be with or without recourse to the seller; certain factoring agreements without recourse include deferred purchase price clauses (i.e. the payment of a minority portion of the purchase price is conditional upon the full collection of the receivables), require a first loss guarantee of the seller up to a limited amount or imply a continuing significant exposure to the receivables cash flow. These kinds of transactions do not meet IAS 39 requirements for assets derecognition, since the risks and rewards have not been substantially transferred.

Consequently, all receivables sold through both securitisation and factoring transactions which do not meet IAS 39 derecognition requirements are recognised as such in the Group financial statements even though they have been legally sold; a corresponding financial liability is recorded in the consolidated statement of financial position as Asset-backed financing. Gains and losses relating to the sale of such assets are not recognised until the assets are removed from the Group statement of financial position.

Inventories

Inventories of raw materials, semi finished products and finished goods, (including assets leased out under operating leases and assets sold under a buy-back commitment that are held for sale) are stated at the lower of cost and net realisable value, cost being determined on a first in-first-out (FIFO) basis. The measurement of inventories includes the direct costs of materials, labour and indirect costs (variable and fixed). Provision is made for obsolete and slow-moving raw materials, finished goods, spare parts and other supplies based on their expected future use and realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs for sale and distribution.

The measurement of construction contracts is based on the stage of completion determined as the proportion that cost incurred to balance sheet date bear to the estimated total contract cost. These items are presented net of progress billings received from customers. Any losses on such contracts are fully recorded in the income statement when they become known.

Assets held for sale

Assets held for sale include non-current assets (or assets included in disposal groups) whose carrying amount will be recovered principally through a sale transaction rather than through continuing use. Assets held for sale are measured at the lower of their carrying amount and fair value less disposal costs.

Employee benefits

Pension plans

Employees of the Group participate in several defined benefit and/or defined contribution pension plans in accordance with local conditions and practices in the countries in which the Group operates.

The Group's obligation to fund defined benefit pension plans and the annual cost recognised in the income statement are determined on an actuarial basis using the projected unit credit method. The portion of net cumulative actuarial gains and losses which exceeds the greater of 10% of the present value of the defined benefit obligation and 10% of the fair value of plan assets at the end of the previous year is amortised over the average remaining service lives of the employees (the "corridor approach"). In the context of IFRS First-time Adoption, the Group elected to recognise all cumulative actuarial gains and losses that existed at 1 January 2004, even though it has decided to use the corridor approach for subsequent actuarial gains and losses.

The post-employment benefit obligation recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses, arising from the application of the corridor method and unrecognised past service cost, reduced by the fair value of plan assets. Any net asset resulting from this calculation is recognised at the lower of its amount and the total of any cumulative unrecognised net actuarial losses and past service cost, and the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

If changes are made to a plan that alters the benefits due for past service or if a new plan is introduced regarding past service then past service costs are recognised in the income statement on a straight-line basis over the average period remaining until the benefits become vested. If a change is made to a plan that significantly reduces the number of employees who are members of the plan or that alters the conditions of the plan such that employees will no longer be entitled to the same benefits for a significant part of their future service, or if such benefits will be reduced, the profit or loss arising from such changes is immediately recognised in the income statement.

All other costs and income arising from the measurement of pension plan provisions are allocated to costs by function in the income statement, except for interest cost on unfunded defined benefit plans which is reported as part of Financial expenses.

Costs arising from defined contribution plans are recognised as an expense in the income statement as incurred.

Post-employment plans other than pensions

The Group provides certain post-employment defined benefit, mainly health care plans. The method of accounting and the frequency of valuations are similar to those used for defined benefit pension plans.

The scheme underlying the employee severance indemnity of the Italian Group companies (the TFR) was classified as a defined benefit plan until 31 December 2006. The legislation regarding this scheme and leading to this classification was amended by Law no. 296 of 27 December 2006 (the "2007 Finance Law") and subsequent decrees and regulations issued in the first part of 2007. In view of these changes, and with specific reference to those regarding companies with at least 50 employees, this scheme only continues to be classified as a defined benefit plan in the consolidated financial statements for those benefits accruing up to 31 December 2006 (and not yet settled by the balance sheet date), while after that date the scheme is classified as a defined contribution plan.

Equity compensation plans

The Group provides additional benefits to certain members of senior management and employees through equity compensation plans (stock option plans and stock grants). In accordance with IFRS 2 – *Share-based Payment*, these plans represent a component of recipient remuneration. The compensation expense, corresponding to the fair value of the instruments at the grant date, is recognised in the income statement on a straight-line basis over the period from the grant date to the vesting date, with the offsetting credit recognised directly in equity. Any subsequent changes to fair value do not have any effect on the initial measurement. In accordance with the transitional provisions of IFRS 2, the Group applied the Standard to all stock options granted after 7 November 2002 and not yet vested at 1 January 2005, the effective date of the Standard. Detailed information is provided in respect of all stock options granted on or prior to 7 November 2002.

Provisions

The Group records provisions when it has an obligation, legal or constructive, to a third party, when it is probable that an outflow of Group resources will be required to satisfy the obligation and when a reliable estimate of the amount can be made.

Changes in estimates are reflected in the income statement in the period in which the change occurs.

Treasury shares

Treasury shares are presented as a deduction from equity. The original cost of treasury shares and the proceeds of any subsequent sale are presented as movements in equity.

Revenue recognition

Revenue is recognised if it is probable that the economic benefits associated with the transaction will flow to the Group and the revenue can be measured reliably. Revenues are stated net of discounts, allowances, settlement discounts and rebates, as well as costs for sales incentive programs, determined on the basis of historical costs, country by country, and charged against profit for the period in which the corresponding sales are recognised. The Group's sales incentive programs include the granting of retail financing at significant discount to market interest rates. The corresponding cost is recognised at the time of the initial sale.

Revenues from the sale of products are recognised when the risks and rewards of ownership of the goods are transferred to the customer, the sales price is agreed or determinable and receipt of payment can be assumed: this corresponds generally to the date when the vehicles are made available to non-group dealers, or the delivery date in the case of direct sales. New vehicle sales with a buy-back commitment are not recognised at the time of delivery but are accounted for as operating leases when it is probable that the vehicle will be bought back. More specifically, vehicles sold with a buy-back commitment are accounted for as assets in Inventory if the sale originates from the Fiat Group Automobiles business (agreements with normally a short-term buy-back commitment); and are accounted for in Property, plant and equipment, if the sale originates from the Commercial

Vehicles business (agreements with normally a long-term buy-back commitment). The difference between the carrying value (corresponding to the manufacturing cost) and the estimated resale value (net of refurbishing costs) at the end of the buy-back period is depreciated on a straight-line basis over the same period. The initial sale price received is recognised as an advance payment (liability). The difference between the initial sale price and the buy-back price is recognised as rental revenue on a straight-line basis over the term of the operating lease. Assets sold under a buy-back commitment that are initially recognised in Property, plant and equipment are reclassified to Inventories at the end of the agreement term if they are held for sale. The proceeds from the sale of such assets are recognised as Revenues.

Revenues from services and from construction contracts are recognised by reference to the stage of completion.

Revenues also include lease rentals and interest income from financial services companies.

Cost of sales

Cost of sales comprises the cost of manufacturing products and the acquisition cost of purchased merchandise which has been sold. It includes all directly attributable material and production costs and all production overheads. These include the depreciation of property, plant and equipment and the amortisation of intangible assets relating to production and write-downs of inventories. Cost of sales also includes freight and insurance costs relating to deliveries to dealer and agency fees in the case of direct sales.

Cost of sales also includes provisions made to cover the estimated cost of product warranties at the time of sale to dealer networks or to the end customer. Revenues from the sale of extended warranties and maintenance contracts are recognised over the period during which the service is provided.

Expenses which are directly attributable to the financial services businesses, including the interest expense related to the financing of financial services businesses as a whole and charges for risk provisions and write-downs, are reported in cost of sales.

Research and development costs

This item includes research costs, development costs not eligible for capitalisation and the amortisation of development costs recognised as assets in accordance with IAS 38 (see Notes 4 and 14).

Government grants

Government grants are recognised in the financial statements when there is reasonable assurance that the company concerned will comply with the conditions for receiving such grants and that the grants themselves will be received. Government grants are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate.

The benefit of a government loan at a below-market rate of interest is treated as a government grant. The benefit of the below-market rate of interest is measured as the difference between the initial carrying value of the loan (fair value plus transaction costs) and the proceeds received, and is accounted for in accordance with the policies already used for the recognition of government grants.

Taxes

Income taxes include all taxes based upon the taxable profits of the Group. Taxes on income are recognised in the income statement except to the extent that they relate to items directly charged or credited to equity, in which case the related income tax effect is recognised in equity. Provisions for income taxes that could arise on the distribution of a subsidiary's undistributed profits are only made where there is a current intention to distribute such profits. Other taxes not based on income, such as property taxes and capital taxes, are included in operating expenses. Deferred taxes are provided using the full liability method. They are calculated on all temporary differences between the tax base of an asset or liability and the carrying values in the consolidated financial statements, except for those arising from non tax-deductible goodwill and for those related to investments in subsidiaries where their reversal will not take place in the foreseeable future. Deferred tax assets relating to the carry-forward of unused tax losses and tax credits, as well as those arising from temporary differences, are recognised to the extent that it is probable that future profits will be available against which they can be utilised. Current and deferred income tax assets and liabilities are offset when the income taxes are levied by the same taxation authority and where there is a legally enforceable right of offset. Deferred tax assets and liabilities are measured at the substantively enacted tax rates in the respective jurisdictions in which the Group operates that are expected to apply to taxable income in the periods in which temporary differences reverse or expire.

Dividends

Dividends payable by the Group are reported as a movement in equity in the period in which they are approved by shareholders in their Annual General Meeting.

Earnings per share

Basic earnings per share are calculated by dividing the profit/(loss) attributable to owners of the parent entity assignable to the various classes of shares by the weighted average number of shares outstanding during the year. For diluted earnings per share, the weighted average number of shares outstanding is adjusted assuming conversion of all dilutive potential shares. The profit/(loss) attributable to owners of the parent entity is also adjusted to reflect the net after-tax impact of conversion of dilutive potential shares issued by the subsidiaries.

Use of estimates

The preparation of financial statements and related disclosures that conform to IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results could differ from those estimates. Estimates and assumptions are reviewed periodically and the effects of any changes are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

In this respect the situation caused by the present economic and financial crisis has led to the need to make assumptions regarding future performance which are characterised by significant uncertainty; as a consequence, therefore, it cannot be excluded that results may arise during the next year which differ from estimates, and which therefore might require adjustments, even significant, to be made to the carrying amount of the items in question, which at the present moment can clearly neither be estimated nor predicted. The main items affected by these situations of uncertainty are the allowances for doubtful accounts receivable and inventories, non-current assets (tangible and intangible assets), the residual values of vehicles leased out under operating lease arrangements or sold with buy-back clauses, pension funds and other post-employment benefits, and deferred tax assets.

The following are the critical judgements and the key assumptions concerning the future, that management has made in the process of applying the Group accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements or that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Allowance for doubtful accounts
The allowance for doubtful accounts reflects management estimate of losses inherent in wholesale and retail credit portfolio. The allowance for doubtful debts is based on the Group's estimate of the losses to be incurred, which derives from past experience with similar receivables, current and historical past due amounts, dealer termination rates, write-offs and collections, the careful monitoring of portfolio credit quality and current and projected economic and market conditions. Should the present economic and financial crisis persist or even worsen, this could lead to a further deterioration in the financial situation of the Group's debtors compared to that already taken into consideration in calculating the allowances recognised in the financial statements.

Allowance for obsolete and slow-moving inventory
The allowance for obsolete and slow-moving inventory reflects management's estimate of the loss in value expected by the Group, and has been determined on the basis of past experience and historical and expected future trends in the used vehicle market. The present economic and financial crisis could cause a further deterioration in conditions in the used vehicle market compared to that already taken into consideration in calculating the allowances recognised in the financial statements.

Recoverability of non-current assets (including goodwill)
Non-current assets include property, plant and equipment, intangible assets (including goodwill), investments and other financial assets. Management reviews the carrying value of non-current assets held and used and that of assets to be disposed of when events and circumstances warrant such a review. Management performs this review using estimates of future cash flows from the use or disposal of the asset and suitable discount rate in order to calculate present value. If the carrying amount of a non-current asset is considered impaired, the Group records an impairment charge for the amount by which the carrying amount of the asset exceeds its estimated recoverable amount from use or disposal determined by reference to its most recent business forecasts.

In view of the present economic and financial crisis, the Fiat Group has the following considerations in respect of its future prospects:

- In the current situation, when preparing figures for the consolidated financial statements for the year ended 31 December 2009 and more specifically for carrying out impairment testing of tangible and intangible assets, the various Sectors of the Group have taken into consideration their expected performance for 2010, with assumptions and results consistent with the statements made in the section Significant events subsequent to the year end and outlook. In addition, for subsequent years they have prepared specific forecasts for business performance on a cautionary basis, considering the fact, therefore, that the economical and financial environment and the market situation have undergone profound changes as the result of the present crisis and taking into account different operating conditions arising from the strategic realignment with Chrysler Group LLC. These forecasts did not indicate the need to recognise any significant impairment losses other than write-down of certain investments in platforms and architectures in the Automobiles business.
- In addition, should the assumptions underlying the forecast deteriorate further the following is noted:
  - The Group's tangible assets and intangible assets with a finite useful life (which essentially regard development costs) relate to recent models or products having a high technological content in line with the latest environmental laws and regulations, which consequently renders them competitive in the present economic situation, especially in the more mature economies in which particular attention is placed on the eco-sustainability of those types of products. As a result, therefore, despite the fact that the automotive sector is one of the markets most affected by the present crisis in the immediate term, it is considered highly probable that the life cycle of these products can be lengthened to extend over the period of time involved in a slower economic recovery, in this way allowing the Group to achieve sufficient earnings flows to cover the investments, albeit over a longer timescale.

- Around 60% of capitalised goodwill relates to the CNH business and around 28% to Ferrari. For the former the Group prepared detailed analyses using various methodologies to test the recoverability of the goodwill allocated to this Sector, which amounted to €1,662 million at 31 December 2009; the underlying considerations are described in Note 14. As concerns Ferrari, the exclusivity of the business, its historical profitability and its future earnings prospects indicate that the carrying amount will continue to be recoverable, even in the event of economic and market conditions which remain difficult and may deteriorate further.

Residual values of assets leased out under operating lease arrangements or sold with a buy-back commitment
The Group reports assets rented or leased to customers under operating leases as tangible assets. Furthermore, new vehicle sales with a buy-back commitment are not recognised as sales at the time of delivery but are accounted for as operating leases if it is probable that the vehicle will be bought back. The Group recognises income from such operating leases over the term of the lease on a straight-line basis. Depreciation expense for assets subject to operating leases is recognised on a straight-line basis over the term of the lease in amounts necessary to reduce the cost of the assets to its estimated residual value at the end of the lease term. The estimated residual value of the leased assets is calculated at the lease inception date on the basis of published industry information and historical experience.

Realisation of the residual values is dependant on the Group's future ability to market the assets under the then-prevailing market conditions. The Group continually evaluates whether events and circumstances have occurred which impact the estimated residual values of the assets on operating leases. More specifically the Group recognised further write-downs in 2009, in addition to those usually made on the basis of historical trends in residual values, to take account of the sudden deterioration in the used vehicle market over the final part of 2008 and throughout the whole 2009. It cannot be excluded that additional write-downs may be needed if market conditions should deteriorate yet again.

Sales allowance
At the later time of sale or the time an incentive is announced to dealers, the Group records the estimated impact of sales allowances in the form of dealer and customer incentives as a reduction of revenue. There may be numerous types of incentives available at any particular time. The determination of sales allowances requires management estimates based on different factors.

Product warranties
The Group makes provisions for estimated expenses related to product warranties at the time products are sold. Management establishes these estimates based on historical information on the nature, frequency and average cost of warranty claims. The Group seeks to improve vehicle quality and minimise warranty expenses arising from claims.

Pension and other post-retirement benefits
Group companies sponsor pension and other post-retirement benefits in various countries. In the US, the United Kingdom, Germany and Italy, the Group has major defined benefit plans. Management uses several statistical and judgmental factors that attempt to anticipate future events in calculating the expense, the liability and the assets related to these plans. These factors include assumptions about the discount rate, expected return on plan assets, rate of future compensation increases and health care cost trend rates. In addition, the Group's actuarial consultants also use subjective factors such as withdrawal and mortality rates in making relevant estimates. Regarding the discount rate, in 2009 yields of high quality corporate bonds were not subject to the same level of volatility as in 2008. It cannot be excluded, though, that future significant changes in the yields of corporate bonds may lead to effects on liabilities and unrecognised actuarial gains and losses, taking into account however any simultaneous changes in the returns of plan assets where these may exist.

Realisation of deferred tax assets
As of 31 December 2009, the Group had deferred tax assets and theoretical tax benefit arising from tax loss carryforwards of €7,784 million and valuation allowances against these assets of €3,307 million. The corresponding totals at 31 December 2008 were €7,325 million and €2,899 million, respectively. Management has recorded these valuation allowances to reduce deferred

tax assets to the amount that it believes it is probable will be recovered. In making these adjustments, management has taken into consideration figures from budgets and forecasts consistent with those used for impairment testing and discussed in the preceding paragraph relating to the recoverable amount of non-current assets. Moreover, the adjustments that have been recognised are considered to be sufficient to protect against the risk of a further deterioration of the assumptions in these forecasts, taking account of the fact that the net deferred assets accordingly recognised relate to temporary differences and tax losses which, to a significant extent, may be recovered over a very long period, and are therefore consistent with a situation in which the time needed to exit from the crisis and for an economic recovery to occur extends beyond the term implicit in the above-mentioned estimates.

Contingent liabilities
The Group is the subject of legal proceedings and tax issues covering a range of matters, which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Group often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business management consults with legal counsel and certain other experts on matter related to litigation and taxes. The Group accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the event an adverse outcome is possible or an estimate is not determinable, the matter is disclosed.

Accounting principles, amendments and interpretations adopted from 1 January 2009

The Group has applied the following Standards, amendments and interpretations, which include those revised in conjunction with the IASB's 2008 annual improvements project, since 1 January 2009.

IAS 1 Revised – Presentation of Financial Statements
The revised version of IAS 1 - *Presentation of Financial Statements* does not permit the presentation of components of comprehensive income (that is "non-owner changes in equity") in the statement of changes in equity, requiring these to be presented separately from owner changes in equity. Under the revised standard, all non-owner changes in equity are required to be presented in one statement showing performance for the period (a statement of comprehensive income) or in two statements (an income statement and a statement of comprehensive income). These changes are also required to be shown separately in the Statement of changes in equity.

The Group has adopted the revised standard retrospectively from 1 January 2009, electing to present both the Income statement and the Statement of comprehensive income and has consequently amended the presentation of the Statement of changes in equity.

In addition, as part of its 2008 annual improvements project, the IASB published an amendment to IAS 1 (Revised) which requires an entity to classify hedging derivative financial instruments between current and non-current assets and liabilities in the Statement of financial position. Adopting this amendment did not lead to any effect on the presentation of derivative financial instruments in the Statement of financial position as the Group uses the mixed current/non-current distinction format for presentation that is permitted by IAS 1.

IAS 23 Revised – Borrowing Costs
The revised version of the standard removes the option previously available, and selected by the Group until 31 December 2008, of immediately recognising as an expense borrowing costs that relate to assets that take a substantial period of time to get ready for use or sale (qualifying assets). As part of its 2008 annual improvements project the IASB also published an amendment to IAS 23 (Revised) in order to revise the definition of the borrowing costs to be capitalised.

In accordance with the transition rules, the Group adopted the revised standard prospectively from 1 January 2009, capitalising borrowing costs directly attributable to the acquisition, construction or production of qualifying assets for which it incurs expenditures, incurs borrowing costs or undertakes activities that are necessary to prepare the asset for its intended use or sale from 1 January 2009. No significant accounting effects arose in 2009 from adopting the revised standard.

Amendment to IFRS 2 – Share-based Payment: Vesting Conditions and Cancellations
The amendment to IFRS 2 - *Share-based Payment: Vesting Conditions and Cancellations* clarifies that for the purpose of measuring share-based payments, only service conditions and performance conditions may be considered vesting conditions. Any other clauses shall be considered non-vesting conditions and included in the determination of fair value at the grant date. The amendment also specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment.

The Group retrospectively adopted the amendment from 1 January 2009; no effects arose from first-time adoption because the share-based payments outstanding within the Group and not fully vested do not provide for vesting conditions different from performance conditions and service conditions as defined by the amendment and because no awards were cancelled during the period.

Improvement to IAS 16 – Property, Plant and Equipment
The improvement to IAS 16 – *Property, Plant and Equipment* requires an entity that in the course of its ordinary activities routinely sells items of property, plant and equipment that it has held for rental to others, to transfer such assets to inventories when they cease to be rented and become held for sale. As a consequence, the proceeds from the sale of such assets shall be recognised as revenue. Payments made to manufacture or acquire assets held for rental to others or those received from the subsequent sale of such assets are considered to arise from operating activities for the purposes of the Statement of cash flows.

Until 31 December 2008 the Group classified as Inventories leased assets that ceased to be rented under operating leases and were held for sale. When these assets were sold on a final basis, however, the Group recognised any gains or losses on disposal as Other income (expenses). Additionally, in the Statement of cash flows the Group classified cash flows arising from the manufacture, acquisition or disposal of the assets held for rental under operating leases as cash flows from (used in) investment activities. The Group also followed the accounting treatment used for leased assets for assets of the Trucks and Commercial Vehicles Sector sold under a buy-back commitment; at the end of the buy-back agreement term, however, these assets remained classified as Property, plant and equipment and any gains or losses on disposal were recognised as Other income (expenses). Cash flows arising from these assets were classified as cash flows from (used in) operating activities in the Statement of cash flows.

The Group adopted the amendment to IAS 16 retrospectively on 1 January 2009. As the method of measuring leased assets and assets sold under buy-back commitments was the same as that used for measuring inventory, the application of the new accounting treatment did not lead to any effect on Equity at 1 January 2008 or 31 December 2008, and on the Profit of 2008. Applying the amendment did however require certain items in the Statement of financial positions at 1 January 2008 and 31 December 2008 to be reclassified and certain items in the Income statement for 2008 and the Statement of cash flows for 2008 presented as comparative to be recalculated.

In further detail, the effects arising on the Statement of financial position presented for comparative purposes are as follows:

(€ million)	At 31 December 2008	At 1 January 2008
Property, plant and equipment		
As previously reported	**12,607**	11,246
Reclassification to Inventory for assets sold under buy-back commitments and held for sale	**(92)**	(34)
Amount after the reclassification	**12,515**	**11,212**

(€ million)	At 31 December 2008	At 1 January 2008
Inventory		
As previously reported	11,346	9,990
Reclassification from property, plant and equipment for assets sold under buy-back commitments and held for sale	92	34
Amount after the reclassification	**11,438**	**10,024**

The effects on the Income statement presented for comparative purposes are as follows:

(€ million)	2008
Net revenues	
As previously reported	59,380
Recognition of the proceeds from the sale of assets under buy-back commitments and leased assets	184
Amount as restated	**59,564**

(€ million)	2008
Cost of sales	
As previously reported	49,423
Change in Inventory for assets sold under buy-back commitments and leased assets	189
Amount as restated	**49,612**

(€ million)	2008
Other income (expenses)	
As previously reported	(23)
Reversal of gains from the sale of assets under buy-back commitment and leased assets	(18)
Reversal of losses from the sale of assets under buy-back commitment and leased assets	23
Amount as restated	**(18)**

The effects on the Statement of cash flows presented as comparative figures are as follows:

(€ million)	2008
Cash flows from (used in) operating activities	
As previously reported	384
Reclassification from Cash flows from (used in) investment activities	(218)
Amount after the reclassification	**166**

(€ million)	2008
Cash flows from (used in) investment activities	
As previously reported	(6,310)
Reclassification to Cash flows from (used in) operating activities	218
Amount after the reclassification	**(6,092)**

Improvement to IAS 19 – Employee Benefits

The improvement to IAS 19 – *Employee Benefits* clarifies the definition of positive/negative past service costs and states that in the case of a curtailment, only the effect of the reduction for future service shall be recognised immediately in the income statement, while the effect arising from past service periods shall be considered a negative past service cost. This amendment should be adopted prospectively to changes to plans occurring on or after 1 January 2009, but there was no significant accounting effect at 31 December 2009 for the Group following the adoption.

The improvement also revises the definition of the return on plan assets, stating that this amount should be stated net of any costs for administering the plan (other than those included in the measurement of the defined benefit obligation) and clarifies the definition of short-term employee benefits and other long-term employee benefits. The Group adopted this amendment retrospectively from 1 January 2009 for the definitions of return on plan assets and short-term and long-term employee benefits, although no effects arose as the Group's accounting treatment of these items was already consistent with the requirements of the amendment.

Improvement to IAS 20 – Government Grants and Disclosure of Government Assistance

The improvement to IAS 20 – *Government Grants and Disclosure of Government Assistance* requires the benefit of a government loan at a below-market rate of interest to be treated as a government grant and then accounted for in accordance with IAS 20. The previous version of IAS 20 required no benefits to be separately recognised in the case of a government loan received as a grant at a below-market rate of interest; the Group accordingly recognised loans at the amount of the proceeds received and recognised the lower interest expense on such loans directly in income statement as financial income (expenses).

In accordance with the transition rules, the Group adopted the improvement on 1 January 2009 to government loans obtained on or after that date at below-market rates. For such loans, on disbursement the Group recognises the loan at its fair value and deferred income for the amount corresponding to the benefit yet to be received of obtaining the loan at a below-market interest rate (namely the grant, the difference between the fair value of the loan and the amount received). This benefit is then recognised in income when and only when all conditions for the grant to be recognised are satisfied, on a systematic basis over the periods necessary to match the income with the costs which it is intended to offset. No significant accounting effects arose at 31 December 2009 from adopting the improvement.

Improvement to IAS 28 – Investments in Associates

The improvement to IAS 28 – *Investments in Associates* requires that for investments accounted for using the equity method a recognised impairment loss should not be allocated to any asset (and in particular goodwill) that forms part of the carrying amount of the investment in the associate, but to the carrying amount of the investment overall. Accordingly any reversal of that impairment loss is recognised in full.

In accordance with the transition rules, the Group elected to apply the amendment prospectively to reversals recognised from 1 January 2009, although no effects arose in 2009 from its adoption as the Group did not recognise any reversal of impairment losses on goodwill that formed part of the carrying amount of an investment during the year.

This amendment also leads to changes in certain disclosures relating to investments in associates and joint ventures measured at fair value in accordance with IAS 39, at the same time amending also IAS 31 - *Interests in Joint Ventures,* IFRS 7 - *Financial Instruments - Disclosures* and IAS 32 - *Financial Instruments - Presentation*. These changes regard circumstances that were not present in the Group at the date of this financial statement.

Improvement to IAS 38 – Intangible Assets

The improvement to IAS 38 – *Intangible Assets* requires expenditure on advertising and promotional activities to be recognised as an expense. Further, in the case expenditure is incurred to provide future economic benefits to an entity but no intangible asset is recognised, an entity shall recognise the expenditure as an expense when it has the right to access the goods in the case of the supply of goods or when it receives the services in the case of the supply of services. The standard has also been amended in order to allow entities to use the unit of production method for determining the amortisation charge for an intangible asset with a finite useful life.

The Group adopted the amendment to IAS retrospectively on 1 January 2009, although adoption had no effect on the Group's financial statements as the Group already recognised such expenditure as an expense. In connection with the possibility of using the unit of production method for determining the amortisation charge for an intangible asset with a finite useful life, the Group amortises these assets on the straight-line-basis.

Amendment to IFRS 7 – Improving Disclosures about Financial Instruments
The amendment, effective from 1 January 2009, was issued in order to improve the disclosure requirements for fair value measurements and reinforce existing principles for disclosures concerning the liquidity risk associated with financial instruments. In particular, the amendment requires disclosures to be made that are based on a hierarchy of the inputs used in valuation techniques to measure fair value. The adoption of the amendment only affected the disclosures in the notes and had no effect on the measurement of items in the financial statements.

Amendments and interpretations effective from 1 January 2009 but not applicable to the Group
The following amendments, improvements and interpretations have also been issued and are effective from 1 January 2009; these relate to matters that were not applicable to the Group at the date of these financial statements but which may affect the accounting for future transactions or arrangements:

- Amendments to IAS 32 – *Financial Instruments: Presentation* and IAS 1 – *Presentation of Financial Statements - Puttable Financial Instruments and Obligations Arising on Liquidation.*
- Improvement to IAS 29 – *Financial Reporting in Hyperinflationary Economies.*
- Improvement to IAS 36 – *Impairment of Assets.*
- Improvement to IAS 39 – *Financial Instruments: Recognition and Measurement.*
- Improvement to IAS 40 – *Investment Property.*
- IFRIC 13 – *Customer Loyalty Programmes.*
- IFRIC 15 – *Agreements for the Construction of Real Estate.*
- IFRIC 16 – *Hedges of a Net Investment in a Foreign Operation.*

Finally, on 12 March 2009 the IASB issued amendments to IFRIC 9 – *Reassessment of Embedded Derivatives* and to IAS 39 – *Financial Instruments: Recognition and Measurement* that allow entities to reclassify certain financial instruments out of the "fair value through profit or loss" category in specific circumstances. The amendments clarify that on the reclassification of a financial asset out of the "fair value through profit or loss" category all embedded derivatives have to be assessed and, if necessary, separately accounted for in the financial statements. The amendments are effective retrospectively from 31 December 2009, although adoption had no effect on the Group's financial statements.

Accounting principles, amendments and interpretations not yet applicable and not early adopted by the Group
On 10 January 2008 the IASB issued a revised version of IFRS 3 – *Business Combinations* and an amended version of IAS 27 - *Consolidated and Separate Financial Statements*. The main changes that revised IFRS 3 makes to existing requirements are the elimination of the need to measure every asset and liability at fair value at each stage in a step acquisition of subsidiaries. Goodwill is only to be measured on acquiring control, as the difference at acquisition date between the value of any investment in the business held before the acquisition, the consideration transferred and the net assets acquired. Moreover, for a business combination in which the acquirer achieves control without purchasing all of the acquiree, the remaining (non-controlling) equity interests are measured either at fair value or by using the method already provided previously in IFRS 3. The revised IFRS 3 also requires acquisition-related costs to be recognised as expenses and the acquirer to recognise the obligation to make an additional payment as part of the business combination (contingent consideration). In the amended version of IAS 27, the

IASB has added a requirement specifying that changes in a parent's interest in a subsidiary that do not result in the loss of control must be accounted for as equity transactions and recognised within equity. Moreover, when a parent loses control of a subsidiary but retains an ownership interest it must initially measure any retained investment at fair value. At the date when control is lost, the difference between the fair value and the carrying amount of the retained interest must be recognised in income statement. Finally, the amendment to IAS 27 requires losses pertaining to non-controlling interests to be allocated to non-controlling interest equity, even if this results in the non-controlling interest having a deficit balance. The new rules will apply prospectively from 1 January 2010.

As part of its 2008 annual improvements project, the IASB issued an amendment to IFRS 5 – *Non-Current Assets Held for Sale and Discontinued Operations*. This amendment, to be applied prospectively from 1 January 2010, requires an entity that is committed to a sale plan involving loss of control of a subsidiary to classify all the assets and liabilities of that subsidiary as held for sale, regardless of whether the entity will retain a non-controlling interest in its former subsidiary after the sale.

On 31 July 2008 the IASB issued an amendment to IAS 39 – *Financial Instruments: Recognition and Measurement* which is to be applied retrospectively from 1 January 2010. The amendment clarifies how existing principles determining whether a hedged risk or portion of cash flows is eligible for designation should be applied in particular situations. When applied this amendment will not lead to significant effects on the Group's financial statements.

On 27 November 2008 the IFRIC issued interpretation IFRIC 17 – *Distributions of Non-cash Assets to Owners* that will standardise practice in the accounting treatment of the distribution of non-cash assets to owners. In particular, the interpretation clarifies that a dividend payable should be recognised when the dividend is appropriately authorised and that an entity should measure this dividend payable at the fair value of the net assets to be distributed. Finally, an entity should recognise the difference between the dividend paid and the carrying amount of the net assets used for payment in income statement. The interpretation is effective prospectively from 1 January 2010.

On 29 January 2009 the IFRIC issued the interpretation IFRIC 18 – *Transfers of Assets from Customers* that clarifies the accounting treatment to be followed for agreements in which an entity receives from a customer an item of property, plant and equipment that the entity must then use either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services (such as a supply of electricity, gas or water). In some cases, the entity receives cash from a customer which will then be used to acquire or construct the item of property, plant and equipment to be used to fulfil the requirements of the contract. The interpretation is effective prospectively from 1 January 2010.

On 16 April 2009 the IASB issued a series of amendments to IFRS (Improvements to IFRSs). Details are provided in the following paragraphs of those identified by the IASB as resulting in accounting changes for presentation, recognition and measurement purposes, leaving out any amendments regarding changes in terminology or editorial changes which are likely to have minimal effects on accounting and amended standards or interpretations not applicable to the Group. These improvements had not yet been endorsed by the European Union at the date of these financial statements.

- IFRS 2 – *Share-based Payment:* this amendment, applicable from 1 January 2010, clarifies that following the change made by IFRS 3 to the definition of a business combination, the contribution of a business on the formation of a joint venture and the combination of entities or businesses under common control do not fall within the scope of IFRS 2.
- IFRS 5 – *Non-current Assets held for sale and Discontinued Operations:* this amendment, which shall be applied prospectively from 1 January 2010, clarifies that IFRS 5 and other IFRSs that specifically refer to non-current assets (or disposal groups) classified as held for sale or discontinued operations set out all the disclosures required in respect of those assets or operations.
- IFRS 8 – *Operating Segments:* this amendment, effective from 1 January 2010, requires an entity to report a measure of total assets for each reportable segment if such amount is regularly provided to the chief operating decision maker. Before the amendment, disclosure of total assets for each segment was required even if that condition was not met.
- IAS 1 – *Presentation of Financial Statements:* this improvement, effective from 1 January 2010, amends the definition of a current liability contained in IAS 1. The previous definition required liabilities which could be extinguished at any time by

issuing equity instruments to be classified as current. That led to liabilities relating to convertible bonds which could be converted at any time into the shares of the issuer to be classified as current. Following this amendment the existence of a currently exercisable option for conversion into equity instruments becomes irrelevant for the purposes of the current/non-current classification of a liability.

- IAS 7 – *Statement of Cash Flows:* this amendment, applicable from 1 January 2010, clarifies that only expenditures that result in a recognised asset in the statement of financial position are eligible for classification as investing activities in the statement of cash flows; cash flows originating from expenditures that do not result in a recognised asset (as could be the case for advertising and promotional activities and staff training) must be classified as cash flows from operating activities.
- IAS 17 – *Leases:* following the changes, the general conditions required by IAS 17 for classifying a lease as a finance lease or an operating lease will also be applicable to the leasing of land, independent of whether the lease transfers ownership by the end of the lease term. Before these changes the standard required the lease to be classified as an operating lease if ownership of the leased land was not transferred at the end of the lease term because land has an indefinite useful life. The amendment is effective from 1 January 2010. At the date of adoption the classification of all land elements of unexpired leases must be reassessed, with any lease newly classified as a finance lease to be recognised retrospectively.
- IAS 36 – *Impairment of Assets:* this amendment, effective prospectively from 1 January 2010, states that each unit or group of units to which goodwill is allocated for the purpose of impairment testing shall not be larger than an operating segment as defined by paragraph 5 of IFRS 8 before any aggregation on the basis of similar economic characteristics and other similarities as permitted by paragraph 12 of IFRS 8.
- IAS 38 – *Intangible Assets:* IFRS 3 (as revised in 2008) states that if an intangible asset acquired in a business combination is separable or arises from contractual or other legal rights, sufficient information exists to measure its fair value reliably; amendments are made to IAS 38 to reflect that revision of IFRS 3. Moreover these amendments clarify the valuation techniques commonly used to measure intangible assets at fair value when assets are not traded in an active market; in particular, such techniques include discounting the estimated future net cash flows from an asset, and estimating the costs the entity avoids by owning an intangible asset and not having to license it from another party in an arm's length transaction or the costs to recreate or replace it (as in the cost approach). The amendment is effective prospectively from 1 January 2010.
- IAS 39 – *Financial Instruments:* Recognition and Measurement: this amendment restricts the non-applicability of IAS 39 under paragraph 2(g) of the standard to forward contracts between an acquirer and a selling shareholder to buy or sell an acquiree in a business combination at a future acquisition date when the completion of the business combination is not dependant on further actions of either party and only the passage of a normal period of time is required. Option contracts, whether or not currently exercisable, which allow one party to control the occurrence or non-occurrence of future events and on exercise will result in control of an entity are therefore included in the scope of IAS 39. The amendment also clarifies that embedded prepayment options whose exercise price compensates the lender for the loss of interest income resulting from the prepayment of the loan shall be considered closely related to the host debt contract and therefore not accounted for separately. Finally, the amendment clarifies that the gains or losses on a hedged instrument must be reclassified from equity to profit or loss during the period that the hedged forecast cash flows affect profit or loss. The amendment is effective prospectively from 1 January 2010.
- IFRIC 9 – *Reassessment of Embedded Derivatives:* this amendment excludes from the scope of IFRIC 9 embedded derivatives in contracts acquired in a business combination, a combination of entities or businesses under common control or the formation of a joint venture. The amendment is applicable prospectively from 1 January 2010.

In June 2009, the IASB issued an amendment to IFRS 2 – *Share based payment: Group Cash-settled Share-based Payment transactions.* The amendment clarifies the scope of IFRS 2 and the interactions of IFRS 2 and other standards. In particular, it clarifies that an entity that receives goods or services in a share-based payment arrangement must account for those goods or services no matter which entity in the group settles the transaction, and no matter whether the transaction is settled in shares or cash; moreover, it clarifies that a 'group' has the same meaning as in IAS 27 - *Consolidated and Separate Financial Statements,* that is, it includes only a parent and its subsidiaries. In addition, the amendment clarifies that an entity must measure the goods or services it received as either an equity-settled or a cash-settled share-based payment transaction assessed from its own perspective, which may not always be the same as the amount recognised by the consolidated group. The amendments also incorporate guidance previously included in IFRIC 8 - *Scope of IFRS 2* and IFRIC 11 - *IFRS 2 - Group and Treasury Share Transaction.* As a result, the IASB has withdrawn IFRIC 8 and IFRIC 11.The amendment is effective from 1 January 2010; the European Union had not yet endorsed the amendment at the date of these financial statements.

On 8 October 2009, the IASB issued an amendment to IAS 32 – *Classification of Rights Issues* in order to address the accounting for rights issues (rights, options or warrants) that are denominated in a currency other than the functional currency of the issuer. Previously such rights issues were accounted for as derivative liabilities. However, the amendment requires that, provided certain conditions are met, such rights issues are classified as equity regardless of the currency in which the exercise price is denominated. The amendment is applicable from 1 January 2011 and the Group is currently assessing any effects this change may have on the financial statements.

On 4 November 2009, the IASB issued a revised version of IAS 24 - *Related Party Disclosures* that simplifies the disclosure requirements for government-related entities and clarifies the definition of a related party. The revised standard is effective for annual periods beginning on or after 1 January 2011. The revised standard had not yet been endorsed by the European Union at the date of these financial statements.

On 12 November 2009, the IASB issued a new standard IFRS 9 – *Financial Instruments* on the classification and measurement of financial assets, having an effective date for mandatory adoption of 1 January 2013. The new standard represents the completion of the first part of a project to replace IAS 39. The new standard uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments and the contractual cash flow characteristics of the financial assets. IFRS 9 also requires a single impairment method to be used. The new standard had not yet been endorsed by the European Union at the date of these financial statements.

On 26 November 2009, the IASB issued a minor amendment to IFRIC 14 - *Prepayments of a Minimum Funding Requirement.* The amendment applies when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements. The amendment permits such an entity to treat the benefit of such an early payment as an asset. The amendment has an effective date for mandatory adoption of 1 January 2011; the amendment had not yet been endorsed by the European Union at the date of these financial statements.

On 26 November 2009, the IFRIC issued the interpretation IFRIC 19 – *Extinguishing Financial Liabilities with Equity Instruments* that provides guidance on how to account for the extinguishment of a financial liability by the issue of equity instruments. The interpretation clarifies that when an entity renegotiates the terms of a financial liability with its creditor and the creditor agrees to accept the entity's shares or other equity instruments to settle the financial liability fully or partially, then the entity's equity instruments issued to a creditor are part of the consideration paid to extinguish the financial liability and are measured at their fair value. The difference between the carrying amount of the financial liability extinguished and the initial measurement amount of the equity instruments issued is included in the profit or loss for the period. The amendment has an effective date for mandatory adoption of 1 January 2011; the amendment had not yet been endorsed by the European Union at the date of these financial statements.

RISK MANAGEMENT

Credit risk

The Group's credit concentration risk differs in relation to the activities carried out by the individual Sectors and various sales markets in which the Group operates; in all cases, however, the risk is mitigated by the large number of counterparties and customers. Considered from a global point of view, however, there is a concentration of credit risk in trade receivables and receivables from financing activities, in particular dealer financing and finance leases in the European Union market for the Fiat Group Automobiles and Trucks and Commercial Vehicles Sectors, and in North America for the Agricultural and Construction Equipment Sector.

Financial assets are recognised in the statement of financial position net of write-downs for the risk that counterparties will be unable to fulfil their contractual obligations, determined on the basis of the available information as to the creditworthiness of the customer and historical data.

Liquidity risk

The Group is exposed to funding risk if there is difficulty in obtaining finance for operations at any given point in time.

The cash flows, funding requirements and liquidity of Group companies are monitored on a centralised basis, under the control of the Group Treasury. The aim of this centralised system is to optimise the efficiency and effectiveness of the management of the Group's capital resources.

Additionally, as part of its activities the Group regularly carries out funding operations on the various financial markets which may take on different technical forms and which are aimed at ensuring that it has an adequate level of current and future liquidity.

The present difficulties both in the markets in which the Group operates and in the financial markets necessitate special attention being given to the management of liquidity risk, and in that sense particular emphasis is being placed on measures taken to generate financial resources through operations and on maintaining an adequate level of available liquidity as an important factor in facing up to 2010, which promises to be a difficult year. The Group therefore plans to meet its requirements to settle liabilities as they fall due and to cover expected capital expenditures by using cash flows from operations and available liquidity, renewing or refinancing bank loans and making recourse to the bond market and other forms of funding.

Interest rate risk and currency risk

As a multinational group that has operations throughout the world, the Group is exposed to market risks from fluctuations in foreign currency exchange and interest rates.

The exposure to foreign currency risk arises both in connection with the geographical distribution of the Group's industrial activities compared to the markets in which it sell products, and in relation to the use of external borrowing denominated in foreign currencies.

The exposure to interest rate risk arises from the need to fund industrial and financial operating activities and the necessity to deploy surplus funds. Changes in market interest rates may have the effect of either increasing or decreasing the Group's net profit/(loss), thereby indirectly affecting the costs and returns of financing and investing transactions.

The Group regularly assesses its exposure to interest rate and foreign currency risk and manages those risks through the use of derivative financial instruments in accordance with its established risk management policies.

The Group's policy permits derivatives to be used only for managing the exposure to fluctuations in exchange and interest rates connected with future cash flows and assets and liabilities, and not for speculative purposes.

The Group utilises derivative financial instruments designated as fair value hedges, mainly to hedge:

- the currency risk on financial instruments denominated in foreign currency;
- the interest rate risk on fixed rate loans and borrowings.

The instruments used for these hedges are mainly currency swaps, forward contracts, interest rate swaps and combined interest rate and currency financial instruments.

The Group uses derivative financial instruments as cash flow hedges for the purpose of pre-determining:

- the exchange rate at which forecasted transactions denominated in foreign currencies will be accounted for;
- the interest paid on borrowings, both to match the fixed interest received on loans (customer financing activity), and to achieve a pre-defined mix of floating versus fixed rate funding structured loans.

The exchange rate exposure on forecasted commercial flows is hedged by currency swaps, forward contracts and currency options. Interest rate exposures are usually hedged by interest rate swaps and, in limited cases, by forward rate agreements.

Counterparties to these agreements are major and diverse financial institutions.

Information on the fair value of derivative financial instruments held at the balance sheet date is provided in Note 21.

Additional qualitative information on the financial risks to which the Group is exposed is provided in Note 33.

SCOPE OF CONSOLIDATION

The consolidated financial statements of the Group as of 31 December 2009 include Fiat S.p.A. and 417 consolidated subsidiaries in which Fiat S.p.A., directly or indirectly, has a majority of the voting rights, over which it exercises control, or from which it is able to derive benefit by virtue of its power to govern corporate financial and operating policies. 11 fewer subsidiaries were consolidated at 31 December 2009 compared to 31 December 2008.

Excluded from consolidation are 77 subsidiaries that are either dormant or generate a negligible volume of business: their proportion of the Group's assets, liabilities, financial position and earnings is immaterial. In particular, 51 of such subsidiaries are accounted for using the cost method, and represent in aggregate 0 percent of Group revenues, 0 percent of equity and 0.2 percent of total assets.

Interests in jointly controlled entities (65 companies, including 28 entities of the FGA Capital group, are accounted for using the equity method, except for Fiat-GM Powertrain Polska S.p z o.o., accounted for using proportionate consolidation. Condensed financial information relating to the Group's pro-rata interest in the above entity is as follows:

(€ million)	At 31 December 2009	At 31 December 2008
Non-current assets	**104**	106
Current assets	**157**	67
TOTAL ASSETS	**261**	**173**
Debt	**-**	1
Other liabilities	**100**	59

(€ million)	2009	2008
Net revenues	**121**	220
Profit/(loss)	**12**	35

Furthermore, at the end of 2009 FPT - Fiat Powertrain Technologies and General Motors (GM) have signed a preliminary share transfer agreement for FPT to acquire GM's 50 per cent share in Fiat-GM Powertrain Polska S.p z o.o. The share transfer agreement is subject to the required antitrust approval process.

The combined balances of the Group's share in the principal statement of financial position items of joint ventures accounted for using the equity method are as follows:

(€ million)	At 31 December 2009	At 31 December 2008
Non-current assets	**2,339**	2,332
Current assets	**9,567**	8,989
TOTAL ASSETS	**11,906**	**11,321**
Debt	**8,664**	8,190
Other liabilities	**1,695**	1,679

The combined balances of the Group's share in the principal income statement items of jointly controlled entities accounted for using the equity method are as follows:

(€ million)	2009	2008
Net revenues	**4,447**	5,576
Trading profit/(loss)	**161**	221
Operating profit/(loss)	**152**	209
Profit/(loss) before taxes	**92**	163
Profit/(loss)	**57**	99

21 associates are accounted for using the equity method, while 30 associates, that in aggregate are of minor importance, and are accounted for using the cost method. The main aggregate amounts related to the Group interests in associates are as follows:

(€ million)	At 31 December 2009	At 31 December 2008
Total assets	**2,512**	2,946
Liabilities	**2,125**	2,491

(€ million)	2009	2008
Net revenues	**539**	677
Net profit/(loss)	**(42)**	23

The above amounts do not include those relating to the associate Chrysler Group LLC, which as more fully explained in Note 16 are not yet available, awaiting publication by 30 April 2010.

The main aggregate amounts related to the Group interests in associates measured at cost are as follows:

(€ million)	At 31 December 2009	At 31 December 2008
Total assets	**108**	114
Liabilities	**78**	76

(€ million)	2009	2008
Net revenues	**73**	65
Profit/(loss)	**2**	4

In connection with the scope of consolidation:

- In the fourth quarter of 2009 Fiat Group Automobiles acquired the assets and liabilities of the Bertone Group, while the Fiat Group Automobiles Sector acquired an investment of 100% in a minor company in Brazil that has been classified as held for sale.
- Fiat Automobiles Serbia Doo Kragujevac has been consolidated on a line-by-line basis since 1 January 2009.
- The Components Sector disposed of its investment in the subsidiary Ergom France S.a.S. on 30 January 2009.

During the year certain wholly owned investments in minor subsidiaries held by the Comau and Ferrari Sectors were sold; further details of this may be found in Note 36.

Chrysler transaction

On 10 June 2009 Fiat Group acquired, without cash consideration, an initial 20% interest in Chrysler Group LLC which, in accordance with IAS 28 - *Investments in Associates*, will be accounted for using the equity method. Fiat is also entitled to receive an additional interest in Chrysler of up to 15% (both by value and voting rights), on a fully diluted basis. This further interest will be granted to Fiat (with no cash consideration required) in three tranches of 5% each, subject to certain pre-established industrial and commercial targets being achieved. Should one or more of those targets not be reached, Fiat shall, in any event, have the option to purchase, at a price determined using a pre-established market-based formula, the percentage interest corresponding to the objective(s) not reached.

As part of the transaction, the Fiat Group has transferred specific technologies to the new Chrysler group in the form of licenses for the NAFTA area. An unusual gain arose in relation to the transfer, accounted for at fair value, with counter entries being made, of equal value, in part for the cost of the equity interest acquired and the initial value of the option for the further 15%, after offsetting the total portion of the gain (35%) not realised with third parties. Additionally, pursuant to IFRS (see IAS 18 – *Revenue recognition* in this respect) the residual portion of that gain (65%) must be considered unrealised as it is not currently possible to estimate when the economic benefits of the transaction will flow to the Fiat Group. In fact, Chrysler may only distribute dividends after the loans from the US Treasury and the Canadian government has been fully repaid. This portion of the gain was, therefore, also written off immediately against the carrying amount of the initial interest acquired and the options referred to above and, as a result, are valued in the accounts at zero.

For completeness, it should also be noted that, pursuant to Paragraphs 29 and 30 of IAS 28, the Fiat Group is not required to recognise any portion of future losses which this associate may incur since, while the investment in Chrysler remains an associate carried at zero in the statement of financial position, it has no obligation to cover such losses. For any profit subsequently reported by Chrysler, the Fiat Group may only recognise the portion of profit which is in excess of losses not recognised in prior periods.

Finally, the Fiat Group has the option to purchase up to an additional 16% (exercisable from 1 January 2013 to 30 June 2016). The purchase price is to be determined using a pre-established market-based formula. This option may not be exercised until total loans outstanding from the US Treasury and the Canadian government fall below USD 3 billion. In addition, Fiat's equity interest in Chrysler may in any case not exceed 49.9% until the loans from the US Treasury and Canadian government have been entirely repaid. This option, whose exercise price is not fixed but rather must be equivalent to the fair value of the underlying asset at exercise, is recognised in the statement of financial position on a fair value basis at zero.

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un modo di discutere la vita. Ettore Sottsass
proprio ingegno: ecco la felicità! Aristotele
na fonte della felicità umana. Giacomo Leopardi
ù profondo delle sue fragilità. Marco Genovesi

COMPOSITION AND PRINCIPAL CHANGES

1. Net revenues

Net revenues can be analysed as follows:

(€ million)	2009	2008
Sales of goods	45,973	54,687
Rendering of services	2,496	2,525
Interest income from customers and other financial income of financial services companies	918	959
Contract revenues	258	732
Rents on assets sold with a buy-back commitment	271	305
Rents on operating leases	167	154
Other	19	202
Total Net revenues	**50,102**	**59,564**

2. Cost of sales

Cost of sales comprises the following:

(€ million)	2009	2008
Interest cost and other financial expenses from financial services companies	804	777
Other cost of sales	42,457	48,835
Total Cost of sales	**43,261**	**49,612**

3. Selling, general and administrative costs

Selling costs amount to €2,504 million in 2009 (€2,939 million in 2008) and comprise mainly marketing, advertising and sales personnel costs.

General and administrative costs amount to €1,792 million in 2009 (€2,136 million in 2008) and comprise mainly expenses for administration which are not attributable to sales, production and research and development functions.

4. Research and development costs

In 2009, Research and development costs of €1,398 million (€1,497 million in 2008) comprise all the research and development costs not recognised as assets in the year, amounting to €646 million (€770 million in 2008), the write-down of costs previously capitalised of €47 million (€9 million in 2008), and the amortisation of capitalised development costs of €705 million (€735 million in 2008). In 2008, the item also included the reversal of previously recognised impairment losses of €17 million. During 2009, the Group incurred new expenditure for capitalised development costs of €1,046 million (€1,216 million in 2008).

5. Other income (expenses)

This item consists of income arising from trading operations which is not attributable to the sale of goods and services (such as royalties and other income from licences and know-how), net of miscellaneous operating costs which cannot be allocated to specific functional areas, such as indirect taxes and duties, and accruals for various provisions not attributable to other items of Cost of sales or Selling, general and administrative costs.

The detail of Other income (expenses) is as follows:

(€ million)	2009	2008
Gains on disposal of Property, plant and equipment	24	54
Royalties and other income from licences and know-how	63	32
Rental income	20	25
Recovery of expenses and compensation for damages	19	30
Release of excess provisions	146	94
Other income	186	170
Total Other income	**458**	**405**
Indirect taxes	149	152
Losses on disposal of Property, plant and equipment	21	19
Charges for other provisions	228	136
Other expenses	149	116
Total Other expenses	**547**	**423**
Other income (expenses)	**(89)**	**(18)**

6. Gains (losses) on the disposal of investments

In 2009 this item results in a net gain of €4 million which consists of the net gains or losses realised on the sale of certain minority holdings.

In 2008 this item amounted to a net gain of €20 million which includes the gain of €14 million on the disposal of the subsidiary S.C.M. Ltda and the gain of €4 million on the disposal of Targasys S.r.l.

7. Restructuring costs

Restructuring costs in 2009 amount to €312 million; this amount mainly relates to the Sectors CNH – Case New Holland (€87 million), Magneti Marelli (€62 million), FPT Powertrain Technologies (€58 million), Fiat Group Automobiles (€54 million) and Iveco (€22 million).

The restructuring costs of €165 million in 2008 were incurred mainly by Sectors Magneti Marelli (€77 million) and Fiat Group Automobiles (€62 million).

8. Other unusual income (expenses)

In 2009 this item results in a net expense of €391 which included the effects of write-downs of €104 million of certain investments in platforms and architectures made by the Automobiles business in relation to the strategic realignment with the Chrysler Group LLC business, in addition to other asset write-downs of €246 million recognized by the Group as a consequence of the current global economic crisis (of which €173 million relates to the Iveco Sector) and the transaction costs of €41 million arising from the acquisition of the investment in Chrysler Group LLC.

In 2008, net expenses of €245 million mainly consisted of costs for the rationalisation of strategic suppliers (€74 million) and exceptional additional accruals of €166 million made by Fiat Group Automobiles and Iveco as a consequence of the sudden serious crisis in the world automotive market, to provide mainly against the risks of the residual values of vehicles leased out under operating leases, those sold with buy-back clauses and those included in used stocks.

9. Financial income (expenses)

In addition to the items included in the specific lines of the income statement, Net financial income (expenses) in 2009 also includes the Interest income from customers and other financial income of financial services companies included in Net revenues for €918 million (€959 million in 2008) and Interest cost and other financial charges from financial services companies included in Cost of sales for €804 million (€777 million in 2008).

Reconciliation to the income statement is provided at the foot of the following table.

(€ million)	2009	2008
Financial income:		
Interest income and other financial income	153	229
Interest income from customers and other financial income of financial services companies	918	959
Gains on disposal of securities	7	2
Total Financial income	**1,078**	**1,190**
of which:		
Financial income, excluding financial services companies (a)	160	231
Interest cost and other financial expenses:		
Interest expense and other financial expenses	1,437	1,371
Write-downs of financial assets	194	121
Losses on disposal of securities	12	7
Interest costs on employee benefits	160	155
Total Interest and other financial expenses	**1,803**	**1,654**
Net income (expenses) from derivative financial instruments and exchange differences	**86**	**(301)**
of which:		
Interest cost and other financial expenses, effects resulting from derivative financial instruments and exchange differences, excluding financial services companies (b)	913	1,178
Net financial income (expenses) excluding financial services companies (a) – (b)	**(753)**	**(947)**

Net financial expenses in 2009 (excluding financial services companies) totalled €753 million, and include net financial income of €117 million arising from the equity swaps on Fiat shares, relating to certain stock option plans (see Note 21 for further details). Net financial expense of €947 million in 2008 included a net expense of €263 million arising from the above mentioned equity swaps on Fiat shares.

Interest income and other financial income may be analysed as follows:

(€ million)	2009	2008
Interest income from banks	62	123
Interest income from securities	9	9
Commission income	1	-
Other interest income and financial income	81	97
Total Interest income and other financial income	**153**	**229**

Interest cost and other financial expenses may be analysed as follows:

(€ million)	2009	2008
Interest expenses on bonds	511	427
Bank interest expenses	323	281
Interest expenses on trade payables	4	7
Commission expenses	19	17
Other interest cost and financial expenses	580	639
Total Interest cost and other financial expenses	**1,437**	**1,371**

10. Result from investments

This item, amounting to €27 million (€162 million in 2008), includes the Group's share of €18 million (€133 million in 2008) in the net profit or loss of the investees accounted for using the equity method, reversals of impairment losses of €9 million (reversal of impairment losses of €29 million in 2008), any impairment losses, accruals to the Investment provision and dividend income.

In detail the item includes (amounts in € million): Fiat Group Automobiles Sector companies 96 (93 in 2008), entities of Agricultural and Construction equipment Sector companies -26 (38 in 2008); entities of Trucks and Commercial Vehicles -30 (34 in 2008, mainly arising from the release to income of a provision for risks no longer existing in connection with a Chinese investee); other companies -13 (-3 in 2008).

11. Income taxes

Income taxes consist of the following:

(€ million)	2009	2008
Current taxes:		
IRAP	99	168
Other taxes	545	755
Total Current taxes	644	923
Deferred taxes for the period:		
IRAP	(33)	(65)
Other taxes	(154)	(415)
Total Deferred taxes	(187)	(480)
Taxes relating to prior periods	24	23
Total Income taxes	**481**	**466**

The decrease in current taxes in 2009 over the previous year is the result of lower taxable profits in the foreign companies and (for IRAP) in the Italian companies.

The decrease in deferred tax income is primarily due to the recognition of lower amounts of deferred tax assets on temporary differences arising during the year and the write-off of deferred tax assets in cases where recovery is no longer considered possible.

Taxes relating to prior periods include the cost arising from certain disputes with tax Authorities.

The effective tax rate for 2009 (excluding current and deferred IRAP) is not representative because with respect to a consolidated book loss, tax expenses have been incurred. The effective tax rate was 16.6% in 2008.

The reconciliation between the tax charges recorded in the consolidated financial statements and the theoretical tax charge, calculated on the basis of the theoretical tax rate in effect in Italy, is the following:

(€ million)	2009	2008
Theoretical income taxes	**(101)**	**602**
Tax effect of permanent differences	56	52
Taxes relating to prior years	24	23
Effect of difference between foreign tax rates and the theoretical Italian tax rate	45	100
Effect of deferred tax assets not recognised in prior years	-	(193)
Effect of deferred tax assets not recognised and write-off of deferred tax assets	426	-
Use of tax losses for which no deferred tax assets were recognised	(64)	(250)
Other differences	29	29
Current and deferred income tax recognised in the financial statements, excluding IRAP	**415**	**363**
IRAP (current and deferred)	66	103
Current and deferred income tax recognised in the financial statements	**481**	**466**

Since the IRAP tax has a taxable basis that is different from income before taxes, it generates distortions between one year and another. Accordingly, in order to render the reconciliation between income taxes recognised and theoretical income taxes more meaningful, the IRAP tax is not taken into consideration; theoretical income taxes are determined by applying only the tax rate in effect in Italy (IRES equal to 27.5% in 2009 and in 2008) to profit/(loss) before taxes.

Permanent differences in the above reconciliations include the tax effect of non-taxable income of €136 million in 2009 (€130 million in 2008) and of non-deductible costs of €192 million in 2009 (€182 million in 2008).

A net cost of €362 million was recognised in 2009 in relation to deferred tax assets, compared to income of €443 million in 2008, consisting of €177 million resulting from the decision not to recognise assets deriving from temporary differences and tax losses arising during the year and from an updated assessment of deferred tax assets recognised in prior years having an effect of €249 million, partially offset by €64 million representing the tax effect on the utilisation of tax losses for which deferred tax assets had not been recognised in prior years.

Other differences included unrecoverable withholding tax for €57 million (€50 million in 2008).

Net deferred tax assets at 31 December 2009 consist of deferred tax assets, net of deferred tax liabilities, which have been offset where possible by the individual consolidated companies. The net balance of Deferred tax assets and Deferred tax liabilities may be analysed as follows:

(€ million)	At 31 December 2009	At 31 December 2008	Change
Deferred tax assets	2,580	2,386	194
Deferred tax liabilities	(152)	(170)	18
Total	**2,428**	**2,216**	**212**

The increase in net deferred tax assets, as analysed in the following table, is mainly due to:

- the recognition of deferred tax assets of €187 million, arising from temporary differences and tax losses that arose during the year, net of the effect of recognising or writing off deferred tax assets relating to prior years;
- the corresponding tax effect of items recorded directly in equity amounting to €-54 million;
- positive exchange differences, change in the scope of consolidation and other changes amounting to €79 million.

Deferred tax assets, net of Deferred tax liabilities may be analysed by source as follows:

(€ million)	At 31 December 2008	Recognised in income statement	Charged to equity	Changes in the scope of consolidation	Translation differences and other changes	At 31 December 2009
Deferred tax assets arising from:						
Taxed provisions	1,511	185	-	-	87	**1,783**
Inventories	245	87	-	-	1	**333**
Taxed allowances for doubtful accounts	149	42	-	-	11	**202**
Employee benefits	409	18	-	-	(1)	**426**
Intangible assets	418	40	-	-	-	**458**
Write-downs of financial assets	218	(54)	-	(5)	-	**159**
Measurement of derivative financial instruments	188	(129)	(40)	-	10	**29**
Other	508	(18)	1	(2)	11	**500**
Total Deferred tax assets	**3,646**	**171**	**(39)**	**(7)**	**119**	**3,890**
Deferred tax liabilities arising from:						
Accelerated depreciation	(679)	166	-	-	(14)	**(527)**
Deferred tax on gains on disposal	(6)	4	-	-	-	**(2)**
Capital investment grants	(10)	4	-	-	-	**(6)**
Employee benefits	(30)	13	-	-	(5)	**(22)**
Capitalisation of development costs	(826)	(63)	-	-	(21)	**(910)**
Other	(659)	108	(14)	3	(20)	**(582)**
Total Deferred tax liabilities	**(2,210)**	**232**	**(14)**	**3**	**(60)**	**(2,049)**
Theoretical tax benefit arising from tax loss carryforwards	**3,679**	**184**	**-**	**(27)**	**58**	**3,894**
Adjustments for assets whose recoverability is not probable	**(2,899)**	**(400)**	**(1)**	**32**	**(39)**	**(3,307)**
Total Deferred tax assets, net of Deferred tax liabilities	**2,216**	**187**	**(54)**	**1**	**78**	**2,428**

The decision to recognise Deferred tax assets is taken for each company in the Group by assessing critically whether the conditions exist for the future recoverability of such assets on the basis of updated strategic plans, accompanied by the related tax plans. For this reason, the total theoretical future tax benefits arising from deductible temporary differences (€3,890 million at 31 December 2009 and €3,646 million at 31 December 2008) and tax loss carryforwards (€3,894 million at 31 December 2009 and €3,679 million at 31 December 2008) have been reduced by €3,307 million at 31 December 2009 and €2,899 million at 31 December 2008.

In particular, Deferred tax assets, net of Deferred tax liabilities, include €1,259 million at 31 December 2009 (€1,231 million at 31 December 2008) of tax benefits arising from tax loss carryforwards. At 31 December 2009, a further tax benefit of €2,635 million (€2,448 million at 31 December 2008) arising from tax loss carryforwards has not been recognised.

Deferred taxes have not been provided on the undistributed earnings of subsidiaries since the Group is able to control the timing of the distribution of these reserves and it is probable that they will not be distributed in the foreseeable future.

The totals of deductible and taxable temporary differences and accumulated tax losses at 31 December 2009, together with the amounts for which deferred tax assets have not been recognised, analysed by year of expiry, are as follows:

		Year of expiry					
(€ million)	Total at 31 December 2009	2010	2011	2012	2013	Beyond 2013	Unlimited/ indetermi-nable
Temporary differences and tax losses relating to state taxation (IRES in the case of Italy):							
Deductible temporary differences	**13,192**	3,393	1,687	1,734	1,650	4,593	135
Taxable temporary differences	**(7,652)**	(2,806)	(1,152)	(1,064)	(936)	(1,677)	(17)
Tax losses	**13,626**	1,855	1,259	352	212	2,429	7,519
Temporary differences and tax losses for which deferred tax assets have not been recognised	**(11,465)**	(2,608)	(1,303)	(306)	(310)	(2,238)	(4,700)
Temporary differences and tax losses relating to State taxation	**7,701**	**(166)**	**491**	**716**	**616**	**3,107**	**2,937**
Temporary differences and tax losses relating to local taxation (IRAP in the case of Italy):							
Deductible temporary differences	**5,549**	1,412	662	651	567	2,219	38
Taxable temporary differences	**(3,954)**	(950)	(773)	(652)	(541)	(958)	(80)
Tax losses	**1,070**	15	15	16	-	185	839
Temporary differences and tax losses for which deferred tax assets have not been recognised	**(1,049)**	(55)	(16)	(2)	3	(420)	(559)
Temporary differences and tax losses relating to local taxation	**1,616**	**422**	**(112)**	**13**	**29**	**1,026**	**238**

12. Other information by nature

The income statement includes personnel costs for €6,810 million in 2009 (€7,466 million in 2008).

An analysis of the average number of employees by category is provided as follows:

	2009	2008
Managers	**2,333**	2,442
White-collar	**57,805**	57,693
Blue-collar	**130,513**	138,005
Average number of employees	**190,651**	**198,140**

13. Earnings/(loss) per share

As explained in Note 24 below, Fiat S.p.A. share capital is represented by three different classes of shares (ordinary shares, preference shares and saving shares) that participate in dividends with different rights. Profit or loss of the period attributable to each class of share is determined in accordance with the share's contractual dividend rights. For this purpose, in 2009 the loss attributable to the owners of the parent was allocated to all three classes of share. In 2008, the Profit attributable to owners of the parent entity is adjusted by the amount of the preference dividends attributable to saving shares declared in the period equal to €0.31 per share. In order to determine earnings per share, the amount obtained has been divided by the weighted average number of outstanding shares.

The following table shows the reconciliation between the Profit or loss attributable to owners of the parent and the Profit or loss attributable to each class of shares, as well as, the weighted average number of outstanding shares for the two years presented:

		2009				2008			
		Ordinary shares	Preference shares	Saving shares	Total	Ordinary shares	Preference shares	Saving shares	Total
Profit/(loss) attributable to owners of the parent	€ million				(838)				1,612
Preferred dividends declared for the period	€ million	-	-	-	-	-	-	25	25
Profit/(loss) available for distribution to all classes of shares	€ million	(714)	(70)	(54)	(838)	1,363	133	91	1,587
Profit/(loss) attributable to each class of shares	€ million	**(714)**	**(70)**	**(54)**	**(838)**	**1,363**	**133**	**116**	**1,612**
Weighted average number of shares outstanding	thousand	**1,053,679**	**103,292**	**79,913**	**1,236,884**	**1,056,675**	**103,292**	**79,913**	**1,239,880**
Basic Earnings/(loss) per share	€	**(0.677)**	**(0.677)**	**(0.677)**		**1.290**	**1.290**	**1.445**	

For the purpose of calculating the diluted earnings per share for the two years presented the number of ordinary shares considered is the average number of shares outstanding plus "dilutive potential" ordinary shares arising from shares that would be issued on the exercise of all stock option plans or other similar. In 2009 stock option and stock grant plans based on Fiat S.p.A. ordinary shares were not taken into consideration in the calculation of diluted earnings per share calculation as they would have had an antidilutive effect. In 2008 no dilutive effects arose from stock option plans granted by Fiat S.p.A. on its ordinary shares at an exercise price above €12.35 per share. In addition, the net profit or loss attributable to the Group in 2008 was adjusted to take into account the dilutive effect that would arise if the stock options granted by the Group's subsidiaries on their equity instruments were to be exercised. In 2009 this matter was not considered because it had an antidilutive effect.

Figures used to determine diluted earnings per shares are as follows:

		2009				2008			
		Ordinary shares	Preference shares	Saving shares	Total	Ordinary shares	Preference shares	Saving shares	Total
Profit/(Loss) attributable to each class of shares	€ million	**(714)**	**(70)**	**(54)**	**(838)**	**1,364**	**133**	**115**	**1,612**
Weighted average number of shares outstanding	thousand	1,053,679	103,292	79,913	1,236,884	1,056,675	103,292	79,913	1,239,880
Number of shares deployable for stock option plans	thousand	-	-	-	-	5,094	-	-	5,094
Number of shares considered in the diluted earnings per share	thousand	**1,053,679**	**103,292**	**79,913**	**1,236,884**	**1,061,769**	**103,292**	**79,913**	**1,244,974**
Diluted Earnings/(loss) per share	€	**(0.677)**	**(0.677)**	**(0.677)**		**1.285**	**1.285**	**1.440**	

14. Intangible assets

In 2009 and 2008, changes in the gross carrying amount of Intangible assets were as follows:

(€ million)	At 31 December 2008	Additions	Divestitures	Changes in the scope of consolidation	Reclassified to Assets held for sale	Translation differences and other changes	At 31 December 2009
Goodwill	3,489	-	-	-	-	(52)	**3,437**
Trademarks and other intangible assets with indefinite useful lives	213	-	-	-	-	(7)	**206**
Development costs externally acquired	2,990	307	(22)	-	-	68	**3,343**
Development costs internally generated	3,756	739	(40)	-	-	49	**4,504**
Total Development costs	6,746	1,046	(62)	-	-	117	**7,847**
Patents, concessions and licenses externally acquired	1,190	68	(11)	(1)	(3)	33	**1,276**
Other intangible assets externally acquired	820	69	(13)	(2)	-	16	**890**
Advances and intangible assets in progress externally acquired	48	7	-	-	-	(24)	**31**
Total gross carrying amount of Intangible assets	**12,506**	**1,190**	**(86)**	**(3)**	**(3)**	**83**	**13,687**

(€ million)	At 31 December 2007	Additions	Divestitures	Changes in the scope of consolidation	Reclassified to Assets held for sale	Translation differences and other changes	At 31 December 2008
Goodwill	3,329	-	-	71	-	89	**3,489**
Trademarks and other intangible assets with indefinite useful lives	208	-	-	-	-	5	**213**
Development costs externally acquired	2,768	475	(43)	-	-	(210)	**2,990**
Development costs internally generated	2,964	741	(56)	19	-	88	**3,756**
Total Development costs	5,732	1,216	(99)	19	-	(122)	**6,746**
Patents, concessions and licenses externally acquired	1,057	108	(26)	16	(8)	43	**1,190**
Other intangible assets externally acquired	758	147	(6)	29	-	(108)	**820**
Advances and intangible assets in progress externally acquired	54	20	(1)	2	-	(27)	**48**
Total gross carrying amount of Intangible assets	**11,138**	**1,491**	**(132)**	**137**	**(8)**	**(120)**	**12,506**

In 2009 and in 2008 changes in accumulated amortisation and impairment losses were as follows:

(€ million)	At 31 December 2008	Amortisation	Impairment losses	Divestitures	Changes in the scope of consolidation	Reclassified to Assets held for sale	Translation differences and other changes	At 31 December 2009
Goodwill	674	-	-	-	-	-	(13)	**661**
Trademarks and other intangible assets with indefinite useful lives	43	-	-	-	-	-	(2)	**41**
Development costs externally acquired	1,646	286	50	-	-	-	19	**2,001**
Development costs internally generated	1,771	419	64	(32)	-	-	31	**2,253**
Total Development costs	3,417	705	114	(32)	-	-	50	**4,254**
Patents, concessions and licenses externally acquired	801	126	-	(7)	(1)	(3)	1	**917**
Other intangible assets externally acquired	513	73	-	(8)	(2)	-	19	**595**
Advances and intangible assets in progress externally acquired	10	-	10	-	-	-	-	**20**
Total accumulated amortisation and impairment of Intangible assets	**5,458**	**904**	**124**	**(47)**	**(3)**	**(3)**	**55**	**6,488**

(€ million)	At 31 December 2007	Amortisation	Impairment losses	Divestitures	Changes in the scope of consolidation	Reclassified to Assets held for sale	Translation differences and other changes	At 31 December 2008
Goodwill	605	-	12	-	40	-	17	**674**
Trademarks and other intangible assets with indefinite useful lives	46	-	-	-	-	-	(3)	**43**
Development costs externally acquired	1,340	372	1	-	-	-	(67)	**1,646**
Development costs internally generated	1,430	363	9	(37)	13	-	(7)	**1,771**
Total Development costs	2,770	735	10	(37)	13	-	(74)	**3,417**
Patents, concessions and licenses externally acquired	665	131	-	(23)	15	(1)	14	**801**
Other intangible assets externally acquired	529	66	-	(5)	27	-	(104)	**513**
Advances and intangible assets in progress externally acquired	-	-	10	-	-	-	-	**10**
Total accumulated amortisation and impairment of Intangible assets	**4,615**	**932**	**32**	**(65)**	**95**	**(1)**	**(150)**	**5,458**

In 2009 and in 2008 changes in the net carrying amount of Intangible assets were as follows:

(€ million)	At 31 December 2008	Additions	Amortisation	Impairment losses	Divestitures	Change in the scope of consolidation	Reclassified to Assets held for sale	Translation diff. and other changes	At 31 December 2009
Goodwill	2,815	-	-	-	-	-	-	(39)	**2,776**
Trademarks and other intangible assets with indefinite useful lives	170	-	-	-	-	-	-	(5)	**165**
Development costs externally acquired	1,344	307	(286)	(50)	(22)	-	-	49	**1,342**
Development costs internally generated	1,985	739	(419)	(64)	(8)	-	-	18	**2,251**
Total Development costs	3,329	1,046	(705)	(114)	(30)	-	-	67	**3,593**
Patents, concessions and licenses externally acquired	389	68	(126)	-	(4)	-	-	32	**359**
Other intangible assets externally acquired	307	69	(73)	-	(5)	-	-	(3)	**295**
Advances and intangible assets in progress externally acquired	38	7	-	(10)	-	-	-	(24)	**11**
Total net carrying amount of Intangible assets	**7,048**	**1,190**	**(904)**	**(124)**	**(39)**	**-**	**-**	**28**	**7,199**

(€ million)	At 31 December 2007	Additions	Amortisation	Impairment losses	Divestitures	Change in the scope of consolidation	Reclassified to Assets held for sale	Translation diff. and other changes	At 31 December 2008
Goodwill	2,724	-	-	(12)	-	31	-	72	**2,815**
Trademarks and other intangible assets with indefinite useful lives	162	-	-	-	-	-	-	8	**170**
Development costs externally acquired	1,428	475	(372)	(1)	(43)	-	-	(143)	**1,344**
Development costs internally generated	1,534	741	(363)	(9)	(19)	6	-	95	**1,985**
Total Development costs	2,962	1,216	(735)	(10)	(62)	6	-	(48)	**3,329**
Patents, concessions and licenses externally acquired	392	108	(131)	-	(3)	1	(7)	29	**389**
Other intangible assets externally acquired	229	147	(66)	-	(1)	2	-	(4)	**307**
Advances and intangible assets in progress externally acquired	54	20	-	(10)	(1)	2	-	(27)	**38**
Total net carrying amount of Intangible assets	**6,523**	**1,491**	**(932)**	**(32)**	**(67)**	**42**	**(7)**	**30**	**7,048**

The increase of €42 million in the net carrying amount of Intangible assets in 2008 arising from the Change in the scope of consolidation consisted mainly of €41 million deriving from the consolidation on a line-by-line basis of the Ergom Group and €1 million from the acquisition of Tritec Motors Ltda (now FPT Powertrain do Brasil – Industria e Comércio de Motores Ltda).

Foreign exchange gains of €27 million in 2009 principally reflect the appreciation of the Real against the Euro, partially offset by the depreciation of the US Dollar against the Euro. In 2008, exchange gains of €6 million principally reflect changes in the Euro/US dollar, Euro/Real, Euro/Zloty and Euro/Canadian dollar exchange rate.

In 2008 a reversal of previously recognised impairment losses for €17 million was included in the column Translation differences and Other changes.

Goodwill, trademarks and intangible assets with indefinite useful life

Goodwill is allocated to the Group's cash-generating units ("CGUs") identified as the Group's operating sectors. The following table presents the allocation of goodwill across the Sectors:

(€ million)	At 31 December 2009	At 31 December 2008
Agricultural and Construction equipment	**1,662**	1,699
Ferrari	**786**	786
Production Systems	**125**	133
Component	**118**	112
Trucks and Commercial Vehicles	**56**	56
Metallurgical Products	**18**	18
Fiat Group Automobiles	**10**	10
FPT Powertrain Technologies	**1**	1
Goodwill net carrying amount	**2,776**	**2,815**

At 31 December 2009 Trademarks and other intangible assets with indefinite useful lives, attributable for €162 million (€167 million at 31 December 2008) to the CNH – Case New Holland, consist of acquired trademarks and similar rights which have no legal, contractual, competitive or economic that limits their useful life. For the purposes of impairment testing, those assets were attributed to the respective cash-generating units without the need for any recognition of impairment.

In particular the vast majority of goodwill, representing approximately 93% of the total, is allocated to cash-generating units in the Agricultural and Construction equipment, Ferrari and Production Systems Sectors. The cash-generating units considered for the testing of the recoverability of the goodwill are generally the product lines of the Sectors themselves.

The recoverable amount of the cash-generating units to which goodwill and other intangible assets with an indefinite useful life have been allocated is determined on the basis of their value in use, defined as the discounted value of the expected future operating cash flows at a rate of return that incorporates the risks associated with the particular cash-generating units as of the valuation date. The discounted cash flows approach is dependent on several critical management assumptions, including estimates of future sales growth, gross margins, operating costs, terminal value growth rates, capital expenditures, changes in working capital requirements and the weighted average cost of capital (discount rate). More in particular:

- In the CNH – Case New Holland Sector, the cash generating units to which goodwill has been allocated consist of the different brands (CaseIH and New Holland for agricultural equipment, Case and New Holland Construction for construction equipment and financial services). In detail:

(€ million)	Amount allocated to goodwill at 31 December 2009
Agricultural equipment	**1,187**
Construction equipment	**387**
Financial services	**88**
Total	**1,662**

To determine the recoverable amount of these cash-generating units, the Sector relied on discounted cash flows and, as a further method, on market multiples. In particular, the Sector used the discounted cash flows approach as the primary approach for measuring the value in use of the Equipment Operations businesses, while used the total asset market multiples approach as the primary approach for measuring the fair value of the Financial Services reporting unit.

Expected cash flows used under this method are developed in conjunction with the budgeting and forecasting process of the Sector and represent the most likely amounts and timing of future cash flows based on the long range plan of CNH. The long range plan is updated annually and is reviewed by the senior management of CNH. Expected sales growth is based on CNH management's forecast. The operating costs considered in the expected cash flows are also based on management's five-year forecast and supported by the manufacturing plans and product development of the Sector. The amount of capital expenditures and working capital considered in the expected cash flows are based on several factors including the estimated levels required to support the projected level of growth and product development plan.

CNH projections are based on an expectation of a further agricultural equipment industry retail unit sales declines in 2010, followed by industry growth in 2011 and subsequent years. Construction equipments industry retail unit sales are expected to improve slightly in 2010, followed by more significant growth in 2011 and subsequent years.

The discount rates used in the discounted cash flows approach are an estimate of the rate of return that a market participant would expect of each cash-generating unit. To select an appropriate rate for discounting the future earnings stream, a review was made of short-term interest rates and the yields of long-term corporate and government bonds, as well as the typical capital structure of companies in the industry. The discount rates used for each cash-generating unit have been suitably increased to take account of the risk inherent in the cash flow projections, as well as the risk level that would be perceived by a market participant. Considering the above mentioned factors, the following discount rates as of 31 December 2009 have been selected by CNH:

	2009	2008
Agricultural equipment	**20.8% - 21.1%**	16.1% - 17.5%
Construction equipment	**19.2%**	14.3% - 15.8%

A terminal value is included at the end of the projection period used in the discounted cash flow analyses in order to reflect the remaining value that each cash-generating unit is expected to generate. The terminal value represents the present value in the last year of the projection period of all subsequent cash flows into perpetuity. The terminal value growth rate is a key assumption used in determining the terminal value as it represents the annual growth of all subsequent cash flows into perpetuity. The terminal value growth rates selected in 2009 and 2008 for the Agricultural equipment cash-generating unit is 1% and those selected for the Construction equipment cash generating unit is 2%.

The total asset market multiples were utilised in determining the fair value of the Financial Services reporting unit under the market approach. CNH used the market approach as the primary approach to measure the fair value of the Financial Services reporting unit as it derives value based primarily on the assets under management. The market approach measures fair value based on prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. Under this approach, CNH makes use of market price data of corporations whose stock is actively traded in a public, free and open market, either on an exchange or over-the counter basis. Although it is clear no two companies are entirely alike, the corporations selected as guideline companies must be engaged in the same or similar line of business or are subject to similar financial and business risks, including the opportunity for growth.

The values obtained for the New Holland (Agricultural equipment business) and New Holland Construction (Construction equipment business) cash generating units using the discounted cash flow method were only slightly higher than their carrying amounts. As a result, revenue and EBITDA market multiples were utilised in determining the fair value of the Equipment Operations cash generating units as a secondary approach to further support the discounted cash flow approach. Because the market approach does not evaluate the CNH cash generating units' projected cash flows, the Sector management believes the market approach enables verification of the implied multiples derived from the discounted cash flows approach using market benchmarks. The CNH management identified comparable companies by reviewing all publicly traded companies operating in the CNH lines of business. The comparable companies used were determined based on an evaluation of all relevant factors, including whether the companies were subject to similar financial and business risks.

The fair values of each of the five cash-generating units calculated using the two above methods in any case exceeded their carrying amounts and their values determined using the discounted cash flow method at 31 December 2009.

- For Ferrari, the cash generating unit corresponds to the Sector as a whole, while in Comau goodwill has been allocated to the System, Pico and Service businesses. In those Sectors, the cash-generating unit recoverable amount is determined on the basis of their value in use defined as the discounted value of the expected future operating cash flows resulting from the estimates included in the 2010 budget and forecasts for business performance prepared on a cautionary basis, considering the fact that the economical and financial environment and the market situation have undergone profound changes as a result of the present crisis, extrapolated for later years on the basis of a medium- to long-term growth rates depending on the detailed nature of the operations and the extent to which they are differentiated and on the forecasts made by the individual sector to which the cash-generating units belong. These cash flows are then discounted using rates that take account of current market assessments of the time value of money and the specific risks inherent in individual cash-generating units.

  The recoverable amount of the Ferrari and Comau cash-generating units and of the respective goodwill is the value in use and is determined on the basis of the following assumptions:

		2009		2008
	Terminal value growth rate	**Discount rate before taxes**	Terminal value growth rate	Discount rate before taxes
Ferrari	**2%**	**10.4%**	2%	9.6%
Production Systems	**0%**	**9.0%**	0%	8.1%

  The recoverable amount of the cash generating unit to which the Ferrari Sector goodwill relates is significantly higher than its carrying amount; in addition, the exclusivity of the business, its historical profitability and its future earnings prospects indicate that this carrying amount will continue to be recoverable, even in the event of economic and market conditions which remain difficult and maybe become much worse.

  In the Comau Sector, this approach led to the recognition in 2008 of impairment losses of €12 million, for goodwill allocated to the System cash generating unit. This loss was recognised as Other unusual income (expenses) in the income statement. A sensitivity analysis was carried out on the residual goodwill, which is mainly allocated to the Pico cash-generating unit, but no matters arose to indicate that this may be significantly impaired.

The results obtained for the other Sectors and related sensitivity analyses also confirmed the absence of significant impairment losses.

Finally, it is appropriate to note that the estimates and budget data to which the above mentioned parameters have been applied are those determined by management on the basis of past performance and expectations of developments in the markets in which the Group operates. In this respect the negative actual data for trends in demand in the various sectors in the last quarter of 2008 and in 2009, taken together with forecasts of an essential stabilisation of performance in 2010 (but in certain cases at very low levels), have led management to reconsider the expected growth rates of revenues and margins using a more cautionary approach, without causing situations to arise in which the carrying amount of goodwill may be significantly impaired. However, estimating the recoverable amount of cash generating units requires discretion and the use of estimates by management. The Group cannot guarantee that there will be no goodwill impairment in future periods. In fact, various factors connected to the current challenging market environment could require a reassessment of the value of goodwill. Circumstances and events which could potentially cause further impairment losses are constantly monitored by the Group.

Development costs
The amortisation of development costs and impairment losses are reported in the income statement as Research and development costs and Other unusual income (expenses).

Development costs recognised as assets are attributed to cash generating units and are tested for impairment together with the related tangible fixed assets, using the discounted cash flow method in determining their recoverable amount.

15. Property, plant and equipment

In 2009 and 2008, changes in the gross carrying amount of Property, plant and equipment were as follows:

(€ million)	At 31 December 2008	Additions	Divestitures	Change in the scope of consolidation	Translation differences	Reclassified to Assets held for sale	Other changes	At 31 December 2009
Land	594	-	-	5	9	-	4	**612**
Owned industrial buildings	4,897	146	(32)	19	146	-	131	**5,307**
Industrial buildings leased under finance leases	76	-	(1)	8	-	-	(7)	**76**
Total Industrial buildings	4,973	146	(33)	27	146	-	124	**5,383**
Owned plant, machinery and equipment	25,832	1,095	(676)	4	676	-	392	**27,323**
Plant, machinery and equipment leased under finance leases	331	38	(1)	(3)	-	-	(9)	**356**
Total Plant, machinery and equipment	26,163	1,133	(677)	1	676	-	383	**27,679**
Assets sold with a buy-back commitment	1,362	244	(154)	-	12	-	(246)	**1,218**
Owned other tangible assets	1,736	188	(169)	-	43	-	36	**1,834**
Other tangible assets leased under finance leases	8	6	-	-	-	-	-	**14**
Total Other tangible assets	1,744	194	(169)	-	43	-	36	**1,848**
Advances and tangible assets in progress	1,266	723	(9)	-	84	-	(671)	**1,393**
Total gross carrying amount of Property, plant and equipment	**36,102**	**2,440**	**(1,042)**	**33**	**970**	**-**	**(370)**	**38,133**

(€ million)	At 31 December 2007	Additions	Divestitures	Change in the scope of consolidation	Translation differences	Reclassified to Assets held for sale	Other changes	At 31 December 2008
Land	481	10	(4)	109	(13)	3	8	**594**
Owned industrial buildings	4,553	342	(20)	97	(185)	15	95	**4,897**
Industrial buildings leased under finance leases	72	1	(3)	5	-	-	1	**76**
Total Industrial buildings	4,625	343	(23)	102	(185)	15	96	**4,973**
Owned plant, machinery and equipment	25,120	1,619	(829)	277	(803)	5	443	**25,832**
Plant, machinery and equipment leased under finance leases	202	104	(3)	31	(3)	-	-	**331**
Total Plant, machinery and equipment	25,322	1,723	(832)	308	(806)	5	443	**26,163**
Assets sold with a buy-back commitment	1,407	406	(141)	-	(47)	-	(263)	**1,362**
Owned other tangible assets	1,734	254	(222)	14	(46)	10	(8)	**1,736**
Other tangible assets leased under finance leases	7	2	-	-	-	-	(1)	**8**
Total Other tangible assets	1,741	256	(222)	14	(46)	10	(9)	**1,744**
Advances and tangible assets in progress	759	1,156	(10)	2	(86)	-	(555)	**1,266**
Total gross carrying amount of Property, plant and equipment	**34,335**	**3,894**	**(1,232)**	**535**	**(1,183)**	**33**	**(280)**	**36,102**

In 2009 and 2008, Changes in accumulated depreciation and impairment losses were as follows

(€ million)	At 31 December 2008	Depreciation	Impairment losses	Divestitures	Change in the scope of consolidation	Translation differences	Reclassified to Assets held for sale	Other changes	At 31 December 2009
Land	6	-	-	-	-	1	-	2	**9**
Owned industrial buildings	2,326	155	21	(22)	(5)	75	-	11	**2,561**
Industrial buildings leased under finance leases	18	3	-	(1)	-	-	-	(3)	**17**
Total Industrial buildings	2,344	158	21	(23)	(5)	75	-	8	**2,578**
Owned plant, machinery and equipment	19,565	1,443	126	(645)	(10)	462	-	(128)	**20,813**
Plant, machinery and equipment leased under finance leases	83	42	-	(1)	(2)	-	-	(2)	**120**
Total Plant, machinery and equipment	19,648	1,485	126	(646)	(12)	462	-	(130)	**20,933**
Assets sold with a buy-back commitment	300	135	32	(81)	-	4	-	(82)	**308**
Owned other tangible assets	1,271	125	8	(79)	(3)	27	-	(10)	**1,339**
Other tangible assets leased under finance leases	4	1	-	-	-	-	-	-	**5**
Total Other tangible assets	1,275	126	8	(79)	(3)	27	-	(10)	**1,344**
Advances and tangible assets in progress	14	-	19	(2)	-	-	-	(15)	**16**
Total accumulated depreciation and impairment of Property, plant and equipment	**23,587**	**1,904**	**206**	**(831)**	**(20)**	**569**	**-**	**(227)**	**25,188**

(€ million)	At 31 December 2007	Depreciation	Impairment losses	Divestitures	Change in the scope of consolidation	Translation differences	Reclassified to Assets held for sale	Other changes	At 31 December 2008
Land	6	-	-	-	-	-	-	-	**6**
Owned industrial buildings	2,244	147	8	(15)	28	(86)	2	(2)	**2,326**
Industrial buildings leased under finance leases	13	3	-	(1)	1	-	-	2	**18**
Total Industrial buildings	2,257	150	8	(16)	29	(86)	2	-	**2,344**
Owned plant, machinery and equipment	19,202	1,559	27	(798)	135	(559)	4	(5)	**19,565**
Plant, machinery and equipment leased under finance leases	15	49	-	(3)	22	-	-	-	**83**
Total Plant, machinery and equipment	19,217	1,608	27	(801)	157	(559)	4	(5)	**19,648**
Assets sold with a buy-back commitment	311	143	12	(71)	-	(16)	-	(79)	**300**
Owned other tangible assets	1,316	120	1	(133)	6	(29)	9	(19)	**1,271**
Other tangible assets leased under finance leases	4	1	-	-	-	-	-	(1)	**4**
Total Other tangible assets	1,320	121	1	(133)	6	(29)	9	(20)	**1,275**
Advances and tangible assets in progress	12	-	2	-	-	-	-	-	**14**
Total accumulated depreciation and impairment of Property, plant and equipment	**23,123**	**2,022**	**50**	**(1,021)**	**192**	**(690)**	**15**	**(104)**	**23,587**

In 2009 and 2008, changes in the net carrying amount of Property, plant and equipment were as follows:

(€ million)	At 31 December 2008	Additions	Depreciation	Impairment losses	Divestitures	Change in the scope of consolidation	Translation differences	Reclassified to Assets held for sale	Other changes	At 31 December 2009
Land	588	-	-	-	-	5	8	-	2	**603**
Owned industrial buildings	2,571	146	(155)	(21)	(10)	24	71	-	120	**2,746**
Industrial buildings leased under finance leases	58	-	(3)	-	-	8	-	-	(4)	**59**
Total Industrial buildings	2,629	146	(158)	(21)	(10)	32	71	-	116	**2,805**
Owned plant, machinery and equipment	6,267	1,095	(1,443)	(126)	(31)	14	214	-	520	**6,510**
Plant, machinery and equipment leased under finance leases	248	38	(42)	-	-	(1)	-	-	(7)	**236**
Total Plant, machinery and equipment	6,515	1,133	(1,485)	(126)	(31)	13	214	-	513	**6,746**
Assets sold with a buy-back commitment	1,062	244	(135)	(32)	(73)	-	8	-	(164)	**910**
Owned other tangible assets	465	188	(125)	(8)	(90)	3	16	-	46	**495**
Other tangible assets leased under finance leases	4	6	(1)	-	-	-	-	-	-	**9**
Total Other tangible assets	469	194	(126)	(8)	(90)	3	16	-	46	**504**
Advances and tangible assets in progress	1,252	723	-	(19)	(7)	-	84	-	(656)	**1,377**
Total net carrying amount of Property, plant and equipment	**12,515**	**2,440**	**(1,904)**	**(206)**	**(211)**	**53**	**401**	**-**	**(143)**	**12,945**

(€ million)	At 31 December 2007	Additions	Depreciation	Impairment losses	Divestitures	Change in the scope of consolidation	Translation differences	Reclassified to Assets held for sale	Other changes	At 31 December 2008
Land	475	10	-	-	(4)	109	(13)	3	8	**588**
Owned industrial buildings	2,309	342	(147)	(8)	(5)	69	(99)	13	97	**2,571**
Industrial buildings leased under finance leases	59	1	(3)	-	(2)	4	-	-	(1)	**58**
Total Industrial buildings	2,368	343	(150)	(8)	(7)	73	(99)	13	96	**2,629**
Owned plant, machinery and equipment	5,918	1,619	(1,559)	(27)	(31)	142	(244)	1	448	**6,267**
Plant, machinery and equipment leased under finance leases	187	104	(49)	-	-	9	(3)	-	-	**248**
Total Plant, machinery and equipment	6,105	1,723	(1,608)	(27)	(31)	151	(247)	1	448	**6,515**
Assets sold with a buy-back commitment	1,096	406	(143)	(12)	(70)	-	(31)	-	(184)	**1,062**
Owned other tangible assets	418	254	(120)	(1)	(89)	8	(17)	1	11	**465**
Other tangible assets leased under finance leases	3	2	(1)	-	-	-	-	-	-	**4**
Total Other tangible assets	421	256	(121)	(1)	(89)	8	(17)	1	11	**469**
Advances and tangible assets in progress	747	1,156	-	(2)	(10)	2	(86)	-	(555)	**1,252**
Total net carrying amount of Property, plant and equipment	**11,212**	**3,894**	**(2,022)**	**(50)**	**(211)**	**343**	**(493)**	**18**	**(176)**	**12,515**

Additions of €2,440 million in 2009 mainly relate to the Fiat Group Automobiles, FPT Powertrain Technologies, Iveco, Magneti Marelli, CNH – Case New Holland and Ferrari Sectors.

During 2009 the Trucks and Commercial Vehicles Sector recognised impairment losses on Assets sold with a buy-back commitment from for an amount of €32 million (€12 million in 2008) in order to align their carrying amount to market value. These losses are recognised in Cost of sales for an amount of €24 million (€8 million in 2008) in Other unusual income (expenses) for an amount of €8 million (€4 million in 2008). In addition, in 2009 the Group reviewed the recoverable amount of certain buildings, plant, machinery and industrial equipment in order to determine whether there was any reduction in value arising from technical obsolescence from the negative effects expected in the market in which those assets will be used or from the restructuring plans drawn up for certain businesses. This assessment led to the recognition of impairment losses of €174 million (€38 million in 2008), of which €34 million has been recognised in Trading profit/(loss) (€24 million in 2008), €24 million as Restructuring costs (€14 million in 2008) and €116 million in Other unusual income (expenses).

In 2009 the column Other changes includes the reversal of previously recognised impairment losses of €8 million in 2009 (€17 million in 2008). This column also includes the reclassification of the prior year balances for Advances and tangible assets in progress to the appropriate categories when the assets were effectively acquired and put into operation, as well as the reclassification to Inventory of Assets sold wit a buy-back commitment that are held for sale at the agreement expiry date for €165 million in 2009 (€189 million in 2008).

In 2009, the Column change in the scope of consolidation, showing an overall increase of €53 million, mainly reflects the line-by-line consolidation of the entity Fiat Automobiles Serbia Doo Kragujevac. In 2008 the column Change in the scope of consolidation included an overall net increase of €343 million, which mainly reflected the line-by-line consolidation of the Ergom group (€280 million) and of Tritec Motors Ltda (now FPT Powertrain do Brasil – Industria e Comércio de Motores Ltda) (€57 million).

In 2008 the total increase of €18 million in the column Reclassified to assets held for sale included the carrying amount of tangible assets of certain businesses of the Comau and CNH Sectors which were previously classified as Assets held for sale and were reclassified to their respective line items during the year.

In 2009 exchange gains of €401 million principally reflect the appreciation of the Real against the Euro, partially offset by the depreciation of the US Dollar and the Argentine Peso against the Euro. In 2008 exchange losses of €493 million principally reflected changes in the Real/Euro and in the Zloty/Euro exchange rate.

At 31 December 2009, land and industrial buildings of the Group pledged as security for debt amounted to €135 million (€113 million at 31 December 2008); plant and machinery pledged as security for debt and other commitments amounted to €244 million (€267 million at 31 December 2008) and other assets pledged as security for debt and other commitments totalled €9 million (€3 million at 31 December 2008); these relate to suppliers' assets recognised in the consolidated financial statements in accordance with IFRIC 4, with the simultaneous recognition of a financial lease payable.

At 31 December 2009, the Group had contractual commitments for the acquisition of property, plant and equipment amounting to €666 million (€725 million at 31 December 2008).

16. Investments and other financial assets

(€ million)	At 31 December 2009	At 31 December 2008
Investments accounted for using the equity method	**1,884**	1,899
Investments at fair value with changes directly in equity	**21**	18
Investments at cost	**76**	67
Total Investments	**1,981**	1,984
Non-current financial receivables	**138**	127
Other securities	**40**	66
Total Investments and other financial assets	**2,159**	**2,177**

Investments

The changes in Investments in 2009 and in 2008 are set out below:

(€ million)	At 31 December 2008	Revaluations/ (Write-downs)	Acquisitions and Capitalisations	Change in the scope of consolidation	Translation differences	Disposals and other changes	At 31 December 2009
Investments in unconsolidated subsidiaries	57	1	11	2	-	(2)	**69**
Investments in jointly controlled entities	1,377	67	51	-	(12)	(52)	**1,431**
Investments in associates	512	(46)	1	-	(9)	(17)	**441**
Investments in other companies	38	(1)	-	-	-	3	**40**
Total Investments	**1,984**	**21**	**63**	**2**	**(21)**	**(68)**	**1,981**

(€ million)	At 31 December 2007	Revaluations/ (Write-downs)	Acquisitions and Capitalisations	Change in the scope of consolidation	Translation differences	Disposals and other changes	At 31 December 2008
Investments in unconsolidated subsidiaries	70	(3)	13	(20)	1	(4)	**57**
Investments in jointly controlled entities	1,411	106	59	4	(54)	(149)	**1,377**
Investments in associates	497	25	-	(4)	22	(28)	**512**
Investments in other companies	54	3	-	-	-	(19)	**38**
Total Investments	**2,032**	**131**	**72**	**(20)**	**(31)**	**(200)**	**1,984**

Revaluations and Write-downs consist of adjustments to the carrying value of investments accounted for using the equity method for the Group's share of the profit or loss for the year of the investee company for an amount of €18 million in 2009 (€133 million in 2008). In 2009 and in 2008 this item also includes impairment losses recognised during the period for investments accounted for under the cost method.

In 2009 the increase of €2 million shown in the column Change in the scope of consolidation includes the effect of accounting for certain minor subsidiaries, which were previously consolidated on a line-by-line basis, using the equity method. The decrease of €20 million in 2008 shown in the column Change in the scope of consolidation includes the consolidation of certain minor subsidiaries.

In 2009 Acquisitions and capitalisations amounted to €63 million (€72 million in 2008), of which €48 million (€43 million in 2008) related to the capital increase made by the 50/50 jointly controlled entity Fiat India Automobiles Private Limited. The item also refers to the capitalisations of other, more minor, companies.

Disposals and other changes, a reduction of €68 million in 2009 consists of a decrease of €53 million as the result of the distribution of dividends by companies accounted for using the equity method; the positive fair value adjustment of €3 million relating to investment classified as available-for-sale and other minor decreases of €18 million.

In 2008 Disposals and other changes, a reduction of €200 million consisted of a decrease of €37 million arising from the disposal of the investment in Consolidated Diesel Company (in the third quarter of 2008) and a decrease of €8 million arising from the disposal of certain minor investments; a decrease of €84 million as the result of the distribution of dividends by companies accounted for using the equity method; the negative fair value adjustment of €15 million relating to investments classified as available-for-sale; and other decreases of €56 million (including negative changes in the cash flow hedge reserves of Tofas-Turk Otomobil Fabrikasi Tofas A.S. for €28 million and FGA Capital S.p.A. for €16 million).

The item Investments in jointly controlled entities comprises the following:

	At 31 December 2009		At 31 December 2008	
	% of interest	(€ million)	% of interest	(€ million)
FGA Capital S.p.A.	**50.0**	**643**	50.0	617
Tofas-Turk Otomobil Fabrikasi Tofas A.S.	**37.9**	**241**	37.9	190
Naveco (Nanjing Iveco Motor Co.) Ltd.	**50.0**	**137**	50.0	128
Société Européenne de Véhicules Légers du Nord-Sevelnord Société Anonyme	**50.0**	**105**	50.0	98
Società Europea Veicoli Leggeri-Sevel S.p.A.	**50.0**	**95**	50.0	98
Turk Traktor Ve Ziraat Makineleri A.S.	**37.5**	**49**	37.5	48
SAIC Iveco Commercial Vehicle Investment Company Limited	**50.0**	**43**	50.0	55
New Holland HFT Japan Inc.	**50.0**	**23**	50.0	26
Fiat India Automobiles Private Limited	**50.0**	**21**	50.0	31
LBX Company LLC	**50.0**	**16**	50.0	26
CNH de Mexico SA de CV	**50.0**	**16**	50.0	17
Transolver Finance Establecimiento Financiero de Credito S.A.	**50.0**	**8**	50.0	15
Other		**34**		28
Total Investments in jointly controlled entities		**1,431**		**1,377**

The item Investments in associates comprises the following:

	At 31 December 2009		At 31 December 2008	
	% of interest	(€ million)	% of interest	(€ million)
Iveco Finance Holdings Limited	**49.0**	**127**	49.0	147
Rizzoli Corriere della Sera MediaGroup S.p.A.	**10.1**	**108**	10.1	117
Kobelco Construction Machinery Co. Ltd.	**20.0**	**88**	20.0	123
CNH Capital Europe S.a.S.	**49.9**	**63**	49.9	66
Al-Ghazi Tractors Ltd.	**43.2**	**17**	43.2	17
Other		**38**		42
Total Investments in associates		**441**		**512**

Rizzoli Corriere della Sera MediaGroup S.p.A. is a listed company in which Fiat is one of the major shareholders, is represented on the Board of Directors and is a party to a shareholder agreement. As a result the company is classified as an associate. In order to account for this investment using the equity method, reference was made to its most recent published financial statements being those of Interim Management Statement at 30 September 2009, as those to be issued for financial year 2009 will be published subsequent to the publication of the consolidated financial statements of the Fiat Group.

As discussed in the "Chrysler transaction" section the initial 20% interest of the Fiat Group in the new entity Chrysler Group LLC is recognised in the consolidated balance sheet as an investment in an associate carried at zero. Being an associate, this investment will in future be accounted for using the equity method; in this respect, pursuant to paragraphs 29 and 30 of IAS 28, the Fiat Group is not required to recognise any portion of future losses which these associates may incur since it has no obligation to cover such losses. For any profit subsequently reported by Chrysler, the Fiat Group may only recognise the portion of profit which is in excess of losses not recognised in prior periods. For completeness of information, it is noted that the opening statement of financial position of the new Chrysler as of 10 June 2009 is currently not available nor are its financial statements for the period ended 31 December 2009. As announced by Chrysler Group LLC on 4 November 2009, when it presented its "Business Plan 2010-2014", these documents will be published by the company by 30 April 2010.

At 31 December 2009, the stock market quotation of Investments in listed jointly controlled entities and listed associates is as follows:

(€ million)	Carrying value	Stock market quotation
Tofas-Turk Otomobil Fabrikasi Tofas A.S.	241	415
Rizzoli Corriere della Sera MediaGroup S.p.A.	108	98
Turk Traktor Ve Ziraat Makineleri A.S.	49	84
Al-Ghazi Tractors Ltd.	17	36
Total Investments in listed jointly controlled entities and associates	**415**	**633**

At 31 December 2009, the item Investments whose carrying amount is measured at fair value with changes recognised directly in equity, includes the investment in Assicurazioni Generali S.p.A. of €3 million (€3 million at 31 December 2008); the item includes also the investment of €18 million in Fin. Priv. S.r.l. (€15 million at 31 December 2008).

At 31 December 2009, non-current financial receivables of €44 million (€47 million at 31 December 2008) were pledged as security for loans obtained.

17. Leased assets

The Group leases out assets, mainly its own products, as part of its financial services business. This item changed as follows in 2009 and 2008:

(€ million)	At 31 December 2008	Additions	Depreciation	Translation differences	Disposals and other changes	At 31 December 2009
Gross carrying amount	674	219	-	3	(264)	**632**
Less: Depreciation and impairment	(169)	-	(91)	-	85	**(175)**
Net carrying amount of Leased assets	**505**	**219**	**(91)**	**3**	**(179)**	**457**

(€ million)	At 31 December 2007	Additions	Depreciation	Translation differences	Disposals and other changes	At 31 December 2008
Gross carrying amount	520	284	-	5	(135)	**674**
Less: Depreciation and impairment	(124)	-	(90)	(1)	46	**(169)**
Net carrying amount of Leased assets	**396**	**284**	**(90)**	**4**	**(89)**	**505**

At 31 December 2009 minimum lease payments from non-cancellable operating leases amount to €200 million (€241 million at 31 December 2008) and fall due as follows:

(€ million)	At 31 December 2009	At 31 December 2008
Within one year	90	93
Between one and five years	106	136
Beyond five years	4	12
Total Minimum lease payments	**200**	**241**

18. Inventories

(€ million)	At 31 December 2009	At 31 December 2008
Raw materials, supplies and finished goods	8,669	11,227
Gross amount due from customers for contract works	79	211
Total Inventories	**8,748**	**11,438**

At 31 December 2009, Inventories include assets sold with a buy-back commitment by Fiat Group Automobiles and assets in the Trucks and Commercial Vehicles and Agricultural and Construction Equipment Sectors which are no longer subject to operating lease arrangements or buy-back commitments and are held for sale for €861 million (€985 million at 31 December 2008). Excluding this item, inventories decreased by €2,566 million in 2009 as the consequence of the considerable steps taken to reduce stocks.

At 31 December 2009, Inventories include inventories measured at their net realisable value (estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale) amounting to €2,958 million (€3,260 million at 31 December 2008).

The amount of inventory write-downs recognised as an expense during 2009 is €664 million (€474 million in 2008). Amounts recognised as income from the reversal of write-downs on items sold during the year were not significant.

There were no inventories pledged as security at 31 December 2009 and 2008.

The majority of amount due from customers for contract work relates to the Production Systems Sector and can be analysed as follows:

(€ million)	At 31 December 2009	At 31 December 2008
Aggregate amount of costs incurred and recognised profits (less recognised losses) to date	1,056	1,462
Less: Progress billings	(1,058)	(1,332)
Construction contracts, net of advances on contract work	**(2)**	**130**
Gross amount due from customers for contract work as an asset	79	211
Less: Gross amount due to customers for contract work as a liability included in Other current liabilities (Note 29)	(81)	(81)
Construction contracts, net of advances on contract work	**(2)**	**130**

At 31 December 2009 and 2008, the amount of retentions by customers on contract work in progress was not significant.

19. Current receivables and Other current assets

The composition of the caption is as follows:

(€ million)	At 31 December 2009	At 31 December 2008
Trade receivables	3,649	4,390
Receivables from financing activities	12,695	13,136
Current tax receivables	674	770
Other current assets:		
Other current receivables	2,529	2,373
Accrued income and prepaid expenses	249	227
Total Other current assets	2,778	2,600
Total Current receivables and Other current assets	**19,796**	**20,896**

The analysis by due date is as follows:

	At 31 December 2009				At 31 December 2008			
(€ million)	due within one year	due between one and five years	due beyond five years	Total	due within one year	due between one and five years	due beyond five years	Total
Trade receivables	3,573	73	3	3,649	4,285	94	11	4,390
Receivables from financing activities	8,002	4,428	265	12,695	8,076	4,909	151	13,136
Current tax receivables	540	37	97	674	540	123	107	770
Other current receivables	1,480	991	58	2,529	2,090	248	35	2,373
Total Current receivables	**13,595**	**5,529**	**423**	**19,547**	**14,991**	**5,374**	**304**	**20,669**

At 31 December 2009, Current receivables include receivables sold and financed through both securitisation and factoring transactions of €6,588 million (€6,190 million at 31 December 2008) which do not meet IAS 39 derecognition requirements. These receivables are recognised as such in the Group financial statements even though they have been legally sold; a corresponding financial liability is recorded in the consolidated statement of financial position as Asset-backed financing (see Note 27).

Trade receivables

Trade receivables are shown net of allowances for doubtful accounts of €524 million at 31 December 2009 (€478 million at 31 December 2008), determined on the basis of historical losses on receivables. Changes in the allowance accounts during 2009 are as follows:

(€ million)	At 31 December 2008	Provision	Use and other changes	Change in the scope of consolidation	At 31 December 2009
Allowances for doubtful accounts	478	135	(89)	-	524

The carrying amount of Trade receivables is considered in line with their fair value at the date.

At 31 December 2009, trade receivables of €14 million were pledged as security for loans obtained (€36 million at 31 December 2008).

Receivables from financing activities

Receivables from financing activities include the following:

(€ million)	At 31 December 2009	At 31 December 2008
Retail financing	**6,239**	6,593
Finance leases	**1,110**	885
Dealer financing	**5,108**	5,343
Supplier financing	**102**	88
Current financial receivables from jointly controlled financial services entities	**14**	3
Financial receivables from companies under joint control, associates and unconsolidated subsidiaries	**55**	80
Other	**67**	144
Total Receivables from financing activities	**12,695**	**13,136**

Receivables from financing activities decreased by €625 million over the period. Excluding translation exchange gains of €625 million, arising mainly from trends in the Euro/Real, Euro/Australian Dollar, Euro/Canadian Dollar and Euro/US Dollar rates, and write-downs, the item decreased by €876 million mainly due to the lower lending volumes of the CNH – Case New Holland financial service companies.

Receivables from jointly controlled financial services entities include financial receivables by the group FGA Capital.

Receivables from financing activities are shown net of an allowance for doubtful accounts determined on the basis of specific insolvency risks. At 31 December 2009 the allowance amounts to €450 million (€345 million at 31 December 2008). Changes in the allowance accounts during the year are as follows:

(€ million)	At 31 December 2008	Provision	Use and other changes	At 31 December 2009
Allowance for receivables regarding:				
Retail financing	151	151	(72)	**230**
Finance leases	75	18	(13)	**80**
Dealer financing	66	33	(9)	**90**
Supplier financing	6	-	(2)	**4**
Other	47	-	(1)	**46**
Total allowance on Receivables from financing activities	**345**	**202**	**(97)**	**450**

Finance lease receivables mainly relate to vehicles of Trucks and Commercial Vehicles and Agricultural and Construction Equipment Sectors leased out under finance lease arrangements. The interest rate implicit in the lease is determined at the commencement of the lease for the whole lease term. The average interest rate implicit in total finance lease receivables vary depending on prevailing market interest rates.

The item may be analysed as follows stated gross of an allowance of €80 million at 31 December 2009 (€75 million at 31 December 2008):

	At 31 December 2009				At 31 December 2008			
(€ million)	due within one year	due between one and five years	due beyond five years	Total	due within one year	due between one and five years	due beyond five years	Total
Receivables for future minimum lease payments	560	731	76	1,367	438	622	57	1,117
Less: unrealised interest income	(61)	(104)	(12)	(177)	(60)	(86)	(11)	(157)
Present value of future minimum lease payments	**499**	**627**	**64**	**1,190**	**378**	**536**	**46**	**960**

There are no contingent rents as finance lease recognised income during 2009 or 2008 and unguaranteed residual values at 31 December 2009 and 2008 are not significant.

Receivables for dealer financing are typically generated by sales of vehicles and are generally managed under dealer network financing programs as a component of the portfolio of the financial services companies. These receivables are interest bearing, with the exception of an initial limited, non-interest bearing period. The contractual terms governing the relationships with the dealer networks vary from Sector to Sector and from country to country, although these payments terms range from two to six months.

The fair value of receivables from financing activities at 31 December 2009 amounts approximately to €12,876 million (€13,329 million at 31 December 2008) and has been calculated using a discounted cash flow method based on the following discount rates, adjusted, where necessary, to take account of the specific risk of insolvency of the underlying financial instrument.

In %	EUR	USD	GBP	CAD	AUD	BRL	PLN
Interest rate for six months	0.99	0.43	0.84	0.70	4.47	9.19	4.39
Interest rate for one year	1.25	0.98	1.25	1.25	5.24	10.43	4.52
Interest rate for five years	2.84	3.05	3.45	2.91	5.90	12.79	5.80

Other current assets

At 31 December 2009, Other current assets mainly consist of Other tax receivables for VAT and other indirect taxes of €1,002 million (€1,617 million at 31 December 2008), Receivables from employees of €67 million (€51 million at 31 December 2008) and Accrued income and prepaid expenses of €249 million (€227 million at 31 December 2008). At 31 December 2009, Other current assets also include an amount of €593 million due from the tax Authorities relating to eco-incentives in Italy; the Group will be able to recover this balance by offsetting it against future payments due to the tax Authorities.

At the balance sheet date the carrying amount of Other current assets is considered to be in line with their fair value.

20. Current securities

Current securities consist of short-term or marketable securities which represent temporary investments, but which do not satisfy all the requirements for being classified as cash equivalents. In particular:

(€ million)	At 31 December 2009	At 31 December 2008
Current securities available-for-sale	53	43
Current securities for trading	164	134
Total Current securities	**217**	**177**

21. Other financial assets and Other financial liabilities

These items include the measurement at fair value of derivative financial instruments at the balance sheet date. In particular:

	At 31 December 2009		At 31 December 2008	
(€ million)	Positive fair value	Negative fair value	Positive fair value	Negative fair value
Fair value hedge				
Interest rate risk - Interest rate swaps	244	(51)	198	(34)
Interest rate and currency risk - Combined interest rate and currency swaps	59	-	22	-
Total Fair value hedges	303	(51)	220	(34)
Cash flow hedge				
Currency risks - Forward contracts, Currency swaps and Currency options	140	(177)	336	(735)
Interest rate risk - Interest rate swaps	59	(101)	46	(220)
Interest rate and currency risk - Combined interest rate and currency swaps	31	-	10	-
Other derivatives	6	-	-	(6)
Total Cash flow hedges	236	(278)	392	(961)
Derivatives for trading	97	(135)	152	(207)
Other financial assets/(liabilities)	**636**	**(464)**	**764**	**(1,202)**

The fair value of derivative financial instruments is determined 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 in the two currencies at the balance sheet date;
- the fair value of currency options is determined using valuation techniques based on the Black-Scholes model or binomial models and market parameters at the balance sheet date (in particular exchange rates, interest rates and volatility rates);
- the fair value of interest rate swaps and forward rate agreements is determined by using the discounted cash flow method;
- the fair value of derivative financial instruments acquired to hedge interest rate risk and currency risk is determined using the exchange rates prevailing at the balance sheet date and the discounted cash flow method;
- the fair value of equity swaps is determined using market prices at the balance sheet date;
- the fair value of derivatives hedging commodity price risk is determined by using the discounted cash flow method, taking the market parameters at the balance sheet date (and in particular the future price of the underlying and interest rates).

The overall increase in Other financial assets from €764 million at 31 December 2008 to €636 million at 31 December 2009, and in Other financial liabilities from €1,202 million at 31 December 2008 to €464 million at 31 December 2009 is mostly due to changes in exchange rates and interest rates during the year, and to a positive fair value arising from the equity swaps on Fiat S.p.A. ordinary shares (€117 million euros).

As this item consists principally of hedging instruments, the change in their value is compensated by the change in the value of the hedged item.

Derivates for trading consist principally of the following types:

- derivatives (mostly currency based derivatives) acquired to hedge receivables and payables subject to currency risk and/or interest rate risk which are not formally designated as hedges at Group level;
- derivatives relating to Fiat shares (Equity Swap) which are described further below;
- embedded derivatives in certain bond issues in which the yield is determined as a function of trends in various equity indices and the inflation rate and related hedging derivatives, which convert the exposure to floating rate. The total value of the embedded derivatives is offset by the value of the hedging derivatives.

At 31 December 2009, the notional amount of outstanding derivative financial instruments is as follows:

(€ million)	At 31 December 2009	At 31 December 2008
Currency risk management	**9,189**	11,791
Interest rate risk management	**13,368**	11,382
Interest rate and currency risk management	**933**	965
Other derivative financial instruments	**244**	334
Total notional amount	**23,734**	**24,472**

At 31 December 2009, the notional amount of Other derivative instruments consists of:

- For €204 million (€204 million at 31 December 2008) the notional amount of the two equity swaps, renewed in 2009 and expiring in 2010, arranged to hedge the risk of an increase in the Fiat share price above the exercise price of the stock options granted to the Chief Executive Officer in 2004 and 2006 (see Note 24). At 31 December 2009, the Equity Swaps have a total positive fair value of €8 million (a negative fair value of €109 million at 31 December 2008). Although these equity swaps were entered into for hedging purposes, they do not qualify for hedge accounting under IFRS and accordingly are defined as trading derivative financial instruments.
- For €14 million (€104 million at 31 December 2008), the notional amount of derivatives embedded in certain bonds with a return linked to stock market indices or inflation rates, as well as the notional amount of the related hedging derivatives, which convert this exposure to floating market rate. The decrease in the notional value is due to the redemption at due date during the year of a portion of the bonds outstanding at the end of the previous year.
- For €26 million (€26 million at 31 December 2008), the notional amount of derivatives linked to commodity prices hedging specific exposures arising from supply agreements. Under these agreements there is a regular updating of the prices on the basis of trends in the quoted prices of the raw material.

The following table provides an analysis by due date of outstanding derivatives financial instruments at 31 December 2009 based on their notional amounts:

				At 31 December 2009
(€ million)	within one year	within one year	within one year	Total
Currency risk management	8,652	537	-	**9,189**
Interest rate risk management	2,776	9,163	1,429	**13,368**
Interest rate and currency risk management	-	-	933	**933**
Other derivative financial instruments	230	-	14	**244**
Total notional amount	**11,658**	**9,700**	**2,376**	**23,734**

Cash flow hedges

The effects arising on the income statement mainly refer to the management of the currency risk and, to a lesser extent, to the hedges relating to the debt of the Group's financial companies and Group treasury.

The policy of the Group for managing currency risk normally requires that future cash flows from trading activities which will occur for accounting purposes within the following twelve months, and from orders acquired (or contracts in progress), whatever their due dates, to be hedged. As a result, it is considered reasonable to suppose that the hedging effect arising from this and recorded in the cash flow hedge reserve will be recognised in income, mainly during the following year.

The interest rate and currency derivatives treated as cash flow hedges were entered by the North American treasury for the purpose of hedging the bond issue expiring in 2017; the amount recorded in the cash flow hedge reserve will be recognised in income accordingly to the timing of the flows of the underlying bond.

Where a derivative financial instrument is designated as a hedge of the exposure to variability in cash flows of a recognised asset or liability or a highly probable forecasted transaction and could affect income statement, the effective portion of any gain or loss on the derivative financial instrument is recognised directly in equity. The cumulative gain or loss is removed from equity and recognised in the profit and loss account at the same time as the economic effect arising from the hedged item affects income. The gain or loss associated with a hedge or part of a hedge that has become ineffective is recognised in the income statement immediately. When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss realised to the point of termination remains in equity and is recognised at the same time as the related transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealised gain or loss held in equity is recognised in the income statement immediately.

In 2009 the Group transferred to income losses of €318 million (gains of €295 million in 2008) net of tax effect previously recognised directly in equity presented in the following line items:

(€ million)	2009	2008
Currency risk		
Increase (Decrease) in Net revenues	**(15)**	138
Decrease (Increase) in Cost of sales	**(350)**	115
Financial income (expenses)	**71**	50
Result from investments	**-**	9
Interest rate risk		
Decrease (Increase) in Cost of sales	**(16)**	-
Result from investments	**3**	9
Financial income (expenses)	**(17)**	(2)
Commodities price risk		
Decrease (Increase) in Cost of sales	**(5)**	-
Taxes income (expenses)	**11**	(24)
Total recognised in the income statement	**(318)**	**295**

The ineffectiveness of cash flow hedges was not material for the years 2009 and 2008.

In 2009 there was an overall positive economic effect of €8 million (positive effect of €21 million in 2008) from hedges which subsequently turned out to be in excess of the future flows being hedged (over-hedges); this was mainly due to the contraction of volumes in certain markets exposed to currency risk.

Fair value hedges
The gains and losses arising from the valuation of interest rate and currency derivatives (mostly for managing currency risk) and interest rate derivatives (for managing the interest rate risk) recognised in accordance with fair value hedge accounting and the gains and losses arising from the respective hedged items are set out in the following table:

(€ million)	2009	2008
Currency risk		
Net gains (losses) on qualifying hedges	22	(34)
Fair value changes in hedged items	(22)	34
Interest rate risk		
Net gains (losses) on qualifying hedges	(15)	80
Fair value changes in hedged items	17	(80)
Net gains (losses)	**2**	**-**

The ineffective portion of transactions treated as fair value hedges in 2009 is €2 million (the figure was not significant in 2008).

22. Cash and cash equivalents

Cash and cash equivalents include:

(€ million)	At 31 December 2009	At 31 December 2008
Cash at banks	9,422	2,989
Cash with a pre-determined use	530	473
Money market securities	2,274	221
Total Cash and cash equivalents	**12,226**	**3,683**

Amounts shown are readily convertible into cash and are subject to an insignificant risk of changes in value. The carrying amount of cash and cash equivalent is to be considered in line with their fair value at the balance sheet date.

Cash with a pre-determined use mainly consists of amounts whose use is restricted to the repayment of the debt relating to securitisations classified as Asset-backed financing.

The credit risk associated with Cash and cash equivalents is considered not significant, because it mainly relates to deposits spread across primary national and international financial institutions.

23. Assets and Liabilities held for sale

At 31 December 2009, Assets and liabilities held for sale include buildings and factories of the Fiat Group Automobiles, Agricultural and Construction Equipment and Comau Sectors. This item additionally includes the balances of the net assets of a minor subsidiary of the Fiat Group Automobiles Sector held for sale at 31 December 2009. Furthermore, in 2009 the Fiat Group Automobiles Sector purchased an investment of 100% in a minor company in Brazil, which at the acquisition date was classified as held for sale.

At 31 December 2008, this item included the book value of the above mentioned buildings and factories of the Fiat Group Automobiles, Agricultural and Construction Equipment Sectors, the book value of certain patents and the assets and liabilities of a minor subsidiary of the Fiat Group Automobiles Sector which was sold in 2009.

The items included in Assets held for sale and Liabilities held for sale may be summarised as follows:

(€ million)	At 31 December 2009	At 31 December 2008
Other intangible assets	-	7
Property, plant and equipment	20	30
Investments and other financial assets:	58	-
Trade receivables	4	-
Total Assets	**82**	**37**
Provisions	2	-
Other current liabilities	5	2
Trade payables	1	-
Total Liabilities	**8**	**2**

24. Equity

Equity at 31 December 2009 exceeded that at 31 December 2008 by €14 million, mainly due to the net loss for the period of €848 million and dividends distributed of €27 million (of which €25 million distributed by Fiat S.p.A. of €0.31 to saving shares), being offset by negative changes of €352 million in the cash flow hedge reserve and by foreign exchange gains of €467 million arising from the translation into euros of the financial statements of subsidiaries denominated in other currencies.

Share capital

At 31 December 2009, the fully paid share capital of Fiat S.p.A. is as follows:

(number of shares)	At 31 December 2009	At 31 December 2008
Ordinary shares	1,092,247,485	1,092,247,485
Preference shares	103,292,310	103,292,310
Saving shares	79,912,800	79,912,800
Total shares issued	**1,275,452,595**	**1,275,452,595**

Issued shares have a nominal value of €5, with each category having rights as follows.

Each share confers the right to share pro rata in any earnings allocated for distribution and any surplus assets remaining upon a winding-up, subject to the right of priority of preference and savings shares, as described in the following paragraph.

Each ordinary share confers the right to vote without any restrictions whatsoever. Each preference share confers the right to vote only on matters which are reserved for an Extraordinary Meeting of shareholders and on resolutions concerning Procedures for General Meetings. No voting rights are attached to savings shares.

Profit reported in the annual financial statements of Fiat S.p.A. shall be allocated as follows:

- to the legal reserve, 5% of net profit until the amount of such reserve is equivalent to one-fifth of share capital;
- to savings shares, a dividend of up to €0.31 per share;
- further allocations to the legal reserve, allocations to the extraordinary reserve and/or retained profit reserve as may be resolved by Shareholders;
- to preference shares, a dividend of up to €0.31 per share;
- to ordinary shares, a dividend of up to €0.155 per share;
- to savings shares and ordinary shares, in equal amounts, an additional dividend of up to €0.155 per share;
- to each ordinary, preference and savings share, in equal amounts, any remaining net profit which Shareholders may resolve to distribute.

When the dividend paid to savings shares in any year amounts to less than €0.31, the difference shall be added to the preferred dividend to which they are entitled in the following two years.

In the event that the savings shares are delisted, any bearer shares shall be converted into registered shares and shall have the right to a higher dividend increased by €0.175, rather than €0.155, with respect to the dividend received by the ordinary and preference shares.

In the event that the ordinary shares are delisted, the higher dividend received by the savings shares with respect to the dividend received by ordinary and preference shares shall be increased by €0.2 per share.

In the event of winding-up, the Company's assets shall be distributed in order of priority to saving shares up to their par value, to the preference shares up to their par value, to the ordinary shares up to their par value; the remaining balance, if any, to shares of all three classes in an equal pro rata amount.

The following table provides reconciliation between the number of shares outstanding at 31 December 2007 and those outstanding at 31 December 2009:

(number of shares in thousand)	At 31 December 2007	Capital increase	(Purchases)/ Sales of treasury shares	At 31 December 2008	increase Capital	(Purchases)/ Sales of treasury shares	At 31 December 2009
Ordinary shares issued	1,092,247	-	-	1,092,247	-	-	**1,092,247**
Less: Treasury shares	(21,851)	-	(16,717)	(38,568)	-	-	**(38,568)**
Ordinary shares outstanding	1,070,396	-	(16,717)	1,053,679	-	-	**1,053,679**
Preference shares issued	103,292	-	-	103,292	-	-	**103,292**
Less: Treasury shares	-	-	-	-	-	-	**-**
Preference shares outstanding	103,292	-	-	103,292	-	-	**103,292**
Saving shares issued	79,913	-	-	79,913	-	-	**79,913**
Less: Treasury shares	-	-	-	-	-	-	**-**
Saving shares outstanding	79,913	-	-	79,913	-	-	**79,913**
Total Shares issued by Fiat S.p.A.	**1,275,452**	**-**	**-**	**1,275,452**	**-**	**-**	**1,275,452**
Less: Treasury shares	**(21,851)**	**-**	**(16,717)**	**(38,568)**	**-**	**-**	**(38,568)**
Total Fiat S.p.A. outstanding shares	**1,253,601**	**-**	**(16,717)**	**1,236,884**	**-**	**-**	**1,236,884**

Treasury share sales and buybacks in 2008 are discussed under Treasury shares below.

Italian laws and regulations regarding the share capital and reserves of a joint stock corporation establish the following:

- the minimum share capital is €120,000;
- any change in the amount of share capital must be approved by shareholders in a General Meeting who may delegate powers to the Board of Directors, having validity for a maximum period of five years, to increase share capital up to a predetermined amount; the General Meeting of shareholders is also required to adopt suitable measures when share capital decreases by more than one third as the result of ascertained losses and to reduce share capital if by the end of the following year if such losses have not fallen by more than one third. If as the consequence of a loss of more than one third of capital this then drops below the legal minimum, shareholders in General Meeting are required to approve a decrease and simultaneous increase of capital to an amount not less than this minimum or must change a company's legal form;
- as discussed previously the share in profits due to each class of share is determined by a company's bylaws;
- an additional paid-in capital reserve is established if a company issues shares at a price exceeding their nominal value. This reserve may not be distributed until the legal reserve has reached one fifth of share capital.

- a company may not purchase treasury shares for an amount exceeding the distributable profits and available reserves stated in its most recently approved financial statements. Any purchase must be approved by shareholders in General Meeting and in no case may the nominal value of the shares acquired exceed one-fifth of share capital.

The following matters is also relevant to the share capital of Fiat S.p.A. in a meeting held on 3 November 2006, the Board of Directors of Fiat S.p.A. exercised its delegated powers pursuant to article 2443 of the Italian Civil Code to increase share capital reserved for employees of the company and/or its subsidiaries up to a maximum of 1% of those shares, being €50 million, by taking a decision to issue a maximum of 10 million ordinary shares each of nominal value €5, corresponding to 0.78% of share capital and 0.92% of ordinary share capital, at a price of €13.37 each, to service the new employee stock option plan described in the following paragraph. The execution of this increase in capital is dependant on the conditions of the plan being satisfied.

In 2006 the Group introduced a dividend policy under which its intention is to distribute a total dividend to shareholders of 25% of consolidated profits. Despite the fact that the Group's consolidated profit in 2008 amounted to €1,721 million and that the net profit of Fiat S.p.A. was sufficient to enable a dividend to be distributed in accordance with this policy, on the proposal of the Board of Directors, Shareholders decided at their meeting of 27 March 2009 that the distribution of dividends should be limited to savings shares alone (a total of €24.8 million, in accordance with the Company's bylaws), with the aim of strengthening the Group's capital structure and maintaining its liquidity. Following the normalisation of the capital markets as a source of funding for the Group and the belief that the Group will be able to continue to generate earnings even in a significantly different market, the Board of Directors is proposing to shareholders at their Annual General Meeting the payment of a total dividend of €244 million (€237 million excluding the treasury shares currently owned by the Group), equal to approximately 30% of 2008 consolidated net income less the 2009 consolidated net loss, based on the net income of Fiat S.p.A. available for distribution. The dividend proposal may be summarised as follows:

- €0.17 per ordinary share;
- €0.31 per preference share;
- €0.325 per saving shares.

The objectives identified by the Group for managing capital are to create value for shareholders as a whole, to safeguard business continuity and support the growth of the Group. As a result the Group endeavours to maintain an adequate level of capital that at the same time enables it to obtain a satisfactory economic return for its shareholders and guarantee economic access to external sources of funds, including in this by means of achieving an adequate rating.

The Group constantly monitors the evolution of the ratio between debt and equity and in particular the level of net debt and the generation of cash from its industrial activities.

In order to reach these objectives the Group aims at a continuous improvement in the profitability of the business in which it operates. Further, in general, it may sell part of its assets to reduce the level of its debt, while the Board of Directors may make proposals to shareholders in General Meeting to reduce or increase share capital or, where the law permits, to distribute reserves. In this context, the Group also makes purchases of treasury shares, without exceeding the limits authorised by shareholders in General Meeting, under the same logic of creating value, compatible with the objectives of achieving financial equilibrium and an improvement in its rating.

In this respect capital means both the value brought into Fiat S.p.A. by its shareholders for employment in the management of the Group (share capital plus the additional paid-in capital reserve less treasury shares, equal to €7,261 million at 31 December 2009, unchanged compared to 31 December 2008), and the value generated by the Group in terms of the results achieved in operations (retained earnings and other reserves, equal in total, before the result for the year, to €2,945 million at 31 December 2009 and €3,802 million at 31 December 2008, excluding gains and losses recognised directly in equity and non-controlling interests).

Treasury Shares
Treasury shares consist of 38,568,458 Fiat S.p.A. ordinary shares for an amount of €656.6 million (unchanged compared to 31 December 2008).

These Treasury shares were purchased under an original share buy-back programme (the "Programme") approved by shareholders in General Meeting on 31 March 2008 which provided for the purchase of treasury shares on regulated markets in accordance with the following conditions:

- the Programme was to end on 30 September 2009, or once the maximum purchase value of €1.8 billion (including the Fiat shares already held by the Company) or a number of shares equivalent to 10% of share capital was reached;
- the maximum purchase price could not exceed the stock market reference price on the day before the purchase by more than 10%;
- the maximum number of shares purchased on any one day could not exceed 20% of the total daily trading volume for each share class.

In order to maintain the necessary operating flexibility over an adequate time period, shareholders in General Meeting on 27 March 2009 renewed their authorisation for the purchase and disposal of treasury shares, including transactions carried out through subsidiary companies, at the same time revoking the authorisation given by them in the General Meeting of 31 March 2008 to the extent not exercised at that date. The new authorisation is for the purchase of a maximum number of shares, for all three classes combined, not to exceed 10% of share capital or a purchase value of €1.8 billion, inclusive of the €656.6 million in Fiat shares already held by the company.

At 16 February 2010, the total number of ordinary shares purchased since the beginning of the programme was 37.27 million, for a total invested amount of €665 million. Although the share buy-back programme has been placed on hold, the Board of Directors in consideration of the fact that the current authorisation expires on 27 September 2010 and to maintain the necessary operating flexibility for an adequate period, has decided to propose to shareholders at the Annual General Meeting that the authorisation for the purchase be renewed for a period of 18 months and for a maximum amount of shares for the three classes not to exceed 10% of share capital or € 1.8 billion including the €656.6 million in Fiat shares currently held by the Company. Should the proposal be approved, the Company would, however, have no obligation to buyback shares.

In 2008, Treasury share sales of 71,000 ordinary shares (at a total price of €1 million) were made on the exercise of stock options. Purchases of 16.788 million ordinary shares (at a total price of €239 million) were made under the above-mentioned Programme.

Capital reserve
At 31 December 2009, the Capital reserve, amounting to €682 million, refers to the Additional paid-in capital, consisting of part of the share premium paid by the subscribers of the capital increase made after the extinguishment of the Mandatory Convertible Facility on 20 September 2005; the remaining share premium of €859 million arising from this is into Earning reserves.

Earning reserves
The principal earning reserves are as follows:

- The legal reserve of Fiat S.p.A. of €700 million at 31 December 2009 (€640 million at 31 December 2008);
- Retained earnings totalling €3,847 million at 31 December 2009 (retained earnings totalling €2,313 million at 31 December 2008);
- The Loss attributable to owners of the parent of €838 million at 31 December 2009 (Profit of €1,612 million for the at 31 December 2008);
- The share based payments reserve of €95 million at 31 December 2009 (€96 million at 31 December 2008).

Other comprehensive income

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

(€ million)	2009	2008
Gains/(Losses) on cash flow hedges arising during the period	76	(491)
Reclassification adjustment for gains/(losses) on cash flow hedges included in income statement	332	(301)
Gains/(Losses) on cash flow hedges	**408**	**(792)**
Gains/(Losses) on fair value of available-for-sale financial assets arising during the period	3	(15)
Reclassification adjustment for gains/(losses) on fair value of available-for-sale financial assets included in income statement	-	-
Gains/(Losses) on fair value of available-for-sale financial assets	**3**	**(15)**
Gains/(Losses) on exchange differences on translating foreign operations arising during the period	510	(304)
Gains/(Losses) on exchange differences on translating foreign operations included in income statement	(1)	-
Gains/(Losses) on exchange differences on translating foreign operations	**509**	**(304)**
Share of Other comprehensive income of entities consolidated by using the equity method arising during the period	(44)	(50)
Reclassification adjustment for the share of Other comprehensive income of entities consolidated by using the equity method	(3)	(18)
Share of Other comprehensive income of entities consolidated by using the equity method	**(47)**	**(68)**
Income tax relating to components of Other comprehensive income	**(51)**	**85**
Total Other comprehensive income, net of tax	**822**	**(1,094)**

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

	2009			2008		
(€ million)	Before tax amount	Tax (expense) benefit	Net-of-tax amount	Before tax amount	Tax (expense) benefit	Net-of-tax amount
Gains/(Losses) on cash flow hedges	408	(51)	357	(792)	86	(706)
Gains/(Losses) on fair value of available-for-sale financial assets	3	-	3	(15)	(1)	(16)
Gains/(Losses) on exchange differences on translating foreign operations	509	-	509	(304)	-	(304)
Share of other comprehensive income of entities consolidated by using the equity method	(47)	-	(47)	(68)	-	(68)
Total Other comprehensive income	**873**	**(51)**	**822**	**(1,179)**	**85**	**(1,094)**

The increase in gains recognised directly in equity for the fair value adjustment of financial assets available-for-sale is due to an increase in the fair value of the assets to which it relates.

Non-controlling interest

The non-controlling interest of €814 million at 31 December 2009 (€747 million at 31 December 2008) refers mainly to the following companies consolidated on a line-by-line basis:

	% held by non-controlling interest	
	At 31 December 2009	At 31 December 2008
Italian companies:		
Ferrari S.p.A.	**15.0**	15.0
Teksid S.p.A.	**15.2**	15.2
Foreign companies:		
CNH Global N.V.	**10.7**	10.7

Share-based compensation

At 31 December 2009 and at 31 December 2008, the following share-based compensation plans relating to managers of Group companies or certain members of the Board of Directors of Fiat S.p.A. were in place.

Stock Option plans linked to Fiat S.p.A. ordinary shares

The Board of Directors of Fiat S.p.A. approved certain stock option plans prior to 2002 which provided managers of the Group with the title of *Direttore*, high management potential included in “management development programmes” and executive Directors of Fiat S.p.A. with the right to purchase a determined number of Fiat S.p.A. ordinary shares at a fixed price (strike price). These rights may be exercised over a fixed period of time from the vesting date to the expiry date of the plan. These stock option plans do not depend on any specific market conditions.

These options may generally be exercised once a three year period has passed from the grant date and for the following six years, consistent with tax law on the subject; nonetheless, the full amount granted as options is not exercisable until the end of the fourth year.

The contractual terms of these plans are as follows:

Plan	Recipient	Grant date	Expiry date	Strike price (€)	Number of options granted	Vesting date	Vesting portion
Stock Options February 2001 (expired)	Managers	27 February 2001	27 February 2009	24.853	785,000	27 February 2002 27 February 2003 27 February 2004 27 February 2005	25% 25% 25% 25%
Stock Options October 2001 (expired)	Managers	31 October 2001	31 October 2009	16.526	5,417,500	31 October 2002 31 October 2003 31 October 2004 31 October 2005	25% 25% 25% 25%
Stock Options May 2002	Former Chairman of Fiat S.p.A.	14 May 2002	1 January 2010	12.699	1,000,000	1 January 2005	100%
Stock Options September 2002	Managers	12 September 2002	12 September 2010	10.397	6,100,000	12 September 2003 12 September 2004 12 September 2005 12 September 2006	25% 25% 25% 25%

On 26 July 2004, the Board of Directors granted Sergio Marchionne, as a part of his variable compensation as Chief Executive Officer, options to purchase 10,670,000 Fiat S.p.A. ordinary shares at a price of €6.583 per share, exercisable from 1 June 2008 to 1 January 2011. In each of the first three years following the grant date, the CEO acquired the right to purchase, beginning 1 June 2008, a maximum of 2,370,000 shares annually. As of 1 June 2008, he also acquired the right to exercise, effective from that date, the remaining options on 3,560,000 shares as a result of predetermined performance objectives for the reference period having been met. On 27 March 2009, Shareholders considered it significantly in the Group’s interest to adopt changes which would reinstate the retention capability of the Plan, in particular through approval of a new vesting period which depended solely on the CEO remaining in office, deferring exercise of these options until 1 January 2011 and extending the exercise period until 1 January 2016, with all other conditions remaining unaltered.

The current features of the stock option plan are as follows:

Plan	Recipient	Modification date	Expiry date	Strike price (€)	Number of options granted	Vesting date	Vesting portion
Stock Options July 2004 (modified)	Chief Executive Officer	27 March 2009	1 January 2016	6.583	10,670,000	31 December 2010	100%

On 3 November 2006 the Fiat S.p.A. Board of Directors approved (subject to the subsequent approval of shareholders in General Meeting, which was given on 5 April 2007) an eight year stock option plan, which provides certain managers of the Group and the Fiat S.p.A. Chief Executive Officer with the right to purchase a determined number of Fiat S.p.A. ordinary shares at the fixed price of €13.37 per share. In particular, the 10,000,000 options granted to employees and the 5,000,000 options granted to the Chief Executive Officer have a vesting period of four years, with a quarter of the number vesting each year, are subject to achieving certain pre-determined profitability targets (Non-Market Conditions or "NMC") in the reference period and may be exercised from the date on which the 2010 Financial statements are approved. The remaining 5,000,000 options granted to the Chief Executive Officer of Fiat S.p.A. also have a vesting period of four years with a quarter of the number vesting each year and may be exercised from November 2010. The ability to exercise the options is additionally subject to specific restrictions regarding the duration of the employment relationship or the continuation of the position held. The stock option plan will become effective once all its conditions have been satisfied.

The contractual terms of 2006 plan are as follows:

Plan	Recipient	Expiry date	Strike price (€)	Number of options granted	Vesting date	Vesting portion
Stock Option November 2006	Chief Executive Officer	3 November 2014	13.37	5,000,000	November 2007	25%
					November 2008	25%
					November 2009	25%
					November 2010	25%
Stock Option November 2006	Chief Executive Officer	3 November 2014	13.37	5,000,000	1st Quarter 2008 (*)	25%*NMC
					1st Quarter 2009 (*)	25%*NMC
					1st Quarter 2010 (*)	25%*NMC
					1st Quarter 2011 (*)	25%*NMC
Stock Option November 2006	Managers	3 November 2014	13.37	10,000,000	1st Quarter 2008 (*)	25%*NMC
					1st Quarter 2009 (*)	25%*NMC
					1st Quarter 2010 (*)	25%*NMC
					1st Quarter 2011 (*)	25%*NMC

(*) On approval of the prior year's Consolidated financial statements, subject to the continuation of the professional relationship.

On 26 February 2008 the Board of Directors of Fiat S.p.A. passed an incentive plan which was subsequently approved by shareholders in the Annual General Meeting on 31 March 2008, by which an overall maximum of 4 million financial instruments may be assigned on a periodic basis until 2010 in the form of stock options and/or stock appreciation rights. The plan addresses the attraction and retention of managers in key roles who have been hired or promoted following the granting of the stock option plan of 3 November 2006 or who have assumed greater responsibilities since the granting of the 2006 plan and has the features of that plan in terms of performance vesting and exercise rights. Implementing the first grant under this program on 23 July 2008, the Board of Directors assigned 1,418,500 stock options which have an exercise price of €10.24 and a vesting period of three years, which are subject to achieving certain pre-determined profitability targets (*Non-Market Conditions or "NMC"*) in the reference period and which may be exercised from the date on which the 2010 Financial statements are approved.

The contractual terms of the 2008 plan are as follows:

Plan	Recipient	Expiry date	Strike price (€)	Number of options granted	Vesting date	Vesting portion
Stock Option July 2008	Managers	3 November 2014	10.24	1,418,500	1st Quarter 2009 (*)	18%*NMC
					1st Quarter 2010 (*)	41%*NMC
					1st Quarter 2011 (*)	41%*NMC

(*) On approval of the prior year's Consolidated financial statements, subject to the continuation of the professional relationship.

A summary of outstanding stock options at 31 December 2009 is as follows:

	Managers compensation			Compensation as member of the Board		
Exercise price (€)	Options outstanding at 31 December 2009	Options outstanding at 31 December 2008	Average remaining contractual life (in years)	Options outstanding at 31 December 2009	Options outstanding at 31 December 2008	Average remaining contractual life (in years)
6.583	-	-	-	10,670,000	10,670,000	6.0
10.24	956,530	1,414,000	4.8	-	-	-
10.397	845,000	921,500	0.7	-	-	-
12.699	-	-	-	500,000	500,000	-
13.370	6,536,875	9,497,500	4.8	8,750,000	10,000,000	4.8
16.526	-	1,044,000	-	-	-	-
24.853	-	50,000	-	-	-	-
Total	**8,338,405**	**12,927,000**		**19,920,000**	**21,170,000**	

Changes during the year are as follows:

	Managers compensation		Compensation as member of the Board	
	Number of options	Average exercise price (€)	Number of options	Average exercise price (€)
Outstanding at the beginning of the year	12,927,000	13.11	21,170,000	9.93
Granted	-	-	-	-
Forfeited	(3,494,595)	12.90	(1,250,000)	13.37
Exercised	-	-	-	-
Expired	(1,094,000)	16.91	-	-
Outstanding at 31 December 2009	**8,338,405**	**12.71**	**19,920,000**	**9.72**
Exercisable at 31 December 2009	**845,000**	**10.397**	**500,000**	**12.699**
Exercisable at 31 December 2008	**2,015,500**	**13.93**	**11,170,000**	**6.86**

The options forfeited during the year consist of unvested options regarding employees who have left the Group and options not vesting during the year due to the fact that certain non-market conditions were not reached for the November 2006 and July 2008 plans.

As discussed under Significant accounting policies, in the case of stock option the Group applies IFRS 2 to all those stock options granted after 7 November 2002 which had not yet vested at 1 January 2005, namely the July 2004 Revised, November 2006 and July 2008 stock option plans. More specifically, for the November 2006 and July 2008 plan, since the performance objectives relating to the tranche vesting in the first quarter of 2010 were not reached, the likelihood that subsequent tranches will vest has been revised; as a consequence, the accrual of €14 million in 2009 made in previous periods for the nominal costs relating to those tranches was released to income by the Group at the end of 2009 (€18 million in 2008). As a consequence the net income recognised in the income statement in 2009 for stock options linked to Fiat S.p.A. ordinary shares amounts to €7 million (€3 million in 2008).

Granting of Fiat S.p.A. shares

On 23 February 2009, the Board of Directors of Fiat S.p.A. passed an incentive plan which was subsequently approved by shareholders in the Annual General Meeting on 27 March 2009, based on the granting of rights which, subject to the achievement of predetermined performance targets (*Non-Market Conditions or "NMC"*) for 2009 and 2010 and the continuation of the professional relationship with the Group, provides for the delivery of 2 million Fiat ordinary shares to the CEO of Fiat S.p.A. A maximum of 6 million shares would be available for granting, in one or more occasions, to certain managers of the Group. Plan beneficiaries are to be selected by the CEO of Fiat S.p.A.

The contractual terms of the plan are as follows:

Plan	Recipient	Number of shares	Vesting date	Vesting portion
Stock Grant 2009	Chief Executive Officer	2,000,000	1st Quarter 2010 (*)	25%*NMC
			1st Quarter 2011 (*)	75%*NMC

(*) On approval of the prior year's Consolidated financial statements, subject to the continuation of the position held.

With reference to this plan, the fair value at the grant date used to determine the compensation expense to be accrued amounts to €5.26, which and has been determined on the basis of the price of Fiat S.p.A. ordinary shares at the grant date of €5.26 per share. The total cost recognised in 2009 income statement for this plan amounted to €6 million.

Stock Option plans linked to CNH Global N.V. ordinary shares

In the Agricultural and Construction equipment Sector, CNH Global N.V. ("CNH") has granted share-based compensation to directors' officers and employees which are linked to shares and which have the following terms.

The CNH Global N.V. Outside Directors' Compensation Plan ("CNH Directors' Plan")

This plan, as amended on 22 July 2008, provides for the payment of the following to independent outside members of the CNH Global N.V. Board in the form of cash, and/or common shares of CNH, and/or options to purchase common shares of CNH:

- an annual retainer fee of 100,000 USD;
- an Audit Committee membership fee of 20,000 USD;
- a Corporate Governance and Compensation Committee membership fee of 15,000 USD;
- an Audit Committee chair fee of 35,000 USD; and
- a Corporate Governance and Compensation Committee chair fee of 25,000 USD (collectively, the "Fees").

Each quarter the outside directors elect the form of payment of ¼ of their Fees. If the elected form is common shares, the outside director will receive as many common shares as equal to the amount of Fees the director elects to forego, divided by the fair market value. If the elected form is options, the outside director will receive as many options as the amount of Fees that the director elects to forego, multiplied by four and divided by the fair market value of a common share, such fair market value being equal to the average of the highest and lowest sale price of a CNH Global N.V. common share on the last trading day of the New York Stock Exchange preceding the start of each quarter. Stock options granted as a result of such an election vest immediately, but shares purchased under options cannot be sold for six months following the date of exercise. Stock options terminate upon the earlier of: (1) ten years after the grant date; or (2) six months after the date an individual ceases to be an outside director. Prior to 2007, CNH also issued automatic option awards, which vest after the third anniversary of the grant date.

At 31 December 2009 and 2008, there were 700,058 and 746,067 common shares, respectively reserved for issuance under the CNH Directors' Plan. Outside directors do not receive benefits upon termination of their service as directors.

A summary of outstanding stock options under the CNH Directors' Plan at 31 December 2009 and 2008 is as follows:

	At 31 December 2009		At 31 December 2008	
Exercise price (in USD)	Options outstanding	Weighted Average remaining contractual life (in years)	Options outstanding	Weighted Average emaining contractual life (in years)
10.22 – 16.00	26,063	9.2	11,358	8.0
16.01 – 26.00	30,612	7.2	19,656	6.7
26.01 – 40.00	40,295	6.6	40,295	7.6
40.01 – 56.00	11,162	8.1	11,162	9.1
56.01 – 66.54	9,287	5.5	10,037	6.1
Total	**117,419**		**92,508**	

Changes during the year under the CNH Directors' Plan are as follows:

	2009		2008	
	Number of options	Average exercise price (in USD)	Number of options	Average exercise price (in USD)
Outstanding at the beginning of the year	92,508	31.01	73,841	30.93
Granted	29,661	15.51	18,667	31.35
Forfeited	-	-	-	-
Exercised	(4,000)	9.23	-	-
Expired	(750)	77.05	-	-
Outstanding at the end of the year	**117,419**	**27.54**	**92,508**	**31.01**
Exercisable at the end of the year	**117,419**	**27.54**	**64,508**	**32.45**

The CNH Equity Incentive Plan (the "CNH EIP")

The plan provides for grants of various types of awards on specific performance targets for the Sector linked to the IFRS results of CNH, to officers and employees of CNH and its subsidiaries. As of 31 December 2009, CNH has reserved 15,900,000 shares for the CNH EIP (15,900,000 shares at December 31, 2008). The plan envisages stock option and share incentives as described below.

Stock option plan

Prior to 2006, certain stock option grants were issued which vest rateably over four years from the grant date and expire after ten years. Additionally, certain performance-based options, which had an opportunity for accelerated vesting tied to the attainment of specified performance criteria were issued; however, the performance criteria were not achieved. In any event, vesting of these performance-based options occurred seven years from the grant date. All options granted prior to 2006 have a contract life of ten years.

Except as noted below, the exercise prices of all options granted under the CNH EIP are equal to or greater than the fair market value of CNH Global N.V. common shares on the respective grant dates. During 2009 and 2001, CNH granted stock options with an exercise price less than the quoted market price of CNH common shares at the date of grant. The exercise price of these grants was based upon the average closing price of CNH common shares on the New York Stock Exchange for the thirty-day period preceding the date of grant.

Beginning in 2006, CNH began to issue awards under plans providing performance-based stock options, performance-based shares and cash. In April, 2009, CNH granted approximately 4.1 million performance-based stock options (at specific target award levels) under the CNH EIP. Target performance levels for 2009 were not fully achieved, resulting in only a partial vesting. One-third of the options vested with the approval of 2009 results by the Board of Directors in January 2010. The remaining options will vest equally on the first and second anniversary of the initial vesting date. It is expected that 2.2 million of these options will vest based on CNH's 2009 results. Options granted under the CNH EIP in 2009 have a contractual life of five years from the initial vesting date.

The following table summarises outstanding stock options under the CNH EIP:

	At 31 December 2009			At 31 December 2008	
Exercise Price (in USD)	Number of options Outstanding	Weighted Average remaining Contractual life (in years)	Average Exercise Price (in USD)	Number of options Outstanding	Average Exercise Price (in USD)
13.58 – 19.99	2,243,243	5.0	13.70	111,688	16.18
20.00 – 29.99	186,760	2.2	21.20	225,908	21.20
30.00 – 39.99	1,256,178	2.9	37.21	1,518,935	37.23
40.00 – 68.85	646,654	3.3	52.80	861,578	55.47
Total	**4,332,835**			**2,718,109**	

Changes during the period in all CNH stock option plans are as follows:

	2009		2008	
	Number of shares	Average exercise price (in USD)	Number of shares	Average exercise price (in USD)
Outstanding at the beginning of the year	2,718,109	40.82	2,471,238	38.08
Granted	4,144,800	13.58	1,299,474	48.75
Forfeited	(2,404,528)	18.06	(913,064)	46.70
Exercised	(8,136)	18.65	(139,539)	27.71
Expired	(117,410)	68.85	-	-
Outstanding at the end of the year	**4,332,835**	**26.67**	**2,718,109**	**40.82**
Exercisable at the end of the year	**1,488,840**	**37.81**	**1,142,411**	**40.74**

Performance Share Grants

Under the CNH EIP, performance-based shares may also be granted to selected key employees and executive officers. CNH establishes the period and conditions of performance for each award and holds the shares during the performance period. Performance-based shares vest upon the attainment of specified performance objectives.

The following table reflects performance-based share activity under the CNH EIP:

	2009		2008	
	Number of shares	Weighted average grant date fair value (in USD)	Number of shares	Weighted average grant date fair value (in USD)
Non-vested at the beginning of the year	1,870,500	31.28	2,011,790	30.82
Granted	25,000	11.83	100,000	26.76
Forfeited	(546,500)	30.52	(155,000)	28.09
Vested	-	-	(86,290)	21.22
Non-vested at the end of the year	**1,349,000**	**31.22**	**1,870,500**	**31.28**

In connection with the new performance-based plans which were approved in 2006, CNH introduced the Top Performance Plan ("TPP"), under which CNH has granted performance based, non-vested share awards to approximately 200 of the Sector's top executives. The TPP performance shares vest only if specified targets are achieved in 2009, or 2010.

TPP performance shares were granted in 2006, 2007, 2008 and 2009. The fair value of TPP awards have been estimated for each potential service period over which the award may vest. The total estimated expense varies depending on the period during which targets are expected to be achieved.

In 2006 and 2007, CNH recognised expense for TPP awards based an assumption that the specified performance targets would be achieved in 2009. In 2008, CNH did not achieve these performance targets and reversed all previously recognised share-based compensation expense for €7 million (US$11 million) as a result of a change in estimate. In 2009, CNH did not recognise any share-based compensation expense related to the TPP awards as achievement of the performance targets did not occur in 2009 and they were consequently revised for 2010.

As of 31 December 2009, there were 8,332,115 CNH Global N.V. common shares (9,433,477 CNH Global N.V. common shares at 31 December 2008) available for issue under the CNH EIP.

The Black-Scholes pricing model was used to calculate the fair value of stock options by CNH – Case New Holland Sector. The weighted-average assumptions used under the Black-Scholes pricing model were as follows:

	2009		2008	
	Directors' Plan	Equity Incentive Plan	Directors' Plan	Equity Incentive Plan
Option life (years)	5.00	3.73	5.00	3.59
Price volatility of CNH Global N.V. shares (%)	62.9	70.6	45.0	40.5
Expected dividend yield (%)	0.8	0.7	0.9	0.9
Risk-free interest rate (%)	2.2	1.6	2.4	3.0

Based on this model, the weighted-average fair values of stock options awarded by CNH for the years ended 31 December 2009, and 2008 were as follows:

(in USD)	2009	2008
Directors' Plan	8.03	11.70
Equity incentive plan	9.03	12.95

The total cost recognised in the 2009 income statement for all share-based compensation linked to CNH Global N.V. ordinary shares amounted to €10 million (€0.2 million in 2008).

Stock option plan linked to Ferrari S.p.A. ordinary shares

Under this scheme, certain employees of Ferrari S.p.A., and the Chairman and the Chief Executive Officer of the company at the time, have the option to acquire respectively 207,200 and 184,000 Ferrari S.p.A. ordinary shares at a strike price of €175 per share. Under the scheme the options may be exercised until 31 December 2010, wholly or partially, and are subject to a limited extent to the company's listing process. At 31 December 2009 the employees and the Chairman held respective totals of 43,900 and 80,000 stock option rights under this scheme, all of whose exercise rights are subordinated to the listing of the company.

Cash-settled share-based payments

Various entities belonging to the former joint venture with General Motors reached agreements with certain employees in 2001, 2002, 2003 and 2004 over four cash-settled share-based payment schemes entitled Stock Appreciation Rights (SAR) plans. Under these plans, certain of the employees involved have the right to receive a payment corresponding to the increase in price between the grant date and the exercise date of General Motors $1 2/3 shares listed in New York and Fiat S.p.A. ordinary shares listed in Milan. The right is exercisable from the vesting date to the expiry date of the plans and is subordinated to certain conditions (*Non-Market Conditions "NMC"*). The contractual terms of these rights are as follows:

Plan	Grant date	Vesting date From	Vesting date Until	Outstanding rights on GM $1 2/3 shares at 31 December 2009	Outstanding rights on Fiat S.p.A. shares at 31 December 2009	Grant price GM $1 2/3 (in USD)	Grant price Fiat S.p.A. (€)	Vesting portion
2001 (Expired)	12 February 2002	1° March 2002	12 February 2009	-	-	49.57	15.50	100%*NMC
2002	12 February 2002	12 February 2003	12 February 2010	-	118,110	49.57	15.50	1/3*NMC
		12February 2004	12 February 2010					1/3*NMC
		12 February 2005	12 February 2010					1/3*NMC
2003	11 February 2003	11 February 2004	11 February 2011	-	60,854	36.26	7.95	1/3*NMC
		11 February 2005	11 February 2011					1/3*NMC
		11 February 2006	11 February 2011					1/3*NMC
2004	10 February 2004	10 February 2005	11 February 2012	-	45,456	49.26	6.03	1/3*NMC
		10 February 2006	11 February 2012					1/3*NMC
		10 February 2007	11 February 2012					1/3*NMC

With reference to the stock appreciation rights on the General Motors $1 2/3 shares, the plans are no longer applicable following the Chapter 11 procedure involving General Motors.

Changes during the period are as follows:

	Rights on GM $1 2/3 shares	Rights on Fiat S.p.A. shares
Outstanding at the beginning of the year	**176,747**	**397,820**
Granted	-	-
Forfeited	-	(34,334)
Exercised	-	(25,550)
Expired	(176,747)	(113,516)
Outstanding at 31 December 2009	**-**	**224,420**
Exercisable at 31 December 2009	**-**	**224,420**
Exercisable at 31 December 2008	**176,747**	**397,820**

In accordance with IFRS 2, the Group measures the liability arising from cash-settled share-based payment transactions at fair value at each reporting date and at the date of settlement; the changes in the fair value of these liabilities are recognised in the income statement for the period. At 31 December 2009 and 2008, the Group measured the fair value of the liabilities generated by these plans using the binomial method based on the following assumptions:

	At 31 December 2009	At 31 December 2008	
	Fiat S.p.A. ordinary share	GM $1 2/3 share	Fiat S.p.A. ordinary share
Closing price	**€10.26**	$3.36	€4.59
Expected volatility (%)	**59.89**	109.81	74.17
Expected dividend yield (%)	(a)	-	(a)

(a) The dividends expected to be paid on the ordinary shares of Fiat S.p.A. and used in the binomial model to calculate the fair value of these stock appreciation rights at 31 December 2008 are those declared by the Group in 2006. The dividends expected to be paid on the ordinary shares of Fiat S.p.A. and used to calculate the fair value of these stock appreciation rights at 31 December 2009 have been taken from an external provider.

The fair value of the above mentioned rights at 31 December 2009 and at 31 December 2008 amounts to:

	Fair value at 31 December 2009	Fair value at 31 December 2008	
(€)	Fiat S.p.A. ordinary share	GM $1 2/3 share	Fiat S.p.A. ordinary share
2002 Plan	**0.02**	0.03	0.11
2003 Plan	**3.57**	0.31	0.78
2004 Plan	**5.23**	0.51	1.23

The liability arising on this plan at 31 December 2009 amounted to €0.5 million (€0.2 million at 31 December 2008). The intrinsic value of these plans at 31 December 2009, amounted to €0.3 million (zero at 31 December 2008).

25. Provisions for employee benefits

Group companies provide post-employment benefits for their active employees and for retirees, either directly or by contributing to independently administered funds. The way these benefits are provided varies according to the legal, fiscal and economic conditions of each country in which the Group operates, the benefits generally being based on the employees' remuneration and years of service.

Group companies provide post-employment benefits under defined contribution and/or defined benefit plans.

In the case of defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. Once the contributions have been paid, the Group has no further payment obligations. The entity recognise the contribution cost when the employee has rendered his service and includes this cost by destination in Cost of sales, Selling, general and administrative costs and Research and development costs. In 2009, these expenses totalled €1,292 million (€1,366 million in 2008).

Defined benefit plans may be unfunded, or they may be wholly or partly funded by contributions by an entity, and sometimes by its employees, into an entity, or fund, that is legally separate from the employer and from which the employee benefits are paid. Benefits are generally payable under these plans after the completion of employment. The plans are classified by the Group on the basis of the type of benefit provided as follows: Reserve for employee severance indemnity (TFR), Pension plans, Health care plans and Other.

Reserve for employee severance indemnity ("TFR")

The TFR consists of the residual obligation for severance indemnities which was required until 31 December 2006 under Italian legislation to be paid to employees of Italian companies with more than 50 employees when leaving the company, and accrued over the employee's working life for other companies. This provision is settled to retiree employees and may be partially paid in advance if certain conditions are met. This defined benefit post-employment plan is unfunded.

Pension plans

The item Pension plans consists principally of the obligations of Group companies operating in the United States (mainly to the CNH – Case New Holland Sector) and in the United Kingdom towards certain employees and former employees of the Group.

Under these plans a contribution is generally made to a separate fund (trust) which independently administers the plan assets. The Group's funding policy is to contribute amounts to the plan equal to the amounts required to satisfy the minimum funding requirements prescribed by the laws and regulations of each individual country. Prudently the Group makes discretionary contributions in addition to the funding requirements. If these funds are overfunded, that is if they present a surplus compared to the requirements of law, the Group companies concerned may not be required to contribute to the plan in respect of the minimum performance requirement as long as the fund is in surplus.

The investment strategy for these assets depends on the features of the plan and on the maturity of the obligations. Typically long-term plan benefit obligations are funded by investing mainly in equity securities; short and medium-term plan benefit obligations are funded by investing in fixed income securities, which are less volatile.

In the United Kingdom the Group participates in a plan financed by various entities belonging to the Group, called the "Fiat Group Pension Scheme", amongst others. Under this plan, participating employers make contributions on behalf of their active employees (active), retirees and employees who have left the Group but have not yet retired (deferred).

Health care plans

The item Health care plans comprise obligations for health care and insurance plans granted to employees of the Group working in the United States and Canada (mostly relating to CNH – Case New Holland Sector). These plans generally cover employees retiring on or after reaching the age of 55 who have had at least 10 years of service. CNH United States salaried and non-represented hourly and Canada employees hired after 1 January 2001 and 1 January 2002, respectively, are not eligible for health care and insurance benefits under the CNH plans. Until 31 December 2006 these plans were fully unfunded; starting in 2007, the Group began making contributions on a voluntary basis to a separate and independently managed fund established to finance the North American health care plans.

Other

The item Other includes loyalty bonuses, which are due to employees who reach a specified seniority and are generally settled when an employee leaves the Group; and for French entities, the *Indemnité de depart à la retraite*, a plan similar to the Italian TFR. These schemes are unfunded.

Provisions for employee benefits at 31 December 2009 and 2008 are as follows:

(€ million)	**At 31 December 2009**	At 31 December 2008
Post-employment benefits:		
Employee severance indemnity	**1,086**	1,129
Pension Plans	**611**	616
Health care plans	**844**	876
Other	**242**	247
Total Post-employment benefits	**2,783**	2,868
Other provisions for employees	**504**	329
Other long-term employee benefits	**160**	169
Total Provision for employee benefits	**3,447**	**3,366**
Defined benefit plan assets	**132**	108
Total Defined benefits plan assets	**132**	**108**

The item Other provisions for employees consists of the best estimate at the balance sheet date of short-term employee benefits payable by the Group within twelve months after the end of the period in which the employees render the related service.

The item Other long-term employee benefits consists of the Group's obligation for those benefits generally payable during employment on reaching a certain level of seniority in the company or when a specified event occurs, and reflects the probability of payment and the length of time over which this will be made.

In 2009 and in 2008 changes in Other provisions for employees and in Other long-term employee benefits are as follows:

(€ million)	At 31 December 2008	Provision	Utilisation	Change in the scope of consolidation and other changes	At 31 December 2009
Other provisions for employees	**329**	363	(152)	(36)	**504**
Other long-term employee benefits	**169**	11	(20)	-	**160**
Total	**498**	**374**	**(172)**	**(36)**	**664**

(€ million)	At 31 December 2008	Provision	Utilisation	Change in the scope of consolidation and other changes	At 31 December 2009
Other provisions for employees	437	242	(260)	(90)	329
Other long-term employee benefits	170	17	(21)	3	169
Total	607	259	(281)	(87)	498

Post-employment benefits and other long-term employee benefits are calculated on the basis of the following assumptions:

	At 31 December 2009				At 31 December 2008			
(in %)	Italy	USA	UK	Other	Italy	USA	UK	Other
Discount rate	5.02	5.5	5.75	5.5	5.1	6.1	6.5	6.0
Future salary increase	4.02	n/a	3.5	3	4.65	n/a	3.1	2.5-3.75
Inflation rate	2.00	n/a	3.5	2	2.0	n/a	3.1	2.0
Weighted average, initial healthcare cost trend rate	n/a	9	n/a	n/a	n/a	9	n/a	n/a
Weighted average, ultimate healthcare cost trend rate	n/a	5	n/a	n/a	n/a	5	n/a	n/a
Expected return on plan assets	n/a	8	7	n/a	n/a	7.75-8	7.0	n/a

Assumed discount rates are used in measurements of pension and postretirement benefit obligations and interest cost components of net periodic cost. The Group selects its assumed discount rates based on the consideration of equivalent yields on high-quality fixed income investments at the measurement date.

The assumed health care trend rate represents the rate at which health care costs are assumed to increase. Rates are determined based on the Agricultural and Construction Equipment Sector specific experience and various trend factors including general and health care sector-specific inflation projections from the United States Department of Health and Human Services Health Care Financing Administration. The initial trend is a short-term assumption based on recent experience and prevailing market conditions. The ultimate trend is a long-term assumption of health care cost inflation based, among others on general inflation, incremental medical inflation, technology, new medicine, aging population and a changing mix of medical services.

The expected long-term rate of return on plan assets reflects management’s expectations on long-term average rates of return on funds invested to provide for benefits included in the projected benefit obligations. The expected return is based on the outlook for inflation, fixed income returns and equity returns, while also considering asset allocation and investment strategy, premiums for active management to the extent asset classes are actively managed and plan expenses. Return patterns and correlations, consensus return forecasts and other relevant financial factors are analysed to check for reasonability and appropriateness.

The amounts recognised in the statement of financial position for post-employment benefits at 31 December 2009 and 2008 are as follows:

	Employee severance indemnity		Pension Plans		Health care plans		Other	
(€ million)	At 31 December 2009	At 31 December 2008	At 31 December 2009	At 31 December 2008	At 31 December 2009	At 31 December 2008	At 31 December 2009	At 31 December 2008
Present value of funded obligations	-	-	1,876	1,614	754	821	-	-
Fair Value of plan assets	-	-	(1,796)	(1,554)	(46)	(39)	-	-
	-	-	80	60	708	782	-	-
Present value of unfunded obligations	1,001	1,062	692	653	40	27	258	288
Unrecognised actuarial gains (losses)	85	67	(299)	(211)	86	49	(5)	(10)
Unrecognised past service cost	-	-	-	-	10	18	(11)	(31)
Unrecognised assets	-	-	6	6	-	-	-	-
Net liability	**1,086**	**1,129**	**479**	**508**	**844**	**876**	**242**	**247**
Amounts at year end:								
Liabilities	1,086	1,129	611	616	844	876	242	247
Assets	-	-	(132)	(108)	-	-	-	-
Net liability	**1,086**	**1,129**	**479**	**508**	**844**	**876**	**242**	**247**

The amounts recognised in the income statement for Post-employment benefits are as follows:

	Employee severance indemnity		Pension Plans		Health care plans		Other	
(€ million)	2009	2008	2009	2008	2009	2008	2009	2008
Current service cost	-	-	23	37	6	5	13	14
Interest costs	55	53	142	147	52	48	14	14
Expected return on plan assets	-	-	(113)	(151)	(3)	(6)	-	-
Net actuarial losses (gains) recognised	-	-	23	2	(2)	-	(1)	-
Past service costs	-	-	-	1	(17)	(8)	1	2
Paragraph 58 adjustment	-	-	1	(2)	-	-	-	-
Losses (gains) on curtailments and settlements	-	-	8	(2)	4	-	(2)	(6)
Total Costs (gains)	**55**	**53**	**84**	**32**	**40**	**39**	**25**	**24**
Actual return on plan assets	**n/a**	**n/a**	**235**	**(274)**	**9**	**(11)**	**n/a**	**n/a**

Changes in the present value of Post-employment obligations are as follows:

(€ million)	Employee severance indemnity 2009	Employee severance indemnity 2008	Pension Plans 2009	Pension Plans 2008	Health care plans 2009	Health care plans 2008	Other 2009	Other 2008
Present value of obligation at the beginning of the year	**1,062**	**1,133**	**2,267**	**2,730**	**848**	**817**	**288**	**279**
Current service cost	-	-	23	37	6	5	13	14
Interest costs	55	53	142	147	52	48	14	14
Contribution by plan participants	-	-	4	5	3	3	-	-
Actuarial losses (gains) generated	(17)	(17)	255	(262)	(36)	(13)	(2)	(9)
Exchange rate differences	-	-	36	(218)	(23)	40	-	(3)
Benefits paid	(102)	(100)	(161)	(163)	(51)	(52)	(31)	(35)
Past service cost	-	-	-	-	(10)	-	(19)	21
Change in scope of consolidation	(2)	33	-	10	-	-	(1)	(3)
(Gains) Losses on curtailments	-	-	4	(2)	4	-	(2)	(6)
(Gains) Losses on settlements	-	-	(2)	-	-	-	-	-
Other changes	5	(40)	-	(17)	1	-	(2)	16
Present value of obligation at the end of the year	**1,001**	**1,062**	**2,568**	**2,267**	**794**	**848**	**258**	**288**

The past service cost arising as Other obligations in 2008 regards changes in French regulations relating to the Indemnité de depart à la retraite plan (the National Interprofessional Agreement – ANI) which led to an increase in the minimum amount due to employees in the event of voluntary resignation, determining a past service cost to be recognised in income over the average remaining service period of employees included in the agreement. From 2009, following further changes in the regulations and as the result of new interpretations, the Group no longer recognised this past service cost.

Changes in the fair value of plan assets are as follows:

(€ million)	Pension Plans 2009	Pension Plans 2008	Health care plans 2009	Health care plans 2008
Fair value of plan assets at the beginning of the year	**1,554**	**2,036**	**39**	**47**
Expected return on plan assets	113	151	3	6
Actuarial gains (losses) generated	122	(425)	6	(17)
Exchange rate differences	40	(208)	(2)	3
Contribution by employer	113	139	48	49
Contribution by plan participants	4	5	3	3
Benefits paid	(148)	(150)	(51)	(52)
Change in scope of consolidation	-	7	-	-
(Gains) losses on settlements	(2)	-	-	-
Other changes	-	(1)	-	-
Fair value of plan assets at the end of the year	**1,796**	**1,554**	**46**	**39**

As discussed earlier, the Group, and in particular the companies of the CNH – Case New Holland Sector, began making contributions on a voluntary basis in 2007 to a separate and independently managed fund established to finance the North American health care plans.

Plan assets for Post-employment benefits and Health-care benefits mainly consist of listed equity instruments and fixed income securities; plan assets do not include treasury shares of Fiat S.p.A. or properties occupied by Group companies.

Plan assets may be summarised as follows:

(in %)	At 31 December 2009	At 31 December 2008
Third party equity instruments	**37**	35
Third party debt instruments	**50**	57
Properties occupied by third parties	**1**	1
Other assets	**12**	7

Assumed health care cost trend rates have a significant effect on the amount recognised in the 2009 income statement. A one percentage point change in assumed health care cost trend rates would have the following effects:

(€ million)	One percentage point increase	One percentage point decrease
Effect on the aggregate of the service costs and interest cost	**5**	(5)
Effect on defined benefit obligation	**76**	(64)

The present value of the defined benefit obligations, the fair value of plan assets and the surplus or deficit of the plans for 2009 and at the end of the four previous years is as follows:

(€ million)	At 31 December 2009	At 31 December 2008	At 31 December 2007	At 31 December 2006	At 31 December 2005
Present value of obligation:					
Employee severance indemnity	**1,001**	1,062	1,133	1,362	1,417
Pension plans	**2,568**	2,267	2,730	3,107	3,186
Health care plans	**794**	848	817	1,109	1,417
Others	**258**	288	279	278	323
Fair value of plan assets:					
Pension plans	**1,796**	1,554	2,036	2,176	2,115
Health care plans	**46**	39	47	-	-
Surplus (deficit) of the plan:					
Employee severance indemnity	**(1,001)**	(1,062)	(1,133)	(1,362)	(1,417)
Pension plans	**(772)**	(713)	(694)	(931)	(1,071)
Health care plans	**(748)**	(809)	(770)	(1,109)	(1,417)
Others	**(258)**	(288)	(279)	(278)	(323)

The best estimate of expected contribution to pension and health care plan for 2010 is as follows:

(€ million)	2010
Pension plans	**136**
Health care plans	**59**
Total expected contribution	**195**

26. Other provisions

Changes in Other provisions are as follows:

(€ million)	At 31 December 2008	Charge	Utilisation	Release to income	Other changes	At 31 December 2009
Warranty provision	1,498	1,113	(1,096)	(86)	50	**1,479**
Restructuring provision	279	254	(157)	(15)	(2)	**359**
Investment provision	48	-	-	-	2	**50**
Other risks	2,953	3,196	(2,976)	(191)	115	**3,097**
Total Other provisions	**4,778**	**4,563**	**(4,229)**	**(292)**	**165**	**4,985**

The effect of discounting provisions amounts to €10 million in 2009 and has been included in the Other changes as the positive effect of exchange rate differences amounting to €170 million.

The warranty provision represents management's best estimate of commitments given by the Group for contractual, legal or constructive obligations arising from product warranties given for a specified period of time which begins at the date of delivery to the customer. This estimate has been calculated considering past experience and specific contractual terms. This provision also includes management's best estimate of the costs that are expected to be incurred in connection with product defects that could result in a larger recall of vehicles. This provision for risks is developed through an assessment of reported damages or returns on a case-by-case basis.

The restructuring provision comprises the estimated amount of benefits payable to employees on termination in connection with restructuring plans amounting to €294 million at 31 December 2009 (€217 million at 31 December 2008), other costs for exiting activities amounting to €32 million at 31 December 2009 (€34 million at 31 December 2008) and other costs totalling €33 million at 31 December 2009 (€28 million at 31 December 2008).

The total balance at 31 December 2009 relates to restructuring programs of the following Sectors (in € million): Fiat Group Automobiles 101 (91 at 31 December 2008); Components 73 (65 at 31 December 2008); FPT Powertrain Technologies 63 (19 at 31 December 2008); Agricultural and Construction equipment 50 (17 at 31 December 2008); Trucks and Commercial Vehicles 17 (21 at 31 December 2008); Production Systems 15 (20 at 31 December 2008); Metallurgical Products 9 (16 at 31 December 2008); other Sectors 31 (30 at 31 December 2008).

The provision for other risks represents the amounts set aside by the individual companies of the Group principally in connection with contractual and commercial risks and disputes. The more significant balances of these provisions are as follows:

(€ million)	At 31 December 2009	At 31 December 2008
Sales incentives	**829**	939
Legal proceedings and other disputes	**743**	729
Commercial risks	**677**	580
Environmental risks	**71**	77
Indemnities	**53**	61
Other reserves for risk and charges	**724**	567
Total Other risks	**3,097**	**2,953**

A description of these follows:

- *Sales incentives* - these provisions relate to sales incentives that are offered on a contractual basis to the Group's dealer networks, primarily on the basis of the dealers achieving a specific cumulative level of sales transactions during the calendar year. This provision is estimated based on the information available regarding the sales made by the dealers during the calendar year. The provision also includes sales incentives such as cash rebates announced by the Group and provided by dealers to customers, for which the dealers are reimbursed. The Group records these provisions when it is probable that the incentive will be provided and the Group's inventory is sold to its dealers. The Group estimates these provisions based on the expected use of these rebates with respect to the volume of vehicles that has been sold to the dealers.
- *Legal proceedings and other disputes* - this provision represents management's best estimate of the liability to be recognised by the Group with regard to:
  - Legal proceedings arising in the ordinary course of business with dealers, customers, suppliers or regulators (such as contractual or patent disputes).
  - Legal proceedings involving claims with active and former employees.
  - Legal proceedings involving different tax authorities.

  None of these provisions is individually significant. Each Group company recognises a provision for legal proceedings when it is deemed probable that the proceedings will result in an outflow of resources. In determining their best estimate of the probable liability, each Group company evaluates their legal proceedings on a case-by-case basis to estimate the probable losses that typically arise from events of the type giving rise to the liability. Their estimate takes into account, as applicable, the views of legal counsel and other experts, the experience of the Group and others in similar situations and the Group's intentions with regard to further action in each proceeding. Fiat's consolidated provision aggregates these individual provisions established by each of the Group's companies.
- *Commercial risks* - this provision includes the amount of obligations arising in connection with the sale of products and services such as maintenance contracts. An accrual is recorded when the expected costs to complete the services under these contracts exceed the revenues expected to be realised.
- *Environmental risks* - based upon currently available information, the reserve represents management's best estimate of the Group's possible environmental obligations. Amounts included in the estimate comprise direct costs to be incurred in connection with environmental obligations associated with current or formerly owned facilities and sites. This provision also includes costs related to claims on environmental matters.
- *Indemnities* - the reserve for indemnities relates to contractual indemnities provided by the Group in connection with divestitures carried out in 2009 and prior years. These liabilities primarily arise from indemnities relating to contingent liabilities in existence at the time of the sale, as well as those covering any breach of the representations and warranties provided in the contract and, in certain instances, environmental or tax matters. These provisions were determined estimating the amount of the expected outflow of resources, taking into consideration the relevant level of probability of occurrence.

27. Debt

A breakdown of debt and an analysis by due date is as follows:

(€ million)	At 31 December 2009 due within one year	due between one and five years	due beyond five years	Total	At 31 December 2008 due within one year	due between one and five years	due beyond five years	Total
Asset-backed financing	4,536	2,535	15	7,086	4,647	1,845	171	6,663
Bonds	1,451	7,189	2,757	11,397	785	4,642	1,609	7,036
Borrowings from banks	3,531	4,553	310	8,394	3,250	2,953	163	6,366
Payables represented by securities	229	155	-	384	94	16	-	110
Other	864	137	265	1,266	793	162	249	1,204
Total Other debt	6,075	12,034	3,332	21,441	4,922	7,773	2,021	14,716
Total Debt	**10,611**	**14,569**	**3,347**	**28,527**	**9,569**	**9,618**	**2,192**	**21,379**

The item Asset-backed financing represents the amount of financing received through both securitisation and factoring transactions which do not meet IAS 39 derecognition requirements and is recognised as an asset in the statement of financial position under the item Receivables from financing activities (Note 19).

At 31 December 2009 Debt had increased by €7,148 million mainly due to increases in Borrowings from banks and to the issue of bonds for a total of €4,917 million, partially offset by repayments of bonds for €526 million.

More specifically, the principal bonds issued in 2009 were:

- A bond issued at a price of 99.367 by Fiat Finance and Trade Ltd. S.A. as part of the Global Medium Term Notes Programme, having a nominal value of €1,250 million, falling due in 2012 and bearing fixed interest at a rate of 9%.
- A bond issued at a price of 99.498 by Fiat Finance and Trade Ltd. S.A. as part of the Global Medium Term Notes Programme, having a nominal value of €1,250 million, falling due in 2014 and bearing fixed interest at a rate of 7.625%.
- A bond issued at a price of 99.935 by Fiat Finance and Trade Ltd. S.A. as part of the Global Medium Term Notes Programme, having a nominal value of €1,500 million, falling due in 2015 and bearing fixed interest at a rate of 6.875%.
- A bond issued at a price of 97.062 by Case New Holland Inc. ("CNH Inc."), having a nominal value of US$1 billion, falling due in 2013 and bearing fixed interest at a rate of 7.75%, payable semi-annually.

In addition, the third fixed annual instalment of €123 million of the "Fiat Step-up amortizing" bond (issued under the Global Medium Term Notes Programme), a bond issued by Case New Holland Inc. in 2004 (due on 1 June 2009) for US$500 million (equivalent to €358 million) and a minor bond of €45 million were all repaid at their due dates in 2009.

The bonds issued by the Group are governed by different terms and conditions according to their type as follows:

- Global Medium Term Note (GMTN Programme): a maximum of €15 billion may be used under this Program, of which notes of approximately €8.8 billion have been issued to date; the Program is guaranteed by Fiat S.p.A. The issuer taking part in the program include Fiat Finance & Trade Ltd. S.A. for an amount outstanding of €7.8 billion and Fiat Finance North America Inc. with a bond having a nominal value of €1 billion.
- Other bonds: these refer to the following issues:
  - a bond issued by Fiat Finance & Trade Ltd. S.A. having a nominal value of €1 billion, issued at par, bearing fixed interest at 6.625% and repayable on 15 February 2013.
  - a bond issued by CNH Inc. having for an amount of 500 million of US dollars (equivalent to €347 million), issued in 2006 at par, bearing annual interest at 7.125% and repayable in 2014.
  - bonds issued by CNH America LLC for a total amount outstanding of 254 million of US dollars, equivalent to €177 million and repayable in 2016.

The unaudited prospectuses and offering circulars, or their abstracts, relating to the principal bond issues are available on the Group's website at www.fiatgroup.com under "Investor Relations – Financial Reports".

Most of the bonds issued by the Group impose covenants on the issuer and, in certain cases, on Fiat S.p.A. as guarantor, which is standard international practice for similar bonds issued by companies in the same industry sector as the Group. Such covenants include: (i) negative pledge clauses which require that bonds benefit from any existing or future pledges of assets of the issuer and/or Fiat S.p.A. granted in connection with other bonds or debt securities having the same ranking; (ii) *pari passu* clauses, under which no obligations ranking senior to the bonds in question may be assumed; (iii) periodic disclosure obligations; (iv) for certain bond issues, cross-default clauses which require immediate repayment of the bonds under certain events of default on other financial instruments issued by the Group; and, (v) other clauses that are generally applicable to securities of a similar type.

The above-mentioned bonds issued by CNH Inc. and repayable in 2014 contain, moreover, financial covenants common to the high yield American bond market which place restrictions, among other things, on the possibility of the issuer and certain companies of the CNH group to secure new debt, pay dividends or buy back treasury shares, realise certain investments, conclude transactions with associated companies, give collateral on its assets, conclude sale and leaseback transactions, sell certain fixed assets or merge with other companies, and financial covenants which impose a maximum limit on further indebtedness by the CNH group companies which cannot exceed a specific ratio of cash flows to dividend payments and financial expenses.

The above commitments and covenants are subject to various exceptions and limitations and, in particular, some of them would no longer be binding or would be less restrictive if the bonds issued by CNH were assigned an investment grade rating by Standard & Poor's Rating Services and Moody's Investors Service.

The major bond issues outstanding at 31 December 2009 are the following:

	Currency	Face value of outstanding bonds (in million)	Coupon	Maturity	Outstanding amount (€ million)
Global Medium Term Notes:					
Fiat Finance and Trade Ltd S.A. (1)	EUR	1,000	6.250%	24 February 2010	1,000
Fiat Finance and Trade Ltd S.A. (1)	EUR	1,300	6.750%	25 May 2011	1,300
Fiat Finance and Trade Ltd S.A. (1)	EUR	247	(2)	(2)	247
Fiat Finance and Trade Ltd S.A. (1)	EUR	1,000	5.625%	15 November 2011	1,000
Fiat Finance and Trade Ltd S.A. (3)	EUR	1,250	9.000%	30 July 2012	1,250
Fiat Finance and Trade Ltd S.A. (3)	EUR	200	5.750%	18 December 2012	200
Fiat Finance and Trade Ltd S.A. (3)	EUR	1,250	7.625%	15 September 2014	1,250
Fiat Finance and Trade Ltd S.A. (3)	EUR	1,500	6.875%	13 February 2015	1,500
Fiat Finance North America Inc. (3)	EUR	1,000	5.625%	12 June 2017	1,000
Others (4)					103
Total Global Medium Term Notes					**8,850**
Other bonds:					
Fiat Finance and Trade Ltd S.A. (3)	EUR	1,000	6.625%	15 February 2013	1,000
Case New Holland Inc.	USD	1,000	7.750%	1 September 2013	694
Case New Holland Inc. (5)	USD	500	7.125%	1 March 2014	347
CNH America LLC	USD	254	7.250%	15 January 2016	177
Total Other bonds					**2,218**
Hedging effect and amortised cost valuation					**329**
Total Bonds					**11,397**

(1) Bonds listed on the Mercato Obbligazionario Telematico of the Italian stock exchange (EuroMot). In addition, the majority of the bonds issued by the Fiat Group are also listed on the Luxembourg stock exchange.
(2) "Fiat Step-Up Amortizing 2001-2011" bonds repayable at face value in five equal annual instalments each for 20% of the total issued (€617 million) due beginning from the sixth year (7 November 2007) by reducing the face value of each bond outstanding by one-fifth. The last instalment will be repaid on 7 November 2011. The bonds pay coupon interest equal to: 4.40% in the first year (7 November 2002), 4.60% in the second year (7 November 2003), 4.80% in the third year (7 November 2004), 5.00% in the fourth year (7 November 2005), 5.20% in the fifth year (7 November 2006), 5.40% in the sixth year (7 November 2007), 5.90% in the seventh year (7 November 2008), 6.40% in the eighth year (7 November 2009), 6.90% in the ninth year (7 November 2010), 7.40% in the tenth year (7 November 2011).
(3) Bond listed on the Irish Stock Exchange.
(4) Bonds with amounts outstanding equal to or less than the equivalent of €50 million.
(5) On or after March 1, 2010, these Notes are redeemable at issuer's option at a price equal to 100% of the principal amount of the Notes plus, interests accrued, and a premium declining to par. This premium decrease over time and will be equal to zero from 1 March 2012.

The Group intends to repay the issued bonds in cash at due date by utilising available liquid resources. In addition, the companies in the Group may from time to time buy back bonds on the market that have been issued by the Group, also for purposes of their cancellation. Such buy backs, if made, depend upon market conditions, the financial situation of the Group and other factors which could affect such decisions.

Committed credit lines expiring after 12 months, amounting to approximately €3 billion, were entirely used at 31 December 2009.

The annual interest rates and the nominal currencies of debt at 31 December 2009 are as follows:

(€ million)	Interest rate less than 5%	from 5% to 7.5%	from 7.5% to 10%	from 10% to 12.5%	greater than 12.5%	Total
Euro	6,246	8,141	2,500	-	1	**16,888**
US dollar	3,964	1,378	694	6	-	**6,042**
Brazilian real	374	315	2,481	148	55	**3,373**
Canadian dollar	1,242	-	-	-	-	**1,242**
Australian dollar	61	501	-	-	-	**562**
Polish zloty	45	105	9	-	-	**159**
Chinese renminbi	113	32	-	-	-	**145**
Argentine peso	-	-	-	16	20	**36**
British pound	26	-	-	-	-	**26**
Other	40	-	9	3	2	**54**
Total Debt	**12,111**	**10,472**	**5,693**	**173**	**78**	**28,527**

Debt with annual nominal interest rates in excess of 12.5% relates principally to the companies operating in Argentina, Brazil and India.

For further information on the management of interest rate and currency risk reference should be made to the previous section Risk Management and to Note 33.

The fair value of Debt at 31 December 2009 amounts approximately to €28,844 million (approximately €19,932 million at 31 December 2008), determined using the quoted market price of financial instruments, if available, or the related future cash flows. The amount is calculated using the interest rates stated in Note 19, suitably adjusted to take account of the Group's current creditworthiness.

At 31 December 2009 the Group had outstanding financial lease agreements for certain property, plant and equipment whose net carrying amount totalling €304 million (€310 million at 31 December 2008) is included in the item Property, plant and equipment (Note 15). Payables for finance leases included in the item Other debt amount to €268 million at 31 December 2009 (€276 million at 31 December 2008) and are analysed as follows:

	At 31 December 2009				At 31 December 2008			
(€ million)	Due within one year	Due between one and five years	Due beyond five years	Total	Due within one year	Due between one and five years	Due beyond five years	Total
Minimum future lease payments	47	105	119	**271**	55	116	109	**280**
Interest expense	(1)	(2)	-	**(3)**	(2)	(2)	-	**(4)**
Present value of minimum lease payments	**46**	**103**	**119**	**268**	**53**	**114**	**109**	**276**

As discussed in Note 15, finance lease payables also relate to suppliers' assets recognised in the consolidated financial statements in accordance with IFRIC 4.

Debt secured by mortgages on assets of the Group amounts to €358 million at 31 December 2009 (€378 million at 31 December 2008), of which €268 million (€276 million at 31 December 2008) due to creditors for assets acquired under finance leases. The total carrying amount of assets acting as security for loans amounts to €446 million at 31 December 2009 (€466 million at 31 December 2008). In addition, it is recalled that the Group's assets include current receivables and cash with a pre-determined use to settle asset-backed financing of €7,086 million at 31 December 2009 (€6,663 million at 31 December 2008).

Net financial position

In compliance with Consob Regulation issued on 28 July 2006 and in conformity with CESR's "*Recommendations for the consistent implementation of the European Commission's Regulation on Prospectuses*" issued on 10 February 2005, the Net financial position of the Group is as follows:

(€ million)	At 31 December 2009	At 31 December 2009 of which Related parties	At 31 December 2008	At 31 December 2008 of which Related parties
A. Cash and cash equivalents	12,226	651	3,683	101
B. Cash and cash equivalents included as Assets held for sale	-	-	-	-
C. Current securities (securities held for trading)	217	-	177	-
D. Liquidity (D) = (A+B+C)	**12,443**	**651**	**3,860**	**101**
E. Receivables from financing activities (Current financial receivables)	**12,695**	**120**	**13,136**	**134**
of which: From jointly controlled financial services entities	14	14	3	3
F. Other financial assets	**636**	**52**	**764**	**46**
G. Debt	**28,527**	**1,144**	**21,379**	**773**
H. Other financial liabilities	**464**	**49**	**1,202**	**95**
I. Net financial position (I) = (D+E+F-G-H)	**(3,217)**	**(370)**	**(4,821)**	**(587)**

The item Receivables from financing activities includes the entire portfolio of the financial services entities, classified as current assets as they will be realised during the normal operating cycle of these companies.

The following is reconciliation between Net financial position as presented in the above table and Net debt as presented in the Report on Operations:

(€ million)	At 31 December 2009	At 31 December 2008
Consolidated net debt as presented in the Report on Operations	**(15,898)**	**(17,954)**
Less: Current financial receivables, excluding those due from jointly controlled financial services companies amounting to €14 million at 31 December 2009 (amounting to €3 million at 31 December 2008)	12,681	13,133
Net financial position	**(3,217)**	**(4,821)**

Reference should be made to Notes 19, 20, 21 and 22 and the information provided in this note for a further analysis of the items in the table.

28. Trade payables

An analysis by due date of trade payables is as follows:

	At 31 December 2009				At 31 December 2008			
(€ million)	Due within one year	Due between one and five years	Due beyond five years	Total	Due within one year	Due between one and five years	Due beyond five years	Total
Trade payables	12,281	13	1	**12,295**	13,224	33	1	**13,258**

The carrying amount of Trade payables is considered in line with their fair value at the balance sheet date.

29. Other current liabilities

An analysis of Other current liabilities is as follows:

(€ million)	At 31 December 2009	At 31 December 2008
Advances on buy-back agreements	**1,885**	2,256
Indirect tax payables	**1,082**	1,063
Accrued expenses and deferred income	**1,078**	1,024
Payables to personnel	**468**	527
Social security payables	**423**	408
Amounts due to customers for contract work (Note 18)	**81**	81
Other	**848**	826
Total current liabilities	**5,865**	**6,185**

An analysis of Other current liabilities (excluding Accrued expenses and deferred income) by due date is as follows:

	At 31 December 2009				At 31 December 2008			
(€ million)	Due within one year	Due between one and five years	Due beyond five years	Total	Due within one year	Due between one and five years	Due beyond five years	Total
Other current liabilities, excluding Accrued expenses and deferred income	3,859	891	37	**4,787**	4,279	844	38	**5,161**

The item Advances on buy-back agreements refers to agreements entered into by the Group during the year or which still remain effective at the balance sheet date. An amount of €1,042 million relate to assets included in Property, plant and equipment, with the balance of €843 million relating to Inventories. The item Advances on buy-back agreements represents the following:

- at the date of the sale, the price received for the product is recognised as an advance in liabilities;
- subsequently, since the difference between the original sales price and the repurchase price is recognised in the income statement as operating lease instalments on a straight line basis over the lease term, the balance represents the remaining lease instalments yet to be recognised in income plus the repurchase price.

The carrying amount of Other current liabilities is considered in line with their fair value.

30. Guarantees granted, commitments and contingent liabilities

Guarantees granted

At 31 December 2009, the Group has provided guarantees on the debt or commitments of third parties or jointly controlled and associated entities totalling €593 million, in line with the amount of €569 million at 31 December 2008.

Other commitments and important contractual rights

The Group has important commitments and rights deriving from outstanding agreements, summarised in the following.

Ferrari

On 24 July 2008 the expiry date of the call option held by Mubadala Development Company PJSC on 5% of Ferrari S.p.A.'s share capital was extended. This option is now exercisable between 1 January 2010 and 31 July 2010 at a price of €302.07 per share (for a total of €122.4 million) less any dividends which may be distributed.

Teksid
Fiat S.p.A. is subject to a put contract with Renault in reference to the original investment of 33.5% in Teksid, now 15.2%. In particular, Renault would acquire the right to exercise a sale option to Fiat on its interest in Teksid, in the following cases:

- in the event of non-fulfilment in the application of the protocol of the agreement and admission to receivership or any other redressement procedure;
- in the event Renault's investment in Teksid falls below 15% or Teksid decides to invest in a structural manner outside the foundry sector;
- should Fiat be the object of the acquisition of control by another car manufacturer.

The exercise price of the option is established as follows:

- for the original 6.5% of the share capital of Teksid, the initial investment price as increased by a given interest rate;
- for the remaining amount of share capital of Teksid, the share of the accounting net equity at the exercise date.

Chrysler Group LLC
As discussed in the Chrysler transaction section, Fiat is entitled to receive an additional interest in Chrysler of up to 15% (both by value and voting rights), on a fully diluted basis. This further interest will be granted to Fiat (with no cash consideration required) in three tranches of 5% each, subject to certain pre-established industrial and commercial targets being achieved. Should one or more of those targets not be reached, Fiat shall, in any event, have the option to purchase, at a price determined using a pre-established market-based formula, the percentage interest corresponding to the objective(s) not reached.

In addition, the Fiat Group has the option to purchase up to an additional 16% (exercisable from 1 January 2013 to 30 June 2016). The purchase price is to be determined using a pre-established market-based formula. This option may not be exercised until total loans outstanding from the US Treasury and the Canadian government fall below US$3 billion. In addition, Fiat's equity interest in Chrysler may in any case not exceed 49.9% until the loans from the US Treasury and Canadian government have been entirely repaid.

Sales of receivables
The Group has discounted receivables and bills without recourse having due dates after 31 December 2009 amounting to €4,611 million (€5,825 million at 31 December 2008, with due dates after that date), which refer to trade receivables and other receivables for €3,679 million (€4,054 million at 31 December 2008) and receivables from financing for €932 million (€1,771 million at 31 December 2008). These amounts include receivables, mainly from the sales network, sold to jointly-controlled financial services companies (FGA Capital) for €2,530 million (€3,181 million at 31 December 2008) and associated financial service companies (Iveco Finance Holdings, controlled by Barclays) for €440 million (€752 million at 31 December 2008).

Operating lease contracts
The Group enters into operating lease contracts for the right to use industrial buildings and equipments with an average term of 10-20 years and 3-5 years, respectively. The total future minimum lease payments under non-cancellable lease contracts are as follows:

	At 31 December 2009				At 31 December 2008			
(€ million)	Due within one year	Due between one and five years	Due beyond five years	Total	Due within one year	Due between one and five years	Due beyond five years	Total
Future minimum lease payments under operating lease agreements	77	171	154	402	88	201	162	451

During 2009, the Group has recorded costs for lease payments for €107 million (€94 million in 2008).

Contingent liabilities
As a global company with a diverse business portfolio, the Group is exposed to numerous legal risks, particularly in the areas of product liability, competition and antitrust law, environmental risks and tax matters. The outcome of any current or future proceedings cannot be predicted with certainty. It is therefore possible that legal judgments could give rise to expenses that are not covered, or not fully covered, by insurers' compensation payments and could affect the Group financial position and results. At 31 December 2009, contingent liabilities estimated by the Group amount to approximately €140 million (approximately €190 million at 31 December 2008), for which no provisions have been recognised since an outflow of resources is not considered to

be probable. Furthermore, contingent assets and expected reimbursement in connection with these contingent liabilities for approximately €20 million (€20 million at 31 December 2008) have been estimated but not recognised.

Instead, when it is probable that an outflow of resources embodying economic benefits will be required to settle obligations and this amount can be reliably estimated, the Group recognises specific provision for this purpose.

Furthermore, in connection with significant asset divestitures carried out in prior years, the Group provided indemnities to purchasers with the maximum amount of potential liability under these contracts generally capped at a percentage of the purchase price. These liabilities primarily relate to potential liabilities arising from breach of representations and warranties provided in the contracts and, in certain instances, environmental or tax matters, generally for a limited period of time. At 31 December 2009, potential obligations with respect to these indemnities are approximately €879 million (approximately €877 million at 31 December 2008), against which provisions of €52 million (€61 million 31 December 2008) have been made, classified as Other provisions. The Group has provided certain other indemnifications that do not limit potential payment; it is not possible to estimate a maximum amount of potential future payments that could result from claims made under these indemnities.

The question relating to the participation of certain Fiat Group companies, belonging to the CNH and Iveco Sectors, in the Oil-for-Food program was concluded in 2008 through two settlement agreements signed with the SEC and US Department of Justice (DOJ). The Fiat Group closed the matter with these authorities, with whom it has always fully cooperated, by coming to a settlement agreement in 2008. This settlement agreement with the DOJ requires the Group to satisfy certain obligations such as continuing its cooperating with the DOJ and maintaining an adequate Foreign Corrupt Practices Act ("FCPA") prevention program.

31. Segment reporting

The operating segments through which the Group carries out its activities are based on the internal reporting used by the Group's Chief Executive Officer to make strategic decisions. That reporting, which reflects the Group's current organisational structure, is broken down by the various products and services offered by the Group and prepared in accordance with the accounting policies described under Significant Accounting Policies above.

The individual operating segments derive revenues from their usual production and sales activities as follows:

- Fiat Group Automobiles derives its revenues from the production and sale of passenger cars and light commercial vehicles, in addition to the provision of financial services associated with the sale of those vehicles in markets outside of the European Union. Financial services activities within the European Union are, however, carried out through the 50/50 joint venture FGA Capital set up with the Crédit Agricole group.
- The Maserati segment derives its revenues from the production and sale of Maserati-brand luxury sport cars.
- The Ferrari segment derives its revenues from the production and sale of Ferrari-brand luxury sport cars, in addition to management of the Formula 1 team and financial services offered in conjunction with its vehicle sales.
- The Agricultural and Construction Equipment segment (CNH-Case New Holland) is active globally in the design, production and sale of agricultural and construction equipment. This segment also provides financial services to its end customers and dealers both directly, both, in certain European countries, indirectly trough a joint ventures with the BNP Paribas Group.
- The Trucks and Commercial Vehicles segment (Iveco) derives its revenues from the production and sale, predominantly in Europe, of commercial vehicles, buses and special use vehicles. The segment also offers financial services directly to its customers and dealers in Eastern Europe, while in Western Europe they are offered through Iveco Finance Holdings Ltd., which is owned 51% by the Barclays Group and 49% by Iveco.
- The FPT Powertrain Technologies segment (FPT) derives its revenues from the production and sale of engines and transmissions for passenger and commercial vehicles (P&CV), in addition to the powertrain activities of Iveco (Industrial & Marine) and Centro Ricerche Fiat.
- The Components segment (Magneti Marelli) derives its revenues from the production and sale of lighting components, engine control units, suspensions, shock absorbers, electronic systems, exhaust systems and plastic moulding components activities and After Market.
- The Metallurgical Products segment (Teksid) derives its revenues from the production and sale of cast iron components for engines, transmissions and suspension systems, and aluminium cylinder heads.
- The Production System segment (Comau) derives its revenues from the design and production of industrial automation systems and related products for the automotive sector.

The Group assesses performance of its operating segments on the basis of Trading profit/(loss), Operating profit/(loss) and Result from investments made by those segments.

Revenues for each reported segment are those directly generated by or attributable to the segment as a result of its usual business activities and include revenues from transactions with third parties as well as those derived from transactions with other segments, recognised at normal market prices. For those operating segments which also carry out financial services activities, revenues include interest income and other financial income derived from those activities. Segment expenses represent expenses derived from each segment's business activities both with third parties and other operating segments or which may otherwise be directly attributable to it. Expenses derived from business activities with other segments are recognised at normal market prices. For those operating segments which also carry out financial services activities, expenses include interest expense and other financial expense derived from those activities.

The measure used to assess profit and loss for each operating segment is the Operating profit/(loss). Trading profit/(loss) is reported as a specific part of the Operating profit/(loss) to separate the income and expense that is non-recurring in the ordinary operations of the business, such as gains and losses from the disposals of investments or restructuring costs from profit or loss attributable to the Segments. Financial income and expense and taxes not derived from operating activities are recognised centrally and reported under Unallocated items and adjustments.

All profit and loss items reported are recognised in accordance with the same accounting principles adopted for preparation of the Group's consolidated financial statements.

Details of the income statement by operating segment for the years ended 31 December 2009 and 2008 is as follows:

(€ million)	Fiat Group Automobiles	Maserati	Ferrari	CNH	Iveco	FPT	Magneti Marelli	Teksid	Comau	Other Operating Segments	Unallocated items & adjustments	FIAT Group
2009												
Segment revenues	26,293	448	1,778	10,107	7,183	4,952	4,528	578	728	1,096	(7,589)	**50,102**
Revenues from transactions with other operating segments	(236)	(48)	(46)	(30)	(78)	(4,163)	(1,902)	(222)	(260)	(604)	7,589	**-**
Revenues from external customers	**26,057**	**400**	**1,732**	**10,077**	**7,105**	**789**	**2,626**	**356**	**468**	**492**	**-**	**50,102**
Trading profit/(loss)	**470**	**11**	**238**	**337**	**105**	**(25)**	**25**	**(12)**	**(28)**	**(79)**	**16**	**1,058**
Unusual income/(expense)	(253)	-	7	(86)	(195)	(89)	(65)	(2)	(4)	(9)	(3)	**(699)**
Operating profit/(loss)	**217**	**11**	**245**	**251**	**(90)**	**(114)**	**(40)**	**(14)**	**(32)**	**(88)**	**13**	**359**
Financial income/(expense)											(753)	**(753)**
Interest in profit/(loss) of joint ventures and associates accounted for by the equity method	88	-	-	(26)	(27)	(24)	(2)	3	1	(3)	8	**18**
Other profit/(loss) from investments	8	-	-	-	(3)	-	(1)	-	-	5	-	**9**
Result from investments	**96**	**-**	**-**	**(26)**	**(30)**	**(24)**	**(3)**	**3**	**1**	**2**	**8**	**27**
Profit/(loss) before taxes												**(367)**
Income taxes											481	**481**
Profit/(loss) from continuing operations												**(848)**
Amortisation and depreciation	(1,224)	(59)	(194)	(325)	(380)	(358)	(263)	(25)	(15)			
Goodwill impairment	-	-	-	-	-	-	-	-	-			
Non-cash items other than depreciation and amortisation	(1,543)	(36)	(43)	(2,279)	(618)	(152)	(126)	(26)	(20)			
Reversal of impairment losses on Intangible assets and Property, plan and equipment	-	-	-	-	-	6	2	-	-			

(€ million)	Fiat Group Automobiles	Maserati	Ferrari	CNH	Iveco	FPT	Magneti Marelli	Teksid	Comau	Other Operating Segments	Unallocated items & adjustments	FIAT Group
2008												
Segment revenues	26,937	825	1,921	12,781	10,894	7,000	5,447	837	1,123	1,394	(9,595)	**59,564**
Revenues from transactions with other operating segments	(247)	(109)	(94)	(9)	(115)	(5,491)	(2,179)	(300)	(381)	(670)	9,595	**-**
Revenues from external customers	**26,690**	**716**	**1,827**	**12,772**	**10,779**	**1,509**	**3,268**	**537**	**742**	**724**	**-**	**59,564**
Trading profit/(loss)	**691**	**72**	**339**	**1,122**	**838**	**166**	**174**	**41**	**21**	**(65)**	**(37)**	**3,362**
Unusual income/(expense)	(231)	-	2	24	(59)	(4)	(81)	8	(21)	(29)	1	**(390)**
Operating profit/(loss)	**460**	**72**	**341**	**1,146**	**779**	**162**	**93**	**49**	**-**	**(94)**	**(36)**	**2,972**
Financial income/(expense)											**(947)**	**(947)**
Interest in profit/(loss) of joint ventures and associates accounted for by the equity method	94	-	-	38	12	(28)	-	2	1	11	3	**133**
Other profit/(loss) from investments	(1)	-	-	-	22	-	-	-	-	4	4	**29**
Result from investments	**93**	**-**	**-**	**38**	**34**	**(28)**	**-**	**2**	**1**	**15**	**7**	**162**
Profit/(loss) before taxes												**2,187**
Income taxes											**466**	**466**
Profit/(loss) from continuing operations												**1,721**
Amortisation and depreciation	(1,421)	(73)	(158)	(297)	(426)	(344)	(255)	(26)	(20)			
Goodwill impairment	-	-	-	-	-	-	-	-	(12)			
Non-cash items other than depreciation and amortisation	(1,391)	(64)	(40)	(2,251)	(599)	(113)	(140)	(22)	(38)			
Reversal of impairment losses on Intangible assets and Property, plan and equipment	15	-	-	17	1	-	1	-	-			

Segment assets are those assets employed by each segment in carrying out its usual activities or those which may be reasonably allocated to it on the basis of its usual activities, including the value of investments in joint ventures and associates. Segment liabilities are those liabilities arising directly from each segment's usual activities or which may be reasonably allocated to it on the basis of its usual activities. The Group's treasury and tax activities are managed centrally and, therefore, are not allocated to the individual segments as they are not directly related to operating activities. These assets and liabilities are not included under the assets and liabilities attributed to the segments, but rather are reported under Unallocated items and adjustments. In particular, treasury assets include amounts receivable from financing activities, other non-current receivables, securities other financial assets, and cash and cash equivalents of the Group's industrial entities. Treasury liabilities, however, include debt and other financial liabilities of the Group's industrial entities, net of current financial receivables from jointly-controlled financial services entities. As the segment Profit/(loss) includes Interest income and other financial income and Interest expense and other financial expense of the financial services entities, the operating assets of Fiat Group Automobiles, Ferrari, CNH-Case New Holland and Iveco also include the financial assets (predominantly the loan portfolio) of their financial services companies. Similarly, liabilities for those segments include the debt of the financial services companies. Therefore, the unallocated Group debt represents the debt of industrial entities only.

The reported segment assets and liabilities are recognised in accordance with the same accounting principles adopted for preparation of the Group's consolidated financial statements.

(€ million)	Fiat Group Automobiles	Maserati	Ferrari	CNH	Iveco	FPT	Magneti Marelli	Teksid	Comau	Other Operating Segments	Unallocated items & adjustments	FIAT Group
At 31 December 2009												
Segment assets	16,157	368	1,608	18,346	7,159	4,988	3,258	517	567	15,169	(16,110)	52,027
Tax assets											3,254	3,254
Receivables from financing activities, Non-current Other receivables and Securities of industrial companies											340	340
Cash and cash equivalents, Current securities and Other financial assets of industrial companies											11,614	11,614
Total Treasury assets											11,954	11,954
Total unallocated assets											15,208	15,208
Total Assets												67,235
Segment operating assets include:												
Investments in associates and joint-ventures accounted for by the equity method	1,078	-	-	284	324	52	9	25	-			
Increases in non-current assets other than financial instruments, deferred tax assets and post-employment benefit assets	1,516	65	290	335	464	590	362	33	13			
Segment liabilities	16,137	511	1,843	19,000	7,021	3,517	2,658	462	499	14,192	(15,527)	50,313
Tax liabilities											890	890
Treasury liabilities											16,032	16,032
Total unallocated liabilities											16,922	16,922
Total Liabilities												67,235

(€ million)	Fiat Group Automobiles	Maserati	Ferrari	CNH	Iveco	FPT	Magneti Marelli	Teksid	Comau	Other Operating Segments	Unallocated items & adjustments	FIAT Group
At 31 December 2008												
Segment assets	15,958	437	1,542	19,958	8,097	4,953	3,123	497	751	14,898	(15,473)	54,741
Tax assets											3,156	3,156
Receivables from financing activities, Non-current Other receivables and Securities of industrial companies											386	386
Cash and cash equivalents, Current securities and Other financial assets of industrial companies											3,489	3,489
Total Treasury assets											3,875	3,875
Total unallocated assets											7,031	7,031
Total Assets												61,772
Segment operating assets include:												
Investments in associates and joint-ventures accounted for by the equity method	1,010	-	-	336	354	50	7	24	1			
Increases in non-current assets other than financial instruments, deferred tax assets and post-employment benefit assets	2,306	73	311	687	841	927	479	41	17			
Segment liabilities	15,184	657	1,726	20,257	7,948	3,908	2,675	431	667	12,901	(14,907)	51,447
Tax liabilities											887	887
Treasury liabilities											9,438	9,438
Total unallocated liabilities											10,325	10,325
Total Liabilities												61,772

32. Information by geographical area

The Group's parent company has its registered office in Italy. In 2009, revenues derived from external customers in Italy totalled € 12,744 million (€14,319 million in 2008) and revenues derived from external customers in the Rest of the World totalled € 37,358 million (€45,245 million in 2008). Following is a breakdown of revenues derived from external customers in the Rest of the World countries:

(€ million)	2009	2008
Brazil	8,825	8,691
United States	4,573	4,773
Germany	4,138	4,647
France	4,030	4,984
UK	1,807	2,360
Poland	1,567	1,390
Spain	1,342	2,263
Turkey	999	1,195
Other	10,077	14,942
Total revenues from external customers in RoW	**37,358**	**45,245**

Total non-current Assets, excluding financial assets, deferred tax assets, defined benefit assets and rights arising under insurance contracts located in Italy totalled €11,419 million at 31 December 2009 (€11,622 million at 31 December 2008) and the total of such assets located in the Rest of the World totalled €11,163 million at 31 December 2009 (€10,430 million at 31 December 2008). Non-current assets located in the Rest of the World are broken down as follows:

(€ million)	At 31 December 2009	At 31 December 2008
United States	2,986	3,053
Brazil	2,307	1,525
Poland	1,288	1,130
France	918	980
Germany	669	784
Spain	581	674
Other	2,414	2,284
Total non current assets in RoW	**11,163**	**10,430**

In 2009 and 2008, no single external customer of the Group accounted for 10 percent or more of consolidated revenues.

33. Information on financial risks

The Group is exposed to the following financial risks connected with its operations:

- credit risk, regarding its normal business relations with customers and dealers, and its financing activities;
- liquidity risk, with particular reference to the availability of funds and access to the credit market and to financial instruments in general;
- market risk (principally relating to exchange rates, interest rates), since the Group operates at an international level in different currencies and uses financial instruments which generate interest. The Group is also exposed to the risk of changes in the price of certain listed shares.

As described in the section Risk management, the Group constantly monitors the financial risks to which it is exposed, in order to detect those risks in advance and take the necessary action to mitigate them.

The following section provides qualitative and quantitative disclosures on the effect that these risks may have upon the Group.

The quantitative data reported in the following do not have any value of a prospective nature, in particular the sensitivity analysis on market risks, is unable to reflect the complexity of the market and its related reaction which may result from every change which may occur.

Credit risk

The maximum credit risk to which the Group is theoretically exposed at 31 December 2009 is represented by the carrying amounts stated for financial assets in the statement of financial position and the nominal value of the guarantees provided on liabilities or commitments to third parties as discussed in Note 30.

Dealers and final customers are subject to specific assessments of their creditworthiness under a detailed scoring system; in addition to carrying out this screening process, the Group also obtains financial and non-financial guarantees for risks arising form to credit granted for the sale of cars, commercial vehicles and Agricultural and Construction equipment. These guarantees are further strengthened where possible by reserve of title clauses on financed vehicle sales to the sales network and on vehicles assigned under finance leasing agreements.

Balances which are objectively uncollectible either in part or for the whole amount are written down on a specific basis if they are individually significant. The amount of the write-down takes into account an estimate of the recoverable cash flows and the date of receipt, the costs of recovery and the fair value of any guarantees received. Impairment losses are recognised for receivables which are not written down on a specific basis, determined on the basis of historical experience and statistical information.

Out of Receivables for financing activities amounting to €12,695 million at 31 December 2009 (€13,136 million at 31 December 2008), balances totalling €60 million (€82 million at 31 December 2008) have been written down on an individual basis. Of the remainder, balances totalling €426 million (€263 million at 31 December 2008) are past due up to one month, while balances totalling €918 million are past due by more than one month (€413 million at 31 December 2008). In the event of instalment payments, even if only one instalment is overdue, the whole amount of the receivable is classified as such.

Out of Trade receivables and Other receivables totalling €6,178 million at 31 December 2009 (€6,763 million at 31 December 2008), balances totalling €67 million (€101 million at 31 December 2008) have been written down on an individual basis. Of the remainder, balances totalling €280 million (€363 million at 31 December 2008) are past due up to one month, while balances totalling €568 million (€615 million at 31 December 2008) are past due by more than one month.

The significant increase in the past due component in receivables from financing activities is mainly attributable to the performance of subsidised loans granted by Banco CNH Capital S.A. as part of the development/subsidised loans program for agriculture of the Brazilian development agency managed through Banco Nacional de Desenvolvimento Economico e Social (“BNDES”). The increase in the past due portion of these receivables is due to the general debt relief programs that were implemented from time to time by the Brazilian government between 2005 and 2009 to support an agricultural industry going through a difficult period by extending the credit terms on outstanding loans. The Group has recognised as past due receivables those balances for which the minimum payments required under the debt relief program have not been respected. Total rescheduled outstanding loans amounted to approximately 2 billion Reais (approximately €0.8 billion) at 31 December 2009; Banco CNH Capital had a net overdue balance with its customers of approximately 1.1 billion Reais (approximately €0.4 billion). In order to deal with an increasing credit risk, mitigated however by the fact that it has reservation of title on the assets to which its lending relates, the Brazilian company adjusted the level of its allowances in 2009. In the meantime the BNDES has continued its financial support for the company and the subsidised loan programs.

Liquidity risk

Liquidity risk arises if the Group is unable to obtain under economic conditions the funds needed to carry out its operations.

The two main factors that determine the Group’s liquidity situation are on one side the funds generated by or used in operating and investing activities and on the other the debt lending period and its renewal features or the liquidity of the funds employed and market terms and conditions.

As described in the Risk management section, the Group has adopted a series of policies and procedures whose purpose is to optimise the management of funds and to reduce the liquidity risk, as follows:

- centralising the management of receipts and payments, where it may be economical in the context of the local civil, currency and fiscal regulations of the countries in which the Group is present;
- maintaining an adequate level of available liquidity;
- diversifying the means by which funds are obtained and maintaining a continuous and active presence on the capital markets;

- obtaining adequate credit lines; and
- monitoring future liquidity on the basis of business planning.

Details as to the repayment structure of the Group's financial assets and liabilities are provided in the Note 19 Current Receivables and in the Note 27 Debt. Details of the repayment structure of derivatives financial instruments are provided in Note 21.

Management believes that the funds currently available, in addition to those funds that will be generated from operating and funding activities, will enable the Group to satisfy its requirements resulting from its investing activities and its working capital needs and to fulfil its obligations to repay its debts at their natural due date.

Currency risk

The Group is exposed to risk resulting from changes in exchange rates, which can affect its earnings and equity. In particular:

- Where a Group company incurs costs in a currency different from that of its revenues, any change in exchange rates can affect the operating profit/(loss) of that company. In 2009, the total trade flows exposed to currency risk amounted to the equivalent of 12% of the Group's turnover (14% in 2008). The principal exchange rates to which the Group is exposed are the following:
  - EUR/USD, relating to sales in dollars made by Italian companies (in particular Ferrari and Maserati) to the North American market and to other markets in which the US dollar is the trading currency, and to the production and purchases of the Agricultural and Construction Equipment Sector in the Euro area;
  - EUR/GBP, principally in relation to sales by Fiat Group Automobiles and Iveco on the UK market;
  - EUR/PLN, relating to local costs incurred in Poland regarding products sold in the Euro area;
  - USD/BRL and EUR/BRL, relating to Brazilian manufacturing operations and the related import and export flows.

  The trading flows exposed to changes in these exchange rates amounted in 2009 to about 68% of the total currency risk from trading transactions. Other significant exposures regard the exchange rates EUR/CHF, EUR/TRY, AUD/USD, GBP/USD, EUR/JPY, CZK/EUR and ARS/USD. None of these exposures, taken individually, exceeded 5% of the Group's total transaction exchange risk exposure in 2009. It is the Group's policy to use derivative financial instruments to hedge a certain percentage, on average between 55% and 85%, of the trading transaction exchange risk exposure forecast for the coming 12 months (including such risk beyond that date where it is believed to be appropriate in relation to the characteristics of the business) and to hedge completely the exposure resulting from firm commitments.
- Group companies may find themselves with trade receivables or payables denominated in a currency different from the money of account of the company itself. In addition, in a limited number of cases, it may be convenient from an economic point of view or it may be required under local market conditions, for companies to obtain finance or use funds in a currency different from the money of account. Changes in exchange rates may result in exchange gains or losses arising from these situations. It is the Group's policy to hedge fully, whenever possible, the exposure resulting from receivables, payables and securities denominated in foreign currencies different from the company's money of account.
- Certain of the Group's subsidiaries are located in countries which are not members of the European monetary union, in particular the United States, Canada, United Kingdom, Switzerland, Czech Republic, Brazil, Poland, Turkey, India, China, Argentina and South Africa. As the Group's reference currency is the Euro, the income statements of those countries are converted into Euros using the average exchange rate for the period, and while revenues and margins are unchanged in local currency, changes in exchange rates may lead to effects on the converted balances of revenues, costs and the result in Euros.
- The assets and liabilities of consolidated companies whose money of account is different from the Euros may acquire converted values in Euros which differ as a function of the variations in exchange rates. The effects of these changes are recognised directly in the item Gains/(Losses) on exchange differences on translating foreign operations, included in Equity (see Note 24).

The Group monitors its principal exposure to conversion exchange risk, although there was no specific hedging in this respect at the balance sheet date.

There have been no substantial changes in 2009 in the nature or structure of exposure to currency risk or in the Group's hedging policies.

Sensitivity analysis

The potential loss in fair value of derivative financial instruments held by the Group at 31 December 2009 for managing exchange risk (currency swaps/forward, currency options and interest rate and currency swaps), which would arise in the case of a hypothetical, unfavourable and instantaneous change of 10% in the exchange rates of the major foreign currencies with the Euro, amounts to approximately €544 million (€687 million at 31 December 2008). The valuation model for currency options assumes that market volatility at year end remains unchanged.

Receivables, payables and future trade flows whose hedging transactions have been analysed were not considered in this analysis. It is reasonable to assume that changes in exchange rates will produce the opposite effect, of an equal or greater amount, on the underlying transactions that have been hedged.

The decrease over the previous year is due to a reduction in the hedged underlyings.

Interest rate risk

The manufacturing companies and treasuries of the Group make use of external funds obtained in the form of financing and invest in monetary and financial market instruments. In addition, Group companies make sales of receivables resulting from their trading activities on a continuing basis. Changes in market interest rates can affect the cost of the various forms of financing, including the sale of receivables, or the return on investments, and the employment of funds, causing an impact on the level of net financial expenses incurred by the Group.

In addition, the financial services companies provide loans (mainly to customers and dealers), financing themselves using various forms of direct debt or asset-backed financing (e.g. securitisation of receivables). Where the characteristics of the variability of the interest rate applied to loans granted differ from those of the variability of the cost of the financing obtained, changes in the current level of interest rates can influence the operating profit/(loss) of those companies and the Group as a whole.

In order to manage these risks, the Group uses interest rate derivative financial instruments, mainly interest rate swaps and forward rate agreements, with the object of mitigating, under economically acceptable conditions, the potential variability of interest rates on net profit/(loss).

Sensitivity analysis

In assessing the potential impact of changes in interest rates, the Group separates out fixed rate financial instruments (for which the impact is assessed in terms of fair value) from floating rate financial instruments (for which the impact is assessed in terms of cash flows).

The fixed rate financial instruments used by the Group consist principally of part of the portfolio of the financial services companies (basically customer financing and financial leases) and part of debt (including subsidised loans and bonds).

The potential loss in fair value of fixed rate financial instruments (including the effect of interest rate derivative financial instruments) held at 31 December 2009, resulting from a hypothetical, unfavourable and instantaneous change of 10% in market interest rates, would have been approximately €70 million (€47 million at 31 December 2008). The increased effect over 2008 is mainly due to the effect of new bond issues which increased the residual duration of fixed rate liabilities.

Floating rate financial instruments include principally cash and cash equivalents, loans provided by the financial services companies to the sales network and part of debt. The effect of the sale of receivables is also considered in the sensitivity analysis as well as the effect of hedging derivative instruments.

A hypothetical, unfavourable and instantaneous change of 10% in short-term interest rates at 31 December 2009, applied to floating rate financial assets and liabilities, operations for the sale of receivables and derivatives financial instruments, would have caused increased net expenses before taxes, on an annual basis, of approximately €11 million (€26 million at 31 December 2008). The decrease over 2008 reflects the reduced level of debt and the lower level of interest rates used in the analysis.

This analysis is based on the assumption that there is a general and instantaneous change of 10% in interest rates across homogeneous categories. A homogeneous category is defined on the basis of the currency in which the financial assets and liabilities are denominated.

Other risks on derivative financial instruments

As described in Note 21, the Group holds certain derivative financial instruments whose value is linked to the price of listed shares and stock market indices (principally Equity swaps on Fiat shares).

Although theses transactions were entered into for hedging purposes, they do not qualify for hedge accounting under IFRS. As a consequence, the variability of the underlying values could have an effect on the Group's net profit/(loss).

In addition the Group entered derivatives contracts linked to commodity prices to hedge specific exposures on supply contracts.

Sensitivity analysis

In the event of a hypothetical, unfavourable and instantaneous change of 10% in the underlying values, the potential loss in fair value of outstanding derivative financial instruments at 31 December 2009 linked to the Fiat share price would be approximately €21 million (€9 million at 31 December 2008). The increase over the previous year is due to the different price of the share at the end of the year (which is used as a basis for the simulation).

In the event of a hypothetical, unfavourable and instantaneous change of 10% in the underlying raw materials prices, the potential loss in fair value of outstanding derivative financial instruments at 31 December 2008 linked to commodity prices would be approximately €3 million (€1 million at 31 December 2008).

34. Fair value hierarchy

IFRS 7 requires financial instruments recognised in the statement of financial position at fair value to be classified on the basis of a hierarchy that reflects the significance of the inputs used in determining fair value. The following levels are used in this hierarchy:

- Level 1 – quoted prices in active markets for the assets or liabilities being measured;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) on the market;
- Level 3 – inputs that are not based on observable market data.

The following table provides an analysis under this hierarchy of financial assets and liabilities measured at fair value at 31 December 2009.

(€ million)	Note	Level 1	Level 2	Level 3	Total
Assets at fair value with changes directly in equity:					
Investments at fair value with changes directly in equity	(16)	3	18	-	**21**
Other Non current securities	(16)	4	-	27	**31**
Current securities available for sale	(20)	53	-	-	**53**
Financial assets at fair value held for trading:					
Current investments		46	-	-	**46**
Current securities held for trading	(20)	164	-	-	**164**
Other financial assets	(21)	-	635	1	**636**
Total Assets		**270**	**653**	**28**	**951**
Other financial liabilities	(21)	-	(445)	(19)	**(464)**
Total Liabilities		**-**	**(445)**	**(19)**	**(464)**

In 2009 there were no transfers from Level 1 to Level 2 or vice versa.

The following table provides changes in Level 3 in 2009:

(€ million)	Other non current securities	Other financial asset/(liabilities)
Balances at 1 January 2009	**27**	**(56)**
(Gains) and losses recognised in profit or loss	2	40
Increases/(Decreases)	(2)	(2)
Balances at 31 December 2009	**27**	**(18)**

In 2009 there were no transfers from Level 3 to other levels or vice versa.

35. Related party transactions

The Group engages in transactions with unconsolidated subsidiaries, jointly controlled entities, associated companies and other related parties on commercial terms that are normal in the respective markets, considering the characteristics of the goods or services involved.

The effects of such transactions on the consolidated income statements for 2009 and 2008 are as follows:

		of which: with related parties					
(€ million)	Total 2009	Unconso-lidated Subsidiaries	Jointly controlled entities	Associated companies	Other related parties	Total related parties	Effect on Total (%)
Net revenues	50,102	27	1,745	289	1	**2,062**	**4.1%**
Cost of sales	43,261	31	2,825	125	68	**3,049**	**7.0%**
Selling, general and administrative costs	4,296	19	24	15	63	**121**	**2.8%**

		of which: with related parties					
(€ million)	Total 2009	Unconso-lidated Subsidiaries	Jointly controlled entities	Associated companies	Other related parties	Total related parties	Effect on Total (%)
Net revenues	59,564	32	2,524	443	2	**3,001**	**5.0%**
Cost of sales	49,612	21	4,403	125	61	**4,610**	**9.3%**
Selling, general and administrative costs	5,075	8	23	12	56	**99**	**2.0%**

The effects on the consolidated statement of financial position at 31 December 2009 and 2008 are as follows:

		of which: with related parties					
(€ million)	At 31 December 2009	Unconso-lidated Subsidiaries	Jointly controlled entities	Associated companies	Other related parties	Total related parties	Effect on Total (%)
Other investments and non current financial assets	275	39	39	17	-	95	34.5%
Inventories	8,748	-	-	10	-	10	0.1%
Trade receivables	3,649	33	469	93	-	595	16.3%
Current receivables from financing activities	12,695	51	62	2	5	120	0.9%
Current tax receivables	674	-	-	-	-	-	-
Other current assets	2,778	6	36	1	22	65	2.3%
Current financial assets	899	-	-	-	52	52	5.8%
Cash and cash equivalents	12,226	-	-	-	651	651	5.3%
Asset-backed financing	7,086	-	96	216	174	486	6.9%
Other debt	21,441	40	209	38	371	658	3.1%
Other financial liabilities	464	-	-	-	49	49	10.6%
Trade payables	12,295	25	793	39	29	886	7.2%
Current tax payables	377	-	-	-	-	-	-
Other current liabilities	5,865	4	166	4	7	181	3.1%

		of which: with related parties					
(€ million)	At 31 December 2009	Unconso-lidated Subsidiaries	Jointly controlled entities	Associated companies	Other related parties	Total related parties	Effect on Total (%)
Other investments and non current financial assets	278	32	-	16	-	48	17.3%
Inventories	11,438	-	2	-	-	2	-
Trade receivables	4,390	32	462	132	1	627	14.3%
Current receivables from financing activities	13,136	14	114	4	2	134	1.0%
Current tax receivables	770	2	-	-	-	2	0.3%
Other current assets	2,600	7	20	-	24	51	2.0%
Current financial assets	967	-	-	-	46	46	4.8%
Cash and cash equivalents	3,683	-	-	-	101	101	2.7%
Asset-backed financing	6,663	-	116	143	20	279	4.2%
Other debt	14,716	35	242	47	170	494	3.4%
Other financial liabilities	1,202	-	-	-	95	95	7.9%
Trade payables	13,258	12	961	59	19	1,051	7.9%
Current tax payables	331	2	-	-	-	2	0.6%
Other current liabilities	6,185	-	150	-	3	153	2.5%

Transactions with jointly controlled entities

These transactions affected revenues, cost of sales, trade receivables and payables, current receivables from financing activities, asset backed-financing, other financial payables. The effects arising on the financial statements are set out as follows.

Net revenues

The transactions consist principally of the sales of motor vehicles, production systems and components, including engines and gearboxes, and the provision of services, to the following companies:

(€ million)	2009	2008
Tofas-Turk Otomobil Fabrikasi Tofas A.S., for the sale of motor vehicles	835	914
Società Europea Veicoli Leggeri-Sevel S.p.A., for the sale of engines, other components and production systems	475	937
Fiat India Automobiles Limited, for the provision of services, recharges of research costs and the sale of materials	113	179
Iveco Oto Melara Società consortile, for the sale of vehicles and special transport	97	58
FGA Capital S.p.A. for the sale of motor vehicles	86	190
CNH de Mexico SA de CV, for the sale of agricultural and construction equipment	36	86
Société Européenne de Véhicules Légers du Nord-Sevelnord Société Anonyme, for the sale of engines and other components and production systems	30	58
Turk Traktor Ve Ziraat Makineleri A.S., for the sale of agricultural and construction equipment	19	41
New Holland HFT Japan Inc., for the sale of agricultural and construction equipment	23	28
Other	31	33
Total Net revenues from jointly controlled entities	**1,745**	**2,524**

Cost of sales

The transactions have taken place principally with the following companies:

(€ million)	2009	2008
Società Europea Veicoli Leggeri-Sevel S.p.A., for the purchase of motor vehicles	1,106	2,023
Tofas-Turk Otomobil Fabrikasi Tofas A.S., for the purchase of motor vehicles	991	1,272
Société Européenne de Véhicules Légers du Nord-Sevelnord Société Anonyme, for the purchase of motor vehicles	427	696
Turk Traktor Ve Ziraat Makineleri A.S., for the purchase of agricultural equipments	137	167
FGA Capital S.p.A., for charges on the sale of receivables and the purchase of motor vehicles	106	190
Fiat India Automobiles Limited, for the purchase of engines	22	1
Other	36	54
Total Cost of sales for purchases from jointly controlled entities	**2,825**	**4,403**

Trade receivables

These relate to receivables resulting from the revenues discussed above and those arising from the Group's trade relationships with FGA Capital, which mostly regard the sales of vehicles leased out by FGA Capital S.p.A. in its own turn under operating or financial lease arrangements. In particular:

(€ million)	At 31 December 2009	At 31 December 2008
Fiat India Automobiles Limited	170	183
Tofas-Turk Otomobil Fabrikasi Tofas A.S.	83	85
FGA Capital S.p.A.	83	48
Iveco – Oto Melara Società consortile	66	35
Società Europea Veicoli Leggeri-Sevel S.p.A.	47	55
Société Européenne de Véhicules Légers du Nord-Sevelnord Société Anonyme	2	3
Other	18	53
Total Current trade receivables due from jointly controlled entities	**469**	**462**

Trade payables
These relate to payables resulting from the costs discussed above and those arising from the Group's trade relationships with FGA Capital. In particular:

(€ million)	At 31 December 2009	At 31 December 2008
Società Europea Veicoli Leggeri-Sevel S.p.A.	290	438
Tofas-Turk Otomobil Fabrikasi Tofas A.S.	250	297
Société Européenne de Véhicules Légers du Nord-Sevelnord Société Anonyme	113	51
FGA Capital S.p.A.	80	124
Other	60	51
Total Trade payables due to jointly controlled entities	**793**	**961**

Current receivables from financing activities
This item, amounting to €62 million at 31 December 2009 (€114 million at 31 December 2008), mainly relates to receivables of the Group financial services companies from jointly controlled entities.

Other current assets
This item, amounting to €36 million at 31 December 2009 (€20 million at 31 December 2008), relates mostly to other receivables of €31 million due from FGA Capital at 31 December 2009 (€15 million at 31 December 2008).

Asset-backed financing
This item, amounting to €96 million at 31 December 2009 (€116 million at 31 December 2008), relates to amounts due to FGA Capital for sales of receivables which do not qualify as sales under IAS 39.

Other financial payables
The item Other financial payables of €209 million at 31 December 2009 (€242 million at 31 December 2008) includes €96 million of other payables of a financial nature due to FGA Capital (€230 million at 31 December 2008).

Transactions with associated companies
These transactions mainly affected revenues, trade receivables and asset backed-financing. The effects arising on the financial statements are set out as follows.

Net revenues
Net Revenues: transactions consist principally of the sales of motor vehicles and components, including engines and gearboxes, production systems, and the provision of services, to the following companies:

(€ million)	2009	2008
Iveco Finance Holdings Ltd. (a subsidiary of the Barclays group), for the sale of industrial vehicles leased out by the associate	74	226
Chrysler Group LLC, for the sale of components and production systems	31	-
Otoyol Sanayi A.S., for the sale of industrial vehicles	-	18
Others	184	199
Total Net Revenues from associated companies	**289**	**443**

Trade receivables
This item, amounting to €93 million at 31 December 2009 (€132 million at 31 December 2008), relates to receivables resulting from the revenues discussed above.

Asset-backed financing
This item, amounting to €216 million at 31 December 2009 (€143 million at 31 December 2008) relates to amounts due to Iveco Finance Holding Limited for sales of receivables which do not qualify as sales under IAS 39.

Transactions with other related parties
The principal transaction in this category relates to an amount of €68 million (€61 million in 2008) classified in Cost of sales; included in this balance is the purchase of steel from the Corus group, which is part of the Tata group, for an amount of €41 million (an amount of €36 million in 2008), the purchase of goods of €18 million (€16 million in 2008) for the high range and deluxe upholstery of the Group's automobiles from Poltrona Frau S.p.A., a company listed on the Italian Stock Exchange in which the chairman of the Board of Directors of Fiat S.p.A., Luca Cordero di Montezemolo, has an indirect investment. The Selling, general and administrative costs include sponsorship costs of €13 million in 2009 (€13 million in 2008) relating to the second part of the 2008-2009 football season and to the first part of the 2009-2010 football season, pursuant the contract signed with Juventus Football Club S.p.A. in 2007.

As regards the statement of financial position at 31 December 2009 this category also included balances arising from transactions with the Crédit Agricole group.

A building has been purchased during 2008 in Turin which was formerly owned by the Giovanni Agnelli Foundation and which is partially used by Fiat Group companies. The purchase price was determined on the basis of an independent appraisal.

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:

(€ million)	2009	2008
Directors (a)	21,732	17,923
Statutory auditors	206	164
Total Emoluments	**21,938**	**18,087**

(a) This amount includes for both 2009 and 2008 the notional compensation cost arising from stock options and stock grants awarded to the Chief Executive Officer.

The aggregate expense incurred in 2009 and accrued at year end for the compensation of Executives with strategic responsibilities of the Group amounts to approximately €21 million. This amount is inclusive of the following:

- the notional compensation income arising from stock options granted to certain Executives of approximately €2 million;
- the amount contributed by the Group to State and employer defined contribution pension funds of approximately €0.7 million;
- the amount contributed by the Group to a special defined benefit plan for certain senior Executives amounting to €1 million.

These costs consist of compensation for Executives with strategic responsibilities who were already working for the Group in 2008 and continued with the Group in 2009, for management personnel who took on key responsibilities in 2009, as well as for Executives with strategic responsibilities who left the Group during 2009.

36. Acquisitions and Disposals of subsidiaries

Acquisitions
In 2009, the Group acquired the following subsidiaries:

- In the fourth quarter, Fiat Group Automobiles acquired the assets and liabilities of the Bertone group; the assets and liabilities acquired are not significant for the Group.
- In the fourth quarter, Fiat Group Automobiles Sector acquired an investment of 100% in a minor company in Brazil that has been classified as held for sale.

In 2008, the Group acquired the following subsidiaries:

- On 20 March 2008 FPT Powertrain Technologies fully acquired Tritec Motors Limitada from Chrysler L.L.C. and subsequently changed its name to FPT Powertrain do Brasil – Industria e Comércio de Motores Ltda, leading to the recognition of goodwill for €1 million. This goodwill continued to be recognised in the balance sheet at 31 December 2008 since the acquired company was capable of achieving a high level of profitability and additional benefits will arise from the purchase. The IFRS book value of the acquiree's assets and liabilities at the acquisition date and immediately after the acquisition were as follows:

(€ million)	IFRS book value at the acquisition date	IFRS book value immediately after the acquisition
Non current assets	38	69
Current assets	27	27
Total assets	**65**	**96**
Liabilities	1	24
Contingent liabilities	-	-

- On 6 December 2007, the Group acquired the entire ownership of the Ergom group which carries out its business in the automotive sector. Consolidation of the Ergom Group on a line-by-line basis began during the second quarter of 2008, in this case with effect from 1 January 2008, leading to the recognition of goodwill for €5 million. This goodwill continued to be recognised in the balance sheet at 31 December 2008 since the acquired group was capable of achieving a high level of profitability, synergies from the acquisition were expected to provide value and additional benefits will arise from the purchase. The IFRS book value of the Ergom group's assets and liabilities at the acquisition date and immediately after the acquisition were as follows:

(€ million)	IFRS book value at the acquisition date	IFRS book value immediately after the acquisition
Non current assets	388	388
Current assets	245	245
Total assets	**633**	**633**
Liabilities	633	633
Contingent liabilities	-	-

If the acquisition date for these transactions had been 1 January 2008, consolidated revenues and net income for the period would have remained substantially unchanged.

In addition, the Group acquired in 2008 non-controlling interests in companies in which it already held control, leading to the recognition of the following cash outflows:

(€ million)	Purchased non-controlling interest	Cash outflows on acquisition	Goodwill recognised at the acquisition date
Acquisition of the remaining capital of EEA shares	33.33%	13	-
Total	**33.33%**	**13**	**-**

Disposals
In 2009 the Group disposed of the following businesses:

- Certain minor investments of the Comau Sector were sold.
- The Ferrari Sector sold certain minor investments as part of a reorganisation.
- On 30 January 2009 the Components Sector sold its investment in the subsidiary Ergom France S.a.S.

The consideration received for these sales of consolidated subsidiaries and the related net cash inflows are as follows:

(€ million)	Total sales of consolidated subsidiaries
Consideration received:	
Consideration due	25
Deferred sales proceeds, net	(4)
Total Consideration received	**21**
Net cash inflows on disposals:	
Consideration received	21
Cash and cash equivalents disposed of	(5)
Total Net cash inflows on disposals	**16**
Total Net cash inflows generated	**16**

In 2008 the Group disposed of the following businesses:

- The investments in ITS-GSA Fiat Group France S.A.S., ITS-GSA Deutschland GmbH and ITS-GSA U.K. Limited were sold during the second quarter of 2008; these had already been classified as assets held for sale in the consolidated financial statements for the year ended 31 December 2007.
- The investment in Teksid Aluminum Getti Speciali S.r.l. (already included under Assets held for sale in the consolidated financial statements at 31 December 2007) was sold during the third quarter of 2008.

The book value at the disposal date of the net assets sold is summarised in the following table:

(€ million)	Total sales of consolidated subsidiaries
Non-current assets	-
Cash and cash equivalents	1
Other current assets	12
Total assets	**13**
Debt	-
Other liabilities	8
Total liabilities	**8**

The consideration received for these sales of consolidated subsidiaries and the related net cash inflows are as follows:

(€ million)	Total sales of consolidated subsidiaries
Consideration received:	
Consideration due	1
Deferred sales proceeds, net	-
Total Consideration received	**1**
Net cash inflows on disposals:	
Consideration received	1
Cash and cash equivalents disposed of	(1)
Total Net cash inflows on disposals	**-**
Total Net cash inflows generated	**-**

For the sake of completeness details of the consideration received in 2008 for the sales of other investments and the related net cash inflows are provided as follows:

(€ million)	Total sales of Investments in jointly controlled entities, associates and other companies
Consideration received:	
Consideration due	73
Deferred sales proceeds, net	(15)
Total Consideration received	**58**
Total Net cash inflows on disposals	**58**

37. Explanatory notes to the Statement of Cash Flows

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

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

The cash flows generated by the sale of vehicles under buy-back commitments, net of the amounts included in Profit/(loss) for the year, are included under operating activities in a single line item which includes changes in working capital, capital expenditures, depreciation and impairment losses. This item also includes gains and losses arising from the sales of vehicles transferred under buy-back commitments that occur before the end of the agreement term without repossession of the vehicle.

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

Other non-cash items of €366 million in 2009 (€253 million in 2008) include €473 million for the reversal of impairment losses on assets recognised during the year (reversal of previously recognised impairment losses of €8 million in 2008). This item also includes the reversal of a gain of €117 million arising from the measurement at fair value of the equity swaps on Fiat shares (the reversal of a loss of €271 million in 2008).

Cash flows for income tax payments net of refunds in 2009 amounted to €445 million.

Interest of €1,363 million was paid and interest of €1,051 million was received in 2009.

Cash flows from (used in) investing activities represent the extent to which expenditures have been made for resources intended to generate future income and cash flows. Only expenditures resulting in an asset recognised in the balance sheet are classified as investing activities in the statement of cash flows.

The consideration paid and received for the acquisition and disposal of subsidiaries is discussed in Note 36.

Finally, as discussed in the section Scope of consolidation, on 10 June 2009 the Group acquired an initial 20% interest in Chrysler Group LLC without the payment of cash: this transaction is therefore not included in the statement of cash flows other than for the effects arising from the payment of the transaction costs arising from the acquisition (legal expenses, financial fees, etc.).

38. Non-recurring transactions

No significant non-recurring operations as defined by Consob Communication of 28 July 2006, were carried out by the Group in 2009, other than the purchase of the investment in Chrysler Group LLC, which however did not have any significant effects on the Group's Statement of financial position and financial situation, results or cash flows, as discussed in the section Scope of consolidation.

39. Transactions resulting from unusual and/or abnormal operations

Pursuant to the Consob Communication of 28 July 2006, the Group has not taken part in 2009 in any unusual and/or abnormal operations as defined in that Communication (reference should be made to the section Format of the financial statements for a definition of these).

40. Subsequent events

On February Fiat S.p.A. and Sollers announced the establishment of a global alliance in the format of a joint venture for the production of Passengers Cars and SUVs. The total production capacity of the new JV will be up to 500,000 vehicles per year by 2016. Nine new models (C and D segments, SUVs) will be sold on the Russian market, six of which will be produced on a new global Fiat-Chrysler platform. At minimum 10% of the produced vehicles will be shipped to export markets. The Fiat/Sollers project will be implemented in Naberezhnye Chelny, located 1,000 km East of Moscow in the Republic of Tatarstan. The Sollers- Naberezhnye Chelny plant production site will be expanded by new production facilities and a technology park for component production. It is expected that the Russian Government will support implementation of the Joint venture project by providing long-term loan at subsidized interest rates for the full amount of the investment required which is estimated in €2.4 billion.

16 February 2010

On behalf of the Board of Directors

/s/ Luca Cordero di Montezemolo
Luca Cordero di Montezemolo
CHAIRMAN

APPENDIX I
THE COMPANIES OF THE FIAT GROUP

Pursuant to Consob Resolution 11971 of 14 May 1999, as subsequently amended (Article 126 of the Issuer Regulations), a complete list of Group companies and significant investments is provided on the following pages.

Companies in the list are grouped according to type of control and consolidation method, and are further classified in accordance with IFRS 8.

For each company, the following information is provided: name, location of registered office, country and share capital stated in original currency). Additionally, the percentage consolidated and the percentage interest held directly by Fiat S.p.A. or its subsidiary is also shown.

The column on the far right shows the percentage of voting rights exercisable at an ordinary general meeting, where such percentage differs from the percentage of shares held.

Name	Registered Office	Country	Share capital	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
CONTROLLING COMPANY								
Parent Company								
Fiat S.p.A.	Turin	Italy	6,377,262,975	EUR	--	--	--	--
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS								
Fiat Group Automobiles								
Fiat Group Automobiles S.p.A.	Turin	Italy	745,031,979	EUR	100.00	Fiat S.p.A.	100.000	
Abarth & C. S.p.A.	Turin	Italy	1,500,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Alfa Romeo Automobiles S.p.A.	Turin	Italy	120,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Alfa Romeo U.S.A. S.p.A.	Turin	Italy	120,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Banco Fidis S.A.	Betim	Brazil	321,680,112	BRL	100.00	Fidis S.p.A.	75.000	
						Fiat Automoveis S.A. - FIASA	25.000	
Customer Services Centre S.r.l.	Turin	Italy	2,500,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Easy Drive S.r.l.	Turin	Italy	10,400	EUR	100.00	Fiat Group Automobiles S.p.A.	99.000	
						Fiat Center Italia S.p.A.	1.000	
FGA Officine Automobilistiche Grugliasco S.p.A.	Turin	Italy	500,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
FGA Teamsys GmbH	Heilbronn	Germany	500,000	EUR	100.00	Fiat Group Automobiles Germany AG	100.000	
FGA Versicherungsservice GmbH	Heilbronn	Germany	26,000	EUR	100.00	Fiat Group Automobiles Germany AG	51.000	
						Rimaco S.A.	49.000	
Fiat Auto Argentina S.A. *(business Fiat Group Automobiles)*	Buenos Aires	Argentina	476,464,366	ARS	100.00	Fiat Automoveis S.A. - FIASA	100.000	
Fiat Auto Dealer Financing SA	Brussels	Belgium	62,000	EUR	99.84	Fiat Group Automobiles Belgium S.A.	99.839	
Fiat Auto Poland S.A.	Bielsko-Biala	Poland	660,334,600	PLN	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Auto S.A. de Ahorro para Fines Determinados	Buenos Aires	Argentina	24,535,149	ARS	100.00	Fiat Auto Argentina S.A.	100.000	
Fiat Auto Var S.r.l.	Turin	Italy	7,370,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Automobil Vertriebs GmbH	Frankfurt	Germany	8,700,000	EUR	100.00	Fiat Group Automobiles Germany AG	100.000	
Fiat Automobiles S.p.A.	Turin	Italy	120,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
FIAT AUTOMOBILES SERBIA DOO KRAGUJEVAC	Kragujevac	Serbia	300,000,000	EUR	66.67	Fiat Group Automobiles S.p.A.	66.672	
Fiat Automotive Finance Co. Ltd.	Shanghai	People's Rep.of China	500,000,000	CNY	100.00	Fidis S.p.A.	100.000	
Fiat Automoveis S.A. - FIASA *(business Fiat Group Automobiles)*	Betim	Brazil	1,069,492,850	BRL	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Center (Suisse) S.A.	Meyrin	Switzerland	13,000,000	CHF	100.00	Fiat Group Automobiles Switzerland S.A.	100.000	
Fiat Center Italia S.p.A.	Turin	Italy	2,000,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat CR Spol. S.R.O.	Prague	Czech Republic	1,000,000	CZK	100.00	Fiat Group Automobiles S.p.A.	100.000	

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS (continued)

Name	Registered office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
Fiat Credito Compania Financiera S.A.	Buenos Aires	Argentina	193,401,833	ARS	100.00	Fidis S.p.A.	100.000	
Fiat Finance Netherlands B.V.	Amsterdam	Netherlands	690,000,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat France	Trappes	France	235,480,520	EUR	100.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Group Automobiles Austria GmbH	Vienna	Austria	37,000	EUR	100.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Group Automobiles Belgium S.A.	Brussels	Belgium	24,100,000	EUR	100.00	Fiat Finance Netherlands B.V.	99.998	
						Fiat Group Automobiles Switzerland S.A.	0.002	
Fiat Group Automobiles Denmark A/S	Glostrup	Denmark	55,000,000	DKK	100.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Group Automobiles Germany AG	Frankfurt	Germany	82,650,000	EUR	100.00	Fiat Finance Netherlands B.V.	99.000	
						Fiat Group Automobiles Switzerland S.A.	1.000	
Fiat Group Automobiles Hellas S.A.	Argyroupoli	Greece	62,033,499	EUR	100.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Group Automobiles Ireland Ltd.	Dublin	Ireland	5,078,952	EUR	100.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Group Automobiles Japan K.K.	Minatu-Ku. Tokyo	Japan	420,000,000	JPY	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles Maroc S.A.	Casablanca	Morocco	1,000,000	MAD	99.95	Fiat Group Automobiles S.p.A.	99.950	
Fiat Group Automobiles Netherlands B.V.	Lijnden	Netherlands	5,672,250	EUR	100.00	Fiat Netherlands Holding N.V.	100.000	
Fiat Group Automobiles Portugal, S.A.	Alges	Portugal	1,000,000	EUR	100.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Group Automobiles South Africa (Proprietary) Ltd	Johannesburg	South Africa	640	ZAR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles Spain S.A.	Alcalá De Henares	Spain	8,079,280	EUR	100.00	Fiat Finance Netherlands B.V.	99.998	
						Fiat Group Automobiles Switzerland S.A.	0.002	
Fiat Group Automobiles Switzerland S.A.	Schlieren	Switzerland	21,400,000	CHF	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles UK Ltd	Slough Berkshire	United Kingdom	44,600,000	GBP	100.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Magyarorszag Kereskedelmi KFT.	Budapest	Hungary	150,000,000	HUF	100.00	Fiat Group Automobiles S.p.A.	100.000	
FIAT NORTH AMERICA LLC	Wilmington	U.S.A.	0	USD	100.00	Fiat Group Automobiles S.p.A.	60.000	
						Fiat Powertrain Technologies SpA	22.500	
						Fiat Auto Poland S.A.	17.500	
Fiat Professional S.p.A.	Turin	Italy	120,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Real Estate Germany GmbH	Frankfurt	Germany	25,000	EUR	100.00	Fiat Automobil Vertriebs GmbH	100.000	
Fiat SR Spol. SR.O.	Bratislava	Slovack Republic	33,194	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fidis S.p.A.	Turin	Italy	250,000,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
I.T.C.A. Produzione S.p.A.	Grugliasco	Italy	10,000,000	EUR	100.00	I.T.C.A. S.p.A.	100.000	
I.T.C.A. S.p.A.	Grugliasco	Italy	2,000,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
i-FAST Automotive Logistics S.r.l.	Turin	Italy	1,250,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
i-FAST Container Logistics S.p.A.	Turin	Italy	2,500,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
International Metropolitan Automotive Promotion (France) S.A.	Trappes	France	2,977,680	EUR	100.00	Fiat France	99.997	
Italian Automotive Center S.A.	Brussels	Belgium	13,500,000	EUR	100.00	Fiat Group Automobiles Belgium S.A.	99.988	
						Fiat Group Automobiles S.p.A.	0.012	
Italian Motor Village Ltd.	Slough Berkshire	United Kingdom	1,500,000	GBP	100.00	Fiat Group Automobiles UK Ltd	100.000	
Italian Motor Village S.A.	Alges	Portugal	50,000	EUR	100.00	Fiat Group Automobiles Portugal, S.A.	100.000	

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS (continued)

Name	Registered office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
Italian Motor Village, S.L.	Alcalá De Henares	Spain	1,454,420	EUR	100.00	Fiat Group Automobiles Spain S.A.	100.000	
Iveco Latin America Ltda *(business Fiat Group Automobiles)*	Vila da Serra	Brazil	334,720,744	BRL	100.00	Iveco España S.L.	51.000	
						Fiat Group Automobiles S.p.A.	49.000	
Lancia Automobiles S.p.A.	Turin	Italy	120,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Sata-Società Automobilistica Tecnologie Avanzate S.p.A.	Melfi	Italy	276,640,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
SCDR (Ireland) Limited	Dublin	Ireland	70,000	EUR	100.00	Società di Commercializzazione e Distribuzione Ricambi S.p.A. in liquidation	100.000	
SCDR (Switzerland) S.A. in liquidation	Schlieren	Switzerland	100,000	CHF	100.00	Società di Commercializzazione e Distribuzione Ricambi S.p.A. in liquidation	100.000	
SCDR Automotive Limited	Slough Berkshire	United Kingdom	50,000	GBP	100.00	Società di Commercializzazione e Distribuzione Ricambi S.p.A. in liquidation	100.000	
Società di Commercializzazione e Distribuzione Ricambi S.p.A. in liquidation	Turin	Italy	100,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
(*) Targa Rent S.r.l.	Turin	Italy	310,000	EUR	100.00	Fidis S.p.A.	100.000	
Maserati								
Maserati S.p.A.	Modena	Italy	40,000,000	EUR	100.00	Fiat S.p.A.	100.000	
Maserati (Suisse) S.A.	Nyon	Switzerland	250,000	CHF	100.00	Maserati S.p.A.	100.000	
Maserati Deutschland GmbH	Wiesbaden	Germany	500,000	EUR	100.00	Maserati S.p.A.	100.000	
Maserati GB Limited	Slough Berkshire	United Kingdom	20,000	GBP	100.00	Maserati S.p.A.	100.000	
Maserati North America Inc.	Englewood Cliffs	U.S.A.	1,000	USD	100.00	Maserati S.p.A.	100.000	
Maserati West Europe societé par actions simplifiée	Paris	France	37,000	EUR	100.00	Maserati S.p.A.	100.000	
Ferrari								
Ferrari S.p.A.	Modena	Italy	20,260,000	EUR	85.00	Fiat S.p.A.	85.000	
410 Park Display Inc.	New York	U.S.A.	100	USD	85.00	Ferrari N.America Inc.	100.000	
Ferrari (Suisse) SA in liquidation	Nyon	Switzerland	1,000,000	CHF	85.00	Ferrari S.p.A.	100.000	
Ferrari Deutschland GmbH	Wiesbaden	Germany	1,000,000	EUR	85.00	Ferrari S.p.A.	100.000	
Ferrari Financial Services AG	Munich	Germany	1,777,600	EUR	76.50	Ferrari Financial Services S.p.A.	100.000	
Ferrari Financial Services S.p.A.	Modena	Italy	5,100,000	EUR	76.50	Ferrari S.p.A.	90.000	
Ferrari Financial Services, Inc.	Wilmington	U.S.A.	1,000	USD	76.50	Ferrari Financial Services S.p.A.	100.000	
Ferrari GE.D. S.p.A.	Modena	Italy	11,570,000	EUR	85.00	Ferrari S.p.A.	100.000	
Ferrari Japan KK	Tokyo	Japan	160,050,000	JPY	85.00	Ferrari S.p.A.	100.000	

(*) Assets held for sale.

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS (continued)

Name	Registered office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
Ferrari Management Consulting (Shanghai) CO., LTD	Shanghai	People's Rep.of China	2,100,000	USD	85.00	Ferrari S.p.A.	100.000	
Ferrari Maserati Cars International Trading (Shanghai) Co. Ltd.	Shanghai	People's Rep.of China	3,000,000	USD	50.15	Ferrari S.p.A.	59.000	
Ferrari Maserati Cars Sales and Services (Shanghai) CO.,LTD	Shanghai	People's Rep.of China	2,500,000	USD	85.00	Ferrari S.p.A.	100.000	
Ferrari N.America Inc.	Englewood Cliffs	U.S.A.	200,000	USD	85.00	Ferrari S.p.A.	100.000	
Ferrari North Europe Limited	Slough Berkshire	United Kingdom	50,000	GBP	85.00	Ferrari S.p.A.	100.000	
Ferrari San Francisco Inc.	Mill Valley	U.S.A.	100,000	USD	85.00	Ferrari N.America Inc.	100.000	
Ferrari West Europe S.A.S.	Levallois-Perret	France	280,920	EUR	85.00	Société Française de Participations Ferrari - S.F.P.F. S.A.R.L.	100.000	
GSA-Gestions Sportives Automobiles S.A.	Meyrin	Switzerland	1,000,000	CHF	85.00	Ferrari S.p.A.	100.000	
Mugello Circuit S.p.A.	Scarperia	Italy	10,000,000	EUR	85.00	Ferrari S.p.A.	90.000	
						Ferrari GE.D. S.p.A.	10.000	
Société Française de Participations Ferrari - S.F.P.F. S.A.R.L.	Levallois-Perret	France	172,000	EUR	85.00	Ferrari S.p.A.	100.000	
Agricultural and Construction Equipment								
CNH Global N.V.	Amsterdam	Netherlands	534,494,995	EUR	89.25	Fiat Netherlands Holding N.V.	89.187	89.245
						CNH Global N.V.	0.065	0.000
Banco CNH Capital S.A.	Curitiba	Brazil	396,364,559	BRL	89.25	CNH Global N.V.	98.761	
						CNH Latin America Ltda.	1.239	
Bli Group Inc.	Wilmington	U.S.A.	1,000	USD	89.25	CNH America LLC	100.000	
Blue Leaf I.P. Inc.	Wilmington	U.S.A.	1,000	USD	89.25	Bli Group Inc.	100.000	
Case Brazil Holdings Inc.	Wilmington	U.S.A.	1,000	USD	89.25	CNH America LLC	100.000	
Case Canada Receivables, Inc.	Calgary	Canada	1	CAD	89.25	CNH Capital America LLC	100.000	
Case Construction Machinery (Shanghai) Co., Ltd	Shanghai	People's Rep.of China	5,000,000	USD	89.25	CNH Global N.V.	100.000	
Case Credit Holdings Limited	Wilmington	U.S.A.	5	USD	89.25	CNH Capital America LLC	100.000	
Case Dealer Holding Company LLC	Wilmington	U.S.A.	1	USD	89.25	CNH America LLC	100.000	
Case Equipment Holdings Limited	Wilmington	U.S.A.	5	USD	89.25	CNH America LLC	100.000	
Case Equipment International Corporation	Wilmington	U.S.A.	1,000	USD	89.25	CNH America LLC	100.000	
Case Europe S.a.r.l.	Le Plessis-Belleville	France	7,622	EUR	89.25	CNH America LLC	100.000	
Case Harvesting Systems GmbH	Berlin	Germany	281,211	EUR	89.25	CNH America LLC	100.000	
CASE IH Machinery Trading (Shanghai) Co. Ltd.	Shanghai	People's Rep.of China	2,250,000	USD	89.25	CNH America LLC	100.000	
Case India Limited	Wilmington	U.S.A.	5	USD	89.25	CNH America LLC	100.000	
Case International Marketing Inc.	Wilmington	U.S.A.	5	USD	89.25	CNH America LLC	100.000	
Case LBX Holdings Inc.	Wilmington	U.S.A.	5	USD	89.25	CNH America LLC	100.000	
Case New Holland Inc.	Wilmington	U.S.A.	5	USD	89.25	CNH Global N.V.	100.000	

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS (continued)

Name	Registered office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
Case New Holland Machinery (Harbin) Ltd.	Harbin	People's Rep.of China	2,859,091	USD	89.25	CNH Asian Holding Limited N.V.	99.000	
						CNH Europe Holding S.A.	1.000	
Case United Kingdom Limited	Basildon	United Kingdom	3,763,618	GBP	89.25	CNH America LLC	100.000	
CNH Agriculture Receivables LLC	Wilmington	U.S.A.	0	USD	89.25	CNH Capital America LLC	100.000	
CNH America LLC	Wilmington	U.S.A.	0	USD	89.25	Case New Holland Inc.	100.000	
CNH Argentina S.A.	Buenos Aires	Argentina	29,611,105	ARS	89.25	New Holland Holding (Argentina) S.A.	80.654	
						CNH Latin America Ltda.	19.346	
CNH Asian Holding Limited N.V.	Zedelgem	Belgium	34,594,401	EUR	89.25	CNH Global N.V.	100.000	
CNH Australia Pty Limited	St. Marys	Australia	306,785,439	AUD	89.25	CNH Global N.V.	100.000	
CNH Baumaschinen GmbH	Berlin	Germany	61,355,030	EUR	89.25	CNH Europe Holding S.A.	100.000	
CNH Belgium N.V.	Zedelgem	Belgium	27,268,300	EUR	89.25	CNH Europe Holding S.A.	100.000	
CNH Canada, Ltd.	Toronto	Canada	28,000,100	CAD	89.25	CNH Global N.V.	100.000	
CNH Capital America LLC	Wilmington	U.S.A.	0	USD	89.25	CNH Capital LLC	100.000	
CNH Capital Australia Pty Limited	St. Marys	Australia	83,249,000	AUD	89.25	CNH Australia Pty Limited	100.000	
CNH Capital Benelux NV	Zedelgem	Belgium	61,500	EUR	89.25	CNH Global N.V.	98.999	
						CNH Capital U.K. Ltd	1.001	
CNH Capital Canada Insurance Agency Ltd.	Calgary	Canada	1	CAD	89.25	CNH Capital Canada Ltd.	100.000	
CNH Capital Canada Ltd.	Calgary	Canada	1	CAD	89.25	Case Credit Holdings Limited	99.500	
						CNH Canada, Ltd.	0.500	
CNH Capital Equipment Loan and Lease Facility LLC	Wilmington	U.S.A.	5,000	USD	89.25	CNH Capital America LLC	100.000	
CNH Capital Insurance Agency Inc.	Wilmington	U.S.A.	5	USD	89.25	CNH Capital America LLC	100.000	
CNH Capital LLC	Wilmington	U.S.A.	0	USD	89.25	CNH America LLC	100.000	
CNH Capital RACES LLC	Wilmington	U.S.A.	1,000	USD	89.25	CNH Capital America LLC	100.000	
CNH Capital Receivables LLC	Wilmington	U.S.A.	0	USD	89.25	CNH Capital America LLC	100.000	
CNH Capital U.K. Ltd	Basildon	United Kingdom	10,000,001	GBP	89.25	CNH Global N.V.	100.000	
CNH Componentes, S.A. de C.V.	Queretaro	Mexico	135,634,842	MXN	89.25	CNH America LLC	100.000	
CNH Danmark A/S	Hvidovre	Denmark	12,000,000	DKK	89.25	CNH Europe Holding S.A.	100.000	
CNH Deutschland GmbH	Heilbronn	Germany	18,457,650	EUR	89.25	CNH Baumaschinen GmbH	90.000	
						CNH Europe Holding S.A.	10.000	
CNH Engine Corporation	Wilmington	U.S.A.	1,000	USD	89.25	CNH America LLC	100.000	
CNH Europe Holding S.A.	Luxembourg	Luxembourg	53,000,000	USD	89.25	CNH Global N.V.	100.000	
CNH Financial Services A/S	Hvidovre	Denmark	500,000	DKK	89.25	CNH Global N.V.	100.000	
CNH Financial Services GmbH	Heilbronn	Germany	1,151,000	EUR	89.25	CNH Europe Holding S.A.	100.000	
CNH Financial Services S.A.S.	Morigny-Champigny	France	50,860,641	EUR	89.25	CNH Global N.V.	98.888	
						CNH Capital Benelux NV	1.112	
CNH France S.A.	Morigny-Champigny	France	138,813,150	EUR	89.25	CNH Europe Holding S.A.	100.000	
CNH International S.A.	Paradiso	Switzerland	100,000	CHF	89.25	CNH Global N.V.	100.000	

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS (continued)

Name	Registered office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
CNH Italia s.p.a.	Modena	Italy	15,600,000	EUR	89.25	CNH Osterreich GmbH	75.000	
						CNH Global N.V.	25.000	
CNH Latin America Ltda.	Contagem	Brazil	847,210,015	BRL	89.25	CNH Global N.V.	85.658	
						Case Brazil Holdings Inc.	12.557	
						Case Equipment International Corporation	1.785	
CNH Maquinaria Spain S.A.	Coslada	Spain	21,000,000	EUR	89.24	CNH Europe Holding S.A.	99.999	
CNH Osterreich GmbH	St. Valentin	Austria	2,000,000	EUR	89.25	CNH Global N.V.	100.000	
CNH Polska Sp. z o.o.	Plock	Poland	162,591,660	PLN	89.25	CNH Belgium N.V.	100.000	
CNH Portugal-Comercio de Tractores e Maquinas Agricolas Ltda	Carnaxide	Portugal	498,798	EUR	89.25	CNH Europe Holding S.A.	99.980	
						CNH Italia s.p.a.	0.020	
CNH Receivables LLC	Wilmington	U.S.A.	0	USD	89.25	CNH Capital America LLC	100.000	
CNH Reman LLC	Wilmington	U.S.A.	4,000,000	USD	44.62	CNH America LLC	50.000	
CNH Services (Thailand) Limited	Bangkok	Thailand	10,000,000	THB	89.24	CNH Services S.r.l.	99.997	
CNH Services S.r.l.	Modena	Italy	10,400	EUR	89.25	CNH Italia s.p.a.	100.000	
CNH Trade N.V.	Amsterdam	Netherlands	50,000	EUR	89.25	CNH Global N.V.	100.000	
CNH U.K. Limited	Basildon	United Kingdom	91,262,275	GBP	89.25	CNH Osterreich GmbH	100.000	
CNH Wholesale Receivables LLC	Wilmington	U.S.A.	0	USD	89.25	CNH Capital America LLC	100.000	
Fiatallis North America LLC	Wilmington	U.S.A.	32	USD	89.25	CNH America LLC	100.000	
Flagship Dealer Holding Company, LLC	Wilmington	U.S.A.	1	USD	89.25	CNH America LLC	100.000	
Flexi-Coil (U.K.) Limited	Basildon	United Kingdom	3,291,776	GBP	89.25	CNH Canada, Ltd.	100.000	
HFI Holdings Inc.	Wilmington	U.S.A.	1,000	USD	89.25	CNH America LLC	100.000	
JV Uzcaseagroleasing LLC	Tashkent	Uzbekistan	0	USD	45.52	Case Credit Holdings Limited	51.000	
JV UzCaseMash LLC	Tashkent	Uzbekistan	0	USD	53.55	Case Equipment Holdings Limited	60.000	
JV UzCaseService LLC	Tashkent	Uzbekistan	0	USD	45.52	Case Equipment Holdings Limited	51.000	
JV UzCaseTractor LLC	Tashkent	Uzbekistan	0	USD	45.52	Case Equipment Holdings Limited	51.000	
Kobelco Construction Machinery America LLC	Wilmington	U.S.A.	0	USD	58.01	New Holland Excavator Holdings LLC	65.000	
Limited Liability Company "CNH Parts and Service Operations"	Moscow	Russia	54,000,000	RUB	89.25	CNH Global N.V.	100.000	
MBA AG	Bassersdorf	Switzerland	4,000,000	CHF	89.25	CNH Global N.V.	100.000	
New Holland Australia Pty Ltd	St. Marys	Australia	1	AUD	89.25	CNH Australia Pty Limited	100.000	
New Holland Credit Company, LLC	Wilmington	U.S.A.	0	USD	89.25	CNH Capital LLC	100.000	
New Holland Excavator Holdings LLC	Wilmington	U.S.A.	0	USD	89.25	CNH America LLC	100.000	
New Holland Fiat (India) Private Limited	Mumbai	India	12,485,547,400	INR	89.63	CNH Asian Holding Limited N.V.	96.407	48.965
						Fiat Group Automobiles S.p.A.	3.593	51.035
New Holland Holding (Argentina) S.A.	Buenos Aires	Argentina	23,555,415	ARS	89.25	CNH Latin America Ltda.	100.000	
New Holland Holding Limited	London	United Kingdom	165,000,000	GBP	89.25	CNH Europe Holding S.A.	100.000	
New Holland Kobelco Construction Machinery S.p.A.	San Mauro Torinese	Italy	80,025,291	EUR	66.60	CNH Italia s.p.a.	74.625	
New Holland Ltd	Basildon	United Kingdom	1,000,000	GBP	89.25	CNH Global N.V.	100.000	

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS (continued)

Name	Registered office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
New Holland Tractor Ltd. N.V.	Antwerp	Belgium	9,631,500	EUR	89.25	New Holland Holding Limited	100.000	
O & K - Hilfe GmbH	Berlin	Germany	25,565	EUR	89.25	CNH Baumaschinen GmbH	100.000	
Pryor Foundry Inc.	Oklahoma City	U.S.A.	1,000	USD	89.25	CNH America LLC	100.000	
Receivables Credit II Corporation	Calgary	Canada	1	CAD	89.25	CNH Capital America LLC	100.000	
Shanghai New Holland Agricultural Machinery Corporation Limited	Shanghai	People's Rep.of China	35,000,000	USD	53.55	CNH Asian Holding Limited N.V.	60.000	
Steyr Center Nord GmbH	Ruckersdorf-Harmanns	Austria	35,000	EUR	89.25	CNH Osterreich GmbH	100.000	
Trucks and Commercial Vehicles								
Iveco S.p.A. *(business Trucks and Commercial Vehicles)*	Turin	Italy	369,500,000	EUR	100.00	Fiat S.p.A.	100.000	
Afin Bohemia s.r.o.	Prague	Czech Republic	1,000,000	CZK	100.00	Afin Leasing AG	100.000	
Afin Broker de Asigurare - Reasigurare S.r.l.	Bucharest	Romenia	25,000	RON	100.00	Afin Leasing Ifn s.a.	100.000	
Afin Bulgaria EAD	Sofia	Bulgaria	200,000	BGN	100.00	Afin Leasing AG	100.000	
Afin Hungary Kereskedelmi KFT.	Budapest	Hungary	24,000,000	HUF	100.00	Afin Leasing AG	100.000	
Afin Leasing AG	Vienna	Austria	1,500,000	EUR	100.00	Iveco International Trade Finance S.A.	100.000	
Afin Leasing Ifn s.a.	Bucharest	Romenia	77,163,680	RON	100.00	Afin Leasing AG	99.800	
						Afin Bohemia s.r.o.	0.050	
						Afin Bulgaria EAD	0.050	
						Afin Hungary Kereskedelmi KFT.	0.050	
						Afin Slovakia S.R.O.	0.050	
Afin Slovakia S.R.O.	Bratislava	Slovack Republic	39,833	EUR	100.00	Afin Leasing AG	100.000	
Afin Trade Bulgaria Eood	Sofia	Bulgaria	5,000	BGN	100.00	Afin Bulgaria EAD	100.000	
Amce-Automotive Manufacturing Co.Ethiopia	Addis Ababa	Ethiopia	12,000,000	ETB	70.00	Iveco S.p.A.	70.000	
AS Afin Baltica	Harjumaa	Estonia	800,000	EEK	100.00	Afin Leasing AG	100.000	
Astra Veicoli Industriali S.p.A.	Piacenza	Italy	10,400,000	EUR	100.00	Iveco S.p.A.	100.000	
Effe Grundbesitz GmbH	Ulm	Germany	10,225,838	EUR	100.00	Iveco Investitions GmbH	90.000	
						Iveco S.p.A.	10.000	
F. Pegaso S.A.	Madrid	Spain	993,045	EUR	100.00	Iveco España S.L.	99.996	
						Iveco Partecipazioni Finanziarie S.r.l.	0.004	
Heuliez Bus S.A.	Rorthais	France	9,000,000	EUR	100.00	Société Charolaise de Participations S.A.	100.000	
IAV-Industrie-Anlagen-Verpachtung GmbH	Ulm	Germany	25,565	EUR	100.00	Iveco Investitions GmbH	95.000	
						Iveco S.p.A.	5.000	
Ikarus Egyedi Autobusz GY	Budapest	Hungary	470,000,000	HUF	76.28	Iveco España S.L.	76.279	
Industrial Vehicles Center Hainaut S.A.	Charleroi	Belgium	600,000	EUR	100.00	S.A. Iveco Belgium N.V.	95.000	
						Iveco Nederland B.V.	5.000	
Irisbus (U.K.) Ltd	Watford	United Kingdom	200,000	GBP	100.00	Iveco España S.L.	100.000	
Irisbus Australia Pty. Ltd.	Dandenong	Australia	6,123,391	AUD	100.00	Iveco España S.L.	100.000	

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS (continued)

Name	Registered office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
Irisbus Benelux Ltd.	Leudelange	Luxembourg	594,000	EUR	100.00	Iveco France	99.983	
						Société Charolaise de Participations S.A.	0.017	
Irisbus Deutschland GmbH	Unterschliessheim	Germany	3,800,000	EUR	100.00	Iveco España S.L.	100.000	
Irisbus Italia S.p.A.	Turin	Italy	4,500,000	EUR	100.00	Iveco España S.L.	100.000	
IVC Brabant N.V. S.A.	Groot	Belgium	800,000	EUR	100.00	S.A. Iveco Belgium N.V.	75.000	
						Iveco Nederland B.V.	25.000	
Iveco (Schweiz) AG	Kloten	Switzerland	9,000,000	CHF	100.00	Iveco Nederland B.V.	100.000	
Iveco Arac Sanayi VE Ticaret A.S.	Samandira-Kartal/Istanbul	Turkey	12,879,000	TRY	99.96	Iveco S.p.A.	99.960	
Iveco Argentina S.A.	Cordoba	Argentina	130,237,793	ARS	100.00	Iveco España S.L.	99.000	
						Astra Veicoli Industriali S.p.A.	1.000	
Iveco Austria GmbH	Vienna	Austria	6,178,000	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Bayern GmbH	Nuremberg	Germany	742,000	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Capital SA	Paradiso	Switzerland	14,000,000	CHF	100.00	Iveco Partecipazioni Finanziarie S.r.l.	100.000	
Iveco Contract Services Limited	Watford	United Kingdom	17,000,000	GBP	100.00	Iveco Partecipazioni Finanziarie S.r.l.	100.000	
Iveco Czech Republic A.S.	Vysoke Myto	Czech Republic	1,065,559,000	CZK	97.98	Iveco France	97.978	
Iveco Danmark A/S	Glostrup	Denmark	501,000	DKK	100.00	Iveco S.p.A.	100.000	
Iveco España S.L. *(business Trucks and Commercial Vehicles)*	Madrid	Spain	121,612,116	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Est Sas	Hauconcourt	France	2,005,600	EUR	100.00	Iveco France	100.000	
Iveco France	Vénissieux	France	92,856,130	EUR	100.00	Iveco España S.L.	50.326	
						Iveco S.p.A.	49.674	
Iveco Holdings Limited	Watford	United Kingdom	47,000,000	GBP	100.00	Iveco S.p.A.	100.000	
Iveco Insurance Vostok LLC	Moscow	Russia	740,000	RUB	100.00	Afin Leasing AG	100.000	
Iveco International Trade Finance S.A.	Paradiso	Switzerland	30,800,000	CHF	100.00	Iveco Partecipazioni Finanziarie S.r.l.	100.000	
Iveco Investitions GmbH	Ulm	Germany	2,556,459	EUR	100.00	Iveco Magirus AG	99.020	
						Iveco S.p.A.	0.980	
Iveco L.V.I. S.a.s.	Saint Priest	France	503,250	EUR	100.00	Iveco France	100.000	
Iveco Latin America Ltda *(business Trucks and Commercial Vehicles)*	Vila da Serra	Brazil	334,720,744	BRL	100.00	Iveco España S.L.	51.000	
						Fiat Group Automobiles S.p.A.	49.000	
Iveco Limited *(business Trucks and Commercial Vehicles)*	Watford	United Kingdom	117,000,000	GBP	100.00	Iveco Holdings Limited	100.000	
Iveco Magirus AG *(business Trucks and Commercial Vehicles)*	Ulm	Germany	50,000,000	EUR	100.00	Iveco S.p.A.	53.660	
						Fiat Netherlands Holding N.V.	46.340	
Iveco Magirus Brandschutztechnik GmbH	Ulm	Germany	6,493,407	EUR	100.00	Iveco Magirus Fire Fighting GmbH	99.764	
						Iveco S.p.A.	0.236	
Iveco Magirus Brandschutztechnik GmbH	Kainbach	Austria	1,271,775	EUR	95.00	Iveco Magirus Brandschutztechnik GmbH	95.000	
Iveco Magirus Brandschutztechnik Gorlitz GmbH	Gürlitz	Germany	511,292	EUR	88.00	Iveco Magirus Brandschutztechnik GmbH	88.000	

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS (continued)

Name	Registered office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
Iveco Magirus Fire Fighting GmbH	Weisweil	Germany	30,776,857	EUR	100.00	Iveco Magirus AG	90.032	
						Iveco S.p.A.	9.968	
Iveco Magirus Firefighting CAMIVA S.a.s. (societè par actions simplifièe)	Saint-Alban-Leysse	France	1,870,169	EUR	100.00	Iveco Magirus Fire Fighting GmbH	100.000	
Iveco Nederland B.V.	Breda	Netherlands	4,537,802	EUR	100.00	Fiat Netherlands Holding N.V.	100.000	
Iveco Nord Nutzfahrzeuge GmbH	Hamburg	Germany	1,611,500	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Nord-Ost Nutzfahrzeuge GmbH	Berlin	Germany	2,120,000	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Norge A.S.	Voyenenga	Norway	18,600,000	NOK	100.00	Iveco S.p.A.	100.000	
Iveco Otomotiv Ticaret A.S.	Samandira-Kartal/Istanbul	Turkey	15,060,046	TRY	100.00	Iveco S.p.A.	99.995	
Iveco Partecipazioni Finanziarie S.r.l.	Turin	Italy	50,000,000	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Participations S.A.	Trappes	France	1,000,000	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Pension Trustee Ltd	Watford	United Kingdom	2	GBP	100.00	Iveco Holdings Limited	50.000	
						Iveco Limited	50.000	
Iveco Poland Ltd.	Warsaw	Poland	46,974,500	PLN	100.00	Iveco S.p.A.	100.000	
Iveco Portugal-Comercio de Veiculos Industriais S.A.	Vila Franca de Xira	Portugal	15,962,000	EUR	100.00	Iveco S.p.A.	99.997	
						Astra Veicoli Industriali S.p.A.	0.001	
Iveco Romania S.r.l.	Bucharest	Romenia	17,500	RON	100.00	Afin Leasing AG	100.000	
Iveco Slovakia, s.r.o.	Bratislava	Slovack Republic	6,639	EUR	97.98	Iveco Czech Republic A.S.	100.000	
Iveco South Africa (Pty) Ltd.	Vorna Valley - Midrand	South Africa	15,000,750	ZAR	100.00	Iveco S.p.A.	100.000	
Iveco Sud-West Nutzfahrzeuge GmbH	Mannheim-Neckarau	Germany	1,533,900	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Sweden A.B. *(business Trucks and Commercial Vehicles)*	Arlov	Sweden	600,000	SEK	100.00	Iveco S.p.A.	100.000	
Iveco Trucks Australia Limited	Dandenong	Australia	47,492,260	AUD	100.00	Iveco S.p.A.	100.000	
Iveco Ukraine LLC	Kiev	Ukraine	49,258,692	UAH	100.00	Iveco S.p.A.	100.000	
Iveco Venezuela C.A.	La Victoria	Venezuela	2,498,644	VEF	100.00	Iveco S.p.A.	100.000	
Iveco West Nutzfahrzeuge GmbH	Cologne	Germany	3,017,000	EUR	100.00	Iveco Magirus AG	100.000	
Mediterranea de Camiones S.L.	Valencia	Spain	48,080	EUR	100.00	Iveco España S.L.	100.000	
Officine Brennero S.p.A.	Trento	Italy	7,120,000	EUR	100.00	Iveco S.p.A.	100.000	
OOO Afin Leasing Vostok LLC	Moscow	Russia	50,000,000	RUB	100.00	Afin Leasing AG	100.000	
OOO Iveco Russia	Moscow	Russia	345,000	RUB	100.00	Afin Leasing AG	100.000	
S.A. Iveco Belgium N.V.	Groot	Belgium	6,000,000	EUR	100.00	Iveco S.p.A.	99.983	
						Iveco Nederland B.V.	0.017	
S.C.I. La Méditerranéenne	Vitrolles	France	248,000	EUR	100.00	Iveco France	50.000	
						Société de Diffusion de Vehicules Industriels-SDVI S.A.S.	50.000	
Seddon Atkinson Vehicles Ltd	Watford	United Kingdom	41,700,000	GBP	100.00	Iveco Holdings Limited	100.000	
Société Charolaise de Participations S.A.	Vénissieux	France	2,370,000	EUR	100.00	Iveco España S.L.	100.000	

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS (continued)

Name	Registered office	Country	Share capital	Currency	% of Group consoli- dation	Interest held by	% interest held	% of voting rights
Société de Diffusion de Vehicules Industriels-SDVI S.A.S.	Trappes	France	7,022,400	EUR	100.00	Iveco France	100.000	
Transolver Service S.A.	Madrid	Spain	610,000	EUR	100.00	Iveco Partecipazioni Finanziarie S.r.l.	100.000	
Transolver Service S.p.A.	Turin	Italy	214,763	EUR	100.00	Iveco Partecipazioni Finanziarie S.r.l.	100.000	
Transolver Services GmbH in liquidation	Heilbronn	Germany	750,000	EUR	100.00	Iveco Partecipazioni Finanziarie S.r.l.	100.000	
UAB Afin Baltica (Lithuania)	Vilnius	Lithuania	138,500	LTL	100.00	Afin Leasing AG	100.000	
Utilitaries & Véhicules Industriels Franciliens-UVIF SAS	La Garenne	France	1,067,500	EUR	100.00	Iveco France	100.000	
Zona Franca Alari Sepauto S.A.	Barcelona	Spain	520,560	EUR	51.87	Iveco España S.L.	51.867	
FPT Powertrain Technologies								
Fiat Powertrain Technologies SpA	Turin	Italy	525,000,000	EUR	100.00	Fiat S.p.A.	100.000	
2 H Energy S.A.S.	Fécamp	France	2,000,000	EUR	100.00	Iveco Participations S.A.	100.000	
C.R.F. Società Consortile per Azioni *(business FPT Powertrain Technologies)*	Orbassano	Italy	45,000,000	EUR	99.28	Fiat Partecipazioni S.p.A.	52.061	
						Fiat Group Automobiles S.p.A.	17.478	
						Iveco S.p.A.	9.987	
						Magneti Marelli S.p.A.	7.490	
						Fiat Powertrain Technologies SpA	4.994	
						CNH Italia s.p.a.	2.497	
						Comau S.p.A.	2.497	
						Teksid S.p.A.	2.497	
						Ferrari S.p.A.	0.499	
Componentes Mecanicos S.A.	Barcelona	Spain	37,405,038	EUR	59.39	Iveco España S.L.	59.387	
European Engine Alliance S.c.r.l.	Turin	Italy	32,044,797	EUR	96.42	Iveco S.p.A.	66.667	
						CNH Global N.V.	33.333	
Fiat Auto Argentina S.A. *(business FPT Powertrain Technologies)*	Buenos Aires	Argentina	476,464,366	ARS	100.00	Fiat Automoveis S.A. - FIASA	100.000	
Fiat Automoveis S.A. - FIASA *(business FPT Powertrain Technologies)*	Betim	Brazil	1,069,492,850	BRL	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Powertrain Technologies (Shanghai) R&D Co. Ltd.	Shanghai	People's Rep.of China	10,000,000	EUR	100.00	Fiat Powertrain Technologies SpA	100.000	
Fiat Powertrain Technologies of North America, Inc.	Wilmington	U.S.A.	1	USD	100.00	Iveco S.p.A.	100.000	
Fiat Powertrain Technologies Management (Shanghai) Co. Ltd.	Shanghai	People's Rep.of China	2,000,000	USD	100.00	Fiat Powertrain Technologies SpA	100.000	
Fiat Powertrain Technologies Poland Sp. z o.o.	Bielsko-Biala	Poland	100,000,000	PLN	100.00	Fiat Powertrain Technologies SpA	100.000	
FMA - Fabbrica Motori Automobilistici S.r.l.	Pratola Serra	Italy	150,000,000	EUR	100.00	Fiat Powertrain Technologies SpA	100.000	

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS (continued)

Name	Registered office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
FPT - Powertrain Technologies France S.A.	Garchizy	France	73,444,960	EUR	100.00	Iveco France	97.200	
						Iveco Participations S.A.	2.800	
FPT Powertrain Technologies do Brasil - Industria e Comércio de Motores Ltda	Campo Largo	Brazil	197,792,500	BRL	100.00	Fiat Automoveis S.A. - FIASA	100.000	
Iveco España S.L. *(business FPT Powertrain Technologies)*	Madrid	Spain	121,612,116	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Latin America Ltda *(business FPT Powertrain Technologies)*	Vila da Serra	Brazil	334,720,744	BRL	100.00	Iveco España S.L.	51.000	
						Fiat Group Automobiles S.p.A.	49.000	
Iveco Limited *(business FPT Powertrain Technologies)*	Watford	United Kingdom	117,000,000	GBP	100.00	Iveco Holdings Limited	100.000	
Iveco Magirus AG *(business FPT Powertrain Technologies)*	Ulm	Germany	50,000,000	EUR	100.00	Iveco S.p.A.	53.660	
						Fiat Netherlands Holding N.V.	46.340	
Iveco Motorenforschung AG	Arbon	Switzerland	4,600,000	CHF	100.00	Iveco S.p.A.	60.000	
						Iveco France	40.000	
Iveco Motors of China Limited in liquidation	Shanghai	People's Rep.of China	300,000	USD	100.00	Iveco S.p.A.	100.000	
Iveco S.p.A. *(business FPT Powertrain Technologies)*	Turin	Italy	369,500,000	EUR	100.00	Fiat S.p.A.	100.000	
Iveco Sweden A.B. *(business FPT Powertrain Technologies)*	Arlov	Sweden	600,000	SEK	100.00	Iveco S.p.A.	100.000	
SAIC Fiat Powertrain Hongyan Co. Ltd.	Chongqing	People's Rep.of China	580,000,000	CNY	60.00	Fiat Powertrain Technologies SpA	30.000	
						SAIC IVECO Commercial Vehicle Investment Company Limited	60.000	
Components								
Magneti Marelli S.p.A.	Corbetta	Italy	254,325,965	EUR	99.99	Fiat S.p.A.	99.990	100.000
Automotive Lighting Brotterode GmbH	Brotterode	Germany	7,270,000	EUR	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Italia S.p.A.	Venaria Reale	Italy	2,000,000	EUR	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting LLC	Farmington Hills	U.S.A.	25,001,000	USD	99.99	Magneti Marelli Holding U.S.A. Inc.	100.000	
Automotive Lighting o.o.o.	Rjiasan	Russia	36,875,663	RUB	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Polska Sp. z o.o.	Sosnowiec	Poland	83,500,000	PLN	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Rear Lamps France S.a.s.	Saint Julien du Sault	France	17,789,152	EUR	99.99	Automotive Lighting Rear Lamps Italia S.p.A.	100.000	
Automotive Lighting Rear Lamps Italia S.p.A.	Venaria Reale	Italy	10,000,000	EUR	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V.	El Marques Queretaro	Mexico	50,000	MXN	99.99	Magneti Marelli Holding U.S.A. Inc.	100.000	
Automotive Lighting Reutlingen GmbH	Reutlingen	Germany	1,330,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Automotive Lighting S.R.O.	Jihlava	Czech Republic	927,637,000	CZK	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting UK Limited	Chadwell Heath	United Kingdom	15,387,348	GBP	99.99	Magneti Marelli S.p.A.	100.000	
Ergom do Brasil Ltda	Itauna	Brazil	5,000,000	BRL	99.99	Plastic Components and Modules Automotive S.p.A.	100.000	

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS (continued)

Name	Registered office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
Ergom Poland Sp. z o.o.	Sosnowiec	Poland	29,281,500	PLN	99.99	Plastic Components and Modules Poland S.A.	100.000	
Ergom Soffiaggio S.r.l.	Leno	Italy	45,900	EUR	84.99	Plastic Components and Modules Automotive S.p.A.	85.000	
Fiat CIEI S.p.A. in liquidation	Corbetta	Italy	220,211	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Industrial Yorka de Mexico S.A. de C.V.	Mexico City	Mexico	50,000	MXN	99.99	Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V.	98.000	
						Industrial Yorka de Tepotzotlan S.A. de C.V.	2.000	
Industrial Yorka de Tepotzotlan S.A. de C.V.	Mexico City	Mexico	50,000	MXN	99.99	Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V.	99.000	
						Industrial Yorka de Mexico S.A. de C.V.	1.000	
Industrias Magneti Marelli Mexico S.A. de C.V.	Tepotzotlan	Mexico	50,000	MXN	99.99	Magneti Marelli Sistemas Electronicos Mexico S.A.	99.998	
						Servicios Administrativos Corp. IPASA S.A.	0.002	
Industrie Plastica S.p.A.	Grugliasco	Italy	1,000,000	EUR	99.99	Plastic Components and Modules Automotive S.p.A.	100.000	
Magneti Marelli After Market Parts and Services S.p.A.	Corbetta	Italy	7,000,000	EUR	99.99	Magneti Marelli Parts and Services S.p.A.	100.000	
Magneti Marelli After Market Sp. z o.o.	Katowice	Poland	2,000,000	PLN	99.99	Magneti Marelli Parts and Services S.p.A.	100.000	
Magneti Marelli Aftermarket GmbH	Heilbronn	Germany	100,000	EUR	99.99	Magneti Marelli Parts and Services S.p.A.	100.000	
Magneti Marelli Aftermarket S.a.s.	Trappes	France	782,208	EUR	99.99	Magneti Marelli Parts and Services S.p.A.	100.000	
Magneti Marelli Aftermarket SL	Llinares del Valles	Spain	2,194,726	EUR	99.99	Magneti Marelli Iberica S.A.	100.000	
Magneti Marelli Argentina S.A.	Buenos Aires	Argentina	700,000	ARS	99.99	Magneti Marelli S.p.A.	95.000	
						Magneti Marelli France S.a.s.	5.000	
Magneti Marelli Automotive Components (WUHU) Co. Ltd.	Wuhu	People's Rep.of China	24,500,000	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Automotive Electronics (Guangzhou) Co. Limited	Guangzhou	People's Rep.of China	8,100,000	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Cofap Autopecas Ltda	São Paulo	Brazil	7,554,539	BRL	99.99	Magneti Marelli After Market Parts and Services S.p.A.	100.000	
Magneti Marelli Cofap Companhia Fabricadora de Pecas	Santo Andre	Brazil	177,725,564	BRL	99.63	Magneti Marelli S.p.A.	99.643	99.966
Magneti Marelli Conjuntos de Escape S.A.	Buenos Aires	Argentina	7,480,071	ARS	99.99	Magneti Marelli S.p.A.	95.000	
						Magneti Marelli Argentina S.A.	5.000	
Magneti Marelli do Brasil Industria e Comercio SA	Hortolandia	Brazil	40,568,427	BRL	99.86	Magneti Marelli S.p.A.	99.872	99.990
Magneti Marelli Espana S.A.	Llinares del Valles	Spain	638,476	EUR	99.99	Magneti Marelli Iberica S.A.	100.000	
Magneti Marelli Exhaust Systems Polska Sp. z o.o.	Sosnowiec	Poland	15,000,000	PLN	99.99	Magneti Marelli S.p.A.	100.000	

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS (continued)

Name	Registered office	Country	Share capital	Currency	% of Group consoli- dation	Interest held by	% interest held	% of voting rights
Magneti Marelli France S.a.s.	Nanterre	France	42,672,960	EUR	99.99	Magneti Marelli S.p.A.	99.999	
						Ufima S.A.S.	0.001	
Magneti Marelli GmbH	Russelsheim	Germany	200,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Hellas A.E. in liquidation	Athens	Greece	587,000	EUR	99.99	Magneti Marelli Parts and Services S.p.A.	100.000	
Magneti Marelli Holding U.S.A. Inc.	Wixom	U.S.A.	10	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Iberica S.A.	Santpedor	Spain	24,499,771	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Motopropulsion France SAS	Argentan	France	884,058	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli North America Inc.	Wilmington	U.S.A.	40,223,205	USD	99.63	Magneti Marelli Cofap Companhia Fabricadora de Pecas	100.000	
Magneti Marelli Parts and Services S.p.A.	Corbetta	Italy	13,137,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Powertrain (Shanghai) Co. Ltd.	Shanghai	People's Rep.of China	17,500,000	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Powertrain India Private Limited	New Delhi	India	450,000,000	INR	51.00	Magneti Marelli S.p.A.	51.000	
Magneti Marelli Powertrain Slovakia s.r.o.	Bratislava	Slovack Republic	2,606,935	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Powertrain U.S.A. LLC	Sanford	U.S.A.	25,000,000	USD	99.99	Magneti Marelli Holding U.S.A. Inc.	100.000	
Magneti Marelli Racing Ltd	Basildon	United Kingdom	10,000	GBP	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Repuestos S.A.	Buenos Aires	Argentina	2,012,000	ARS	99.99	Magneti Marelli After Market Parts and Services S.p.A.	51.000	
						Magneti Marelli Cofap Autopecas Ltda	48.000	
						Magneti Marelli Parts and Services S.p.A.	1.000	
Magneti Marelli Sistemas Automotivos Industria e Comercio Ltda	Contagem	Brazil	196,634,874	BRL	99.99	Magneti Marelli S.p.A.	66.111	
						Automotive Lighting Reutlingen GmbH	33.889	
Magneti Marelli Sistemas Electronicos Mexico S.A.	Tepotzotlan	Mexico	50,000	MXN	99.99	Magneti Marelli S.p.A.	99.998	
						Servicios Administrativos Corp. IPASA S.A.	0.002	
Magneti Marelli Slovakia s.r.o.	Bratislava	Slovack Republic	6,639	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli South Africa (Proprietary) Limited	Johannesburg	South Africa	1,950,000	ZAR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Suspension Systems Bielsko Sp. z.o.o.	Bielsko-Biala	Poland	70,050,000	PLN	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Suspension Systems Poland Sp. z o.o.	Sosnowiec	Poland	4,310,000	PLN	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Um Electronic Systems Private Limited	New Delhi	India	130,000,000	INR	51.00	Magneti Marelli S.p.A.	51.000	
Mako Elektrik Sanayi Ve Ticaret A.S.	Osmangazi Bursa	Turkey	16,500,000	TRY	96.66	Magneti Marelli S.p.A.	96.665	
Malaysian Automotive Lighting SDN. BHD	Bayan Lepas	Malaysia	6,000,000	MYR	79.99	Automotive Lighting Reutlingen GmbH	80.000	
Plastic Components and Modules Automotive S.p.A.	Grugliasco	Italy	10,000,000	EUR	99.99	Plastic Components and Modules Holding S.p.A.	100.000	
Plastic Components and Modules Holding S.p.A.	Grugliasco	Italy	10,000,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Plastic Components and Modules Poland S.A.	Sosnowiec	Poland	21,000,000	PLN	99.99	Plastic Components and Modules Automotive S.p.A.	100.000	

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS (continued)

Name	Registered office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
Plastiform A.S.	Bursa	Turkey	715,000	TRY	99.99	Plastic Components and Modules Automotive S.p.A.	97.000	
						Magneti Marelli S.p.A.	3.000	
Powertrain Mekanik Sanayi ve Ticaret Limited Sirketi	Demirtas-Bursa	Turkey	50,000	TRY	99.99	Magneti Marelli S.p.A.	99.950	
						Mako Elektrik Sanayi Ve Ticaret A.S.	0.050	
Servicios Administrativos Corp. IPASA S.A.	Col. Chapultepec	Mexico	1,000	MXN	99.99	Magneti Marelli Sistemas Electronicos Mexico S.A.	99.990	
						Industrias Magneti Marelli Mexico S.A. de C.V.	0.010	
Sistemi Sospensioni S.p.A.	Corbetta	Italy	37,622,179	EUR	99.99	Magneti Marelli S.p.A.	100.000	
SNIARICERCHE S.P.A. in liquidation	Pisticci	Italy	880,000	EUR	99.99	Plastic Components and Modules Holding S.p.A.	95.000	
						Plastic Components and Modules Automotive S.p.A.	5.000	
TEA S.r.l.	Grugliasco	Italy	516,000	EUR	99.99	Plastic Components and Modules Automotive S.p.A.	95.000	
						Plastic Components and Modules Holding S.p.A.	5.000	
Tecnologia de Iluminacion Automotriz S.A. de C.V.	Chihuahua	Mexico	50,000	MXN	99.99	Automotive Lighting LLC	100.000	
Ufima S.A.S.	Nanterre	France	44,940	EUR	99.99	Magneti Marelli S.p.A.	65.020	
						Fiat Partecipazioni S.p.A.	34.980	
Metallurgical Products								
Teksid S.p.A.	Turin	Italy	71,403,261	EUR	84.79	Fiat S.p.A.	84.791	
Compania Industrial Frontera S.A. de C.V.	Frontera	Mexico	50,000	MXN	84.79	Teksid Hierro de Mexico S.A. de C.V.	100.000	
Fonderie du Poitou Fonte S.A.S.	Ingrandes-sur-Vienne	France	26,958,464	EUR	84.79	Teksid S.p.A.	100.000	
Funfrap-Fundicao Portuguesa S.A.	Cacia	Portugal	13,697,550	EUR	70.89	Teksid S.p.A.	83.607	
Teksid Aluminum S.r.l.	Carmagnola	Italy	5,000,000	EUR	100.00	Fiat S.p.A.	100.000	
Teksid do Brasil Ltda	Betim	Brazil	148,874,686	BRL	84.79	Teksid S.p.A.	100.000	
Teksid Hierro De Mexico Arrendadora S.A. de C.V.	Frontera	Mexico	497,690,000	MXN	84.79	Teksid S.p.A.	100.000	
Teksid Hierro de Mexico S.A. de C.V.	Frontera	Mexico	418,874,300	MXN	84.79	Teksid S.p.A.	100.000	
Teksid Inc.	Wilmington	U.S.A.	100,000	USD	84.79	Teksid S.p.A.	100.000	
Teksid Iron Poland Sp. z o.o.	Skoczow	Poland	115,678,500	PLN	84.79	Teksid S.p.A.	100.000	
Production Systems								
Comau S.p.A.	Grugliasco	Italy	48,013,959	EUR	100.00	Fiat S.p.A.	100.000	
Autodie International, Inc.	Grand Rapids	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000	
Comau (Shanghai) Automotive Equipment Co. Ltd.	Shanghai	People's Rep.of China	5,000,000	USD	100.00	Comau S.p.A.	100.000	
Comau (Shanghai) International Trading Co. Ltd.	Shanghai	People's Rep.of China	200,000	USD	100.00	Comau S.p.A.	100.000	

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS (continued)

Name	Registered office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
Comau Argentina S.A.	Buenos Aires	Argentina	500,000	ARS	100.00	Comau S.p.A.	55.280	
						Comau do Brasil Industria e Comercio Ltda.	44.690	
						Fiat Argentina S.A.	0.030	
Comau Canada Inc.	Windsor	Canada	100	CAD	100.00	Comau Inc.	100.000	
Comau Deutschland GmbH	Boblingen	Germany	1,330,000	EUR	100.00	Comau S.p.A.	100.000	
Comau do Brasil Industria e Comercio Ltda.	Betim	Brazil	29,312,653	BRL	100.00	Comau S.p.A.	99.999	
						Fiat do Brasil S.A.	0.001	
Comau Estil Unl.	Luton	United Kingdom	107,665,056	USD	100.00	Comau S.p.A.	100.000	
Comau France S.A.S.	Trappes	France	6,000,000	EUR	100.00	Comau S.p.A.	100.000	
Comau Inc.	Southfield	U.S.A.	21,457	USD	100.00	Comau Pico Holdings Corporation	100.000	
Comau India Private Limited	Pune	India	239,935,020	INR	100.00	Comau S.p.A.	99.990	
						Comau Deutschland GmbH	0.010	
Comau Pico Holdings Corporation	New York	U.S.A.	100	USD	100.00	Comau S.p.A.	100.000	
Comau Pico Iaisa S.de R.L. de C.V.	Tepotzotlan	Mexico	3,000	MXN	100.00	Comau Pico Mexico S.de R.L. de C.V.	99.967	
						Comau S.p.A.	0.033	
Comau Pico Mexico S.de R.L. de C.V.	Tepotzotlan	Mexico	3,000	MXN	100.00	Comau S.p.A.	99.967	
						Comau Deutschland GmbH	0.033	
Comau Pico Pitex S.de R.L. C.V.	Tepotzotlan	Mexico	3,000	MXN	100.00	Comau Pico Mexico S.de R.L. de C.V.	99.967	
						Comau S.p.A.	0.033	
Comau Pico Trebol S.de R.L. de C.V.	Tepotzotlan	Mexico	3,000	MXN	100.00	Comau Pico Mexico S.de R.L. de C.V.	99.967	
						Comau S.p.A.	0.033	
Comau Poland Sp. z o.o.	Bielsko-Biala	Poland	3,800,000	PLN	100.00	Comau S.p.A.	100.000	
Comau Resources, Inc.	Southfield	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000	
Comau Romania S.R.L.	Bihor	Romenia	10,315,170	RON	100.00	Comau S.p.A.	100.000	
Comau Russia OOO	Moscow	Russia	4,770,225	RUB	100.00	Comau S.p.A.	99.000	
						Comau Deutschland GmbH	1.000	
Comau Service Systems S.L.	Madrid	Spain	250,000	EUR	100.00	Comau S.p.A.	100.000	
Mecaner S.A.	Urdùliz	Spain	3,000,000	EUR	100.00	Comau S.p.A.	100.000	
Publishing and Communications								
Itedi-Italiana Edizioni S.p.A.	Turin	Italy	5,980,000	EUR	100.00	Fiat S.p.A.	100.000	
BMI S.p.A.	Genoa	Italy	124,820	EUR	58.00	Itedi-Italiana Edizioni S.p.A.	58.004	
Editrice La Stampa S.p.A.	Turin	Italy	4,160,000	EUR	100.00	Itedi-Italiana Edizioni S.p.A.	100.000	
La Stampa Europe SAS	Trappes	France	18,600,000	EUR	100.00	Itedi-Italiana Edizioni S.p.A.	100.000	
Publikompass S.p.A.	Milan	Italy	3,068,000	EUR	100.00	Itedi-Italiana Edizioni S.p.A.	100.000	
Think Lux S.r.l.	Turin	Italy	50,000	EUR	100.00	Itedi-Italiana Edizioni S.p.A.	100.000	
Holding companies and Other companies								
Business Solutions S.p.A.	Turin	Italy	4,791,396	EUR	100.00	Fiat S.p.A.	100.000	

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS (continued)

Name	Registered office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
C.R.F. Società Consortile per Azioni *(business Other Activities)*	Orbassano	Italy	45,000,000	EUR	99.28	Fiat Partecipazioni S.p.A.	52.061	
						Fiat Group Automobiles S.p.A.	17.478	
						Iveco S.p.A.	9.987	
						Magneti Marelli S.p.A.	7.490	
						Fiat Powertrain Technologies SpA	4.994	
						CNH Italia s.p.a.	2.497	
						Comau S.p.A.	2.497	
						Teksid S.p.A.	2.497	
						Ferrari S.p.A.	0.499	
Centro Ricerche Plast-Optica S.p.A.	Amaro	Italy	1,033,000	EUR	75.13	C.R.F. Società Consortile per Azioni	51.000	
						Automotive Lighting Rear Lamps Italia S.p.A.	24.500	
Deposito Avogadro S.r.l.	Turin	Italy	100,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Elasis-Società Consortile per Azioni	Pomigliano d'Arco	Italy	20,000,000	EUR	98.90	Fiat Group Automobiles S.p.A.	51.000	
						C.R.F. Società Consortile per Azioni	27.933	
						CNH Italia s.p.a.	6.800	
						Fiat Powertrain Technologies SpA	5.000	
						Iveco S.p.A.	3.300	
						Comau S.p.A.	1.500	
						Magneti Marelli S.p.A.	1.500	
						Fiat Partecipazioni S.p.A.	1.450	
						Ferrari S.p.A.	1.100	
						Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	0.250	
						Fiat S.p.A.	0.167	
FGI - Fiat Group International SA	Paradiso	Switzerland	100,000,000	CHF	100.00	Fiat S.p.A.	100.000	
Fiat Argentina S.A.	Buenos Aires	Argentina	5,292,117	ARS	100.00	Fiat Services S.p.A.	90.961	
						Fiat do Brasil S.A.	9.029	
						SGR-Sociedad para la Gestion de Riesgos S.A.	0.009	
						Fiat Auto Argentina S.A.	0.001	
Fiat Attività Immobiliari S.p.A.	Turin	Italy	85,700,000	EUR	100.00	Fiat Partecipazioni S.p.A.	76.663	
						Fiat Group Automobiles S.p.A.	23.337	
Fiat do Brasil S.A.	Nova Lima	Brazil	28,513,780	BRL	100.00	Fiat Partecipazioni S.p.A.	99.998	
						Fiat Services S.p.A.	0.002	
Fiat Financas Brasil Ltda	Nova Lima	Brazil	2,469,701	BRL	100.00	Fiat Finance S.p.A.	99.994	
						Fiat do Brasil S.A.	0.006	
Fiat Finance and Trade Ltd S.A.	Luxembourg	Luxembourg	251,494,000	EUR	100.00	Fiat Finance S.p.A.	99.993	
						Fiat Finance Canada Ltd.	0.007	
Fiat Finance Canada Ltd.	Calgary	Canada	10,099,885	CAD	100.00	Fiat Finance S.p.A.	100.000	
Fiat Finance et Services S.A.	Trappes	France	3,700,000	EUR	100.00	Fiat Services S.p.A.	99.997	
Fiat Finance North America Inc.	Wilmington	U.S.A.	190,090,010	USD	100.00	Fiat Finance S.p.A.	60.526	
						Fiat S.p.A.	39.474	

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS (continued)

Name	Registered office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
Fiat Finance S.p.A.	Turin	Italy	224,440,000	EUR	100.00	Fiat S.p.A.	100.000	
Fiat GmbH	Ulm	Germany	200,000	EUR	100.00	Fiat Services S.p.A.	100.000	
Fiat Group Marketing & Corporate Communication S.p.A.	Turin	Italy	100,000,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Group Purchasing France S.a.r.l.	Trappes	France	7,700	EUR	100.00	Fiat Group Purchasing S.r.l.	100.000	
Fiat Group Purchasing Poland Sp. z o.o.	Bielsko-Biala	Poland	300,000	PLN	100.00	Fiat Group Purchasing S.r.l.	100.000	
Fiat Group Purchasing S.r.l.	Turin	Italy	600,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Iberica S.A.	Madrid	Spain	2,797,054	EUR	100.00	Fiat Services S.p.A.	100.000	
Fiat Information Technology, Excellence and Methods S.p.A.	Turin	Italy	500,000	EUR	100.00	Fiat Services S.p.A.	100.000	
Fiat Netherlands Holding N.V.	Amsterdam	Netherlands	2,610,397,295	EUR	100.00	Fiat S.p.A.	100.000	
Fiat Partecipazioni S.p.A.	Turin	Italy	356,158,302	EUR	100.00	Fiat S.p.A.	100.000	
Fiat Polska Sp. z o.o.	Warsaw	Poland	25,500,000	PLN	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Services Belgium N.V.	Zedelgem	Belgium	62,000	EUR	100.00	Fiat U.K. Limited	99.960	
						Fiat Services S.p.A.	0.040	
Fiat Services Polska Sp. z o.o.	Bielsko-Biala	Poland	3,600,000	PLN	100.00	Fiat Services S.p.A.	100.000	
Fiat Services S.p.A.	Turin	Italy	3,600,000	EUR	100.00	Business Solutions S.p.A.	100.000	
Fiat Servizi per l'Industria S.c.p.a.	Turin	Italy	1,652,669	EUR	99.36	Fiat Partecipazioni S.p.A.	51.000	
						Fiat Group Automobiles S.p.A.	25.500	
						Iveco S.p.A.	6.000	
						Fiat S.p.A.	5.000	
						CNH Italia s.p.a.	3.000	
						Teksid S.p.A.	2.000	
						C.R.F. Società Consortile per Azioni	1.500	
						Comau S.p.A.	1.500	
						Editrice La Stampa S.p.A.	1.500	
						Fiat Services S.p.A.	1.500	
						Magneti Marelli S.p.A.	1.500	
Fiat U.K. Limited	Basildon	United Kingdom	750,000	GBP	100.00	Fiat Services S.p.A.	100.000	
Fiat U.S.A. Inc.	New York	U.S.A.	16,830,000	USD	100.00	Fiat S.p.A.	100.000	
Fiat-Revisione Interna S.c.r.l.	Turin	Italy	300,000	EUR	98.32	Fiat S.p.A.	51.000	
						Fiat Group Automobiles S.p.A.	13.000	
						CNH Global N.V.	10.000	
						Iveco S.p.A.	6.000	
						Comau S.p.A.	2.000	
						Ferrari S.p.A.	2.000	
						Fiat Group Purchasing S.r.l.	2.000	
						Fiat Powertrain Technologies SpA	2.000	
						Fiat Services S.p.A.	2.000	
						Itedi-Italiana Edizioni S.p.A.	2.000	

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS (continued)

Name	Registered office	Country	Share capital	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
						Magneti Marelli S.p.A.	2.000	
						Maserati S.p.A.	2.000	
						Teksid S.p.A.	2.000	
						Fiat Finance S.p.A.	1.000	
						Fiat Partecipazioni S.p.A.	1.000	
Neptunia Assicurazioni Marittime S.A.	Lausanne	Switzerland	10,000,000	CHF	100.00	Rimaco S.A.	100.000	
Rimaco S.A.	Lausanne	Switzerland	350,000	CHF	100.00	FGI - Fiat Group International SA	100.000	
Risk Management S.p.A.	Turin	Italy	120,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Sadi Polska-Agencja Celna Sp. z o.o.	Bielsko-Biala	Poland	500,000	PLN	100.00	Servizi e Attività Doganali per l'Industria S.p.A.	100.000	
Servizi e Attività Doganali per l'Industria S.p.A.	Turin	Italy	520,000	EUR	100.00	Fiat Services S.p.A.	100.000	
SIRIO - Sicurezza Industriale Società consortile per azioni	Turin	Italy	120,000	EUR	93.49	Fiat Partecipazioni S.p.A.	57.703	
						Fiat Group Automobiles S.p.A.	17.288	
						Iveco S.p.A.	4.644	
						Fiat Powertrain Technologies SpA	2.356	
						Magneti Marelli S.p.A.	1.863	
						Fiat S.p.A.	0.751	
						Comau S.p.A.	0.729	
						Ferrari S.p.A.	0.729	
						Teksid S.p.A.	0.664	
						Irisbus Italia S.p.A.	0.622	
						Fiat Services S.p.A.	0.593	
						Sistemi Sospensioni S.p.A.	0.551	
						Teksid Aluminum S.r.l.	0.540	
						C.R.F. Società Consortile per Azioni	0.535	
						New Holland Kobelco Construction Machinery S.p.A.	0.535	
						Fiat Servizi per l'Industria S.c.p.a.	0.503	
						Fiat Finance S.p.A.	0.449	
						Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	0.449	
						Fidis S.p.A.	0.325	
						CNH Italia s.p.a.	0.237	
						Automotive Lighting Italia S.p.A.	0.233	
						Editrice La Stampa S.p.A.	0.233	
						Elasis-Società Consortile per Azioni	0.233	
						FGA Officine Automobilistiche Grugliasco S.p.A.	0.167	
						Astra Veicoli Industriali S.p.A.	0.103	
						Fiat Group Marketing & Corporate Communication S.p.A.	0.103	
						Fiat Group Purchasing S.r.l.	0.103	

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS (continued)

Name	Registered office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
						Servizi e Attività Doganali per l'Industria S.p.A.	0.103	
						Fiat-Revisione Interna S.c.r.l.	0.061	
						Fiat Center Italia S.p.A.	0.045	
						Abarth & C. S.p.A.	0.039	
						Itedi-Italiana Edizioni S.p.A.	0.039	
						Maserati S.p.A.	0.039	
						Orione-Società Industriale per la Sicurezza e la Vigilanza Consortile per Azioni	0.039	
						Risk Management S.p.A.	0.039	
						Sisport Fiat S.p.A. - Società sportiva dilettantistica	0.039	
						Magneti Marelli After Market Parts and Services S.p.A.	0.037	
						Automotive Lighting Rear Lamps Italia S.p.A.	0.022	
						Easy Drive S.r.l.	0.022	
						Fiat Attività Immobiliari S.p.A.	0.022	
						Fiat Auto Var S.r.l.	0.022	
						Fiat Information Technology, Excellence and Methods S.p.A.	0.022	
						Plastic Components and Modules Automotive S.p.A.	0.022	
						TEA S.r.l.	0.022	
						i-FAST Automotive Logistics S.r.l.	0.020	
						i-FAST Container Logistics S.p.A.	0.020	
Sisport Fiat S.p.A. - Società sportiva dilettantistica	Turin	Italy	889,049	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	

JOINTLY-CONTROLLED ENTITIES ACCOUNTED FOR USING THE PROPORTIONAL CONSOLIDATION

FPT Powertrain Technologies

Name	Registered office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
Fiat-GM Powertrain Polska Sp. z o.o.	Bielsko-Biala	Poland	220,100,000	PLN	50.00	Fiat Powertrain Technologies SpA	50.000	

JOINTLY-CONTROLLED ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD

Fiat Group Automobiles

Name	Registered office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
FGA CAPITAL S.p.A.	Turin	Italy	700,000,000	EUR	50.00	Fiat Group Automobiles S.p.A.	50.000	
FAL Fleet Services S.A.S.	Trappes	France	3,000,000	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FC France S.A.	Trappes	France	11,360,000	EUR	50.00	FGA CAPITAL S.p.A.	99.999	
FGA Bank G.m.b.H.	Vienna	Austria	5,000,000	EUR	50.00	FGA CAPITAL S.p.A.	50.000	
						Fidis S.p.A.	25.000	

JOINTLY-CONTROLLED ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD (continued)

Name	Registered office	Country	Share capital	Currency	% of Group consoli- dation	Interest held by	% interest held	% of voting rights
FGA Bank Germany G.m.b.H.	Heilbronn	Germany	39,600,000	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CAPITAL BELGIUM S.A.	Evere - Bruxelles	Belgium	3,718,500	EUR	50.00	FGA CAPITAL S.p.A.	99.999	
FGA Capital Danmark A/S	Glostrup	Denmark	14,154,000	DKK	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CAPITAL HELLAS S.A.	Argyroupoli	Greece	600,000	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CAPITAL IRELAND Public Limited Company	Dublin	Ireland	100,007	EUR	50.00	FGA CAPITAL S.p.A.	99.994	
FGA CAPITAL LUX S.A.	Luxembourg	Luxembourg	12,200,000	EUR	50.00	FGA CAPITAL S.p.A.	99.997	
FGA Capital Netherlands B.V.	Lijnden	Netherlands	3,085,800	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CAPITAL RE Limited	Dublin	Ireland	1,000,000	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA Capital Services Spain S.A.	Alcalá De Henares	Spain	25,145,299	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA Capital Spain E.F.C. S.A.	Alcalá De Henares	Spain	26,671,557	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CAPITAL UK LTD.	Slough Berkshire	United Kingdom	10,250,000	GBP	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CONTRACTS UK LTD.	Slough Berkshire	United Kingdom	16,000,000	GBP	50.00	FGA CAPITAL S.p.A.	100.000	
FGA INSURANCE HELLAS S.A.	Argyroupoli	Greece	60,000	EUR	49.99	FGA CAPITAL HELLAS S.A.	99.975	
FGA Leasing GmbH	Vienna	Austria	40,000	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA WHOLESALE UK LTD.	Slough Berkshire	United Kingdom	3,500,000	GBP	50.00	FGA CAPITAL S.p.A.	100.000	
Fiat Bank Polska S.A.	Warsaw	Poland	125,000,000	PLN	50.00	FGA CAPITAL S.p.A.	100.000	
Fiat Distribuidora Portugal S.A.	Alges	Portugal	500,300	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
Fidis Finance (Suisse) S.A.	Schlieren	Switzerland	24,100,000	CHF	50.00	FGA CAPITAL S.p.A.	100.000	
Fidis Finance Polska Sp. z o.o.	Warsaw	Poland	10,000,000	PLN	50.00	FGA CAPITAL S.p.A.	100.000	
Fidis Leasing Polska Sp. z o.o.	Warsaw	Poland	12,500,000	PLN	50.00	FGA CAPITAL S.p.A.	100.000	
Fidis Retail IFIC SA	Alges	Portugal	10,000,000	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FL Auto Snc	Trappes	France	8,954,581	EUR	50.00	FC France S.A.	99.998	
FL Location SNC	Trappes	France	76,225	EUR	49.99	FC France S.A.	99.980	
Leasys S.p.A.	Turin	Italy	77,979,400	EUR	49.69	FGA CAPITAL S.p.A.	99.384	
FER MAS Oto Ticaret A.S.	Istanbul	Turkey	5,500,000	TRY	37.64	Tofas-Turk Otomobil Fabrikasi Tofas A.S.	99.418	
Fiat India Automobiles Limited *(business Fiat Group Automobiles)*	Ranjangaon	India	12,749,279,000	INR	50.00	Fiat Group Automobiles S.p.A.	50.000	
G.E.I.E. Gisevel	Paris	France	15,200	EUR	50.00	Fiat France	50.000	
G.E.I.E.-Sevelind	Paris	France	15,200	EUR	50.00	Fiat France	50.000	
Koc Fiat Kredi Tuketici Finansmani A.S.	Istanbul	Turkey	30,000,000	TRY	37.86	Tofas-Turk Otomobil Fabrikasi Tofas A.S.	100.000	
MEKATRO Arastirma-Gelistirme ve Ticaret A.S.	Kocaeli	Turkey	150,000	TRY	36.72	Tofas-Turk Otomobil Fabrikasi Tofas A.S.	97.000	
PLATFORM Arastirma Gelistirme Tasarim ve Ticaret A.S.	Bursa	Turkey	1,000,000	TRY	37.48	Tofas-Turk Otomobil Fabrikasi Tofas A.S.	99.000	
Società Europea Veicoli Leggeri-Sevel S.p.A.	Atessa	Italy	68,640,000	EUR	50.00	Fiat Group Automobiles S.p.A.	50.000	
Société Européenne de Véhicules Légers du Nord-Sevelnord Société Anonyme	Paris	France	80,325,000	EUR	50.00	Fiat France	50.000	
Tofas-Turk Otomobil Fabrikasi Tofas A.S.	Levent	Turkey	500,000,000	TRY	37.86	Fiat Group Automobiles S.p.A.	37.856	

JOINTLY-CONTROLLED ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD (continued)

Name	Registered office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
Agricultural and Construction Equipment								
Case Mexico S.A. de C.V.	São Pedro	Mexico	810,000	MXN	44.62	CNH de Mexico SA de CV	100.000	
Case Special Excavators N.V.	Zedelgem	Belgium	1,100,000	EUR	44.62	CNH Global N.V.	50.000	
CNH Comercial, SA de C.V.	São Pedro	Mexico	160,050,000	MXN	44.62	CNH de Mexico SA de CV	100.000	
CNH de Mexico SA de CV	São Pedro	Mexico	165,276,000	MXN	44.62	CNH Global N.V.	50.000	
CNH Industrial S.A. de C.V.	São Pedro	Mexico	200,050,000	MXN	44.62	CNH de Mexico SA de CV	100.000	
CNH Servicios Comerciales, S.A. de C.V., SOFOM, E.N.R.	São Pedro	Mexico	50,000,000	MXN	43.73	CNH Global N.V.	49.000	
CNH Servicios Corporativos S.A. de C.V.	São Pedro	Mexico	375,000	MXN	44.62	CNH de Mexico SA de CV	99.999	
L&T-Case Equipment Private Limited	Mumbai	India	240,100,000	INR	44.62	CNH America LLC	50.000	
LBX Company LLC	Wilmington	U.S.A.	0	USD	44.62	Case LBX Holdings Inc.	50.000	
New Holland HFT Japan Inc.	Sapporo	Japan	240,000,000	JPY	44.62	CNH Global N.V.	50.000	
Turk Traktor Ve Ziraat Makineleri A.S.	Ankara	Turkey	53,369,000	TRY	33.47	CNH Global N.V.	37.500	
Trucks and Commercial Vehicles								
Iveco - Oto Melara Società consortile r.l.	Rome	Italy	40,000	EUR	50.00	Iveco S.p.A.	50.000	
Naveco (Nanjing IVECO Motor Co.) Ltd.	Nanjing	People's Rep.of China	2,527,000,000	CNY	50.00	Iveco S.p.A.	50.000	
SAIC IVECO Commercial Vehicle Investment Company Limited	Shanghai	People's Rep.of China	160,000,000	USD	50.00	Iveco S.p.A.	50.000	
SAIC Iveco Hongyan Commercial Vehicles Co, Ltd.	Chongqing	People's Rep.of China	500,000,000	CNY	33.50	SAIC IVECO Commercial Vehicle Investment Company Limited	67.000	
Transolver Finance Establecimiento Financiero de Credito S.A.	Madrid	Spain	9,315,500	EUR	50.00	Iveco S.p.A.	50.000	
FPT Powertrain Technologies								
Fiat India Automobiles Limited *(business FPT Powertrain Technologies)*	Ranjangaon	India	12,749,279,000	INR	50.00	Fiat Group Automobiles S.p.A.	50.000	
FIAT POWERTRAIN TECHNOLOGIES Sollers Investment Company B.V.	Amsterdam	Netherlands	1,000,000	EUR	50.00	Fiat Powertrain Technologies SpA	50.000	
FIAT POWERTRAIN TECHNOLOGIES Sollers Limited Liability Company	Zavolzhje	Russia	10,000	RUB	50.00	FIAT POWERTRAIN TECHNOLOGIES Sollers Investment Company B.V.	100.000	
Components								
Gestamp Marelli Autochasis S.L.	Barcelona	Spain	2,000,000	EUR	50.00	Sistemi Sospensioni S.p.A.	50.000	
Magneti Marelli Motherson Auto System Limited	New Delhi	India	380,000,000	INR	50.00	Magneti Marelli Motherson India Holding B.V.	100.000	
Magneti Marelli Motherson India Holding B.V.	Amsterdam	Netherlands	2,000,000	EUR	50.00	Magneti Marelli S.p.A.	50.000	

JOINTLY-CONTROLLED ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD (continued)

Name	Registered office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
Magneti Marelli SKH Exhaust Systems Private Limited	New Delhi	India	95,000,000	INR	50.00	Magneti Marelli S.p.A.	50.000	
SAIC MAGNETI MARELLI Powertrain Co. Ltd	Shanghai	People's Rep.of China	12,000,000	EUR	50.00	Magneti Marelli S.p.A.	50.000	
SKH Magneti Marelli Exhaust Systems Private Limited	New Delhi	India	89,000,000	INR	50.00	Magneti Marelli S.p.A.	50.000	
tema.mobility	Turin	Italy	850,000	EUR	50.00	Magneti Marelli S.p.A.	50.000	
Metallurgical Products								
Hua Dong Teksid Automotive Foundry Co. Ltd.	Zhenjiang-Jangsu	People's Rep.of China	385,363,550	CNY	42.40	Teksid S.p.A.	50.000	

SUBSIDIARIES ACCOUNTED FOR USING THE EQUITY METHOD

Name	Registered office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
Fiat Group Automobiles								
Alfa Romeo Inc.	Winter Garden	U.S.A.	3,000,000	USD	100.00	Fiat Group Automobiles S.p.A.	100.000	
F.A. Austria Commerz GmbH	Vienna	Austria	37,000	EUR	100.00	Fiat Group Automobiles Switzerland S.A.	100.000	
Fiat Auto Egypt Industrial Company SAE	Giza	Egypt	50,000,000	EGP	80.40	Fiat Group Automobiles S.p.A.	80.400	
Fiat Auto Egypt S.A.E.	Giza	Egypt	5,000,000	EGP	79.60	Fiat Auto Egypt Industrial Company SAE	99.000	
Italcar SA	Casablanca	Morocco	28,000,000	MAD	99.94	Fiat Group Automobiles Maroc S.A.	99.986	
Sirio Polska Sp. z o.o.	Bielsko-Biala	Poland	1,350,000	PLN	100.00	Fiat Auto Poland S.A.	100.000	
Agricultural and Construction Equipment								
Farmers New Holland Inc.	Wilmington	U.S.A.	800,000	USD	89.25	CNH America LLC	100.000	
Jackson New Holland, Inc.	Wilmington	U.S.A.	371,000	USD	84.19	CNH America LLC	94.340	
Mid State New Holland, Inc.	Wilmington	U.S.A.	400,000	USD	78.09	CNH America LLC	87.500	
Northside New Holland Inc.	Wilmington	U.S.A.	250,000	USD	62.19	CNH America LLC	69.680	
Ridgeview New Holland Inc.	Wilmington	U.S.A.	534,000	USD	57.61	CNH America LLC	64.551	
Southside New Holland Tractor & Equipment, Inc.	Wilmington	U.S.A.	325,000	USD	89.25	CNH America LLC	100.000	
Sunrise Tractor & Equipment Inc.	Wilmington	U.S.A.	691,000	USD	89.25	CNH America LLC	100.000	
Trucks and Commercial Vehicles								
Financière Pegaso France S.A.	Trappes	France	260,832	EUR	100.00	Iveco España S.L.	100.000	
Iveco Colombia Ltda.	Santa Fe' de Bogota	Colombia	7,596,249,000	COP	100.00	Iveco Venezuela C.A.	99.990	
						Iveco Latin America Ltda	0.010	
Iveco S.P.R.L.	Kinshasa	Congo (Dem. Rep. Congo)	340,235,000	CDF	100.00	Iveco S.p.A.	99.992	
						Astra Veicoli Industriali S.p.A.	0.008	

SUBSIDIARIES ACCOUNTED FOR USING THE EQUITY METHOD (continued)

Name	Registered office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
Components								
Cofap Fabricadora de Pecas Ltda	Santo Andre	Brazil	62,838,291	BRL	68.26	Magneti Marelli do Brasil Industria e Comercio SA	68.350	
Production Systems								
Comau AGS s.r.l.	Grugliasco	Italy	103,100	EUR	100.00	Comau S.p.A.	100.000	
Holding companies and Other companies								
Centro Studi sui Sistemi di Trasporto-CSST S.p.A.	Orbassano	Italy	120,000	EUR	99.85	Fiat Group Automobiles S.p.A.	49.000	
						Iveco S.p.A.	30.000	
						C.R.F. Società Consortile per Azioni	21.000	
Fast-Buyer S.p.A.	Turin	Italy	500,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat (China) Business Co., Ltd.	Beijing	People's Rep.of China	3,000,000	USD	100.00	Fiat Partecipazioni S.p.A.	100.000	
Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	Turin	Italy	300,000	EUR	99.22	Fiat Partecipazioni S.p.A.	51.000	
						Fiat Group Automobiles S.p.A.	16.000	
						Iveco S.p.A.	12.000	
						CNH Italia s.p.a.	3.000	
						Comau S.p.A.	3.000	
						Fiat Powertrain Technologies SpA	3.000	
						Fiat S.p.A.	3.000	
						Fiat Services S.p.A.	3.000	
						Magneti Marelli S.p.A.	3.000	
						Teksid S.p.A.	3.000	
New Business 7 S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
New Business 8 S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
SGR-Sociedad para la Gestion de Riesgos S.A.	Buenos Aires	Argentina	10,000	ARS	99.96	Rimaco S.A.	99.960	
Sistemi Ambientali S.p.A. in liquidation	Rivoli	Italy	9,544,080	EUR	99.79	Fiat Partecipazioni S.p.A.	99.785	

SUBSIDIARIES VALUED AT COST

Name	Registered office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
Fiat Group Automobiles								
(*) CMP Componentes e Modulos Plasticos Industria e Comercio Ltda.	Contagem	Brazil	4,375,687	BRL	100.00	Fiat Automoveis S.A. - FIASA	100.000	
CODEFIS Società consortile per azioni	Turin	Italy	120,000	EUR	68.49	Fiat Group Automobiles S.p.A.	51.000	
						CNH Capital U.K. Ltd	14.000	
						Iveco Partecipazioni Finanziarie S.r.l.	5.000	
FAS FREE ZONE Ltd. Kragujevac	Kragujevac	Serbia	500	EUR	66.67	FIAT AUTOMOBILES SERBIA DOO KRAGUJEVAC	100.000	

(*) Assets held for sale.

SUBSIDIARIES VALUED AT COST (continued)

Name	Registered office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
Fiat Auto Espana Marketing Instituto Agrupacion de Interes Economico	Alcalá De Henares	Spain	30,051	EUR	95.00	Fiat Group Automobiles Spain S.A.	95.000	
Fiat Auto Marketing Institute (Portugal) ACE	Alges	Portugal	15,000	EUR	80.00	Fiat Group Automobiles Portugal, S.A.	80.000	
Fiat Automobiles Service Co. Ltd.	Nanjing	People's Rep.of China	10,000,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Motor Sales Ltd	Slough Berkshire	United Kingdom	1,500,000	GBP	100.00	Fiat Group Automobiles UK Ltd	100.000	
G. Vico Handling S.r.l.	Pomigliano d'Arco	Italy	20,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Goldcup 5148 AB	Sundsvall	Sweden	100,000	SEK	100.00	Fiat Group Automobiles S.p.A.	100.000	
New Business 19 S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Ferrari								
Scuderia Ferrari Club S.c. a r.l.	Maranello	Italy	105,000	EUR	80.14	Ferrari S.p.A.	94.286	
Agricultural and Construction Equipment								
Case Construction Equipment, Inc.	Wilmington	U.S.A.	1,000	USD	89.25	CNH America LLC	100.000	
Case IH Agricultural Equipment, Inc.	Wilmington	U.S.A.	1,000	USD	89.25	CNH America LLC	100.000	
Fermec North America Inc.	Wilmington	U.S.A.	5	USD	89.25	CNH America LLC	100.000	
International Harvester Company	Wilmington	U.S.A.	1,000	USD	89.25	CNH America LLC	100.000	
J.I. Case Company Limited	Basildon	United Kingdom	2	GBP	89.25	Case United Kingdom Limited	100.000	
New Holland Agricultural Equipment S.p.A.	Turin	Italy	120,000	EUR	89.25	CNH Italia s.p.a.	100.000	
New Holland Construction Equipment S.p.A.	Turin	Italy	120,000	EUR	89.25	CNH Italia s.p.a.	100.000	
RosCaseMash	Saratov	Russia	0	RUB	34.14	Case Equipment Holdings Limited	38.250	51.000
Trucks and Commercial Vehicles								
Altra S.p.A.	Genoa	Italy	516,400	EUR	100.00	Iveco S.p.A.	100.000	
Consorzio per la Formazione Commerciale Iveco-Coforma in liquidation	Turin	Italy	51,646	EUR	59.92	Iveco S.p.A.	50.000	
						Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	10.000	
Irisbus North America Limited Liability Company	Las Vegas	U.S.A.	20,000	USD	100.00	Iveco France	100.000	
M.R. Fire Fighting International S.A.	Brasov	Romenia	35,000,000	RON	75.88	Iveco Magirus Brandschutztechnik GmbH	74.000	
						Iveco Magirus Brandschutztechnik Gorlitz GmbH	1.000	
						Iveco Magirus Fire Fighting GmbH	1.000	
OOO "CABEKO"	Nizhniy Novgorod	Russia	328,084,000	RUB	43.83	Saveco Partecipazioni S.r.l.	50.518	
						Iveco S.p.A.	0.482	
Saveco Partecipazioni S.r.l.	Turin	Italy	6,900,000	EUR	85.80	Iveco S.p.A.	85.797	

SUBSIDIARIES VALUED AT COST (continued)

Name	Registered office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
Components								
Automotive Lighting Electroform Canada Inc.	Vancouver	Canada	1	CAD	99.99	Magneti Marelli Holding U.S.A. Inc.	100.000	
Automotive Lighting Japan K.K.	KohoKu-Ku-Yokohama	Japan	10,000,000	JPY	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Magneti Marelli Automotive Components (India) Limited in liquidation	Pune	India	125,000,000	INR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Comandos Mecanicos Industria e Comercio Ltda	Sete Lagoas	Brazil	1,000	BRL	99.99	Magneti Marelli Sistemas Automotivos Industria e Comercio Ltda	99.900	
						Fiat do Brasil S.A.	0.100	
Magneti Marelli India Private Ltd	New Delhi	India	20,000,000	INR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Japan K.K.	KohoKu-Ku-Yokohama	Japan	60,000,000	JPY	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Suspensions USA LLC	Farmington Hills	U.S.A.	1,300,000	USD	99.99	Magneti Marelli Holding U.S.A. Inc.	100.000	
Parco Scientifico e Tecnologico della Basilicata - S.p.A. in liquidation	Grugliasco	Italy	120,000	EUR	99.99	Plastic Components and Modules Holding S.p.A.	100.000	
Sistemi Comandi Meccanici Otomotiv Sanayi Ve Ticaret A.S.	Bursa	Turkey	90,000	TRY	99.95	Magneti Marelli S.p.A.	99.956	
Sistemi Comandi Meccanici S.C.M. S.p.A.	Corbetta	Italy	1,800,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Metallurgical Products								
Magnesium Products of Italy S.r.l.	Verres	Italy	50,000	EUR	100.00	Teksid Aluminum S.r.l.	100.000	
Production Systems								
Comau U.K. Limited	Telford	United Kingdom	2,500	GBP	100.00	Comau S.p.A.	100.000	
Consorzio Fermag in liquidation	Bareggio	Italy	144,608	EUR	68.00	Comau S.p.A.	68.000	
Publishing and Communications								
Nexta Srl	Rome	Italy	50,000	EUR	66.00	Itedi-Italiana Edizioni S.p.A.	66.000	
Holding companies and Other companies								
Fiat Common Investment Fund Limited	London	United Kingdom	2	GBP	100.00	Fiat U.K. Limited	100.000	
Fiat Gra.De EEIG	Watford	United Kingdom	0	GBP	97.37	Fiat Group Automobiles S.p.A.	46.000	
						CNH Global N.V.	23.000	
						Fiat Netherlands Holding N.V.	23.000	
						Business Solutions S.p.A.	2.000	
						Fiat S.p.A.	2.000	
						C.R.F. Società Consortile per Azioni	1.000	
						Comau S.p.A.	1.000	
						Magneti Marelli S.p.A.	1.000	
						Teksid S.p.A.	1.000	
Fiat Oriente S.A.E. in liquidation	Cairo	Egypt	50,000	EGP	100.00	Fiat Partecipazioni S.p.A.	100.000	

SUBSIDIARIES VALUED AT COST (continued)

Name	Registered office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
Fiat Partecipazioni India Private Limited	New Delhi	India	28,605,400	INR	100.00	Fiat Partecipazioni S.p.A.	99.825	
						Fiat Group Purchasing S.r.l.	0.175	
Fides Corretagens de Securos Ltda	Nova Lima	Brazil	365,525	BRL	100.00	Rimaco S.A.	99.998	
Isvor Fiat India Private Ltd. in liquidation	New Delhi	India	1,750,000	INR	99.22	Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	100.000	
New Business 27 S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
New Business 28 S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Nuova Immobiliare nove S.r.l.	Turin	Italy	20,897	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Nuove Iniziative Finanziarie 5 S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
OOO Sadi Rus	Nizhniy Novgorod	Russia	2,700,000	RUB	100.00	Sadi Polska-Agencja Celna Sp. z o.o.	90.000	
						Fiat Services Polska Sp. z o.o.	10.000	
Orione-Società Industriale per la Sicurezza e la Vigilanza Consortile per Azioni	Turin	Italy	120,000	EUR	98.85	Fiat Partecipazioni S.p.A.	77.822	
						Fiat S.p.A.	18.003	
						Editrice La Stampa S.p.A.	0.439	
						Fiat Group Automobiles S.p.A.	0.439	
						CNH Italia s.p.a.	0.220	
						Comau S.p.A.	0.220	
						Ferrari S.p.A.	0.220	
						Fiat Finance S.p.A.	0.220	
						Fiat Powertrain Technologies SpA	0.220	
						Fiat Services S.p.A.	0.220	
						Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	0.220	
						Iveco S.p.A.	0.220	
						Magneti Marelli S.p.A.	0.220	
						Sisport Fiat S.p.A. - Società sportiva dilettantistica	0.220	
ASSOCIATED COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD								
Fiat Group Automobiles								
Chrysler Group LLC	Wilmington	U.S.A.	0	USD	20.00	FIAT NORTH AMERICA LLC	20.000	
Utymat S.A.	Santa Margarita I Els Monjos	Spain	4,644,453	EUR	37.50	I.T.C.A. S.p.A.	37.500	
Ferrari								
Senator Software Gmbh	Munich	Germany	25,565	EUR	37.49	Ferrari Financial Services AG	49.000	

ASSOCIATED COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD (continued)

Name	Registered office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
Agricultural and Construction Equipment								
Al-Ghazi Tractors Ltd	Karachi	Pakistan	214,682,226	PKR	38.53	CNH Global N.V.	43.169	
CNH Capital Europe S.a.S.	Puteaux	France	88,482,297	EUR	44.53	CNH Global N.V.	49.900	
Employers Health Initiatives LLC	Wilmington	U.S.A.	790,000	USD	44.62	CNH America LLC	50.000	
Kobelco Construction Machinery Co. Ltd.	Tokyo	Japan	16,000,000,000	JPY	17.85	CNH Global N.V.	20.000	
Medicine Hat New Holland Ltd.	Ottawa	Canada	861,783	CAD	38.92	CNH Canada, Ltd.	43.610	
Trucks and Commercial Vehicles								
GEIE V.IV.RE	Boulogne	France	0	EUR	50.00	Iveco S.p.A.	50.000	
Iveco Finance Holdings Limited	Basingstoke	United Kingdom	1,000	EUR	49.00	Iveco Partecipazioni Finanziarie S.r.l.	49.000	
IVECO-AMT Ltd.	Miass	Russia	65,255,056	RUB	33.33	Iveco S.p.A.	33.330	
Otoyol Sanayi A.S. in liquidation	Samandira-Kartal/Istanbul	Turkey	52,674,386	TRY	27.00	Iveco S.p.A.	27.000	
V.IVE.RE Gruppo Europeo di Interesse Economico	Turin	Italy	0	EUR	50.00	Iveco S.p.A.	50.000	
FPT Powertrain Technologies								
Hangzhou IVECO Automobile Transmission Technology Co., Ltd.	Hangzhou	People's Rep.of China	240,000,000	CNY	33.33	Iveco S.p.A.	33.333	
Haveco Automotive Transmission Co. Ltd.	Zhajiang	People's Rep.of China	200,010,000	CNY	33.33	Iveco S.p.A.	33.330	
Iveco-Motor Sich, Inc.	Zaporozhye	Ukraine	26,568,000	UAH	38.62	Iveco S.p.A.	38.618	
Powertrain Industrial Services S.C.R.L. in liquidation	Turin	Italy	100,000	EUR	50.00	Fiat Powertrain Technologies SpA	25.000	
						FMA - Fabbrica Motori Automobilistici S.r.l.	25.000	
Components								
Endurance Magneti Marelli Shock Absorbers (India) Private Limited	Pune	India	150,000,000	INR	49.99	Magneti Marelli S.p.A.	49.999	
Publishing and Communications								
Società Editrice Mercantile - S.E.M. S.R.L.	Genoa	Italy	3,000,000	EUR	40.00	Editrice La Stampa S.p.A.	40.000	
To-dis S.r.l.	Turin	Italy	510,000	EUR	45.00	Editrice La Stampa S.p.A.	45.000	
Holding companies and Other companies								
Rizzoli Corriere della Sera MediaGroup S.p.A.	Milan	Italy	762,019,050	EUR	10.09	Fiat S.p.A.	10.093	10.497

Name	Registered office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
ASSOCIATED COMPANIES VALUED AT COST								
Fiat Group Automobiles								
Consorzio per la Reindustrializzazione Area di Arese S.r.l. in liquidation	Arese	Italy	1,020,000	EUR	30.00	Fiat Group Automobiles S.p.A.	30.000	
Fidis Rent GmbH	Frankfurt	Germany	50,000	EUR	49.00	FGA Teamsys GmbH	49.000	
Turin Auto Private Ltd. in liquidation	Mumbai	India	43,300,200	INR	50.00	I.T.C.A. S.p.A.	50.000	
Ferrari								
Iniziativa Fiorano S.r.l.	Modena	Italy	90,000	EUR	28.33	Ferrari S.p.A.	33.333	
Agricultural and Construction Equipment								
Consorzio Nido Industria Vallesina	Ancona	Italy	53,903	EUR	34.56	CNH Italia s.p.a.	38.728	
Farm FZCO	Jebel Ali	United Arab Emirates	6,600,000	AED	25.69	CNH Italia s.p.a.	28.788	
Trucks and Commercial Vehicles								
Sotra S.A.	Abidjan	Ivory Coast	3,000,000,000	XOF	39.80	Iveco France	39.800	
Trucks & Bus Company	Tajoura	Libya	96,000,000	LYD	25.00	Iveco España S.L.	25.000	
Zastava-Kamioni D.O.O.	Kragujevac	Serbia	1,673,505,893	RSD	33.68	Iveco S.p.A.	33.677	
Components								
Auto Componentistica Mezzogiorno - A.C.M. Melfi Società Consortile a responsabilità limitata	Turin	Italy	40,000	EUR	24.25	Plastic Components and Modules Automotive S.p.A. Sistemi Sospensioni S.p.A.	16.500 7.750	
Bari Servizi Industriali S.c.r.l.	Modugno	Italy	18,000	EUR	33.33	Magneti Marelli S.p.A.	33.333	
Flexider S.p.A.	Turin	Italy	4,080,000	EUR	25.00	Magneti Marelli S.p.A.	25.000	
Mars Seal Private Limited	Mumbai	India	400,000	INR	24.00	Magneti Marelli France S.a.s.	24.000	
Matay Otomotiv Yan Sanay Ve Ticaret A.S.	Bursa	Turkey	3,800,000	TRY	28.00	Magneti Marelli S.p.A.	28.000	
Publishing and Communications								
Le Monde Europe S.A.S.	Paris	France	5,024,274	EUR	48.44	La Stampa Europe SAS	48.443	
Le Monde Presse S.A.S.	Paris	France	7,327,930	EUR	27.28	La Stampa Europe SAS	27.277	
Holding companies and Other companies								
Ciosa S.p.A. in liquidation	Milan	Italy	516	EUR	25.00	Fiat Partecipazioni S.p.A.	25.000	

ASSOCIATED COMPANIES VALUED AT COST (continued)

Name	Registered office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
Consorzio Parco Industriale di Chivasso	Chivasso	Italy	51,650	EUR	36.90	Fiat Partecipazioni S.p.A.	25.899	
						Plastic Components and Modules Automotive S.p.A.	11.001	
Consorzio per lo Sviluppo delle Aziende Fornitrici in liquidation	Turin	Italy	241,961	EUR	30.87	CNH Italia s.p.a.	10.672	
						Fiat Group Automobiles S.p.A.	10.672	
						Iveco S.p.A.	10.672	
Consorzio Prode	Naples	Italy	51,644	EUR	19.78	Elasis-Società Consortile per Azioni	20.000	
Consorzio Scire	Pomigliano d'Arco	Italy	51,644	EUR	49.45	Elasis-Società Consortile per Azioni	50.000	
Consorzio Scuola Superiore per l'Alta Formazione Universitaria Federico II in liquidation	Naples	Italy	127,500	EUR	19.78	Elasis-Società Consortile per Azioni	20.000	
FMA-Consultoria e Negocios Ltda	São Paulo	Brazil	1	BRL	50.00	Fiat do Brasil S.A.	50.000	
Innovazione Automotive e Metalmeccanica Scrl	Lanciano	Italy	115,000	EUR	24.30	Fiat Group Automobiles S.p.A.	17.391	
						C.R.F. Società Consortile per Azioni	6.957	
L.U.C.I. SRL	Amaro	Italy	10,000	EUR	25.92	Centro Ricerche Plast-Optica S.p.A.	34.500	
Maxus MC2 S.p.A.	Turin	Italy	219,756	EUR	20.00	Fiat Partecipazioni S.p.A.	20.000	
MB Venture Capital Fund I Participating Company F N.V.	Amsterdam	Netherlands	50,000	EUR	45.00	Fiat Partecipazioni S.p.A.	45.000	
Nuova Didactica S.c. a r.l.	Modena	Italy	112,200	EUR	24.86	Ferrari S.p.A.	16.364	
						CNH Italia s.p.a.	12.273	
Tecnologie per il Calcolo Numerico-Centro Superiore di Formazione S.c. a r.l.	Trento	Italy	100,000	EUR	24.82	C.R.F. Società Consortile per Azioni	25.000	
Zetesis S.p.A. in liquidation	Milan	Italy	283,150	EUR	40.00	Fiat Partecipazioni S.p.A.	40.000	

OTHER COMPANIES VALUED AT COST

Name	Registered office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
Agricultural and Construction Equipment								
Polagris S.A.	Pikieliszki	Lithuania	1,133,400	LTL	9.87	CNH Polska Sp. z o.o.	11.054	
Trucks and Commercial Vehicles								
Consorzio Spike	Genoa	Italy	90,380	EUR	15.00	Iveco S.p.A.	15.000	
Components								
Editori Riuniti S.p.A. in liquidation	Rome	Italy	441,652	EUR	13.11	Plastic Components and Modules Holding S.p.A.	13.110	

OTHER COMPANIES VALUED AT COST (continued)

Name	Registered office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
Holding companies and Other companies								
Centro di Eccellenza su Metodi e Sistemi per le Aziende Competitive	Fisciano	Italy	225,000	EUR	15.82	Elasis-Società Consortile per Azioni	16.000	
Consorzio Calef (Consorzio per la ricerca e lo sviluppo delle applicazioni industriali laser e del fascio elettronico)	Rotondella	Italy	83,445	EUR	10.44	Elasis-Società Consortile per Azioni	5.319	
						C.R.F. Società Consortile per Azioni	5.213	
Consorzio Lingotto	Turin	Italy	9,612	EUR	16.90	Fiat Attività Immobiliari S.p.A.	11.500	
						Fiat S.p.A.	5.400	
Consorzio Technapoli	Naples	Italy	1,626,855	EUR	10.99	Elasis-Società Consortile per Azioni	11.110	
Ercole Marelli & C. S.p.A. in liquidation	Milan	Italy	9,633,000	EUR	13.00	Fiat Partecipazioni S.p.A.	13.000	
Expo 2000 - S.p.A.	Turin	Italy	2,205,930	EUR	18.95	Fiat Partecipazioni S.p.A.	18.949	
Fin.Priv. S.r.l.	Milan	Italy	20,000	EUR	14.29	Fiat S.p.A.	14.285	
Torino Zerocinque Trading S.p.A.	Milan	Italy	2,425,000	EUR	15.04	Fiat Partecipazioni S.p.A.	15.040	

APPENDIX II
INFORMATION REQUIRED UNDER ARTICLE 149-*DUODECIES* OF THE "REGOLAMENTO EMITTENTI" ISSUED BY CONSOB

The following table, prepared in accordance with Article 149-*duodecies* of the "Regolamento Emittenti" issued by Consob, reports fees charged for 2009 for audit and audit-related services provided by the independent auditors and entities in their network.

(€ thousand)	Service Provider	Fiat Group Entity		2009 Fees
Audit	Deloitte & Touche S.p.A.	Parent company – Fiat S.p.A.		**179**
	Deloitte & Touche S.p.A.	Subsidiaries		**5,393**
	Deloitte Network	Subsidiaries	(1)	**14,155**
Attestation	Deloitte & Touche S.p.A	Parent company – Fiat S.p.A.	(2)	**17**
	Deloitte & Touche S.p.A	Subsidiaries	(3)	**278**
	Deloitte Network	Subsidiaries	(4)	**51**
Other services	Deloitte & Touche S.p.A.	Parent company – Fiat S.p.A.	(5)	**80**
	Deloitte & Touche S.p.A.	Subsidiaries	(6)	**5,061**
	Deloitte Network	Subsidiaries	(7)	**1,332**
Total				**26,546**

(1) Includes Sarbanes-Oxley Act §404 certification for the subsidiary CNH.
(2) Attestation of tax forms ('Modello Unico', IRAP, domestic tax consolidation and Form 770).
(3) Attestation of tax forms ('Modello Unico', IRAP, Form 770) and reports for refund of tax credits and other contributions for research activities.
(4) Attestation of tax forms.
(5) Review and analysis related to the accounting treatment for significant transactions.
(6) Primarily for due diligence work (of which €4,376 thousand related to due diligence for Chrysler transaction).
(7) Primarily for activities connected to CNH securitization transactions and various bond issues.

ATTESTATION IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS UNDER ARTICLE 154-*BIS* OF LEGISLATIVE DECREE 58/98

1. The undersigned, Sergio Marchionne, in his capacity as the Chief Executive Officer of the Company, and Alessandro Baldi and Maurizio Francescatti, as the executive officers responsible for the preparation of the Company's financial statements, pursuant to the provisions of Article 154-*bis*, clauses 3 and 4, of Legislative Decree no. 58 of 1998, hereby attest the adequacy with respect to the Company structure, and the effective application, of the administrative and accounting procedures applied in the preparation of the Company's consolidated financial statements at 31 December 2009.

2. The assessment of the adequacy of the administrative and accounting procedures used for the preparation of the consolidated financial statements at 31 December 2009 was based on a process defined by Fiat in accordance with the *Internal Control – Integrated Framework* model issued by the *Committee of Sponsoring Organizations of the Treadway Commission*, an internationally-accepted reference framework.

3. The undersigned moreover attest that:

   3.1 the consolidated financial statements at 31 December 2009:

   a) have been prepared in accordance with International Financial Reporting Standards, as endorsed by the European Union through Regulation (EC) 1606/2002 of the European Parliament and Counsel, dated 19 July 2002;

   b) correspond to the amounts shown in the Company's accounts, books and records; and

   c) provide a fair and correct representation of the financial conditions, results of operations and cash flows of the Company and its consolidated subsidiaries as of 31 December 2009 and for the year then ended.

   3.2 The report on operations includes a reliable operating and financial review of the Company and of the Group as well as a description of the main risks and uncertainties to which they are exposed.

16 February 2010

/s/ Sergio Marchionne

Sergio Marchionne
CHIEF EXECUTIVE OFFICER

/s/ Alessandro Baldi
/s/ Maurizio Francescatti

Alessandro Baldi
Maurizio Francescatti
EXECUTIVE OFFICERS RESPONSIBLE FOR THE PREPARATION OF THE COMPANY'S FINANCIAL STATEMENTS

"As many names of virtues as there are among us, so many magistrates there are among them. There is a magistrate who is named Magnanimity, another Fortitude, Chastity, Liberality, Criminal and Civil Justice, Comfort, Truth, Kindness, Gratitude, Cheerfulness, Exercise, Sobriety, etc. They are elected to duties of that kind, each one to that duty for excellence in which he is known from boyhood to be most suitable."
Tommaso Campanella

FIAT S.P.A.
STATUTORY FINANCIAL STATEMENTS
at 31 December 2009

INCOME STATEMENT (*)

(figures in €)	Note	2009	2008
Dividends and other income from investments	(1)	**1,259,831,240**	874,279,556
Impairment (losses)/reversals on investments	(2)	**(858,000,000)**	(7,000,000)
Gains/(losses) on disposals	(3)	**-**	181,180
Other operating income	(4)	**75,431,036**	70,049,180
Personnel costs	(5)	**(31,587,673)**	(37,697,392)
Other operating costs	(6)	**(85,905,353)**	(114,432,580)
Gains/(losses) from non-recurring transactions	(7)	**-**	879,482,850
Financial income/(expense)	(8)	**(13,690,556)**	(421,675,462)
PROFIT/(LOSS) BEFORE TAXES		**346,078,694**	**1,243,187,332**
Income taxes	(9)	**(6,115,156)**	(44,041,611)
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		**339,963,538**	**1,199,145,721**
Profit/(loss) from discontinued operations		**-**	-
PROFIT/(LOSS)		**339,963,538**	**1,199,145,721**

(*) Pursuant to Consob Resolution 15519 of 27 July 2006, the effects of transactions with related parties on Fiat S.p.A.'s Income Statement are presented in a specific income statement provided on the following pages and commented on in the notes to individual line items and in Note 30.

STATEMENT OF COMPREHENSIVE INCOME

(€ thousand)	2009	2008
PROFIT/(LOSS) (A)	**339,964**	**1,199,146**
Gains/(losses) recognised directly in fair value reserve (investments in other companies)	**3,071**	(15,553)
Difference arising from the partial spin-off of Fiat Partecipazioni S.p.A. in favour of Fiat S.p.A.	**-**	39,194
Income tax relating to components of other comprehensive income	**-**	-
TOTAL OTHER COMPREHENSIVE INCOME, NET OF TAX (B)	**3,071**	23,641
TOTAL COMPREHENSIVE INCOME (A)+(B)	**343,035**	**1,222,787**

STATEMENT OF FINANCIAL POSITION(*)

(figures in €)	Note	At 31 December 2009	At 31 December 2008
ASSETS			
Non-current assets			
Intangible assets	(10)	**312,952**	375,027
Property, plant and equipment	(11)	**31,444,524**	33,023,620
Investments	(12)	**13,990,570,445**	14,444,736,795
Other financial assets	(13)	**26,887,235**	20,637,109
Other non-current assets	(14)	**203,339**	244,404
Deferred tax assets	(9)	**-**	-
Total non-current assets		**14,049,418,495**	**14,499,016,955**
CURRENT ASSETS			
Inventory	(26)	**-**	-
Trade receivables	(15)	**60,015,344**	185,291,742
Current financial receivables	(16)	**646,074,366**	-
Other current receivables	(17)	**198,923,165**	905,058,254
Cash and cash equivalents	(18)	**473,678**	494,707
Total current assets		**905,486,553**	**1,090,844,703**
Assets held for sale		**-**	-
TOTAL ASSETS		**14,954,905,048**	**15,589,861,658**
EQUITY AND LIABILITIES			
Equity	(19)		
Share capital		**6,377,262,975**	6,377,262,975
Additional paid-in capital		**1,540,884,892**	1,540,884,892
Legal reserve		**699,460,149**	639,502,863
Other reserves and retained profit		**4,185,828,196**	3,069,500,046
Treasury shares		**(656,553,154)**	(656,553,154)
Profit/(loss) for the period		**339,963,538**	1,199,145,721
Total equity		**12,486,846,596**	**12,169,743,343**
NON-CURRENT LIABILITIES			
Provisions for employee benefits and other non-current provisions	(20)	**25,441,360**	26,418,516
Non-current financial liabilities	(21)	**1,816,781,700**	1,810,531,500
Other non-current liabilities	(22)	**14,351,219**	15,114,836
Deferred tax liabilities	(9)	**-**	5,858,282
Total non-current liabilities		**1,856,574,279**	**1,857,923,134**
Current liabilities			
Provisions for employee benefits and other current provisions	(23)	**8,464,485**	6,345,608
Trade payables	(24)	**156,249,422**	218,235,215
Current financial liabilities	(25)	**156,711,975**	553,132,702
Other payables	(26)	**290,058,291**	784,481,656
Total current liabilities		**611,484,173**	**1,562,195,181**
Liabilities held for sale		**-**	-
TOTAL EQUITY AND LIABILITIES		**14,954,905,048**	**15,589,861,658**

(*) Pursuant to Consob Resolution 15519 of 27 July 2006, the effects of transactions with related parties on the Statement of Financial Position of Fiat S.p.A. are presented in a specific statement of financial position provided on the following pages and commented on in the notes to individual line items and in Note 30.

STATEMENT OF CASH FLOWS(*)

(€ thousand)		2009	2008
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		**495**	**524**
B) CASH FROM/(USED IN) OPERATING ACTIVITIES:			
Profit/(loss) for the period		**339,964**	1,199,146
Amortisation and depreciation		**1,706**	1,862
Non-cash cost of stock option plans		**4,659**	9,123
Impairment losses/(reversals) on investments		**858,000**	7,000
Fair value adjustment to equity swaps on Fiat shares	(a)	**(116,992)**	270,880
Losses/(gains) on disposals		**-**	(879,884)
Change in provisions for employee benefits and other provisions		**1,141**	11,334
Change in deferred taxes		**(5,858)**	1,601
Change in working capital		**274,280**	184,605
TOTAL		**1,356,900**	**805,667**
C) CASH FROM/(USED IN) INVESTING ACTIVITIES:			
Investments relating to:			
Recapitalisation of subsidiaries		**(406,467)**	(350,000)
Reduction of investments relating to:			
Capital reductions and distribution of reserves by subsidiaries		**-**	-
Proceeds from disposals		**-**	611
Other (investments)/disposals, net	(b)	**(6,429)**	878,773
TOTAL		**(412,896)**	**529,384**
D) CASH FROM/(USED IN) FINANCING ACTIVITIES:			
Change in current financial assets		**(606,947)**	1,077,528
Change in non-current financial liabilities		**6,251**	(998,857)
Change in current financial liabilities		**(318,556)**	(666,539)
Increase in share capital		**-**	-
Purchase of own shares		**-**	(238,531)
Sale of own shares		**-**	738
Dividends paid		**(24,773)**	(509,419)
TOTAL		**(944,025)**	**(1,335,080)**
E) TOTAL CHANGE IN CASH AND CASH EQUIVALENTS		**(21)**	**(29)**
F) CASH AND CASH EQUIVALENTS AT END OF THE YEAR		**474**	**495**

(*) Pursuant to Consob Resolution 15519 of 27 July 2006, the effects of transactions with related parties on the Statement of Cash Flows of Fiat S.p.A. are presented in a specific statement of cash flows provided on the following pages.
Amounts in the Statement of Cash Flows for 2008 are stated net of the effects of the Partial Spin-off of Fiat Partecipazioni S.p.A. in favour of Fiat S.p.A., which was cash neutral.

(a) To ensure a clearer presentation, beginning in 2009 fair value adjustments to the equity swaps on Fiat shares are presented separately as a non-cash component of profit and loss. For comparability, amounts for 2008 have been restated and changes to current financial assets and liabilities adjusted accordingly.

(b) For 2008, the amount included €880,000 thousand relating to the sale of the FIAT trademark to the indirect subsidiary Fiat Group Marketing & Corporate Communication S.p.A.

STATEMENT OF CHANGES IN EQUITY

(€ thousand)	Share capital	Additional paid-in capital	Legal reserve	Reserve available for the purchase of treasury shares	Reserve for treasury shares in portfolio	Retained profit/ (loss)	Gains/ (losses) recognised directly in equity	Stock option reserve	Reserve for Spin-off difference	Other reserves (2)	Treasury shares (1)	Profit/ (loss) for the year	Total equity
Balances at 31 December 2007	**6,377,263**	**1,540,885**	**536,060**	**952,579**	**419,310**	**56,535**	**14,922**	**93,267**	**-**	**50,635**	**(419,310)**	**2,068,859**	**11,691,005**
Allocation of prior year profit:													
to the Legal reserve			103,443									(103,443)	-
distribution of dividends to shareholders												(509,419)	(509,419)
balance to retained profit						1,455,997						(1,455,997)	-
Carryforward and addition to reserve for the purchases of own shares				428,692		(428,692)							-
Purchases of own shares				(238,531)	238,531						(238,531)		(238,531)
Sales of own shares					(1,288)	738					1,288		738
Valuation of stock option plans								3,164					3,164
Total comprehensive income for the period							(15,553)		39,194			1,199,146	1,222,787
Balances at 31 December 2008	**6,377,263**	**1,540,885**	**639,503**	**1,142,740**	**656,553**	**1,084,578**	**(631)**	**96,431**	**39,194**	**50,635**	**(656,553)**	**1,199,146**	**12,169,744**
Allocation of prior year profit:													
to the Legal reserve			59,957									(59,957)	-
distribution of dividends to shareholders												(24,773)	(24,773)
balance to retained profit						1,114,416						(1,114,416)	-
Valuation of stock option plans								(1,159)					(1,159)
Total comprehensive income for the period							3,071					339,964	343,035
Balances at 31 December 2009	**6,377,263**	**1,540,885**	**699,460**	**1,142,740**	**656,553**	**2,198,994**	**2,440**	**95,272**	**39,194**	**50,635**	**(656,553)**	**339,964**	**12,486,847**

(1) At 31 December 2009, treasury shares consisted of 38,568,458 ordinary shares having a total nominal value of €192,842 thousand (at 31 December 2008: 38,568,458 ordinary shares having a total nominal value of €192,842 thousand).
(2) Other reserves includes the reserve pursuant to Law 413/1991 and extraordinary reserves.

INCOME STATEMENT

pursuant to Consob Resolution no. 15519 of 27 July 2006

(€ thousand)	Note	2009	of which related parties (Note 30)	2008	of which related parties (Note 30)
Dividends and other income from investments	(1)	**1,259,831**	**1,259,691**	874,280	872,849
Impairment (losses)/reversals on investments	(2)	**(858,000)**	**(858,000)**	(7,000)	(7,000)
Gains/(losses) on disposals	(3)	**-**		181	181
Other operating income	(4)	**75,432**	**51,257**	70,049	48,119
Personnel costs	(5)	**(31,588)**	**(18,397)**	(37,697)	(13,281)
Other operating costs	(6)	**(85,905)**	**(47,285)**	(114,433)	(57,655)
Gains/(losses) from non-recurring transactions	(7)	**-**		879,483	879,483
Financial income/(expense)	(8)	**(13,691)**	**(5,885)**	(421,675)	(410,531)
PROFIT/(LOSS) BEFORE TAXES		**346,079**		**1,243,188**	
Income taxes	(9)	**(6,115)**		(44,042)	
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		**339,964**		**1,199,146**	
Profit/(loss) from discontinued operations		-		-	
PROFIT/(LOSS)		**339,964**		**1,199,146**	

STATEMENT OF FINANCIAL POSITION

pursuant to Consob Resolution no. 15519 of 27 July 2006

(€ thousand)	Note	At 31 December 2009	of which related parties (Note 30)	At 31 December 2008	of which related parties (Note 30)
ASSETS					
Non-current assets					
Intangible assets	(10)	**313**		375	
Property, plant and equipment	(11)	**31,445**		33,024	
Investments	(12)	**13,990,570**	**13,969,094**	14,444,736	14,426,446
Other financial assets	(13)	**26,887**	**16,782**	20,637	10,531
Other non-current assets	(14)	**203**		244	
Deferred tax assets	(9)	**-**		-	
Total non-current assets		**14,049,418**		**14,499,016**	
Current assets					
Inventory	(26)	**-**		-	
Trade receivables	(15)	**60,015**	**7,152**	185,292	53,983
Current financial receivables	(16)	**646,074**	**646,074**	-	
Other current receivables	(17)	**198,923**	**121,910**	905,058	327,087
Cash and cash equivalents	(18)	**474**		495	
Total current assets		**905,486**		**1,090,845**	
Assets held for sale					
TOTAL ASSETS		**14,954,904**		**15,589,861**	
EQUITY AND LIABILITIES					
Equity	(19)				
Share capital		**6,377,263**		6,377,263	
Additional paid-in capital		**1,540,885**		1,540,885	
Legal reserve		**699,460**		639,503	
Other reserves and retained profit		**4,185,828**		3,069,500	
Treasury shares		**(656,553)**		(656,553)	
Profit/(loss) for the period		**339,964**		**1,199,146**	
Total equity		**12,486,847**		**12,169,744**	
NON-CURRENT LIABILITIES					
Provisions for employee benefits and other non-current provisions	(20)	**25,441**	**17,444**	26,418	16,848
Non-current financial liabilities	(21)	**1,816,782**	**1,816,782**	1,810,531	1,810,531
Other non-current liabilities	(22)	**14,351**		15,115	
Deferred tax liabilities	(9)	**-**		5,858	
TOTAL NON-CURRENT LIABILITIES		**1,856,574**		**1,857,922**	
Current liabilities					
Provisions for employee benefits and other current provisions	(23)	**8,464**	**5,664**	6,346	
Trade payables	(24)	**156,249**	**3,757**	218,235	2,316
Current financial liabilities	(25)	**156,712**	**96,321**	553,133	238,976
Other payables	(26)	**290,058**	**260,806**	784,481	548,611
Total current liabilities		**611,483**		**1,562,195**	
Liabilities held for sale					
TOTAL EQUITY AND LIABILITIES		**14,954,904**		**15,589,861**	

STATEMENT OF CASH FLOWS

pursuant to Consob Resolution no. 15519 of 27 July 2006

(€ thousand)	2009	of which related parties	2008	of which related parties
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**495**		**524**	
B) CASH FROM/(USED IN) OPERATING ACTIVITIES:				
Profit/(loss) for the period	339,964		1,199,146	
Amortisation and depreciation	1,706		1,862	
Non-cash cost of stock option plans	4,659	6,385	9,123	6,517
Impairment losses/(reversals) on investments	858,000	858,000	7,000	7,000
Fair value adjustment to equity swaps on Fiat shares	(116,992)	(116,992)	270,880	270,880
Losses/(gains) on disposals	-		(879,884)	(879,483)
Change in provisions for employee benefits and other provisions	1,141	6,260	11,334	5,332
Change in deferred taxes	(5,858)		1,601	
Change in working capital	274,280	(34,356)	184,605	58,253
TOTAL	**1,356,900**		**805,667**	
C) CASH FROM/(USED IN) INVESTING ACTIVITIES:				
Investments relating to:				
Recapitalisation of subsidiaries	(406,467)	(406,467)	(350,000)	(350,000)
Reduction of investments relating to:				
Capital reductions and distribution of reserves by subsidiaries	-		-	
Proceeds from disposals	-		611	
Other (investments)/disposals, net	(6,429)		878,773	879,903
TOTAL	**(412,896)**		**529,384**	
D) CASH FROM/(USED IN) FINANCING ACTIVITIES:				
Change in current financial assets	(606,947)	(606,947)	1,077,528	1,077,528
Change in non-current financial liabilities	6,251	6,251	(998,857)	(998,857)
Change in current financial liabilities	(318,556)	(64,790)	(666,539)	(759,688)
Increase in share capital	-		-	
Purchases of own shares	-		(238,531)	
Sales of own shares	-		738	
Dividends paid	(24,773)		(509,419)	(145,679)
TOTAL	**(944,025)**		**(1,335,080)**	
E) TOTAL CHANGE IN CASH AND CASH EQUIVALENTS	**(21)**		**(29)**	
F) CASH AND CASH EQUIVALENTS AT END OF THE YEAR	**474**		**495**	

NOTES TO THE STATUTORY FINANCIAL STATEMENTS

PRINCIPAL ACTIVITIES

Fiat S.p.A. (the "Company") is a corporation organised under the laws of the Republic of Italy and is the Parent Company of the Fiat Group, holding interests, either directly or indirectly through sub-holdings, in the parent companies of business Sectors through which the Fiat Group operates.

The Company's head office is in Turin, Italy.

The financial statements of Fiat S.p.A. are prepared in euros which is the Company's functional currency.

The Income Statement and Statement of Financial Position are presented in euros, while the Statement of Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity and amounts provided in the Notes are in thousands of euros, except where otherwise stated.

As the Parent Company, Fiat S.p.A. has also prepared consolidated financial statements for the Fiat Group for the year ended 31 December 2009.

SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The 2009 financial statements represent the separate financial statements of the Parent Company, Fiat S.p.A., and have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and adopted by the European Union, and with provisions implementing Article 9 of Legislative Decree 38/2005. The designation "IFRS" also includes all valid International Accounting Standards ("IAS"), as well as all interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), formerly the Standing Interpretations Committee ("SIC").

In compliance with European Regulation 1606 of 19 July 2002, beginning in 2005 the Fiat Group adopted the International Financial Reporting Standards ("IFRS"), issued by the International Accounting Standards Board ("IASB"), for the preparation of its consolidated financial statements. On the basis of national legislation implementing that Regulation, those accounting standards were also used to prepare the separate financial statements of the Parent Company, Fiat S.p.A., for the first time for the year ended 31 December 2006. The information required by IFRS 1 - *First-time Adoption of International Financial Reporting Standards* relating to the effects of the transition to IFRS was provided in an Appendix to the 2006 separate financial statements.

The financial statements are prepared under the historical cost convention, modified as required for the valuation of certain financial instruments, as well as on the going concern assumption. In this respect, despite operating in a difficult economic and financial environment, the Fiat Group's assessment is that no material uncertainties (as defined in paragraph 25 of IAS 1) exist about its ability to continue as a going concern, in view also of the measures already taken to adapt to the changed levels of demand and Fiat Group's industrial and financial flexibility.

Format of the financial statements

Presentation of Fiat S.p.A.'s Income Statement is based on the nature of its revenues and expenses, given the specific activities carried out. Fiat Group's Consolidated Income Statement is classified according to function, which is considered more representative of the format used for management of the business sectors and internal reporting purposes and is in line with international practice in the automotive sector. For the Statement of Financial Position, Fiat S.p.A. has elected the "current and non-current" classification for the presentation of assets and liabilities. A mixed presentation has been selected for the presentation of the Consolidated Statement of Financial Position, as permitted under IAS 1, with assets only being classified between current and non-current. This election was made in view of the fact that the Consolidated Statement of Financial Position includes both industrial companies and financial services companies. The investment portfolios of financial services are included in current assets in the Consolidated Statement of Financial Position, as the investments will be realised in their normal operating cycle. Financial services companies, though, obtain funds only partially from the market: the remaining are obtained from the Group's treasury companies (included in industrial companies), which lend funds both to industrial Group companies and to financial services companies as the need arises.

Given the distribution of the financial services within the Group any distinction between current and non-current financial liabilities in the Consolidated Statement of Financial Position would not be meaningful. There is no impact, however, on the presentation of liabilities for Fiat S.p.A.

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

In connection with the requirements of Consob Resolution 15519 of 27 July 2006 as to the format of the financial statements, specific supplementary Income Statement, Statement of Financial Position and Statement of Cash Flows formats have been added for related party transactions so as not to compromise an overall reading of the statements.

Intangible assets

Purchased or internally-generated intangible assets are recognised as assets in accordance with IAS 38 - *Intangible Assets*, where it is probable that the use of the asset will generate future economic benefits and where the costs of the asset can be determined reliably.

Intangible assets with finite useful lives are measured at purchase or manufacturing cost, net of amortisation charged on a straight-line basis over their estimated useful lives and of any impairment losses.

Property, plant and equipment

Cost

Property, plant and equipment are stated at acquisition or production cost, net of accumulated depreciation and any impairment losses, and are not revalued.

Subsequent expenditures are capitalised only if they increase the future economic benefits embodied in that asset. All other expenditures are expensed as incurred.

The assets are depreciated by the method and at the rates indicated below.

Leases where the lessor retains substantially all the risks and rewards of ownership of the assets are classified as operating leases. Operating lease expenditures are expensed on a straight-line basis over the lease term.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful life of an asset as follows:

	Annual depreciation rate
Buildings	3%
Plant	10%
Furniture	12%
Fixtures	20%
Vehicles	25%

Land is not depreciated.

Impairment

The Company reviews, at least annually, the recoverability of the carrying amount of intangible assets, tangible assets and investments in subsidiaries and associate companies, in order to determine whether there is any indication that those assets have suffered an impairment loss. If indications of impairment are present, the carrying amount of the asset is reduced to its recoverable amount.

For investments in subsidiaries and associates that have distributed a dividend, the following are also considered indicators of impairment:

- if the carrying amount of the investment in the separate financial statements exceeds the book value of that company's equity (including any associated goodwill) as recognised in the consolidated financial statements;
- if the dividend exceeds the comprehensive income of the investee for the period to which the dividend relates.

The recoverable amount of an asset is the higher of fair value less disposal costs and its value in use.

In particular, in assessing whether investments in subsidiaries and associate companies are impaired, as their market value (fair value less costs to sell) cannot be reliably measured, the recoverable amount is considered to be their value in use, which is determined by estimating the present value of the estimated future cash flows based on expected profit or loss and a theoretical ultimate disposal, in line with the requirements of paragraph 33 of IAS 28.

Where an impairment loss for assets subsequently no longer exists or has decreased, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the carrying amount that would have been recorded had no impairment loss been recognised. A reversal of an impairment loss is recognised in the income statement immediately.

Financial instruments

Presentation

Financial instruments held by the Company are presented in the financial statements as described in the following paragraphs:

- Non-current assets: investments, other financial assets, other non-current assets.
- Current assets: trade receivables, current financial receivables, other current receivables, cash and cash equivalents.
- Non-current liabilities: non-current financial payables, other non-current liabilities.
- Current liabilities: trade payables, current financial payables (including asset-backed financing), other payables.

The item cash and cash equivalents includes cash at banks, units in liquidity funds and other money market securities that are readily convertible into cash and are subject to an insignificant risk of changes in value.

Non-current financial payables includes liabilities related to financial guarantees. These financial guarantees are contracts where the company undertakes to make specific payments to a counterparty for losses incurred as a result of the failure of a specified borrower to make payment in accordance with the terms of a given debt instrument. The present value of any related fees receivable is recognised under other non-current financial assets.

Measurement

Investments in subsidiaries and associate companies are stated at cost adjusted for any impairment losses.

Any positive difference, arising on acquisition, between the purchase cost and the fair value of net assets acquired by the Company in the investee company is, accordingly, included in the carrying amount of the investment.

Investments in subsidiaries and associate companies are tested annually, or more often if necessary, for evidence of impairment. Where evidence of impairment exists, an impairment loss is recognised directly in the income statement. If the company's share of losses of the investee exceeds the carrying amount of the investment and if the company has an obligation or intends to respond for these losses, the company's interest is reduced to zero and a liability is recognised for its share of the additional losses. If the impairment loss subsequently no longer exists it is reversed and the reversal is recognised in the income statement up to the limit of the cost of the investment.

Investments in other companies, comprising non-current financial assets that are not held for trading (available-for-sale financial assets), are initially measured at fair value. Any subsequent profits and losses resulting from changes in fair value, correlated to their market price, are recognised directly in equity until the investment is sold or is impaired; when the asset is disposed of, the cumulative gains or losses, including those previously recognised in equity, are reclassified in the income statement for the period; when the asset is impaired, accumulated losses are recognised in the income statement. Investments in other smaller companies for which a market price is not available are measured at cost, adjusted for any impairment losses.

Other financial assets which the company has the intention to hold to maturity are recognised on the basis of the settlement date and, on initial recognition, are measured at acquisition cost (being representative of fair value) on initial recognition in the statement of financial position, inclusive of transaction costs other than in respect of assets held for trading. These assets are subsequently measured at amortised cost using the effective interest method.

Other non-current assets, trade receivables, current financial receivables and other current receivables, excluding assets deriving from derivative financial instruments and all financial assets for which published price quotations in an active market are not available and whose fair value cannot be determined reliably, are measured, to the extent that they have a fixed term, at amortised cost, using the effective interest method. When the financial assets do not have a fixed term, they are measured at cost. Receivables with maturities of over one year which bear no interest or an interest rate significantly lower than market rates are discounted using market rates.

Assessments are made regularly for the purpose of verifying if there is objective evidence that a financial asset, separately or within a group of assets, may have been impaired. If any such evidence exists, an impairment loss is included in the income statement for the period.

Non-current financial payables, other non-current liabilities, trade payables, current financial payables and other payables are measured on initial recognition at fair value (normally represented by the cost of the transaction), including any additional transaction costs.

Financial liabilities are subsequently measured at amortised cost using the effective interest method, except for derivative financial instruments and liabilities for financial guarantee contracts. Financial liabilities hedged by derivative instruments are measured in accordance with hedge accounting principles applicable to fair value hedges. Gains and losses arising from measurement at fair value, caused by fluctuations in interest rates, are recognised in the income statement and are offset by the effective portion of the gain or loss arising from remeasurement at fair value of the hedging instrument.

Liabilities for financial guarantee contracts are measured at the higher of the estimate of the contingent liability (determined in accordance with IAS 37 - *Provisions, Contingent Liabilities and Contingent Assets*) and the amount initially recognised less any amount released to income over time.

Derivative financial instruments

Derivative financial instruments are used for hedging purposes, in order to reduce currency, interest rate and market price risks.

In accordance with IAS 39, derivative financial instruments qualify for hedge accounting only when at the inception of the hedge there is formal designation and documentation of the hedging relationship, the hedge is expected to be highly effective, its effectiveness can be reliably measured and it is highly effective throughout the financial reporting periods for which the hedge is designated.

All derivative financial instruments are measured in accordance with IAS 39 at fair value.

When derivative financial instruments qualify for hedge accounting, the following accounting treatment applies:

- **Fair value hedge** - Where a derivative financial instrument is designated as a hedge of the exposure to changes in fair value of a recognised asset or liability that is attributable to a particular risk and could affect the income statement, the gain or loss from remeasuring the hedging instrument at fair value is recognised in the income statement. The gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the hedged item and is recognised in the income statement.
- **Cash flow hedge** - Where a derivative financial instrument is designated as a hedge of the exposure to variability in future cash flows of a recognised asset or liability or a highly probable forecast transaction and could affect the income statement, the effective portion of the gain or loss on the derivative financial instrument is recognised directly in equity. The cumulative gain or loss is removed from equity and recognised in the income statement in the same period in which the hedged transaction is recognised. The gain or loss associated with a hedge or part of a hedge that has become ineffective is recognised in the income statement immediately. When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss realised to the point of termination remains in shareholders' equity and is recognised in the income statement at the same time as the underlying transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealised gain or loss held in shareholders' equity is recognised in the income statement immediately.

If hedge accounting cannot be applied, the gains or losses from the fair value measurement of derivative financial instruments are recognised immediately in the income statement.

Inventory

Inventory consists of work in progress on specific contracts and in particular relates to long-term construction contracts signed by Fiat S.p.A. with Treno Alta Velocità - T.A.V. S.p.A. under which Fiat S.p.A. as general contractor coordinates, organises and manages the work.

Work in progress refers to activities carried out directly and is recognised through measurement of the total contract income on a percentage completion basis, with the incremental portion of the work performed to date being recognised in the period. The cost-to-cost method is used to determine the percentage of completion of a contract (by dividing the costs incurred by the total costs forecast for the whole construction).

Any losses expected to be incurred on contracts are fully recognised in the income statement and as a reduction in contract work in progress when they become known.

Any advances received from customers for services performed are presented as a reduction in inventory. If the amount of advances exceeds inventory, the excess is recognised as advances in the item other payables.

Sales of receivables

Receivables sold in factoring transactions are derecognised if and only if the risks and rewards relating to ownership have been substantially transferred to the buyer. Receivables sold with recourse and without recourse that do not satisfy this condition remain in the statement of financial position, even if they have been legally sold; in such cases, a liability for the same amount is recognised for advances received.

Assets held for sale

This item includes non-current assets (or assets included in disposal groups) whose carrying amount will be recovered principally through a sale rather than through continuing use. Assets held for sale (or disposal groups) are measured at the lower of their carrying amount and fair value less disposal costs.

Employee benefits

Post-employment plans

The company provides pension plans and other post-employment plans to its employees. The pension plans for which the company has an obligation under Italian law are defined contribution plans, while the other post-employment plans, for which the company generally has an obligation under national collective bargaining agreements, are defined benefit plans. Payments made by the Company for defined contribution plans are recognised as a cost in the income statement when incurred. Defined benefit plans are based on the employee's working life and on the salary or wage received by the employee over a pre-determined period of service.

The scheme underlying the employee severance indemnity of the Italian Group companies (*Trattamento di Fine Rapporto* or "TFR") was classified as a defined benefit plan until 31 December 2006. Legislation relating to this scheme and leading to this classification was amended by Law 296 of 27 December 2006 (the "2007 Finance Law") and subsequent decrees and regulations issued in the first part of 2007. In view of these changes, and with specific reference to those regarding companies with at least 50 employees, this scheme only continues to be classified as a defined benefit plan in the consolidated financial statements for those benefits accruing up to 31 December 2006 (and not yet settled by the balance sheet date), while after that date the scheme is classified as a defined contribution plan.

The company's obligation to fund defined benefit plans and the annual cost recognised in the income statement is determined on an actuarial basis using the projected unit credit method. The portion of net cumulative actuarial gains and losses which exceeds the greater of 10% of the present value of the defined benefit obligation and 10% of the fair value of the plan assets at the end of the previous year is amortised over the average remaining service lives of employees (the "corridor approach"); the portion of actuarial gains and losses that does not exceed this threshold is deferred.

Upon first-time adoption of IFRS, the Company elected to recognise all cumulative actuarial gains and losses existing at 1 January 2004 (date of first-time adoption of IFRS by the Fiat Group), despite having elected the corridor approach for recognition of subsequent actuarial gains and losses.

The expense related to the reversal of discounting pension obligations for defined benefit plans are recognised under financial expense.

The post-employment benefit obligation recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses, arising from the application of the corridor method and unrecognised past service cost.

Other long-term employee benefits

The accounting treatment for other long-term benefits is the same as that for post-employment benefit plans except for the fact that actuarial gains and losses and past service costs are fully recognised in the income statement in the year in which they arise and the corridor method is not applied.

Equity-based compensation

The Company provides additional benefits to certain senior managers and employees in the form of equity participation schemes (stock options and stock grants). In accordance with IFRS 2 - *Share-based Payment*, such plans constitute a component of the recipient's compensation and the cost, based on the fair value of the instrument at the grant date, is recognised in the income statement on a straight-line basis over the period from the grant date to the vesting date, and a balancing entry recognised directly in equity. The initial measurement is not affected by any subsequent changes in fair value. In accordance with the transitional provisions of IFRS 2, the Company applied the Standard to all stock options granted after 7 November 2002 and not yet vested at 1 January 2005, the effective date of the Standard. Detailed information is provided in respect of all stock options granted on or prior to 7 November 2002.

The compensation component from stock option plans based on Fiat S.p.A. shares relating to employees of other Group companies is recognised as a capital contribution to the subsidiaries which employ beneficiaries of the stock option plans, in accordance with IFRIC 11 and, as a result, is recorded as an increase in the carrying amount of the investment, with the offsetting credit being recognized directly in equity.

Provisions

The Company recognises provisions when it has a legal or constructive obligation to third parties, when it is probable that an outflow of resources will be required to satisfy the obligation and when a reliable estimate of the amount can be made.

Changes in estimates are reflected in the income statement in the period in which the change occurs.

Treasury shares

Treasury shares are presented as a deduction from equity. The original cost of treasury shares and the proceeds of any subsequent sale are presented as movements in equity.

Dividends received and receivable

Dividends from investees are recognised in the income statement when the right to receive the dividend is established.

Revenue recognition

Revenue is recognised if it is probable that economic benefits associated with the transaction will flow to the company and the revenue can be measured reliably. Revenue is presented net of any adjusting items.

Revenue from services and revenue from construction contracts are recognised using the percentage completion method described under inventory.

Financial income and expense

Financial income and expense are recognised in the income statement in the period in which they become receivable or payable.

Finance costs attributable to investments in assets that necessarily require a substantial period of time to get ready for their intended use or sale (qualifying assets) are capitalised and amortised over the useful life of the class of assets to which they relate.

Income taxes

The tax charge for the period is determined on the basis of prevailing laws and regulations. Taxes on income are recognised in the income statement except to the extent that they relate to items directly charged or credited to equity, in which case the related income tax effect is recognised in equity.

Deferred tax assets and liabilities are determined on the basis of all the temporary differences between the carrying amount of an asset or liability in the statement of financial position and its corresponding tax basis. Deferred tax assets resulting from unused tax losses and temporary differences are recognised to the extent that it is probable that future taxable profit will be available against which they can be utilised.

Current and deferred income taxes and liabilities are offset when there is a legally enforceable right to offset. Deferred tax assets and liabilities are measured at the substantively enacted tax rates that are expected to apply to taxable income in the periods in which temporary differences will be reversed.

Fiat S.p.A. and almost all its Italian subsidiaries have elected to take part in the domestic tax consolidation programme pursuant to Articles 117/129 of the Consolidated Income Tax Act (T.U.I.R.); the election was made for a three-year period beginning in 2004. The election was renewed in 2007 for at least another three-year period.

Fiat S.p.A. acts as the consolidating company in this programme and calculates a single taxable base for the group of companies taking part, thereby enabling benefits to be realised from the offsetting of taxable income and tax losses in a single tax return. Each company participating in the consolidation transfers its taxable income or tax loss to the consolidating company. Fiat S.p.A. recognises receivables from companies contributing taxable incomes, corresponding to the amount of IRES (corporate income tax) paid on its behalf. In the case of a company bringing a tax loss into the consolidation, Fiat S.p.A. recognises a payable to that company for the amount of the loss actually set off at group level.

Dividends payable

Dividends payable are recognised as changes in shareholders' equity in the period in which they are approved by shareholders.

Earnings per share

Earnings per share are calculated exclusively with reference to the Group's net result.

Use of estimates

The preparation of financial statements and related disclosures that conform to IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results could differ from those estimates. Estimates and assumptions are reviewed periodically and the effects of any changes are recognised directly in profit and loss in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In this respect, the situation caused by the present economic and financial crisis has led to the need to make assumptions regarding future performance which are characterised by significant uncertainty; as a consequence, therefore, it cannot be excluded that results may arise during the next year which differ from estimates, and which therefore might require adjustments, even significant, to be made to the carrying amount of the items in question, which at the present moment can clearly neither be estimated nor predicted. The line item most affected by these situations of uncertainty relates to investments in subsidiaries and associates classified under non-current assets, where estimates are used for the determination of impairment losses and reversals of impairment losses.

No particular or significant issues have arisen, however, in relation to estimates used for the recognition of percentage completion of contract work in progress, employee benefits, taxes or provisions also taking into consideration their level of materiality.

The item "Investments in subsidiaries and associates" was most impacted by estimates used to determine the carrying amounts of Fiat Group Automobiles S.p.A. (FGA) and Iveco S.p.A. due to their relative weighting. During 2009, these two subsidiaries distributed dividends of €700 million (FGA) and €560 million (Iveco) in relation to profit for prior years. The valuation approach applied for the preparation of the 2009 financial statements was based on the estimate of value in use of the investments. The estimates were based on expected performance for 2010, whose assumptions and results are consistent with the statements made in the Report on Operations under "Subsequent Events and Outlook". Conservative profit estimates were made for subsequent periods accordingly. For the purposes of valuation, these annual profit estimates were then reduced - using adjustment factors that increase over the projected time horizon (as estimates become more difficult) - as a further measure of prudence, given the continued uncertainty as to the duration of the current economic crisis and timing of a return to normal market conditions. A theoretical terminal value (based on an ultimate disposal) was estimated assuming a perpetual growth rate of zero. Present values were calculated using a discount rate of 16% for FGA and 14% for Iveco - both considered prudent for the sectors and regions in which these subsidiaries operate. The estimates and underlying assumptions provided reasonable support for recognition of an impairment of €200 million for FGA and €560 million for Iveco, the latter being equivalent to the amount of the dividend paid by Iveco during the year.

Accounting principles, amendments and interpretations adopted from 1 January 2009

The Company has applied the following principles, amendments and interpretations since 1 January 2009.

IAS 1 Revised - Presentation of Financial Statements

The revised version of IAS 1 - *Presentation of Financial Statements* does not permit the presentation of components of comprehensive income (that is "non-owner changes in equity") in the statement of changes in equity, requiring these to be presented separately from owner changes in equity. Under the revised standard, all non-owner changes in equity are required to be presented in one statement showing performance for the period (a statement of comprehensive income) or in two statements (an income statement and a statement of comprehensive income). These changes are also required to be shown separately in the statement of changes in equity.

The Company has adopted the revised standard retrospectively from 1 January 2009, electing to present both the Income Statement and the Statement of Comprehensive Income and has consequently amended the presentation of the Statement of Changes in Equity.

In addition, as part of its 2008 annual improvements project, the IASB published an amendment to IAS 1 (Revised) which requires an entity to classify hedging derivative financial instruments between current and non-current assets and liabilities in the statement of financial position. Adoption of this amendment had no effect on the presentation of derivative financial instruments as the derivative contracts in place at the balance sheet close, for both 2009 and 2008, were classified as held for trading.

Amendment to IFRS 1 - First Time Adoption of International Financial Reporting Standards and IAS 27 - Consolidated and Separate Financial Statements

The amendment to IFRS 1 - *First Time Adoption of International Financial Reporting Standards* allows companies adopting IFRS for the first time from 1 January 2009 and electing to recognise investments in subsidiaries, associates and joint ventures in the separate financial statements at cost, to use one of the following methods:

- cost determined in accordance with IAS 27;
- revalued cost measured on a fair value basis at the date of transition to IFRS or the carrying value of the investment at the date of transition measured in accordance with local GAAP.

In addition, the amendment to IAS 27 - *Consolidated and Separate Financial Statements* requires that all dividends received from subsidiaries, joint ventures and associates be recognised in the parent company's income statement when the right to receive those dividends is established regardless of whether they relate to profit arising before or after the date the interest was acquired. Revisions to IAS 36 - *Impairment of Assets* require that, when evaluating whether impairment exists, if an investee company has distributed a dividend, the following must be considered:

- whether the carrying amount of the investment in the separate financial statements exceeds the book value of that company's equity (including any associated goodwill) as recognised in the consolidated financial statements;
- whether the dividend exceeds the comprehensive income of the investee for the period to which the dividend relates.

The Company adopted the amendment to IAS 27 prospectively from 1 January 2009. However, no accounting effects resulted from its application as none of the dividends recognised in profit and loss for 2009 were received from subsidiaries that had been acquired during the period. In accordance with the amendment to IAS 36, new indicators of impairment were also taken into consideration for the purposes of identifying any loss in value of investments held.

Amendment to IFRS 2 - Share-based Payment: Vesting Conditions and Cancellations

The amendment to IFRS 2 - *Share-based Payment: Vesting Conditions and Cancellations* clarifies that for the purpose of measuring share-based payments, only service conditions and performance conditions may be considered vesting conditions. Any other clauses shall be considered non-vesting conditions and included in the determination of fair value at the grant date. The amendment also specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment.

The Company adopted the amendment retrospectively from 1 January 2009. No effects arose from first-time adoption because the stock options and stock grants in place within the Group and not fully vested do not provide for vesting conditions different from performance conditions and service conditions as defined by the amendment and because no awards were cancelled during the period.

Amendment to IFRS 7 - Improving Disclosures about Financial Instruments

The amendment, effective from 1 January 2009, was issued in order to improve the disclosure requirements for fair value measurements and reinforce existing principles for disclosures concerning the liquidity risk associated with financial instruments. In particular, the amendment requires disclosures to be made that are based on a hierarchy of the inputs used in valuation techniques to measure fair value. The adoption of the amendment only affected the disclosures in the notes and had no effect on the measurement of items in the financial statements.

Principles, amendments and interpretations effective from 1 January 2009 but not applicable to the Company

The following principles, amendments and interpretations have also been issued and are effective from 1 January 2009; these relate to matters that were not applicable to the Company at the date of these financial statements but which may affect the accounting for future transactions or arrangements:

- *IAS 23 Revised - Borrowing Costs*: the revised version of the standard removes the option previously available of immediately recognising as an expense borrowing costs that relate to assets that take a substantial period of time to get ready for use or sale (qualifying assets). As part of its 2008 annual improvements project the IASB also published an amendment to IAS 23 (Revised) in order to revise the definition of the borrowing costs to be capitalised.
- *IAS/IFRS improvements (2008)*: following the 2008 annual improvement process conducted by IASB, changes were made to certain accounting standards which became effective 1 January 2009. Some of these changes are limited to terminology, while others are more substantial but, in any event, have had a limited impact on the company's financial statements.
- Amendment to IAS 32 - *Financial Instruments: Presentation* and to IAS 1 *Presentation of Financial Statements - Puttable Financial Instruments and Obligations Arising on Liquidation*. These amendments require puttable financial instruments and instruments, or components of instruments that impose on an entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation, to be classified as equity instruments.
- Improvement to IAS 39 - *Financial Instruments: Recognition and Measurement*: this amendment clarifies how to calculate the revised effective interest rate when discontinuing fair value hedge accounting and notes additionally that the prohibition on the reclassification of financial instruments into or out of the fair value through profit or loss category after initial recognition should not prevent a derivative from being accounted for at fair value through profit or loss when it does not qualify for hedge accounting and vice versa.
- IFRIC 13 - *Customer Loyalty Programmes.*
- IFRIC 15 - *Agreements for the Construction of Real Estate.*

Finally, on 12 March 2009 the IASB issued amendments to IFRIC 9 - *Reassessment of Embedded Derivatives* and to IAS 39 - *Financial Instruments: Recognition and Measurement* that allow entities to reclassify certain financial instruments out of the "fair value through profit or loss" category in specific circumstances. The amendments clarify that on the reclassification of a financial asset out of the "fair value through profit or loss" category all embedded derivatives have to be assessed and, if necessary, separately accounted for in the financial statements. The amendments are effective retrospectively from 31 December 2009, although adoption had no effect on the Company's financial statements.

Accounting principles, amendments and interpretations not yet applicable and not early adopted

On 31 July 2008, the IASB issued an amendment to IAS 39 - *Financial Instruments: Recognition and Measurement* which is to be applied retrospectively from 1 January 2010. The amendment clarifies how existing principles determining whether a hedged risk or portion of cash flows is eligible for designation should be applied in particular situations. When applied this amendment will have no effect on the Company's financial statements.

On 27 November 2008, the IFRIC issued interpretation IFRIC 17 - *Distributions of Non-cash Assets to Owners* that will standardise accounting treatment of the distribution of non-cash assets to owners. In particular, the interpretation clarifies that a dividend payable should be recognised when the dividend is appropriately authorised and that an entity should measure this dividend payable at the fair value of the net assets to be distributed. Finally, an entity should recognise the difference between the dividend paid and the carrying amount of the net assets used for payment in the income statement. The interpretation is effective prospectively from 1 January 2010.

On 29 January 2009, the IFRIC issued the interpretation IFRIC 18 - *Transfers of Assets from Customers* that clarifies the accounting treatment for agreements in which an entity receives from a customer an item of property, plant and equipment that the entity must then use either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services (such as a supply of electricity, gas or water). In some cases, the entity receives cash from the customer which will then be used to acquire or construct an item of property, plant and equipment for use in fulfilling the requirements of the contract. The interpretation is effective prospectively from 1 January 2010.

On 16 April 2009, the IASB issued a series of amendments to IFRS (Improvements to IFRS). The following paragraphs provide a description of those amendments identified by the IASB as resulting in accounting changes for presentation, recognition and measurement purposes. No comments are provided for amendments whose effect is a change in terminology or editorial changes which are likely to have minimal effects on accounting treatment, or amendments or interpretations not applicable to the Company or having effects on the consolidated financial statements only. As of the date of the financial statements, these improvements had not yet been endorsed by the European Union.

- IAS 1 - *Presentation of Financial Statements*: this amendment, effective from 1 January 2010, amends the definition of a current liability contained in IAS 1. The previous definition required liabilities which could be extinguished at any time by issuing equity instruments to be classified as current. That led to liabilities relating to convertible bonds which could be converted at any time into the shares of the issuer to be classified as current. Following this amendment the existence of a currently exercisable option for conversion into equity instruments becomes irrelevant for the purposes of the current/non-current classification of a liability.
- IAS 7 - *Statement of Cash Flows*: this amendment, applicable from 1 January 2010, clarifies that only expenditures that result in a recognised asset in the statement of financial position are eligible for classification as investing activities in the statement of cash flows; cash flows originating from expenditures that do not result in a recognised asset (as could be the case for advertising and promotional activities and staff training) must be classified as cash flows from operating activities.
- IAS 17 - *Leases*: following the changes, the general conditions required by IAS 17 for classifying a lease as a finance lease or an operating lease will also be applicable to the leasing of land, independent of whether the lease transfers ownership by the end of the lease term. Before these changes the standard required the lease to be classified as an operating lease if ownership of the leased land was not transferred at the end of the lease term because land has an indefinite useful life.

The amendment is effective from 1 January 2010. At the date of adoption the classification of all land elements of unexpired leases must be reassessed, with any lease newly classified as a finance lease to be recognised retrospectively.

- IAS 38 - *Intangible Assets*: IFRS 3 (as revised in 2008) states that if an intangible asset acquired in a business combination is separable or arises from contractual or other legal rights, sufficient information exists to measure its fair value reliably; amendments are made to IAS 38 to reflect that revision of IFRS 3. Moreover these amendments clarify the valuation techniques commonly used to measure intangible assets at fair value when assets are not traded in an active market; in particular, such techniques include discounting the estimated future net cash flows from an asset, and estimating the costs the entity avoids by owning an intangible asset and not having to license it from another party in an arm's length transaction or the costs to recreate or replace it (as in the cost approach). The amendment is effective prospectively from 1 January 2010.
- IAS 39 - *Financial Instruments: Recognition and Measurement*: this amendment restricts the non-applicability of IAS 39 under paragraph 2(g) of the standard to forward contracts between an acquirer and a selling shareholder to buy or sell an acquiree in a business combination at a future acquisition date when the completion of the business combination is not dependant on further actions of either party and only the passage of a normal period of time is required. Option contracts, whether or not currently exercisable, which allow one party to control the occurrence or non-occurrence of future events and on exercise will result in control of an entity are therefore included in the scope of IAS 39. The amendment also clarifies that embedded prepayment options whose exercise price compensates the lender for the loss of interest income resulting from the prepayment of the loan shall be considered closely related to the host debt contract and therefore not accounted for separately. Finally, the amendment clarifies that the gains or losses on a hedged instrument must be reclassified from equity to profit or loss during the period that the hedged forecast cash flows affect profit or loss. The amendment is effective prospectively from 1 January 2010.
- IFRIC 9 - *Reassessment of Embedded Derivatives*: this amendment excludes from the scope of IFRIC 9 embedded derivatives in contracts acquired in a business combination, a combination of entities or businesses under common control or the formation of a joint venture. The amendment is applicable prospectively from 1 January 2010.

In June 2009, the IASB issued an amendment to IFRS 2 - *Share based payment: Group Cash-settled Share-based Payment transactions*. The amendment clarifies the scope of IFRS 2 and the interactions of IFRS 2 and other standards. In particular, it clarifies that an entity that receives goods or services in a share-based payment arrangement must account for those goods or services no matter which entity in the group settles the transaction, and no matter whether the transaction is settled in shares or cash; moreover, it clarifies that a 'group' has the same meaning as in IAS 27 - *Consolidated and Separate Financial Statements*, that is, it includes only a parent and its subsidiaries. In addition, the amendment clarifies that an entity must measure the goods or services it received as either an equity-settled or a cash-settled share-based payment transaction assessed from its own perspective, which may not always be the same as the amount recognised by the consolidated group. The amendments also incorporate guidance previously included in IFRIC 8 - *Scope of IFRS 2* and IFRIC 11 - *IFRS 2 - Group and Treasury Share Transaction*. As a result, the IASB has withdrawn IFRIC 8 and IFRIC 11.The amendment is effective from 1 January 2010; the European Union had not yet endorsed the amendment at the date of these financial statements.

On 8 October 2009, the IASB issued an amendment to IAS 32, *Classification of Rights Issues* in order to address the accounting for rights issues (rights, options or warrants) that are denominated in a currency other than the functional currency of the issuer. Previously such rights issues were accounted for as derivative liabilities. However, the amendment requires that, provided certain conditions are met, such rights issues are classified as equity regardless of the currency in which the exercise price is denominated. No effect is expected on the company's financial statements from the adoption of this amendment.

On 4 November 2009, the IASB issued a revised version of IAS 24 - *Related Party Disclosures* that simplifies the disclosure requirements for government-related entities and clarifies the definition of a related party. The revised standard is effective for annual periods beginning on or after 1 January 2011. The revised standard had not yet been endorsed by the European Union at the date of these financial statements.

On 12 November 2009, the IASB issued the first sections of IFRS 9 - *Financial Instruments* on the classification and measurement of financial assets, having an effective date for mandatory adoption of 1 January 2013. The new standard represents the completion of the first part of a project to replace IAS 39. The new standard uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments and the contractual cash flow characteristics of the financial assets. IFRS 9 also requires a single impairment method to be used. The new standard had not yet been endorsed by the European Union at the date of these financial statements.

On 26 November 2009, the IASB issued a minor amendment to IFRIC 14 - *Prepayments of a Minimum Funding Requirement*. The amendment applies when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements. The amendment permits such an entity to treat the benefit of such an early payment as an asset. The amendment has an effective date for mandatory adoption of 1 January 2011; the amendment had not yet been endorsed by the European Union at the date of these financial statements.

On 26 November 2009, the IFRIC issued the interpretation IFRIC 19 - *Extinguishing Financial Liabilities with Equity Instruments* that provides guidance on how to account for the extinguishment of a financial liability by the issue of equity instruments. The interpretation clarifies that when an entity renegotiates the terms of a financial liability with its creditor and the creditor agrees to accept the entity's shares or other equity instruments to settle the financial liability fully or partially, then the entity's equity instruments issued to a creditor are part of the consideration paid to extinguish the financial liability and are measured at their fair value. The difference between the carrying amount of the financial liability extinguished and the initial measurement amount of the equity instruments issued is included in the entity's profit or loss for the period. The amendment has an effective date for mandatory adoption of 1 January 2011; the amendment had not yet been endorsed by the European Union at the date of these financial statements.

RISK MANAGEMENT

The risks to which Fiat S.p.A. is exposed, either directly or indirectly through its subsidiaries, are the same as those of the companies of which it is Parent. Reference should therefore be made to the note on Risk Management included in the Notes to the Consolidated Financial Statements of the Fiat Group as well as to Note 28.


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COMPOSITION AND PRINCIPAL CHANGES

1. Dividends and other income from investments

A breakdown of dividends and other income from investments is provided in the following table:

(€ thousand)	2009	2008
Dividends from subsidiaries:		
Fiat Group Automobiles S.p.A.	**700,000**	-
Fiat Partecipazioni S.p.A.	**-**	500,000
Ferrari S.p.A.	**-**	85,003
Iveco S.p.A.	**559,691**	77,517
Fiat Netherlands Holding N.V.	**-**	60,563
Business Solution S.p.A.	**-**	53,810
Fiat Finance S.p.A.	**-**	50,000
FGI - Fiat Group International S.A.	**-**	44,256
Itedi-Italiana Edizioni S.p.A.	**-**	1,700
Total dividends from subsidiaries	**1,259,691**	**872,849**
Dividends from other companies	**140**	1,431
Total dividends and other income from investments	**1,259,831**	**874,280**

For 2009, dividends from other companies related to dividends received from Assicurazioni Generali S.p.A. For 2008, they included dividends of €1,268 thousand from Fin. Priv. S.r.l. and €163 thousand received from Assicurazioni Generali S.p.A.

2. Impairment (losses)/reversals on investments

The following table provides a breakdown of impairment losses and reversals on investments:

(€ thousand)	2009	2008
Impairment losses:		
Iveco S.p.A.	**(560,000)**	-
Fiat Group Automobiles S.p.A.	**(200,000)**	-
Comau S.p.A.	**(51,000)**	(7,000)
Teksid Aluminum S.r.l.	**(31,000)**	-
Fiat Partecipazioni S.p.A.	**(16,000)**	-
Total impairment losses	**(858,000)**	**(7,000)**
Reversals of impairment losses	**-**	-
Total impairment (losses)/reversals on investments	**(858,000)**	**(7,000)**

The carrying value of the investment in Iveco S.p.A., that was equivalent to historic cost at 31 December 2008, after the distribution in 2009 of a €560 million dividend and before any further consideration, was higher than the value of equity reflected in the consolidated financial statements. The estimates and assumptions used for preparation of the financial statements, as described in the section "Use of Estimates", took into account the unfavourable condition of the market in which the subsidiary operates and provided reasonable support for recognising an impairment of €560 million (equivalent to the amount of the dividend distributed). The impairment could be reversed in future periods, should the appropriate conditions exist.

The carrying amount of Fiat Group Automobiles S.p.A., which distributed a dividend of €700 million in 2009, was higher than the value of equity reflected in the consolidated financial statements. The estimates and assumptions used for preparation of the financial statements, as described in the section "Use of Estimates", provided reasonable support for recognising an impairment of €200 million. This investment, which in 2005 and prior years had already been subject to writedowns that have not been fully reversed, includes total impairment losses of €2,907 million which could potentially be reversed in future periods. At 31 December 2009, the carrying amount of the investment was €4,474 million.

Impairment losses recognised on the investments in Comau S.p.A., Teksid Aluminum S.r.l. and Fiat Partecipazioni S.p.A. are substantially attributable to losses reported by those subsidiaries for the period and represent an alignment of the carrying amount of those investments with their estimated recoverable value.

For other investments having a significant book value, in particular, parent companies of the Group's industrial Sectors - Fiat Netherlands Holding N.V. (which holds a controlling interest in CNH Global N.V.), Fiat Powertrain Technologies S.p.A., Magneti Marelli S.p.A. and Ferrari S.p.A. (all recognised at historic cost) - no indications of impairment were identified. This also takes into consideration the carrying amounts of equity recognised in the Group consolidated statement of financial position, for which the recoverability of assets has already been adequately assessed.

3. Gains/(losses) on disposals

There were no gains or losses on disposals of investments in 2009. The €181 thousand gain for 2008 related to the sale of a 51% interest in Fiat Group Marketing & Corporate Communication S.p.A. to Fiat Partecipazioni S.p.A.

4. Other operating income

The following table provides a breakdown of other operating income:

(€ thousand)	2009	2008
Revenues from services rendered to Group companies	**45,229**	45,337
Revenues from services rendered to third parties	**182,049**	-
Changes in construction contract work in progress	**(164,254)**	19,860
Other revenues and income from Group companies	**6,028**	2,782
Other revenues and income from third parties	**6,380**	2,070
Total other operating income	**75,432**	**70,049**

Revenues from services rendered to Group companies relate to services rendered by Fiat S.p.A. and management personnel to the principal companies in the Group (see Note 30). For 2008, this item also included royalties received from Fiat Group Automobiles S.p.A. and Fiat Automoveis S.A. – FIASA for use of the FIAT trademark, which was sold to the subsidiary Fiat Group Marketing & Corporate Communication S.p.A. at the end of 2008.

Revenues from services rendered to third parties relate to fees payable to Fiat S.p.A. for activities carried out directly by the Company (management, coordination and organisation) in relation to the contract with Treno Alta Velocità – T.A.V. S.p.A. for the Turin-Novara line. These revenues were recognised following completion of the residual portion of work during the year and formal acceptance by the customer as stipulated in the contract (see Note 26).

Changes in construction contract work in progress relate to the current portion of fees payable to Fiat S.p.A. for activities carried out directly by the Company (management, coordination and organisation) in relation to contracts with Treno Alta Velocità - T.A.V. S.p.A. that were still in progress at the end of the year (the Florence-Bologna line and Novara-Milan line), net of fees relating to the Turin-Novara line that were no longer recognised under contract work in progress but instead under revenues, due to the closure of the project from an accounting perspective (see Note 26).

Other revenues and income from Group companies mostly related to the recovery of costs, rental income from real estate properties and to directors' fees paid by companies for duties performed by Fiat S.p.A. employees.

Other revenues and income from third parties relate to miscellaneous income, recovery of costs and other prior year income.

5. Personnel costs

A breakdown of personnel costs is provided in the following table:

(€ thousand)	2009	2008
Wages and salaries	20,692	20,476
Defined contribution plans and social security contributions	7,921	7,772
Employee severance indemnity and other defined benefit plans	389	546
Compensation component from stock option plans	(3,494)	1,447
Other personnel costs	6,080	7,456
Total personnel costs	**31,588**	**37,697**

The average number of employees for the year rose from 151 in 2008 (66 managers, 76 white-collars and 9 blue-collars) to 152 in 2009 (66 managers, 79 white-collars and 7 blue-collars). As described in Note 4, certain of the Company's managers (an average of 11 managers in 2009 and 9 in 2008) carried out their activities at the Group's principal subsidiaries and the related costs were recharged to those companies.

Defined contribution plans consisted of the amounts paid by the Company to the Italian State social security organisation (INPS) and other social security and assistance organisations for post-employment benefit defined contribution plans (pension plans and medical care) on behalf of all categories of employees. Following the introduction of Law 296/06, the employee severance indemnity accruing from 1 January 2007 and paid over to complementary pension funds or the treasury fund established by the Italian State social security organisation INPS is treated as a cost for a defined contribution plan, while the adjustments to the employee severance indemnity accruing before 1 January 2007 are recognized in the statement of financial position under "Employee severance indemnity and other defined benefit plans" (see Note 20).

Social security contributions consisted of the amount paid by the Company to social security agencies on behalf of employees for short-term benefits such as sickness, injury and compulsory maternity leave.

The compensation component from stock option plans relates to plans for managers employed by Fiat S.p.A. which are based on Fiat S.p.A. shares and represents the notional cost recognised against the relevant equity reserve (see Note 19). The amount reported relates specifically to the November 2006 and July 2008 plans (see Note 19). Since performance targets relating to the tranches which vest in the first quarter of 2010 were not reached, the probability of subsequent tranches vesting has been revised. At year-end 2009, Fiat S.p.A. therefore released accruals for the notional cost of those tranches which had been recognised in prior years (a similar release was recognised in 2008).

As required by the accounting standard for stock option plans (IFRS 2) and the related interpretation (IFRIC 11), the compensation component from stock option plans based on Fiat S.p.A. shares but relating to managers employed by other Group companies is not recognised in the income statement of Fiat S.p.A. but rather is treated as a capital contribution and recorded as an increase in the book value of the investee companies (see Note 12) which directly or indirectly employ plan beneficiaries. An offsetting entry is made to the relevant equity reserve (see Note 19).

Other personnel costs related mainly to accruals to provisions for employee bonuses, leaving incentives and insurance.

The aggregate charge in 2009 for compensation to executives with strategic responsibilities was €20,165 thousand (€11,822 thousand of which was charged back to Group companies where they performed their duties). This amount included the following:

- severance indemnity accrued during the year, amounting to €638 thousand;
- contributions by the Company to state and company defined contribution schemes and social security contributions for €2,960 thousand;
- costs for the year for a special defined benefit plan, amounting to €954 thousand (including the component recognized in financial expenses).

6. Other operating costs

A breakdown of other operating costs is provided in the following table:

(€ thousand)	2009	2008
Costs for services rendered by Group companies	**25,352**	32,017
Costs for services rendered by third parties	**39,592**	61,158
Compensation component from stock option plans	**8,154**	7,676
Leases and rentals	**3,685**	3,245
Purchase of goods	**734**	960
Depreciation of property, plant and equipment	**1,644**	1,752
Amortisation of intangible assets	**62**	110
Misc. operating costs	**6,682**	7,515
Total other operating costs	**85,905**	**114,433**

Costs for services rendered by Group companies primarily consisted of assistance and consultancy of an administrative and financial nature, public relations, payroll services, security services and internal audit services (see Note 30).

Costs for services rendered by third parties principally included technical (the high speed train T.A.V.) legal, administrative and financial services and IT services. The decrease over 2008 was due to cost reduction measures implemented, the absence of costs for the enhancement and management of the Fiat brand, as well as a reduction in technical advisory fees as activity related to contracts with T.A.V. S.p.A. approaches completion. Costs for services also include fees paid to the directors and statutory auditors of Fiat S.p.A. amounting to €7,220 thousand and €152 thousand respectively. The amount of directors' fees includes fees resolved by shareholders as well as compensation established by the Board of Directors for directors vested with specific responsibilities.

The compensation component from stock option plans is connected with the options granted to the Chief Executive Officer and is represented by the notional cost, with the offsetting credit recognised directly in the relevant equity reserve (see Note 19).

Miscellaneous operating costs consist of subscriptions to trade associations, indirect taxes and duties (local taxes on real estate properties, non-deductible VAT, etc.), prior year expenses and other minor costs.

7. Gains/(losses) from non-recurring transactions

There were no gains or losses from non-recurring transactions for 2009. For 2008, there was a gain of €879,483 thousand which consisted of the net gain from the transfer of the FIAT trademark to the indirect subsidiary Fiat Group Marketing & Corporate Communication S.p.A., which is responsible for brand management. Consideration for the transfer of €880 million was based on a valuation conducted by a leading independent advisor, using internationally accepted valuation methodologies.

8. Financial income/(expense)

Following is a breakdown of financial income/(expense):

(€ thousand)	2009	2008
Financial income	**14,190**	43,696
Financial expense	**(144,873)**	(202,539)
Net income/(expense) from derivative financial instruments	**116,992**	(262,832)
Total financial income/(expense)	**(13,691)**	**(421,675)**

Following is a breakdown of financial income:

(€ thousand)	2009	2008
Financial income from Group companies:		
Interest income from Fiat Finance S.p.A. current account	3,427	25,924
Interest income from Fiat Finance S.p.A. loans	-	7,540
Commission income from sureties and personal guarantees	5,440	3,828
Other financial income	63	48
Total financial income from Group companies	8,930	37,340
Financial income from third parties:		
Interest income on bank and other deposits	9	9
Interest income on tax credits	5,134	6,273
Total financial income from third parties	5,143	6,282
Exchange losses/(income)	117	74
Total financial income	**14,190**	**43,696**

Following is a breakdown of financial expense:

(€ thousand)	2009	2008
Financial expense to Group companies:		
Interest expense to Fiat Finance S.p.A. current account	598	1,659
Interest expense to Fiat Finance S.p.A. loans	124,590	171,593
Commissions and other charges payable to Fiat Netherlands Holding N.V.	6,255	11,369
Fiat Finance S.p.A. and Fidis S.p.A. service commissions	98	95
Interest and financial expense to other Group companies	266	323
Total financial expense to Group companies	131,807	185,039
Financial expense to third parties:		
Interest expense and charges for the sale of receivables	8,778	13,191
Financial expense for employee benefits	1,084	1,008
Other third party interest and financial expense	3,204	3,301
Total financial expense to third parties	13,066	17,500
Total financial expense	**144,873**	**202,539**

Net income from derivative financial instruments of €116,992 thousand (net expense of €262,832 thousand for 2008) related to derivative transactions with other Group companies which, in turn, are parties to agreements with major international banks. The €116,992 thousand figure for 2009 was entirely attributable to the gain arising from the change in fair value of the two equity swaps (which expire in 2010, following extension of the two contracts during the year) entered into as hedges against Fiat shares rising above the exercise price of the stock options granted to the Chief Executive Officer in 2004 and 2006 (see Note 19). At 31 December 2009, the equity swaps had a notional value, based on the contractual strike price, of €203,941 thousand. Although these equity swaps were entered into for hedging purposes, they do not qualify for hedge accounting under IFRS and accordingly are classified as held for trading.

9. Income taxes

A breakdown of taxes recognised in the income statement is provided below:

(€ thousand)	2009	2008
Current taxes:		
IRES	-	-
IRAP	-	19,012
Total current taxes		**19,012**
Deferred taxes for the period:		
IRAP	(5,858)	1,602
Total deferred taxes for the period	**(5,858)**	**1,602**
Taxes relating to prior periods	**11,973**	**23,428**
Total income taxes	**6,115**	**44,042**

For 2008, current IRAP payable was correlated to the estimate of the income generated during the year including the non-recurring gain from sale of the FIAT trademark.

Deferred IRAP related to profit recognised on the contract work in progress with T.A.V. S.p.A.

Taxes relating to prior periods totalled €11,973 thousand and consisted almost entirely of IRAP paid during the year in relation to the prior year's taxable income. In 2008, taxes relating to prior periods totalled €23,428 thousand and principally related to the balance payable in relation to the prior year's domestic tax consolidation.

A reconciliation between theoretical income taxes determined on the basis of the tax rates applicable in Italy and the income taxes reported in the financial statements is as follows:

(€ thousand)	2009	2008
Theoretical income taxes	95,172	341,877
Tax effect of permanent differences	(90,928)	(214,402)
Taxes relating to prior periods	(2)	23,428
Tax loss carryforwards utilised	(4,244)	(127,475)
Unrecognised net deferred tax assets	-	-
Current and deferred income tax recognised in the financial statements, excluding IRAP	**(2)**	**23,428**
IRAP (current and deferred)	6,117	20,614
Income taxes reported in the income statement (current and deferred income taxes)	**6,115**	**44,042**

Theoretical income taxes are calculated by applying the IRES tax rate (27.5% for 2008 and 2009) to the result before taxes. IRAP tax is excluded to facilitate an understanding of the reconciliation between theoretical and reported income taxes; since it is calculated on a tax basis that differs from profit before taxes, it would otherwise generate distortions between one year and another.

The permanent differences referred to above include, among other things, the tax effect of non-taxable income amounting to €329,236 thousand in 2009 (€221,820 thousand in 2008) and of non-deductible costs amounting to €238,308 thousand in 2009 (€7,418 thousand in 2008).

In particular, for 2009 the tax effect of non-taxable income is principally attributable to dividends and totals approximately €329,131 thousand (€216,844 thousand in 2008). For 2009, non-deductible costs principally included impairment losses on investments whose tax effect was €235,950 thousand (€1,925 thousand in 2008).

A breakdown of deferred tax liabilities, net of deferred tax assets, is provided in the following table.

(€ thousand)	At 31 December 2008	Recognised in income statement	Charged to equity	At December 2009
Deferred tax assets arising from:				
Taxed provisions and other minor differences	9,531	(1,231)	-	**8,300**
Total deferred tax assets	**9,531**	**(1,231)**	**-**	**8,300**
Deferred tax liabilities arising from:				
Measurement of construction contracts by the percentage completion method	(42,105)	42,105	-	**-**
Others	(654)	232	-	**(422)**
Total deferred tax liabilities	**(42,759)**	**42,337**	**-**	**(422)**
Theoretical tax benefit arising from tax loss carryforward	**59,275**	**319,122**	**-**	**378,397**
Adjustments for assets whose recoverability is not probable	**(31,905)**	**(354,370)**	**-**	**(386,275)**
Total deferred tax liabilities, net of deferred tax assets	**(5,858)**	**5,858**	**-**	**-**

Deferred tax assets were determined through a critical analysis of the existence of the conditions for their future realisation, using updated strategic plans and the related tax plans. As a consequence, the total theoretical future tax benefit arising from deductible temporary differences (€8,300 thousand at 31 December 2009 and €9,531 thousand at 31 December 2008) and tax loss carryforwards (€378,397 thousand at 31 December 2009 and €59,275 thousand at 31 December 2008) was reduced by €386,275 thousand at 31 December 2009 (€31,905 thousand at 31 December 2008).

Total temporary differences (deductible and taxable) and total tax losses at 31 December 2009 and the amounts for which deferred tax assets have not been recognised, broken down by year of expiry, are presented in the following table:

(€ thousand)	Total at 31 December 2009	Year of expiry 2010	2011	2012	2013	Beyond 2013
Temporary differences and tax losses relating to IRES:						
Deductible temporary differences	**29,728**	22,785	794	687	687	4,775
Taxable temporary differences	**(1,537)**	-	-	-	-	(1,537)
Tax losses	**1,375,989**	461,784	768,802	145,403	-	-
Temporary differences and tax losses for which deferred tax assets have not been recognised	**(1,404,180)**	(484,569)	(769,596)	(146,090)	(687)	(3,238)
Temporary differences and tax losses subject to national taxation	**-**	**-**	**-**	**-**	**-**	**-**
Temporary differences relating to IRAP:						
Deductible temporary differences	**2,606**	2,505	101	-	-	-
Taxable temporary differences	**-**	-	-	-	-	-
Temporary differences and tax losses subject to local taxation	**2,606**	**2,505**	**101**	**-**	**-**	**-**

10. Intangible assets

All intangible assets have been purchased and none of these have an indefinite useful life.

At 31 December 2009, intangible assets totalled €313 thousand and were subject to the following changes during the year:

(€ thousand)	At 31 December 2008	Additions	Amortisation	(Decreases) and Other changes	At 31 December 2009
Gross carrying amount	628			(55)	**573**
Accumulated amortisation	(253)		(62)	55	**(260)**
Net carrying amount	**375**		(62)	-	**313**

Intangible assets consist of leasehold improvements, which are amortised over the term of the lease agreement (4 and 12 years).

Amortisation on intangible assets is recognised in the income statement under other operating costs (Note 6).

During 2008, changes in intangible assets were as follows:

(€ thousand)	At 31 December 2007	Additions	Amortisation	(Decreases) and Other changes	At 31 December 2008
Concessions, licences and similar rights					
Gross carrying amount	1,050	33	-	(1,083)	-
Accumulated amortisation	(991)	-	-	991	-
Net carrying amount	**59**	33	-	(92)	-
Other intangible assets					
Gross carrying amount	615	13	-	-	**628**
Accumulated amortisation	(143)	-	(110)	-	**(253)**
Net carrying amount	**472**	13	(110)	-	**375**
Intangible assets under development and advances					
Gross carrying amount	280	67	-	(347)	-
Accumulated amortisation	-	-	-	-	-
Net carrying amount	**280**	67	-	(347)	-
Total intangible assets					
Gross carrying amount	**1,945**	**113**	**-**	**(1,430)**	628
Accumulated amortisation	**(1,134)**	**-**	**(110)**	**991**	(253)
Net carrying amount	**811**	**113**	**(110)**	**(439)**	375

Concessions, licences and similar rights included the cost of developing and registering brands and trademarks owned by the Company, while intangible assets under development and advances related to costs incurred for registrations pending. The decrease in both items was attributable to the sale of trademarks at the end of 2008.

11. Property, plant and equipment

At 31 December 2009, property, plant and equipment totalled €31,445 thousand and was subject to the following changes during the year:

(€ thousand)	At 31 December 2008	Additions	Depreciation	(Decreases) and Other changes	At 31 December 2009
Land and buildings					
Gross carrying amount	46,082	-	-	-	**46,082**
Accumulated depreciation	(15,524)	-	(1,353)	-	**(16,877)**
Net carrying amount	**30,558**	-	(1,353)	-	**29,205**
Plant and machinery					
Gross carrying amount	10,135	-	-	-	**10,135**
Accumulated depreciation	(9,899)	-	(122)	-	**(10,021)**
Net carrying amount	**236**	-	(122)	-	**114**
Other tangible assets					
Gross carrying amount	4,731	78	-	(34)	**4,775**
Accumulated depreciation	(2,501)	-	(169)	21	**(2,649)**
Net carrying amount	**2,230**	78	(169)	(13)	**2,126**
Total property, plant and equipment					
Gross carrying amount	**60,948**	**78**	**-**	**(34)**	**60,992**
Accumulated depreciation	**(27,924)**	**-**	**(1,644)**	**21**	**(29,547)**
Net carrying amount	**33,024**	**78**	**(1,644)**	**(13)**	**31,445**

Land and buildings include land for €610 thousand (unchanged with respect to the previous year) while buildings mainly comprise the Company's headquarters in Via Nizza 250, Turin.

Plant and machinery was principally made up of general plant used in the buildings.

Other tangible assets comprised cars, office furniture and equipment.

At 31 December 2009, there were no assets under development or contractual commitments to purchase items of property, plant and equipment of a significant amount.

No buildings were subject to liens, pledged as collateral or restricted in use.

Depreciation of property, plant and equipment is recognised under other operating costs in the income statement (Note 6).

During 2008 changes in property, plant and equipment were as follows:

(€ thousand)	At 31 December 2007	Additions	Depreciation	(Decreases) and Other changes	At 31 December 2008
Land and buildings					
Gross carrying amount	46,016	66	-	-	**46,082**
Accumulated depreciation	(14,171)	-	(1,353)	-	**(15,524)**
Net carrying amount	**31,845**	66	(1,353)	-	**30,558**
Plant and machinery					
Gross carrying amount	10,116	19	-	-	**10,135**
Accumulated depreciation	(9,740)	-	(159)	-	**(9,899)**
Net carrying amount	**376**	19	(159)	-	**236**
Other tangible assets					
Gross carrying amount	5,099	265	-	(633)	**4,731**
Accumulated depreciation	(2,656)	-	(240)	395	**(2,501)**
Net carrying amount	**2,443**	265	(240)	(238)	**2,230**
Total property, plant and equipment					
Gross carrying amount	**61,231**	**350**	**-**	(633)	60,948
Accumulated depreciation	**(26,567)**	**-**	**(1,752)**	395	(27,924)
Net carrying amount	**34,664**	**350**	**(1,752)**	(238)	33,024

12. Investments

At 31 December 2009, investments totalled €13,990,570 thousand and were subject to the following changes during the year:

(€ thousand)	At 31 December 2008	Additions	(Decreases)	Impairment (losses)/ reversals and Adjustments to fair value	At 31 December 2009
Investments in subsidiaries	14,294,660	406,467	(5,819)	(858,000)	**13,837,308**
Investments in associates	131,786	-	-	-	**131,786**
Investments in other companies	18,290	115	-	3,071	**21,476**
Total investments	**14,444,736**	**406,582**	**(5,819)**	**(854,929)**	**13,990,570**

Investments in subsidiaries and changes during the year are provided in the following table:

(€ thousand)	% interest	At 31 December 2008	Additions	(Decreases)	Impairment (losses)/ reversals	At 31 December 2009
Fiat Group Automobiles S.p.A.	100.00	**4,676,359**		(2,279)	(200,000)	**4,474,080**
Gross carrying amount		7,383,359		(2,279)		**7,381,080**
Accumulated impairment losses		(2,707,000)			(200,000)	**(2,907,000)**
Ferrari S.p.A.	85.00	**1,055,203**				**1,055,203**
Gross carrying amount		1,055,203				**1,055,203**
Accumulated impairment losses		-				-
Maserati S.p.A.	100.00	**103,887**		(88)		**103,799**
Gross carrying amount		103,887		(88)		**103,799**
Accumulated impairment losses		-				-
Fiat Netherlands Holding N.V.	100.00	**3,827,347**				**3,827,347**
Gross carrying amount		3,827,347				**3,827,347**
Accumulated impairment losses		-				-
Iveco S.p.A.	100.00	**1,835,273**	300,000	(1,643)	(560,000)	**1,573,630**
Gross carrying amount		1,835,273	300,000	(1,643)		**2,133,630**
Accumulated impairment losses					(560,000)	**(560,000)**
Fiat Powertrain Technologies S.p.A.	100.00	**649,667**		(755)		**648,912**
Gross carrying amount		649,667		(755)		**648,912**
Accumulated impairment losses		-				-
Magneti Marelli S.p.A.	99.99	**612,338**		(483)		**611,855**
Gross carrying amount		612,338		(483)		**611,855**
Accumulated impairment losses		-				-
Teksid S.p.A.	84.79	**76,157**		(73)		**76,084**
Gross carrying amount		129,143		(73)		**129,070**
Accumulated impairment losses		(52,986)				**(52,986)**
Teksid Aluminum S.r.l.	100.00	**43,292**	25,000		(31,000)	**37,292**
Gross carrying amount		43,292	25,000			**68,292**
Accumulated impairment losses		-			(31,000)	**(31,000)**
Comau S.p.A.	100.00	**103,289**	40,000	(238)	(51,000)	**92,051**
Gross carrying amount		543,020	40,000	(238)		**582,782**
Accumulated impairment losses		(439,731)			(51,000)	**(490,731)**
Fiat Partecipazioni S.p.A.	100.00	**950,700**		(250)	(16,000)	**934,450**
Gross carrying amount		950,700		(250)		**950,450**
Accumulated impairment losses		-			(16,000)	**(16,000)**
Fiat Finance S.p.A.	100.00	**222,263**				**222,263**
Gross carrying amount		222,263				**222,263**
Accumulated impairment losses		-				-
Fiat Finance North America Inc.	39.47	**15,557**	41,467			**57,024**
Gross carrying amount		17,118	41,467			**58,585**
Accumulated impairment losses		(1,561)				**(1,561)**
Other subsidiaries		**123,328**		(10)		**123,318**
Gross carrying amount		182,893		(10)		**182,883**
Accumulated impairment losses		(59,565)				**(59,565)**
Total investments in subsidiaries		**14,294,660**	**406,467**	**(5,819)**	**(858,000)**	**13,837,308**
Gross carrying amount		17,555,503	406,467	(5,819)		**17,956,151**
Accumulated impairment losses		(3,260,843)			(858,000)	**(4,118,843)**

Significant changes to investments in subsidiaries during the year were as follows:

- Certain subsidiaries were recapitalised during the year in order to strengthen their capital structure. Investments made were as follows: Iveco S.p.A (€300,000 thousand); Comau S.p.A. (€40,000 thousand); Teksid Aluminum S.r.l. (€25,000 thousand); and, at the end of 2009, Fiat S.p.A. also subscribed pro rata (on the basis of the 39.47% held directly) to a capital increase of its indirect subsidiary Fiat Finance North America Inc. in the amount of USD 59,211 thousand (equivalent to €41,467 thousand).
- As discussed in Note 5 above, the compensation component from stock option plans based on Fiat S.p.A. shares but relating to managers employed by other Group companies is treated as a capital contribution and recorded as an increase in the book value of investee companies which directly or indirectly employ managers who are beneficiaries of the stock option plans. Conversely, when certain tranches of options are not vested as a result of performance objectives not being achieved, the related compensation component recognised in previous periods is reversed and the value of the capital contribution recognised in prior periods is correspondingly reduced in those companies which directly or indirectly employ managers who are beneficiaries of those stock option plans. In 2009, investments in subsidiary companies decreased by a total of €5,819 thousand as a consequence of changes in estimates for the November 2006 plan and the July 2008 plan. These decreases were offset by a corresponding adjustment to the relevant equity reserve (see Note 19).

Impairment (losses)/reversals includes impairment losses arising from application of the cost method, as described in Note 2 above.

A full list of investments with the additional disclosures required by Consob Communication DEM/6064293 of 28 July 2006 is attached.

A breakdown of investments in associates and changes during the year is provided in the following table:

(€ thousand)	% interest	At 31 December 2008	Additions	(Decreases)	Impairment (losses)/ reversals	At 31 December 2009
RCS MediaGroup S.p.A.	10.09	131,786	-	-	-	**131,786**
Total investments in associates		**131,786**	**-**	**-**	**-**	**131,786**

The carrying value of the interest in RCS MediaGroup S.p.A., a listed company, was €34 million higher than the corresponding stock market value at the balance sheet date (€57 million higher at year-end 2008). The stock market price of the Company's shares, although improved over year-end 2008, still reflects a discount to the book value of its equity. Therefore, given the relative carrying value of the investment in the Group's accounts, where it is recognised under the equity method, as well as the relative stake held, for which the current stock market price (heavily influenced by general economic conditions) is not representative, it was deemed reasonable not to adjust the existing carrying amount.

Investments in other companies and changes during the year are provided below:

(€ thousand)	% interest	At 31 December 2008	Additions	(Decreases)	Fair value adjustments	At 31 December 2009
Fin.Priv. S.r.l.	14.28	14,773	-	-	3,170	**17,943**
Assicurazioni Generali S.p.A.	0.01	3,517	115	-	(99)	**3,533**
Total investments in other companies		**18,290**	**115**	**-**	**3,071**	**21,476**

As they are non-current financial assets and not held for trading, investments in other companies are recognised at fair value which, for listed companies, corresponds to their market value at the balance sheet date. Similarly, the Company's investment in Fin.Priv. S.r.l. (a holding company whose assets are principally listed securities) was measured at fair value based on the market price of its portfolio. This led to a net increase of €3,071 thousand in investments in other companies for 2009 (of which €3,170 thousand for Fin.Priv. S.r.l. net of the reduction of €99 thousand for Assicurazioni Generali S.p.A.), which was recognised directly in equity (see Note 19).

The €115 thousand increase in the investment in Assicurazioni Generali S.p.A. reflects the value of bonus shares granted to shareholders during the year in addition to the cash dividend payout.

There were no investments in other companies in relation to whose obligations Fiat S.p.A. has unlimited liability (Article 2361 (2) of the Civil Code).

At 31 December 2009 and 2008, no investments held by the company had been pledged as security for financial or contingent liabilities.

During 2008, changes in investments were as follows:

(€ thousand)	At 31 December 2007	Effects of the spin-off of Fiat Partecipazioni S.p.A.	Other changes	Impairment reversal/ (loss) Fair value adjustments	At 31 December 2008
Investments in subsidiaries	13,277,641	680,408	343,611	(7,000)	**14,294,660**
Investments in associates	-	131,786	-	-	**131,786**
Investments in other companies	33,843	-	-	(15,553)	**18,290**
Total investments	**13,311,484**	**812,194**	**343,611**	**(22,553)**	**14,444,736**

With regard to changes in investments in subsidiaries and associates during 2008, on 29 December 2008 there was a partial spin-off of the wholly-owned subsidiary Fiat Partecipazioni S.p.A. in favour of Fiat S.p.A., approved by Fiat S.p.A.'s Board of Directors on 20 October 2008 and in an Extraordinary General Meeting of Shareholders of Fiat Partecipazioni S.p.A. on 14 October 2008, pursuant to the requirements of Article 2506-*ter* of the Civil Code (which refers to Article 2505 of the Civil Code) and Article 15 of the By-laws of Fiat S.p.A.

The transaction consisted of the transfer to Fiat S.p.A. of shares held by Fiat Partecipazioni S.p.A. in the subsidiaries Fiat Group Automobiles S.p.A. (100.00%), Fiat Powertrain Technologies S.p.A. (100.00%), Magneti Marelli S.p.A. (99.99%), Maserati S.p.A. (100.00%), Teksid S.p.A. (84.79%), Teksid Aluminum S.r.l. (100.00%), Fiat Netherlands Holding N.V. (39.44%), Iveco S.p.A. (39.44%) and in the associate RCS MediaGroup S.p.A. (10.09%).

13. Other financial assets

A breakdown of other financial assets is provided in the following table:

(€ thousand)	At 31 December 2009	At 31 December 2008	Change
Call option on Ferrari S.p.A. shares	**10,032**	10,032	-
Fees receivables for guarantees given	**16,782**	10,531	6,251
Debt securities	**73**	74	(1)
Total other financial assets	**26,887**	**20,637**	**6,250**

The item call option on Ferrari S.p.A. shares includes the value of the premium paid in October 2006 for the call option on the 5% interest in Ferrari S.p.A. held by the Arab Mubadala Development Company PJSC fund. In July 2008, the expiry date of the option was extended and the option is currently exercisable from 1 January 2010 to 31 July 2010 at a price of €302.07 per share (for a total of €122,399 thousand) less any dividend that may be distributed. It has been recognised at cost since its fair value cannot be reliably measured.

Fees receivables for guarantees given are measured at the present value of the fees to be received in future years for guarantees provided by the company (mainly for guaranteeing loans obtained by Group companies).

Debt securities consist of listed Italian State securities pledged to fund scholarship grants.

A breakdown of other financial assets by maturity date is as follows:

(€ thousand)	At 31 December 2009	At 31 December 2008
Other financial assets		
due within one year	**15,437**	3,431
due after one year but within five years	**11,145**	16,710
due beyond five years	**305**	496
Total	**26,887**	**20,637**

14. Other non-current assets

At 31 December 2009, other non-current assets totalled €203 thousand, a net decrease of €41 thousand over 31 December 2008, and consisted of amounts receivable from tax authorities and employees beyond 12 months.

15. Trade receivables

At 31 December 2009, trade receivables amounted to €60,015 thousand, a net decrease of €125,277 thousand over 31 December 2008, and included the following:

(€ thousand)	At 31 December 2009	At 31 December 2008	Change
Third parties			
Receivables	**53,091**	131,537	(78,446)
Allowance for doubtful accounts	**(228)**	(228)	-
Total third parties	**52,863**	131,309	(78,446)
Intercompany trade receivables	**7,152**	53,983	(46,831)
Total trade receivables	**60,015**	**185,292**	**(125,277)**

Trade receivables from third parties mainly relate to amounts due from T.A.V. S.p.A. for the progress of works on high speed rail sections during the latter part of the year. These receivables match the trade payables resulting from the progress of the works to be paid to the consortia CAV.E.T. and CAV.TO.MI. (see Note 24). At 31 December 2009, factored receivables totalled €10,303 thousand and related to work completed on the Novara-Milan rail line. These receivables remain on–balance sheet with an offsetting entry to advances from factoring companies (see Note 25), as required under IAS 39.

Intercompany trade receivables consist almost entirely of amounts receivable from other Group companies for services provided. At 31 December 2008, this item included €52,800 thousand receivable from Fiat Group Marketing and Corporate Communication S.p.A. for the portion of the consideration for the FIAT trademark, purchased at the end of 2008, which was deferred until 2009.

The allowance for doubtful accounts has been calculated on the basis of an assessment of the risk on a number of minor receivables from others.

The carrying amount of trade receivables is deemed to approximate their fair value.

All trade receivables are due within one year and there are no significant overdue balances.

16. Current financial receivables

At 31 December 2009, current financial receivables totalled €646,074 thousand and consisted of amounts receivable from other Group companies, as detailed below (there were no current financial receivables at 31 December 2008):

(€ thousand)	At 31 December 2009	At 31 December 2008	Change
Current account with Fiat Finance S.p.A.	**606,941**	-	606,941
Amounts due from Fiat Netherlands Holding N.V. for derivative financial instruments	**39,127**	-	39,127
Other minor receivables due from Fiat Netherlands Holding N.V.	**6**	-	6
Total current financial receivables	**646,074**	**-**	**646,074**

The current account with Fiat Finance S.p.A. reflects the balance on the account held with that company as part of the Group's centralised treasury management.

Amounts due from Fiat Netherlands Holding N.V. for derivative financial instruments represents the fair value of the first of the two equity swaps on Fiat S.p.A. shares entered into with major banks by Fiat Netherlands Holding N.V., under instruction from Fiat S.p.A., to hedge against an increase in the share price above the exercise price of the stock options granted to the Company's Chief Executive Officer in 2004, as described in Note 8. The fair value of that equity swap was based on market quotations at the balance sheet date. At 31 December 2008, the fair value of both equity swaps was negative and, therefore, they were recognised as liabilities (see Note 25).

The carrying amount of financial receivables is deemed to approximate their fair value.

17. Other current receivables

At 31 December 2009, other current receivables amounted to €198,923 thousand, a net decrease of €706,135 thousand over 31 December 2008. They are broken down as follows:

(€ thousand)	At 31 December 2009	At 31 December 2008	Change
Intercompany receivables for consolidated IRES tax	**120,755**	285,048	(164,293)
Other intercompany receivables	**1,070**	42,039	(40,969)
VAT receivables	**24,586**	304,262	(279,676)
IRES tax receivables	**49,209**	269,286	(220,077)
IRAP tax receivables	**1,163**	-	1,163
Other	**2,140**	4,423	(2,283)
Total other current receivables	**198,923**	**905,058**	**(706,135)**

Intercompany receivables for consolidated IRES tax arise from the tax calculated on the taxable income contributed by the Italian subsidiaries participating in the domestic tax consolidation programme.

Other intercompany receivables consist of miscellaneous amounts receivable. At 31 December 2008, this item included an amount of €27,000 thousand due from Fiat Partecipazioni S.p.A. arising from the partial spin-off in 2008. The amount was paid during 2009.

IRES tax receivables includes amounts receivable that Italian subsidiaries participating in the domestic tax consolidation transferred to Fiat S.p.A. in 2009 and previous years. At 31 December 2009, refund claims which had been factored amounted to €25,214 thousand (€230,795 thousand at 31 December 2008) and were recognised on balance sheet, with the corresponding liability recorded under advances on factored receivables (see Note 25), pursuant to IAS 39.

The decrease of €279,676 thousand in VAT receivables and €220,077 thousand in IRES tax receivables were essentially attributable to refunds on consolidated VAT (for 2008) and IRES (for prior years) received during the year.

At 31 December 2009, no interest was recognised for VAT receivables subject to refund (compared to €217 thousand at 31 December 2008), while interest on IRES tax receivables (100% factored) amounted to €2,214 thousand (€26,081 thousand at 31 December 2008).

The carrying amount of other current receivables is deemed to approximate their fair value.

Other current receivables are almost entirely due by the end of 2010.

18. Cash and cash equivalents

Cash and cash equivalents consist of the following:

(€ thousand)	At 31 December 2009	At 31 December 2008	Change
Cash at banks and post offices	473	494	(21)
Cheques and cash in hand	1	1	-
Total cash and cash equivalents	**474**	**495**	**(21)**

The above figures related to on demand deposits in euros in the Company's current accounts. The carrying amount of cash and cash equivalents is deemed to be in line with their fair value.

The credit risk relating to cash and cash equivalents is insignificant since the counterparties are leading national and international banks.

19. Equity

At 31 December 2009, equity totalled €12,486,847 thousand, a €317,103 thousand increase over 31 December 2008, primarily attributable to profit for the year of €339,964 thousand net of dividend distributions of €24,773 thousand (€0.31 to each savings share).

Share capital

Share capital totalled €6,377,263 thousand (fully paid) at 31 December 2009 and consisted of the following:

(no. of shares)	At 31 December 2009	At 31 December 2008
Shares issued and fully paid-up		
Ordinary shares	1,092,247,485	1,092,247,485
Preference shares	103,292,310	103,292,310
Savings shares	79,912,800	79,912,800
Total shares issued	**1,275,452,595**	**1,275,452,595**

All issued shares have a nominal value of €5 each, with each category having rights as follows.

Each share confers the right to share pro rata in any earnings allocated for distribution and any surplus assets remaining upon a winding-up, subject to the right of priority of preference and savings shares as described here below.

Each ordinary share confers the right to vote without any restriction whatsoever. Each preference share confers the right to vote only on matters which are reserved for an Extraordinary Meeting of Shareholders and on resolutions concerning Procedures for General Meetings. No voting rights are attached to savings shares.

Net profit reported in the annual financial statements of Fiat S.p.A. shall be allocated as follows:

- to the legal reserve, 5% of net profit until the amount of such reserve is equivalent to one-fifth of share capital;
- to savings shares, a dividend of up to €0.31 per share;
- further allocations to the legal reserve, allocations to the extraordinary reserve and/or to retained profit reserve as may be resolved by Shareholders;
- to preference shares, a dividend of up to €0.31 per share;
- to ordinary shares, a dividend of up to €0.155 per share;
- to savings shares and ordinary shares, in equal amounts, an additional dividend of up to €0.155 per share; and,
- to each ordinary, preference and savings share, in equal amounts, any remaining profit which Shareholders may resolve to distribute.

When the dividend paid to savings shares in any year amounts to less than €0.31, the difference shall be added to the preferred dividend to which they are entitled in the following two years.

In the event that the savings shares are delisted, any bearer shares shall be converted into registered shares and shall have the right to a higher dividend increased by €0.175, rather than €0.155, with respect to the dividend received by the ordinary and preference shares.

In the event that the ordinary shares are delisted, the higher dividend received by the savings shares with respect to the dividend received by ordinary and preference shares shall be increased by €0.200 per share.

In the event of a winding up, the Company's assets shall be distributed in the following order of priority: repayment of savings shares up to their par value, repayment of preference shares up to their par value, repayment of ordinary shares up to their par value; any balance remaining, in an equal pro rata amount to shares of all three classes.

Following is a reconciliation between the number of shares outstanding at 31 December 2007 and at 31 December 2009:

(shares in thousands)	At 31 December 2007	Capital increase	(Purchases)/ sales of own shares	At 31 December 2008	Capital increase	(Purchases)/ sales of own shares	At 31 December 2009
Ordinary shares issued	1,092,247	-	-	1,092,247	-	-	**1,092,247**
Less: Treasury shares	(21,851)	-	(16,717)	(38,568)	-	-	**(38,568)**
Ordinary shares outstanding	1,070,396	-	(16,717)	1,053,679	-	-	**1,053,679**
Preference shares issued	103,292	-	-	103,292	-	-	**103,292**
Less: Treasury shares	-	-	-	-	-	-	**-**
Preference shares outstanding	103,292	-	-	103,292	-	-	**103,292**
Savings shares issued	79,913	-	-	79,913	-	-	**79,913**
Less: Treasury shares	-	-	-	-	-	-	**-**
Savings shares outstanding	79,913	-	-	79,913	-	-	**79,913**
Total shares issued by Fiat S.p.A.	**1,275,452**	**-**	**-**	**1,275,452**	**-**	**-**	**1,275,452**
Less: Treasury shares	**(21,851)**	**-**	**(16,717)**	**(38,568)**	**-**	**-**	**(38,568)**
Total Fiat S.p.A. shares outstanding	**1,253,601**	**-**	**(16,717)**	**1,236,884**	**-**	**-**	**1,236,884**

Treasury share sales and buybacks in 2008 are discussed in the section "Treasury shares".

Italian regulations regarding the share capital and reserves of a joint stock corporation establish the following:

- The minimum permitted share capital is €120,000.
- Any change in the amount of share capital must be approved by shareholders in general meeting who may delegate powers to the Board of Directors, having validity for a maximum period of five years, to increase share capital up to a predetermined amount; the general meeting of shareholders is also required to adopt suitable measures when share capital decreases by more than one third as the result of ascertained losses and to reduce share capital if by the end of the following year such losses have not fallen to less than one third. If as the consequence of a loss of more than one third of capital this then drops below the legal minimum, shareholders in general meeting are required to approve a decrease and simultaneous increase of capital to an amount not less than this minimum or must change a company's legal form.
- As discussed previously the share in profits due to each class of shares is determined by a company's by-laws.
- An additional paid-in capital reserve is established if a company issues shares at a price exceeding their nominal value. This reserve may not be distributed until the legal reserve has reached one-fifth of share capital.
- A company may not purchase treasury stock for an amount exceeding the distributable profits and available reserves stated in its most recently approved financial statements. Any purchase must be approved by shareholders in general meeting and in no case may the nominal value of the shares acquired exceed one-fifth of share capital.

With reference to share capital, on 3 November 2006 the Board of Directors of Fiat S.p.A. exercised its delegated powers under Article 2443 of the Italian Civil Code to institute a capital increase reserved for employees of the company and/or its subsidiaries up to a maximum of 1% of share capital, i.e. €50 million by issuance of a maximum of 10 million ordinary shares each of nominal value €5, corresponding to 0.78% of share capital and 0.92% of ordinary share capital, at a price of €13.37 each, to service the employee stock option plan described in the following paragraph. Execution of the capital increase is dependant on the conditions of the plan being satisfied.

In 2006, Fiat introduced a dividend policy under which its intention is to distribute a total dividend to shareholders of 25% of consolidated profits. Despite the fact that Group profit for 2008 was €1,721 million and that the profit for Fiat S.p.A. was sufficient to enable a dividend to be distributed in accordance with this dividend policy, at the proposal of the Board of Directors, Shareholders voted at the General Meeting on 27 March 2009 to limit the distribution of dividends to savings shares only (in the amount of €24,773 thousand, as established in the Company's By-laws), with the aim of strengthening the Group's capital structure and maintaining adequate liquidity. Following the normalisation of the capital markets as a source of funding for the Group and in the belief that the Group will be able to continue to generate earnings even in a significantly different market environment, based on Fiat S.p.A.'s distributable profit for 2009, the Board of Directors will propose to Shareholders at the Annual General Meeting that they approve payment of a total dividend of €244 million (€237 million excluding the treasury shares held by Fiat S.p.A. at the date of this publication), equal to approximately 30% of the combined 2008 consolidated profit and the 2009 consolidated loss. The proposed divided is as follows:

- €0.17 per ordinary share;
- €0.31 per preference share;
- €0.325 per savings share.

The objectives identified by Fiat for managing capital are to create value for shareholders as a whole, to safeguard business continuity and support the growth of the Group. As a result, Fiat endeavours to maintain an adequate level of capital that enables it to obtain a satisfactory economic return for its shareholders and at the same time guarantee access to affordable external sources of funds, including through the achievement of an adequate rating.

Fiat constantly monitors the evolution of the ratio between debt and equity and in particular the level of net debt and the generation of cash from its industrial activities.

In order to reach these objectives Fiat aims at a continuous improvement in the profitability of the business in which it operates. Further, as a general rule it may sell part of its assets to reduce the level of its debt, while the Board of Directors may make proposals to Shareholders in General Meeting to reduce or increase share capital or, where the law permits, to distribute reserves. In this context, Fiat S.p.A. also makes purchases of treasury shares, without exceeding the limits authorised by Shareholders in General Meeting, under the same logic of creating value, compatible with the objectives of achieving financial equilibrium and an improvement in its rating.

Capital includes both the value brought to a company by its shareholders (share capital, additional paid-in capital reserve less treasury shares, for a total value of €7,261,595 thousand at 31 December 2008 and 2009), and the value generated by Fiat S.p.A. in terms of the results achieved (retained profit and other reserves, before allocation of profit for the year, equal in total to €5,222,812 thousand at 31 December 2009 and €4,908,780 thousand at 31 December 2008, excluding gains and losses recognised directly in equity).

Additional paid-in capital
At 31 December 2009, this reserve totalled €1,540,885 thousand and was unchanged from 31 December 2008.

Legal reserve
At 31 December 2009, this reserve totalled €699,460 thousand, an increase of €59,957 thousand over 31 December 2008 following allocation of profits from the previous year as approved by Shareholders on 27 March 2009.

Reserve available for the purchase of treasury shares
This reserve was created through a transfer from the retained profit/(loss) reserve, following Shareholders approval for share repurchases. In particular, the share buy-backs were made under a programme (the "Programme") approved by Shareholders at the General Meeting held on 5 April 2007 and subsequently renewed on 31 March 2008. Under the Programme, purchases were to be carried out on regulated markets in accordance with the following conditions:

- the Programme would end on 30 September 2009 or, in any event, once the maximum amount of €1.8 billion (including Fiat S.p.A. shares already held by the Company) or a number of shares equivalent to 10% of share capital was reached;
- the maximum purchase price could not exceed the reference price reported by the Stock Exchange on the day before the purchase is made by more than 10%;
- for each share class, the maximum number of shares purchased daily could not exceed 20% of the total daily trading volume.

In order to maintain the necessary operating flexibility over an adequate time period, Shareholders in the General Meeting of 27 March 2009 renewed their authorisation for the purchase and disposal of own shares, including transactions carried out through subsidiary companies, at the same time revoking their authorisation given in the General Meeting of 31 March 2008 to the extent not exercised. The new authorisation is for the purchase of a maximum number of shares, for all three classes combined, not to exceed 10% of share capital or a purchase value of €1.8 billion, inclusive of the €656.6 million in Fiat shares already held by the company.

At 16 February 2010, the total number of ordinary shares purchased since the beginning of the Programme was 37.27 million, for a total invested amount of €665 million. Although the share buy-back programme has been placed on hold, the Board in consideration of the fact that the current authorisation expires on 27 September 2010 and to maintain the necessary operating flexibility for an adequate period, has decided to propose to Shareholders at the Annual General Meeting that the authorisation be renewed for a period of 18 months and for a maximum amount of shares for the three classes not to exceed 10% of share capital or €1.8 billion, including the €656.6 million in Fiat shares currently held by the Company. Should the proposal be approved, the Company would, however, have no obligation to buyback shares.

The reserve available for the purchase of treasury shares totalled €1,142,740 thousand at 31 December 2009, unchanged from 31 December 2008.

In particular, as previously mentioned, a resolution passed by Shareholders on 27 March 2009 revoked the existing authorisation for share buy-backs to the extent not already exercised, equivalent to €1,142,740 thousand, and, contemporaneously, renewed the authorisation to make share buy-backs for a maximum of €1.8 billion which, in consideration of the reserves already utilised for share buy-backs at that date (i.e., 38,568,458 shares having a carrying value of €656,553 thousand), resulted in the reserve available totalling €1,142,740 thousand, unchanged over the previous year as no purchases were made following the resolution.

Reserve for treasury shares in portfolio
This reserve amounted to €656,553 thousand at 31 December 2009, unchanged from 31 December 2008.

This reserve is subject to certain restrictions imposed by law (Article 2357-*ter* of the Civil Code). Changes in the reserve represent increases - through transfers from the reserve available for the purchase of treasury shares - for own shares purchased and decreases for own shares sold.

Retained profit/(loss)
At 31 December 2009, retained profit totalled €2,198,994 thousand, an increase of €1,114,416 thousand over 31 December 2008, following allocation of the prior year's profit, after dividends and allocations to the legal reserve, as approved by Shareholders on 27 March 2009.

Gains/(losses) recognised directly in equity
This reserve includes gains and losses recognised directly in equity and in particular those arising from fair value adjustments on investments in other companies, as described previously (see Note 12).

At 31 December 2009, this reserve was a positive €2,440 thousand, representing an increase of €3,071 thousand over 31 December 2008 attributable to fair value adjustments on the investments in Fin. Priv. S.r.l. and Assicurazioni Generali S.p.A.

Stock option reserve
This reserve amounted to €95,272 thousand at 31 December 2009, a net decrease of €1,159 thousand over 31 December 2008, with balancing entries to the following:

- the recognition in the income statement of the total cost of €4,660 thousand in 2009 (€9,123 thousand in 2008), attributable to the cost of €8,154 thousand arising from stock option plans based on Fiat S.p.A. shares and relating to the Chief Executive Officer (see Note 6), net of the release to income of €3,494 thousand related to stock option plans based on Fiat S.p.A. shares and relating to managers employed by Fiat S.p.A. (see Note 5);
- a decrease of €5,819 thousand in the carrying amount of investments in subsidiaries which directly or indirectly employ managers of other Group companies who are beneficiaries of stock option plans based on Fiat S.p.A. shares (see Note 12).

Reserve for Spin-off difference
This reserve amounted to €39,194 thousand at 31 December 2009 and was unchanged from 31 December 2008. It includes the positive difference arising from the partial spin-off of Fiat Partecipazioni S.p.A. during 2009.

Other reserves
At 31 December 2009, other reserves amounted to €50,635 thousand and were unchanged from 31 December 2008. The amount includes:

- Reserves pursuant to Law 413/1991: a total of €22,591 thousand corresponding to the compulsory revaluation of property (net of substitute tax) pursuant to Law 413 of 30 December 1991 and allocated to a specific reserve required under the Law.
- Extraordinary reserve: a total of €28,044 thousand corresponding to the value approved by Shareholders on 11 May 2004.

Treasury shares
At 31 December 2009, the carrying amount of treasury shares held was €656,553 thousand and related to 38,568,458 ordinary shares (average book value of €17.023 per share) representing 3.02% of share capital, and having a total nominal value of €192,842 thousand. The amount was unchanged over 31 December 2008, as no shares were purchased or sold during 2009.

In 2008, a total of 71,000 ordinary shares in the portfolio were sold (at a total price of €1,288 thousand) in relation to the exercise of stock options. Purchases of 16,788,000 ordinary shares (at a total price of €238,531 thousand) were made under the abovementioned Programme.

Share-based compensation
At 31 December 2009 and 2008, Fiat S.p.A. has various share-based payment plans for executives of Group companies, the Chief Executive Officer of Fiat S.p.A. and the former Chairman of Fiat S.p.A., Mr. Paolo Fresco.

Stock Option plans linked to Fiat S.p.A. ordinary shares

The Board of Directors of Fiat S.p.A. approved certain stock option plans prior to 2002 which provided managers of the Group with the title of *Direttore*, high management potential included in "management development programmes" and executive Directors of Fiat S.p.A. with the right to purchase a determined number of Fiat S.p.A. ordinary shares at a fixed price (strike price). These rights may be exercised over a fixed period of time from the vesting date to the expiry date of the plan. These stock option plans do not depend on any specific market conditions.

These options may generally be exercised once a three year period has passed from the grant date and for the following six years, consistent with tax law on the subject; nonetheless, the full amount granted as options is not exercisable until the end of the fourth year.

The contractual terms of these plans are as follows:

Plan	Recipient	Grant date	Expiry date	Strike price (€)	Number of options granted	Vesting date	Vesting portion
Stock Option February 2001 (expired)	Managers	27 February 2001	27 February 2009	24.853	785,000	27 February 2002	25%
						27 February 2003	25%
						27 February 2004	25%
						27 February 2005	25%
Stock Option October 2001 (expired)	Managers	31 October 2001	31 October 2009	16.526	5,417,500	31 October 2002	25%
						31 October 2003	25%
						31 October 2004	25%
						31 October 2005	25%
Stock Option May 2002	Former Chairman of Fiat S.p.A.	14 May 2002	1 January 2010	12.699	1,000,000	1 January 2005	100%
Stock Option September 2002	Managers	12 September 2002	12 September 2010	10.397	6,100,000	12 September 2003	25%
						12 September 2004	25%
						12 September 2005	25%
						12 September 2006	25%

On 26 July 2004, the Board of Directors granted Sergio Marchionne, as a part of his variable compensation as Chief Executive Officer, options to purchase 10,670,000 Fiat S.p.A. ordinary shares at a price of €6.583 per share, exercisable from 1 June 2008 to 1 January 2011. In each of the first three years following the grant date, the CEO acquired the right to purchase, beginning 1 June 2008, a maximum of 2,370,000 shares annually. As of 1 June 2008, he also acquired the right to exercise, effective from that date, the remaining options on 3,560,000 shares as a result of predetermined performance objectives for the reference period having been met. On 27 March 2009, Shareholders considered it significantly in the Group's interest to adopt changes which would reinstate the retention capability of the Plan, in particular through approval of a new vesting period which depended solely on the CEO remaining in office, deferring exercise of these options until 1 January 2011 and extending the exercise period until 1 January 2016, with all other conditions remaining unaltered.

The current features of the stock option plan are as follows:

Plan	Recipient	Modification date	Expiry date	Strike price (€)	Number of options granted	Vesting date	Vesting portion
Stock Option July 2004 (modified)	Chief Executive Officer	27 March 2009	1 January 2016	6.583	10,670,000	31 December 2010	100%

On 3 November 2006, the Fiat S.p.A. Board of Directors approved (subject to the subsequent approval of Shareholders in General Meeting, which was given on 5 April 2007) an eight year stock option plan, which provides certain managers of the Group and the Fiat S.p.A. Chief Executive Officer with the right to purchase a determined number of Fiat S.p.A. ordinary shares at the fixed price of €13.37 per share. In particular, the 10,000,000 options granted to employees and the 5,000,000 options granted to the Chief Executive Officer have a vesting period of four years, with a quarter of the number vesting each year, are subject to achieving certain pre-determined profitability targets (Non-Market Conditions or "NMC") in the reference period and may be exercised from the date on which the 2010 Financial statements are approved. The remaining 5,000,000 options granted to the Chief Executive Officer of Fiat S.p.A. also have a vesting period of four years with a quarter of the number vesting each year and may be exercised from November 2010. The ability to exercise the options is additionally subject to specific restrictions regarding the duration of the employment relationship or the continuation of the position held. The stock option plan will become effective once all its conditions have been satisfied.

The contractual terms of the 2006 plan are as follows:

Plan	Recipient	Expiry date	Strike price (€)	Number of options granted	Vesting date	Vesting portion
Stock Option November 2006	Chief Executive Officer	3 November 2014	13.37	5,000,000	November 2007 November 2008 November 2009 November 2010	25% 25% 25% 25%
Stock Option November 2006	Chief Executive Officer	3 November 2014	13.37	5,000,000	1st Quarter 2008 (*) 1st Quarter 2009 (*) 1st Quarter 2010 (*) 1st Quarter 2011 (*)	25%*NMC 25%*NMC 25%*NMC 25%*NMC
Stock Option November 2006	Managers	3 November 2014	13.37	10,000,000	1st Quarter 2008 (*) 1st Quarter 2009 (*) 1st Quarter 2010 (*) 1st Quarter 2011 (*)	25%*NMC 25%*NMC 25%*NMC 25%*NMC

(*) On approval of the prior year's Consolidated Financial Statements, subject to the continuation of the professional relationship.

On 26 February 2008, the Board of Directors of Fiat S.p.A. passed an incentive plan which was subsequently approved by shareholders in the Annual General Meeting on 31 March 2008, by which an overall maximum of 4 million financial instruments may be assigned on a periodic basis until 2010 in the form of stock options and/or stock appreciation rights. The plan addresses the attraction and retention of managers in key roles who have been hired or promoted following the granting of the stock option plan of 3 November 2006 or who have assumed greater responsibilities since the granting of the 2006 plan and has the features of that plan in terms of performance vesting and exercise rights. Implementing the first grant under this program on 23 July 2008, the Board of Directors assigned 1,418,500 stock options which have an exercise price of €10.24 and a vesting period of three years, which are subject to achieving certain pre-determined profitability targets (Non-Market Conditions or "NMC") in the reference period and which may be exercised from the date on which the 2010 Financial Statements are approved.

The contractual terms of the 2008 plan are as follows:

Plan	Recipient	Expiry date	Strike price (€)	Number of options granted	Vesting date	Vesting portion
Stock Option July 2008	Managers	3 November 2014	10.24	1,418,500	1st Quarter 2009 (*) 1st Quarter 2010 (*) 1st Quarter 2011 (*)	18%*NMC 41%*NMC 41%*NMC

(*) On approval of the prior year's Consolidated Financial Statements, subject to the continuation of the professional relationship.

A summary of outstanding stock options at 31 December 2009 is as follows:

	Managers compensation			Compensation as member of the Board		
Exercise price (€)	Options outstanding at 31 December 2009	Options outstanding at 31 December 2008	Average remaining contractual life (in years)	Options outstanding at 31 December 2009	Options outstanding at 31 December 2008	Average remaining contractual life (in years)
6.583	-	-	-	10,670,000	10,670,000	6.0
10.24	956,530	1,414,000	4.8	-	-	-
10.397	845,000	921,500	0.7	-	-	-
12.699	-	-	-	500,000	500,000	-
13.370	6,536,875	9,497,500	4.8	8,750,000	10,000,000	4.8
16.526	-	1,044,000	-	-	-	-
24.853	-	50,000	-	-	-	-
Total	**8,338,405**	**12,927,000**		**19,920,000**	**21,170,000**	

Changes during the year were as follows:

	Managers compensation		Compensation as member of the Board	
	Number of options	Average exercise price (€)	Number of options	Average exercise price (€)
Outstanding at the beginning of the year	**12,927,000**	**13.11**	**21,170,000**	**9.93**
Granted	-	-	-	-
Forfeited	(3,494,595)	12.90	(1,250,000)	13.37
Exercised	-	-	-	-
Expired	(1,094,000)	16.91	-	-
Outstanding at 31 December 2009	**8,338,405**	**12.71**	**19,920,000**	**9.72**
Exercisable at 31 December 2009	**845,000**	**10.397**	**500,000**	**12.699**
Exercisable at 31 December 2008	**2,015,500**	**13.93**	**11,170,000**	**6.86**

The options forfeited during the year consist of unvested options for employees who left the Group and options not vesting during the year due to the fact that certain non-market conditions were not reached for the November 2006 and July 2008 plans.

As discussed under significant accounting policies, the Group applies IFRS 2 to all stock options granted after 7 November 2002 which were not yet vested at 1 January 2005, namely the July 2004 Revised, November 2006 and July 2008 stock option plans.

Granting of Fiat S.p.A. shares

On 23 February 2009, the Board of Directors of Fiat S.p.A. passed an incentive plan which was subsequently approved by Shareholders in the Annual General Meeting on 27 March 2009, based on the granting of rights that, subject to achievement of predetermined performance targets (Non-Market Conditions or "NMC") for 2009 and 2010 and continuation of a professional relationship with the Group, entitles the CEO of Fiat S.p.A. to receive a total of 2 million ordinary shares. A maximum of 6 million ordinary shares would also be available for granting, on one or more occasions, to certain managers of the Group selected by the CEO of Fiat S.p.A.

The contractual terms of the plan are as follows:

Plan	Recipient	Number of shares	Vesting date	Vesting portion
Stock Grant 2009	Chief Executive Officer	2,000,000	1st Quarter 2010 (*) 1st Quarter 2011 (*)	25%*NMC 75%*NMC

(*) On approval of the prior year's Consolidated Financial Statements, subject to the continuation of the position held.

For this incentive plan, the fair value used to determine the notional cost at the grant date was based on the price of Fiat S.p.A. ordinary shares at that date of €5.26 per share.

The total cost recognised in the 2009 income statement for this plan amounted to €5,634 thousand.

Finally, the following shows availability of share capital and reserves:

Availability for use of main equity items

(€ thousand)	At 31 December 2009	Possible use	Available amount
Share capital	6,377,263	-	
Reserves:			
Additional paid-in capital	1,540,885	A, B, C (*)	1,540,885
Legal reserve	699,460	B	-
Reserve available for the purchase of treasury shares	1,142,740	A, B, C	1,142,740
Reserve for treasury shares in portfolio	656,553	-	-
Reserve for Spin-off difference	39,194	A, B, C	39,194
Reserve under law 413/1991	22,591	A, B, C	22,591
Extraordinary reserve	28,044	A, B, C	28,044
Retained profit/(loss)	2,198,994	A, B, C	2,198,994

Key:
A: capital increase
B: coverage of losses
C: dividend

(*) Fully available to increase capital and cover losses. Any other use requires an increase of the legal reserve up to 20% of share capital (this may also be carried out by making a transfer from additional paid-in capital itself). The increase required at 31 December 2009 would be €575,993 thousand.

20. Provisions for employee benefits and other non-current provisions

At 31 December 2009, provisions for employee benefits and other non-current provisions amounted to €25,441 thousand, a net decrease of €977 thousand over 31 December 2008, and consisted of:

(€ thousand)	At 31 December 2008	Accruals	Utilisations	Other changes	At 31 December 2009
Provisions for employee benefits and similar provisions	25,163	2,256	(2,459)	(764)	24,196
Other non-current provisions	1,255	-	(10)	-	1,245
Total provisions for employee benefits and other non-current provisions	**26,418**	**2,256**	**(2,469)**	**(764)**	**25,441**

Provisions for employee benefits and similar provisions

The Company provides post-employment benefits for its employees, either directly or by contributing to independently administered funds.

The benefits are generally based on the employees' remuneration and years of service. The obligations relate both to active employees and to retirees.

The Company provides post-employment benefits under defined contribution and/or defined benefit plans.

In the case of defined contribution plans, the company pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. Once the contributions have been paid the company has no further payment obligations. Liabilities for contributions accrued but not yet paid at the balance sheet date are included in the item other payables (see Note 26). The company recognises the contribution cost for the year on the basis of the service rendered by the employee in the item personnel costs (see Note 5).

In the case of post-employment benefits the company's obligation is determined on an actuarial basis, using the Projected Unit Credit Method. Any resulting actuarial gains and losses are accounted for using the corridor approach.

Finally, the Company grants certain other long-term benefits to its employees; these benefits include those generally paid when the employee attains a specific seniority. In this case, the measurement of the obligation reflects the probability that payment will be made and the period over which the payment is expected to be made. The amount of this obligation is calculated on an actuarial basis using the Projected Unit Credit Method. The corridor approach is not used for the actuarial gains and losses arising from this obligation.

Changes in provisions for employee benefits during the year are as follows:

(€ thousand)	At 31 December 2008	Accruals	Utilisations	Other changes	At 31 December 2009
Post-employment benefits:					
Employee severance Indemnity	7,019	341	(273)	(99)	**6,988**
Other	16,803	1,915	(2,142)	(272)	**16,304**
Total post-employment benefits	23,822	2,256	(2,415)	(371)	**23,292**
Other long-term employee benefits	1,341	-	(44)	(393)	**904**
Total provisions for employee benefits and similar provisions	**25,163**	**2,256**	**(2,459)**	**(764)**	**24,196**

Post-employment benefits and other long-term employee benefits are calculated on the basis of the following actuarial assumptions:

	At 31 December 2009	At 31 December 2008
Discount rate	**4.62%**	5.23%
Future salary increase rate	**4.31%**	2.97%
Inflation rate	**2.00%**	2.00%
Theoretical retirement age	**Years: 60 (F) - 65 (M)**	Years: 60 (F) - 65 (M)
Mortality rate	**SI02**	SI02
Average annual departure rate	**9.58%**	8.95%

The provisions for employee benefits and similar may be summarised as follows:

Employee severance indemnity

The employee severance indemnity represents the obligation to employees under Italian law (amended by Law 296/06) that has accrued up to 31 December 2006 and that will be settled when the employee leaves the company. In certain circumstances, a portion of the accrued liability may be given to an employee during his working life as an advance. This is an unfunded defined benefit plan, under which the benefits are almost fully accrued, with the sole exception of future revaluations.

Other

The item other includes post-employment benefits accrued by employees, former employees and the Chief Executive Officer following additional or individual labour agreements. These schemes are unfunded.

Other long-term employee benefits
This item mainly includes benefits which are due to employees who reach a specified seniority.

Post-employment benefits at 31 December 2009 and 2008 are made up as follows:

	Employee severance indemnity		Other		Total	
(€ thousand)	At 31 December 2009	At 31 December 2008	At 31 December 2009	At 31 December 2008	At 31 December 2009	At 31 December 2008
Present value of unfunded defined benefit plan obligations	6,280	6,334	17,486	18,679	23,766	25,013
Unrecognised actuarial gains/(losses)	708	685	(1,182)	(1,876)	(474)	(1,191)
Net liability	**6,988**	**7,019**	**16,304**	**16,803**	**23,292**	**23,822**

The amounts recognised in the income statement for post-employment benefits are as follows:

	Employee severance indemnity		Other		Total	
(€ thousand)	2009	2008	2009	2008	2009	2008
Service cost:						
Current service cost	-	-	1,084	1,296	1,084	1,296
Net actuarial (gains)/losses recognised during the year	-	-	88	51	88	51
Total current service cost	-	-	1,172	1,347	1,172	1,347
Interest costs	341	309	743	699	1,084	1,008
Total cost/(income) for post-employment benefits	**341**	**309**	**1,915**	**2,046**	**2,256**	**2,355**

The items current service cost and net actuarial (gains) losses recognised during the year are recorded in the income statement item personnel costs (see Note 5) if relating to employees and in other operating costs (see Note 6) if relating to the Chief Executive Officer.

Interest costs are recognised under financial income/(expense) in the income statement (see Note 8).

Changes in the present value of the obligation for post-employment benefits are as follows:

	Employee severance indemnity		Other		Total	
(€ thousand)	2009	2008	2009	2008	2009	2008
Present value of obligation at the beginning of the year	6,334	6,280	18,679	11,851	25,013	18,131
Current service cost	-	-	1,084	1,296	1,084	1,296
Interest costs	341	309	743	699	1,084	1,008
Actuarial (gains)/losses arising during the year	397	(202)	(834)	733	(437)	531
Benefits paid	(1,059)	(1,123)	(2,230)	(540)	(3,289)	(1,663)
Gains on reduction	-	-	-	-	-	-
Other changes	267	1,070	44	4,640	311	5,710
Present value of obligation at the end of the year	**6,280**	**6,334**	**17,486**	**18,679**	**23,766**	**25,013**

The present value of the defined benefit obligations in 2009 and the three previous years is as follows:

(€ thousand)	At 31 December 2009	At 31 December 2008	At 31 December 2007	At 31 December 2006
Present value of obligation at the end of the year:				
Employee severance indemnity	**6,280**	6,334	6,280	8,412
Others	**17,486**	18,679	11,851	13,655
Total	**23,766**	**25,013**	**18,131**	**22,067**

The effects of the differences between the previous actuarial assumptions and what has actually occurred (experience adjustments) at 31 December 2009 and 2008 is as follows:

(€ thousand)	2009	2008
Experience adjustments actuarial (gains)/losses:		
Employee severance indemnity	**323**	(153)
Others	**(1,459)**	(1,465)
Total effect on the present value of defined benefit obligation	**(1,136)**	**(1,618)**

Other non-current provisions

At 31 December 2009, this item totalled €1,245 thousand (€1,255 thousand at 31 December 2008) and mainly relates to future amounts to be paid to employees who left the Company in previous years under a long-term benefit programme which bridges the period prior to retirement.

During 2008, changes in provisions for employee benefits and other non-current provisions were as follows:

(€ thousand)	At 31 December 2007	Accruals	Utilisations	Other changes	At 31 December 2008
Provisions for employee benefits and similar provisions	20,037	2,355	(1,621)	4,392	**25,163**
Other non-current provisions	1,265	-	(10)	-	**1,255**
Total provisions for employee benefits and other non-current provisions	**21,302**	**2,355**	**(1,631)**	**4,392**	**26,418**

21. Non-current financial liabilities

At 31 December 2009, non-current financial liabilities totalled €1,816,782 thousand, an increase of €6,251 thousand over 31 December 2008, and included the following:

(€ thousand)	At 31 December 2009	At 31 December 2008	Change
Financial payables to Group companies	**1,800,000**	1,800,000	-
Financial guarantee contracts	**16,782**	10,531	6,251
Total non-current financial liabilities	**1,816,782**	**1,810,531**	**6,251**

Financial payables to Group companies related to euro-denominated loans received from Fiat Finance S.p.A. in the first half of 2006 which are due beyond 12 months. Interest is payable on those loans at rates between 6.35% and 7.18%.

A breakdown of loans by maturity is as follows:

(€ thousand)	At 31 December 2009
Maturing in 2010	**400,000**
Maturing in 2011	**400,000**
Maturing in 2013	**1,000,000**
Total financial payables to Group companies	**1,800,000**

The fair value of these loans at 31 December 2009 was €1.9 billion and was calculated using market rates of interest appropriately adjusted to reflect the credit spreads applicable to Fiat at the balance sheet date.

The item financial guarantee contracts consisted of the fair value of the liabilities assumed from guarantees issued. After assessing the potential risks in relation to which contingent liabilities must be recognised and given that this item relates essentially to guarantees provided on behalf of loans to Group companies, it has been concluded that the present value of fees receivable for guarantees given (see other financial assets in Note 13) represented the best estimate of the fair value of these guarantees.

The breakdown by maturity date is as follows:

(€ thousand)	At 31 December 2009	At 31 December 2008
Financial guarantee contracts		
due within one year	**5,344**	3,418
due after one year but within five years	**11,145**	6,617
due beyond five years	**293**	496
Total	**16,782**	**10,531**

22. Other non-current liabilities

At 31 December 2009, other non-current liabilities amounted to €14,351 thousand, showing a net decrease of €764 thousand over the previous year end.

The item consisted of the following:

(€ thousand)	At 31 December 2009	At 31 December 2008	Change
Non-current post-employment benefits to be paid:			
to a former Chief Executive Officer	**4,690**	4,984	(294)
to former employees	**9,661**	10,131	(470)
Total other non-current liabilities	**14,351**	**15,115**	**(764)**

The non-current post-employment benefits to be paid represent the present value of benefits (see Note 20) to be paid to a former Chief Executive Officer and management personnel that have left the Company.

A breakdown of other non-current liabilities by due date is as follows:

(€ thousand)	At 31 December 2009	At 31 December 2008
Other non-current liabilities		
due within one year	**791**	764
due after one year but within five years	**4,394**	4,244
due beyond five years	**9,166**	10,107
Total	**14,351**	**15,115**

23. Provisions for employee benefits and other current provisions

At 31 December 2009, this item totalled €8,464 thousand, an increase of €2,118 thousand over 31 December 2008, and consisted of the following:

(€ thousand)	At 31 December 2008	Accruals	Utilisations and Other changes	At 31 December 2009
Provision for employee bonuses	6,346	8,254	(6,136)	**8,464**
Total provisions for employee benefits and other current provisions	**6,346**	**8,254**	**(6,136)**	**8,464**

The provision for employee bonuses primarily represents the estimate of variable compensation payable to employees accrued at 31 December 2009.

Changes in provisions for employee benefits and other current provisions during 2008 were as follows:

(€ thousand)	At 31 December 2007	Accruals	Utilisations and Other changes	At 31 December 2008
Provision for employee bonuses	128	6,339	(121)	6,346
Total provisions for employee benefits and other current provisions	**128**	**6,339**	**(121)**	**6,346**

24. Trade payables

At 31 December 2009, trade payables totalled €156,249 thousand, a decrease of €61,986 thousand over 31 December 2008, and consisted of the following:

(€ thousand)	At 31 December 2009	At 31 December 2008	Change
Trade payables to third parties	**152,657**	216,169	(63,512)
Intercompany trade payables for goods and services	**3,592**	2,066	1,526
Total trade payables	**156,249**	**218,235**	**(61,986)**

Trade payables to third parties are mainly due to CAV.E.T. and CAV. TO.MI. in relation to the work performed over the latter part of the year (see Note 15).

Trade payables are due within one year and their carrying amount at the balance sheet date is deemed to approximate their fair value.

25. Current financial liabilities

At 31 December 2009, current financial liabilities amounted to €156,712 thousand, representing a net decrease of €396,421 thousand over the previous year end. The amounts related to:

(€ thousand)	At 31 December 2009	At 31 December 2008	Change
Financial payables to Group companies:			
Current account with Fiat Finance S.p.A	-	63,922	(63,922)
Payables to Fiat Netherlands Holding N.V. for derivative financial instruments	**31,200**	109,065	(77,865)
Accrued interest expense	**65,121**	65,989	(868)
Total financial payables to Group companies	**96,321**	238,976	(142,655)
Financial payables to third parties:			
Advances on factored receivables	**57,889**	290,887	(232,998)
Other loans from factoring companies	**2,502**	23,270	(20,768)
Total financial payables to third parties	**60,391**	314,157	(253,766)
Total current financial liabilities	**156,712**	**553,133**	**(396,421)**

The amount under current account with Fiat Finance S.p.A., totalling €63,922 thousand at 31 December 2008, represented the overdraft on the current account held with Fiat Finance S.p.A. as part of the Group's centralised treasury management.

The item Payables to Fiat Netherlands Holding N.V. for derivative financial instruments, consisted of the fair value measurement of the second of the two equity swaps on Fiat S.p.A. shares entered into with major banks by Fiat Netherlands Holding N.V., under instruction from Fiat S.p.A., to hedge against an increase in the share price above the exercise price of the stock options granted to the company's Chief Executive Officer in 2006, as described in Note 8. The fair value of the above equity swap was determined on the basis of market quotations at the balance sheet date. As discussed previously in Note 16, the fair value of both equity swaps at 31 December 2008 was negative and they were accordingly classified as a liability.

Advances on factored receivables relates to advances of €47,586 thousand on IRES receivable (see Note 17) and €10,303 thousand for amounts receivable from T.A.V. S.p.A. for work completed on the Novara-Milan rail line (see Note 15).

The item Other loans from factoring companies relates to the residual liability for advances on receivables which had already been repaid at the balance sheet date.

Current financial payables are denominated in euros. The carrying amounts are deemed to be in line with their fair value.

26. Other payables

At 31 December 2009, other payables amounted to €290,058 thousand, a decrease of €494,423 thousand over 31 December 2008. The amounts related to:

(€ thousand)	At 31 December 2009	At 31 December 2008	Change
Advances	**5,865**	**10,609**	**(4,744)**
Other payables:			
Intercompany payables:			
Consolidated VAT	124,348	229,084	(104,736)
Consolidated IRES tax	133,806	316,607	(182,801)
Other intercompany payables	-	368	(368)
Total intercompany payables	258,154	546,059	(287,905)
Social security payables	1,803	1,831	(28)
Current amounts payable to employees, directors and statutory auditors	5,629	5,343	286
Payables to shareholders of Toro Assicurazioni S.p.A., Magneti Marelli S.p.A. and Comau S.p.A. for public offerings	860	860	-
Dividends payable	290	273	17
Other	1,871	15,837	(13,966)
Total other payables	**268,607**	**570,203**	**(301,596)**
Tax payables:			
VAT payable	13,034	182,704	(169,670)
Taxes withheld on payments to employees and independent contractors	2,022	2,068	(46)
Tax payable	-	18,330	(18,330)
Other	433	432	1
Total tax payables	**15,489**	**203,534**	**(188,045)**
Accrued expenses and deferred income	**97**	**135**	**(38)**
Total other payables	**290,058**	**784,481**	**(494,423)**

Advances

This item consists of the difference between inventories and progress payments and contractual advances received from the customer Treno Alta Velocità - T.A.V. S.p.A. for contract work in progress and is made up as follows:

(€ thousand)	At 31 December 2009	At 31 December 2008	Change
Contract work in progress	237,254	401,508	(164,254)
Less: Progress payments for work completed	242,370	409,864	(167,494)
Gross amount due to the customer	5,116	8,356	(3,240)
Net contractual advances	749	2,253	(1,504)
Total advances	**5,865**	**10,609**	**(4,744)**

The item relates to contracts for the high speed railway project between Fiat S.p.A. and Treno Alta Velocità - T.A.V. S.p.A. (which was in turn engaged by F.S. S.p.A.), for the operational engineering and construction of two lines (Bologna-Florence and Turin-Milan, the latter divided into two sub-lines: Turin-Novara and Novara-Milan). At 31 December 2009, the contractual amounts (including for additional work, monetary adjustments and other contractual amounts) totalled €5,124 million for the Bologna-Florence line, €4,669 million for the Turin-Novara sub-line (project completed and accounting closed at the end of 2009) and €2,296 million for the Novara-Milan sub-line.

As part of such project, Fiat S.p.A., as the general contractor, engaged CAV.E.T. and CAV.TO.MI. for the engineering and construction activities, retaining all work coordination, organisational and management activities. Contract work in progress therefore reflects the fees earned by Fiat S.p.A. in the form of a percentage (approximately 3.6%) of the contractual amounts, for the activities directly carried out. The work is paid through progress payments made by T.A.V. S.p.A. to Fiat S.p.A. based on the stage of completion of the works and advance payments, which Fiat S.p.A. then pays over to CAV.E.T. and CAV. TO.MI. net of its contractual percentage earned.

These amounts may be analysed by line as follows:

(€ thousand)	At 31 December 2009	At 31 December 2008	Change
Contract work in progress	**237,254**	**401,508**	**(164,254)**
Florence-Bologna line	159,355	150,597	8,758
Turin-Novara line	-	181,915	(181,915)
Novara-Milan line	77,899	68,996	8,903
Less: Progress payments for work completed	**242,370**	**409,864**	**(167,494)**
Florence-Bologna line	160,580	152,832	7,748
Turin-Novara line	-	181,991	(181,991)
Novara-Milan line	81,790	75,041	6,749
Gross amount due to the customer	**5,116**	**8,356**	**(3,240)**
Florence-Bologna line	1,225	2,235	(1,010)
Turin-Novara line	-	76	(76)
Novara-Milan line	3,891	6,045	(2,154)

Contract work in progress is measured on the basis of the stage of completion in relation to the sales price, which in this case is the consideration contractually agreed for the activities directly carried out by Fiat S.p.A. Contract costs relating to the contract revenue recognised totalled €95,589 thousand at 31 December 2009 (€133,819 thousand at 31 December 2008). Changes in contract work in progress have been recognised in the income statement under the item other operating income (see Note 4). When the lines are contractually completed, the final contractual revenue for the activities directly carried out will be recognised in the income statement under other operating income, net of any decrease in inventories. At the same time the accounts for inventories and amounts classified as advances will be closed.

From an accounting perspective, the Turin-Novara line project was closed in 2009 based on the following:

- in February 2006, the high-speed line was opened to the public and, pursuant to contractual terms for the final approval of the work, the Principal Final Test Certificate was issued in December 2006 for work representing around 94% of the total value of the line;
- in subsequent years, activities for completion of ancillary work and cleanup continued, as well as additional contractual obligations necessary for release of bank guarantees relating to work subject to the Principal Final Test. Once all activities were completed in the final part of 2009, the Secondary Final Test Certificate relating to the residual work was signed in December 2009, which from an accounting perspective was considered the closing of the project.

Net advances for work completed were as follows:

	Advances received from customers		Advances paid to suppliers		Net advances for work completed	
(€ thousand)	At 31 December 2009	At 31 December 2008	At 31 December 2009	At 31 December 2008	At 31 December 2009	At 31 December 2008
Florence-Bologna line	5,086,961	4,684,585	4,926,381	4,531,753	160,580	152,832
Turin-Novara line	-	4,666,913	-	4,484,922	-	181,991
Novara-Milan line	2,245,905	2,061,138	2,164,115	1,986,097	81,790	75,041
Progress payments for work completed	**7,332,866**	**11,412,636**	**7,090,496**	**11,002,772**	**242,370**	**409,864**

Advances relate to amounts received as down payments from the customer T.A.V. S.p.A. at the commencement of the contracts, which are then recovered as the work progresses. Amounts were as follows:

(€ thousand)	Contractual advances received from customers At 31 December 2009	Contractual advances received from customers At 31 December 2008	Contractual advances paid to suppliers At 31 December 2009	Contractual advances paid to suppliers At 31 December 2008	Net contractual advances At 31 December 2009	Net contractual advances At 31 December 2008
Florence-Bologna line	**2,184**	19,092	**2,101**	18,358	**83**	734
Turin-Novara line	**-**	-	**-**	-	**-**	-
Novara-Milan line	**19,630**	42,311	**18,964**	40,792	**666**	1,519
Contractual advances	**21,814**	**61,403**	**21,065**	**59,150**	**749**	**2,253**

At 31 December 2009, bank guarantees and sureties totalling €1,001 million were given by Fiat S.p.A. to T.A.V. S.p.A. against contractual advances received, performance of the work and withholding amounts on progress payments. Under agreements entered into with the consortia mentioned and the institutions issuing the guarantees, €965 million of the total represents direct liability of the consortia towards the issuing banks and insurance companies, with no joint responsibility on the part Fiat S.p.A.

More specifically, €542 million in guarantees provided by Fiat S.p.A. to T.A.V. S.p.A. relate to the Bologna-Florence line, €51 million to the Turin-Novara sub-line and €408 million to the Novara-Milan sub-line.

Indemnities assumed directly by the CAV.E.T. consortium amounted to €522 million, while those for the CAV.TO.MI. consortium totalled €49 million for the Turin-Novara sub-line and €394 million for the Novara-Milan sub-line.

Release of a large portion of these guarantees is linked to the formal testing (Final Test Certificates) stipulated in the contractual agreements as formal acceptance of the work by the customer.

Finally, for those lines where work is still in progress at year end:

- in accordance with the terms of the contract, work on the Bologna-Florence line was formally handed over to T.A.V. S.p.A. at the end of June 2009 for RFI - Rete Ferroviaria Italiana S.p.A. to begin pre-operational testing, upon completion of which, following the receipt of a favourable technical opinion from the Testing Commission, the high-speed line was opened to the public at the beginning of December. Since, at 31 December 2009, the activities to complete the ancillary work and cleanup, in addition to the contractual obligation for final approval of the work (Final Test Certificates) and to release the bank guarantees were still in progress, at that date the project remained open from an accounting perspective;
- similarly, in accordance with the terms of the contract, the work on the Novara-Milan line was formally handed over to T.A.V. S.p.A. at the end of August 2009 for RFI - Rete Ferroviaria Italiana S.p.A. to begin pre-operational testing, upon completion of which, following the receipt of a favourable technical opinion from the Testing Commission, the high-speed line was opened to the public at the beginning of November. Since, at 31 December 2009, the activities to complete the ancillary work and cleanup, in addition to the contractual obligation for final approval of the work (Final Test Certificates) and to release the bank guarantees were still in progress, at that date the project remained open from an accounting perspective.

Tax payables and other payables

The main components of these items are as follows.

At 31 December 2009, intercompany payables for consolidated VAT of €124,348 thousand (€229,084 thousand at 31 December 2008) relate to the VAT credits of Italian subsidiaries transferred to Fiat S.p.A. as part of the consolidated VAT procedure.

At 31 December 2009, payables to Group companies in connection with the IRES tax consolidation amounted to €133,806 thousand (€316,607 thousand at 31 December 2008) and represent the remuneration due for the tax losses contributed by the Italian subsidiaries to the domestic tax consolidation for 2009, payables relating to the domestic tax consolidation for 2008 still to be settled and the IRES tax credits of the Italian subsidiaries transferred to Fiat S.p.A. as part of the tax consolidation procedure.

Income tax payable at 31 December 2008 represented the balance of IRAP payable in 2009 and relating to 2008 (see Note 9).

Tax payables and other payables are all due within one year and their carrying amount is deemed to approximate their fair value.

27. Guarantees granted, commitments and contingent liabilities

Guarantees granted

This item is made up as follows:

(€ thousand)	At 31 December 2009	At 31 December 2008	Change
Guarantees granted			
Sureties			
on behalf of Group companies	**218,598**	256,955	(38,357)
on behalf of third parties	**1,530**	2,026	(496)
Total sureties	**220,128**	258,981	(38,853)
Other guarantees			
on behalf of Group companies	**15,888,414**	9,640,689	6,247,725
on behalf of third parties	**2,780**	4,445	(1,665)
Total other guarantees	**15,891,194**	9,645,134	6,246,060
Total guarantees granted	**16,111,322**	**9,904,115**	**6,207,207**

Sureties

At 31 December 2009, sureties totalled €220,128 thousand, a decrease of €38,853 thousand over 31 December 2008.

This amount mostly relates to sureties provided on behalf of Group companies on Billets de Trésorerie issued (Fiat Finance and Trade Ltd S.A. €28,959 thousand), medium- to long-term loans granted by banks (€5,968 thousand) and lease payments on property included in real estate securitisations carried out in prior years (€183,671 thousand). Sureties granted to third parties relate to the remaining interest-bearing certificates issued by Sava and not yet redeemed.

Other guarantees

At 31 December 2009, other guarantees amounted to €15,891,194 thousand, an increase of €6,246,060 thousand over 31 December 2008, mainly attributable to guarantees on bonds issued during the year.

These related to:

- guarantees of €15,888,414 thousand granted on behalf of Group companies, including:
  - €1,280,550 thousand for loans (Banco CNH Capital S.A. €676,941 thousand, Fiat Finance S.p.A. €400,000 thousand, Fiat Finance and Trade Ltd S.A. €110,000 thousand, Fiat Automoveis S.A. - FIASA €59,465 thousand, Fiat Finance Canada Ltd. €33,051 thousand, Magneti Marelli Controle Motor Ltda. €1,093 thousand);
  - €10,112,112 thousand for bonds issued (Fiat Finance and Trade Ltd S.A. €9,030,564 thousand, Fiat Finance North America Inc. €1,031,130 thousand, Fiat Finance Canada Ltd. €50,418 thousand);
  - €3,112,039 thousand for credit facilities (Fiat Finance and Trade Ltd S.A. €2,000,000 thousand, Fiat Finance S.p.A. €608,621 thousand, CNH Global N.V. €300,000 thousand, Fiat Finance Canada Ltd. €169,057 thousand, Fiat Finance North America Inc. €34,361 thousand);
  - €1,332,073 thousand for VAT receivables as part of the tax consolidation procedure, as required by the Ministerial Decree of 13 December 1979 as subsequently amended, and €51,640 thousand for other guarantees;
- guarantees of €2,780 thousand granted on behalf of the Teksid S.p.A. joint venture Hua Dong Teksid Automotive Foundry Co. Ltd.

In addition:

- in 2005, Fiat S.p.A. provided guarantees on credit facilities in local currency (equivalent to approximately €52 million) granted by Citibank to the Group's Indian subsidiaries New Holland Fiat (India) Private Ltd. and Comau India Private Limited. As at 31 December 2009 these credit facilities were unutilised;
- in 2005, in relation to the early collection by Fiat Partecipazioni S.p.A. of the residual consideration for the sale of the aviation business, Fiat S.p.A. is jointly and severally liable with Fiat Partecipazioni S.p.A. to the purchaser, Avio Holding S.p.A., should Fiat Partecipazioni S.p.A. fail to pay the compensation (following either an arbitration award or an out-of-court settlement) provided for by the sales agreement signed with the seller in 2003. Similarly, in connection with the sale of the controlling interest in the railway business, Fiat S.p.A. is liable to the purchaser, Alstom N.V., for any failure of the company that sold the business (now Fiat Partecipazioni S.p.A.) to comply with the contractual compensation obligations.

Commitments
At 31 December 2009, commitments totalled €5,575 thousand and consisted of Fiat S.p.A.'s residual commitment under the sponsorship agreement signed in May 2007 with Juventus Football Club S.p.A. in the name and on behalf of the Company and its subsidiaries for the 2007-2008, 2008-2009 and 2009-2010 seasons. Beginning with the 2008-2009 season these sponsorship costs are to be borne by the subsidiary CNH Global N.V.

The decrease of €24,071 thousand over the previous year is the result of the transfer of certain multi-year sponsorship agreements connected with the FIAT trademark, with effect from the beginning of 2009, to the subsidiary Fiat Group Marketing & Corporate Communication S.p.A. following the sale of the brand at the end of 2008 and the corresponding elimination of the commitments.

Teksid
Fiat S.p.A. is subject to a put contract with Renault (in reference to the original investment of 33.5% in Teksid, now 15.2%).

In particular, Renault would acquire the right to exercise a sale option to Fiat on its interest in Teksid, in the following cases:

- in the event of non-fulfilment in the application of the protocol of the agreement and admission to receivership or any other redressment procedure;
- in the event Renault's investment in Teksid falls below 15% or Teksid decides to invest structurally outside the foundry sector;
- should Fiat be the object of the acquisition of control by another car manufacturer.

The exercise price of the option is established as follows:

- for the original 6.5% of the share capital of Teksid, the initial investment price increased by a given interest rate;
- for the remaining amount of share capital of Teksid, the share of the accounting net equity at the exercise date.

Contingent liabilities
In connection with significant asset divestitures carried out in prior years, Fiat S.p.A. directly or indirectly through its subsidiaries provided indemnities to purchasers with the maximum amount of potential liability under these contracts generally capped at a percentage of the purchase price. These liabilities primarily relate to liabilities potentially arising from a breach of representations and warranties under these contracts and, in certain instances, environmental or tax matters, generally for a limited period of time. At 31 December 2009, potential obligations with respect to these indemnities are approximately €827 million (approximately €816 million at 31 December 2008), net of provisions set aside by the single companies. Certain other indemnifications have been provided that do not limit potential payment and, as such, it is not possible to estimate the maximum potential future payments that could result from claims made under these indemnities.

Certain claims for damages are still pending against Fiat S.p.A. Given this fact and the specific conditions of the related proceedings, the possible outcome of this situation cannot be reasonably estimated and, therefore, the likelihood of any costs to be borne by the company cannot be determined.

28. Information on financial risks

The manner in which Fiat S.p.A. measures and manages financial risks are consistent with Group policy.

In particular, the categories of the major risks to which the company is exposed are set out below.

Credit risk

The maximum credit risk to which Fiat S.p.A. is theoretically exposed at 31 December 2009 is represented by the carrying amounts at which financial assets are recognised in the statement of financial position and the nominal value of the guarantees provided as discussed in Note 26.

Amounts receivable at the balance sheet date are essentially due from Group companies, from the tax authorities and from T.A.V. S.p.A. The risk on receivables from the latter company is limited to the margin earned by Fiat S.p.A. (of approximately 3.6%), since a condition for the settlement of payables to consortium companies is the receipt of the amounts due from T.A.V. S.p.A.

Guarantees given are for the most part on behalf of Group companies.

There are no significant overdue balances.

Liquidity risk

Liquidity risk arises if the company is unable to obtain, at economical terms, the funding needed to carry out its operating activities.

Fiat S.p.A. participates in the Group's centralised treasury management and, as a result, the liquidity risks to which it is exposed are strictly correlated to those which the Fiat Group is exposed to as a whole.

The two main determinants of the Group's liquidity position are, on one side, the cash generated by or used in operating and investing activities and, on the other, the maturity and renewal of debt or invested liquidity and market conditions.

The Group has adopted a series of policies and procedures whose purpose is to optimise the management of financial resources and to reduce liquidity risk by:

- centralising the management of collections and payments, where it may be economical in the context of the local civil, currency and tax regulations of the countries in which the Group is present;
- maintaining an adequate level of available liquidity;
- diversifying the sources of funding and maintaining a continuous and active presence in the capital markets;
- obtaining adequate credit lines; and
- monitoring future liquidity based on business planning.

Management believes that the funding currently available, in addition to those funds that will be generated from operating and funding activities, will enable the Group to satisfy the requirements of its investing activities and its working capital needs and to fulfil its obligations to repay its debts at their maturity date.

Currency risk

At 31 December 2009, Fiat S.p.A. had no significant amounts receivable or payable or derivative financial instruments exposed to currency risk.

Interest rate risk

Fiat S.p.A. satisfies its financial requirements through the Group's centralised treasury management system.

In particular:

- non-current financial payables consist of fixed rate loans granted by Fiat Finance S.p.A. (as discussed in Note 21). The change in the fair value of these loans resulting from a hypothetical, immediate and adverse change of 10% in market interest rates would have been approximately €8 million (€18 million at 31 December 2008);

- current financial receivables principally consist of current account deposits with Fiat Finance S.p.A. (see Note 16), while current financial payables consist mainly of liabilities for advances received on the sale of receivables to banks and amounts payable to Group companies (as discussed in Note 25). The cost of these items is affected by changes in short-term interest rates. For short-term or variable rate transactions, a hypothetical, immediate and adverse change of 10% in short-term interest rates would have led to a non-material decrease in pre-tax net financial income (net expense €2 million higher in 2008, when the Company essentially had a net debt position).

Other risks relating to derivative financial instruments
As discussed in Note 8, Fiat S.p.A. holds certain derivative financial instruments whose value is linked to the trends in the price of listed shares (equity swaps on Fiat shares). Although these transactions were entered into for hedging purposes, they do not always qualify for hedge accounting under IFRS. As a result, fluctuations in their value could affect the Company's results.

The potential loss in fair value of derivative financial instruments held by the company at 31 December 2009, linked to changes in the price of listed shares, which would arise in the case of a hypothetical, immediate and adverse change of 10% in the underlying values, amounts to approximately €21 million (€9 million at 31 December 2008). The difference over the previous year is attributable to the change in the price of the instrument used for the simulation.

29. Fair value hierarchy

IFRS 7 requires financial instruments recognised at fair value in the statement of financial position to be classified on the basis of a hierarchy that reflects the significance of the inputs used in determining fair value. This heirarchical classification applies the following levels:

- Level 1 – quoted prices in active markets for the asset or liability being measured;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) on the market;
- Level 3 – inputs that are not based on observable market data.

The following table provides the classification of financial assets and liabilities measured at fair value at 31 December 2009 according to this fair value hierarchy:

(€ thousand)	Note	Level 1	Level 2	Level 3	Total
Assets at fair value:					
Investments in other companies (available for sale) recognised at fair value directly in equity	(12)	3,533	17,943	-	**21,476**
Derivative financial assets (current)	(16)	-	39,127	-	**39,127**
Total assets		**3,533**	**57,070**	**-**	**60,603**
Liabilities at fair value					
Derivative financial liabilities (current)	(25)	-	(31,200)	-	**(31,200)**
Total liabilities		**-**	**(31,200)**	**-**	**(31,200)**

In 2009, there were no transfers from Level 1 to Level 2 of the fair value hierarchy or vice versa.

30. Transactions between Group Companies and with Related Parties

Intercompany and related party transactions for Fiat S.p.A. consist for the most part of transactions carried out with the company's subsidiaries, carried out on commercial terms that are normal in the respective markets, considering the characteristics of the goods or services involved.

The effects of these transactions on single line items in the 2009 and 2008 financial statements, which may also be found in the supplementary financial statements and in the explanatory Notes, is summarised in the following tables:

Counterparty	Other operating income		Personnel costs		Other operating costs		Financial income/ (expense)	
(€ thousand)	2009	2008	2009	2008	2009	2008	2009	2008
Abarth & C. S.p.A.	200	115	-	-	-	-	-	-
Banco CNH Capital S.A.	-	-	-	-	-	-	409	335
CNH Global N.V.	-	-	-	-	-	-	190	31
CNH Italia S.p.A.	712	189	-	-	844	-	17	(16)
Comau S.p.A.	1,323	389	-	-	91	-	-	-
C.R.F. S.c.p.A.	476	352	-	-	-	-	-	(7)
Elasis S.c.p.A.	471	352	-	-	-	-	(7)	(7)
eSPIN S.p.A.	-	-	-	-	-	-	-	-
Ferrari S.p.A.	3,342	5,013	-	-	54	2,231	(7)	(4)
Fiat Argentina S.A.	-	-	-	-	121	121	-	-
Fiat Group Automobiles S.p.A.	20,059	13,747	-	-	1,324	219	119	168
Fiat Automoveis S.A. - FIASA	-	18,773	-	-	-	-	522	761
Fiat Finance Canada Ltd.	-	-	-	-	-	-	258	121
Fiat Finance S.p.A.	847	870	-	-	2,144	2,081	(121,472)	(139,778)
Fiat Finance and Trade Ltd S.A.	-	-	-	-	-	-	2,869	1,699
Fiat France	-	-	-	-	20	40	-	-
Fiat Services S.p.A.	645	101	-	-	1,396	5,925	(7)	(7)
Fiat Group Marketing & Corporate Comm. S.p.A.	692	556	-	-	4,457	8,933	99	(7)
Fiat Group Purchasing S.r.l.	1,986	1,020	-	-	10	36	(7)	(7)
Fiat Partecipazioni S.p.A.	262	371	-	-	1,667	217	7	(26)
Fiat Polska S.p. z.o.o.	257	115	-	-	4	-	-	-
Fiat Powertrain Technologies S.p.A.	3,276	911	-	-	141	-	34	(7)
Fiat-Revisione Interna S.c.r.l.	214	169	-	-	3,181	5,290	(7)	-
Fiat Servizi per l'Industria S.c.p.A.	396	186	-	-	2,084	2,074	(7)	(7)
FGA Capital S.p.A.	344	474	-	-	55	61	4	-
Fidis S.p.A.	404	312	-	-	-	-	(98)	(87)
Fiat Netherlands Holding N.V.	-	-	-	-	-	-	110,800	(274,153)
Isvor Fiat S.c.p.A.	-	462	-	-	-	175	-	-
Itedi S.p.A.	-	-	-	-	-	-	-	-
Iveco S.p.A.	8,085	1,644	-	-	866	-	58	32
Leasys S.p.A.	-	-	-	-	2,018	-	-	-
Fiat I.T.E.M. S.p.A.	-	-	-	-	3,355	373	(7)	(7)
Maserati S.p.A.	500	-	-	-	-	-	17	18
Magneti Marelli S.p.A.	4,772	1,190	-	-	229	-	(6)	(7)
Maxus MC2 S.p.A.	190	237	-	-	-	7	-	-
Orione S.c.p.A.	-	-	-	-	3,535	3,414	(7)	(7)
Risk Management S.p.A.	620	-	-	-	31	186	(7)	(7)
Publikompass S.p.A.	-	-	-	-	-	-	-	-
Fiat Group International S.A.	-	-	-	-	307	1,004	-	-
Sirio S.c.p.A.	60	60	-	-	1,230	843	(7)	-
Teksid S.p.A.	1,051	389	-	-	-	-	(5)	(7)
Fiat Finance North America Inc.	-	-	-	-	-	-	322	326
Fiat Group Automobiles Belgium S.A.	-	-	-	-	127	41	-	-
Other Group companies	73	122	-	-	188	151	41	126
Total Group companies	**51,257**	**48,119**	**-**	-	**29,479**	**33,422**	**(5,885)**	**(410,531)**
Other related parties	-	-	18,397	13,281	17,806	24,233	-	-
Total Group companies and other related parties	**51,257**	**48,119**	**18,397**	**13,281**	**47,285**	**57,655**	**(5,885)**	**(410,531)**
Total line item	75,432	70,049	31,588	37,697	85,905	114,433	(13,691)	(421,675)
Percentage of line item	**68%**	**69%**	**58%**	**35%**	**55%**	**50%**	**43%**	**97%**

In addition to the impact of intercompany and related party transactions on the income statement, as detailed in the previous table, a gain of €879,483 thousand was also recognised in 2008 under Gains/(losses) from non-recurring transactions following sale of the FIAT trademark to the subsidiary company Fiat Group Marketing & Corporate Communication S.p.A., as described in Note 7.

At 31 December 2009

Counterparty (€ thousand)	**Other fin. assets**	**Trade recs.**	**Current financial receivables**	**Other current recs.**	**Non-current employee provisions**	**Non-current fin. pays.**	**Current employee provisions**	**Trade pays.**	**Current fin. pays.**	**Other pays.**
CNH Italia S.p.A.	-	868	-	-	-	-	-	-	-	-
Comau S.p.A.	-	132	-	-	-	-	-	-	-	-
C.R.F. S.c.p.A.	-	142	-	-	-	-	-	-	-	-
Elasis S.c.p.A.	-	88	-	-	-	-	-	-	-	-
Ferrari S.p.A.	-	582	-	-	-	-	-	-	-	-
Fiat Group Automobiles S.p.A.	-	1,703	-	-	-	-	-	71	-	-
Fiat Automoveis S.A. - FIASA	-	-	-	-	-	-	-	-	-	-
Fiat Finance Canada Ltd.	-	221	-	-	-	-	-	-	-	-
Fiat Finance S.p.A.	-	-	606,941	-	-	1,800,000	-	-	64,614	-
Fiat Group Marketing & C.C. S.p.A.	-	-	-	-	-	-	-	1,862	-	-
Fiat Group International S.A.	-	-	-	-	-	-	-	29	-	-
Fiat Group Purchasing S.p.A.	-	616	-	-	-	-	-	2	-	-
Fiat Item S.p.A.	-	-	-	-	-	-	-	173	-	-
Fiat Polska S.p. z.o.o.	-	63	-	-	-	-	-	-	-	-
Fiat Powertrain Technologies S.p.A.	-	366	-	-	-	-	-	-	-	-
Fiat-Revisione Interna S.c.r.l.	-	130	-	1,070	-	-	-	-	-	-
Fiat Servizi per l'Industria S.c.p.A.	-	-	-	-	-	-	-	716	-	-
Fiat Services S.p.A.	-	69	-	-	-	-	-	16	-	-
Fiat Netherlands Holding N.V.	-	-	39,133	-	-	-	-	-	31,707	-
CNH Global N.V.	-	-	-	-	-	-	-	-	-	-
Iveco S.p.A.	-	625	-	-	-	-	-	117	-	-
Leasys S.p.A.	-	-	-	63	-	-	-	89	-	-
Magneti Marelli S.p.A.	-	984	-	-	-	-	-	-	-	-
Orione S.c.p.A.	-	-	-	-	-	-	-	363	-	-
Risk Management S.p.A.	-	117	-	-	-	-	-	-	-	-
Sirio S.c.p.A.	-	-	-	-	-	-	-	118	-	-
Teksid S.p.A.	-	143	-	-	-	-	-	-	-	-
Other Group companies	-	303	-	22	-	-	-	36	-	-
IRES tax consolidation	-	-	-	120,755	-	-	-	-	-	133,806
VAT consolidation	-	-	-	-	-	-	-	-	-	124,348
Financial guarantee contracts	16,782	-	-	-	-	16,782	-	-	-	-
Total Group companies	**16,782**	**7,152**	**646,074**	**121,910**	**-**	**1,816,782**	**-**	**3,592**	**96,321**	**258,154**
Other related parties	-	-	-	-	17,444	-	5,664	165	-	2,652
Total Group companies and other related parties	**16,782**	**7,152**	**646,074**	**121,910**	**17,444**	**1,816,782**	**5,664**	**3,757**	**96,321**	**260,806**
Total line item	26,887	60,015	646,074	198,923	25,441	1,816,782	8,464	156,175	156,712	290,058
Percentage of line item	**62%**	**12%**	**100%**	**61%**	**69%**	**100%**	**67%**	**2%**	**61%**	**90%**

At 31 December 2008

Counterparty (€ thousand)	Other fin. assets	Trade recs.	Other current recs.	Non-current employee provisions	Non-current fin. pays.	Trade pays.	Current fin. pays.	Other pays.
Fiat Group Automobiles S.p.A.	-	25	-	-	-	48	-	368
Fiat Automoveis S.A. - FIASA	-	954	-	-	-	-	-	-
Fiat Finance S.p.A.	-	-	-	-	1,800,000	-	128,802	-
Fiat Group Marketing & Corp.C. S.p.A.	-	52,800	-	-	-	767	-	-
Fiat Group International S.A.	-	-	-	-	-	149	-	-
Fiat Partecipazioni S.p.A.	-	-	27,000	-	-	-	-	-
Fiat-Revisione Interna S.c.r.l.	-	-	1,630	-	-	-	-	-
Fiat Servizi per l'Industria S.c.p.A.	-	-	312	-	-	-	-	-
Fiat Services S.p.A.	-	-	-	-	-	310	-	-
Fiat Netherlands Holding N.V.	-	-	-	-	-	-	110,174	-
CNH Global N.V.	-	-	5,941	-	-	-	-	-
Iveco S.p.A.	-	11	6,856	-	-	-	-	-
Leasys S.p.A.	-	-	-	-	-	148	-	-
Orione S.c.p.A.	-	-	-	-	-	312	-	-
Sirio S.c.p.A.	-	-	300	-	-	-	-	-
Other Group companies	-	193	-	-	-	332	-	
IRES tax consolidation	-	-	285,048	-	-	-	-	316,607
VAT consolidation	-	-	-	-	-	-	-	229,084
Financial guarantee contracts	10,531	-	-	-	10,531	-	-	-
Total Group companies	**10,531**	**53,983**	**327,087**	**-**	**1,810,531**	**2,066**	**238,976**	**546,059**
Other related parties	-	-	-	16,848	-	250	-	2,552
Total Group companies and other related parties	**10,531**	**53,983**	**327,087**	**16,848**	**1,810,531**	**2,316**	**238,976**	**548,611**
Total line item	20,637	185,292	905,058	26,418	1,810,531	218,235	553,133	784,481
Percentage of line item	**51%**	**29%**	**36%**	**64%**	**100%**	**1%**	**43%**	**70%**

Items arising from the domestic tax consolidation (see Notes 17 and 26) and the consolidated VAT settlement (see Note 26) are not reported in the above tables, as they do not represent actual commercial transactions between Group companies but relate only to the financial treatment provided under the Italian tax code for relationships between Italian Group companies and the tax authorities. In a similar manner the asset and liability balances (each of the same amount) relating to the valuation of financial guarantee contracts (see Notes 13 and 21) have also not been reported by individual counterparty as they are not material, being only representative of the present value of the estimated commissions to be earned in future years.

Details of the most significant transactions between Fiat S.p.A. and Group companies summarised in the above tables are as follows:

- services provided by Fiat S.p.A. and management personnel at various Group companies (Fiat Group Automobiles S.p.A., Iveco S.p.A., Magneti Marelli S.p.A., Ferrari S.p.A., Fiat Powertrain Technologies S.p.A., Fiat Group Purchasing S.r.l., Teksid S.p.A., Comau S.p.A. and other subsidiaries);
- lease of property or office space (Fiat Finance S.p.A., Fiat Group Marketing & Corporate Communication S.p.A., Fiat Partecipazioni S.p.A. and other minor companies) and the recovery of directors' fees and expenses;
- provision of sureties and other guarantees (see Note 27) on issues of bonds and Billets de Trésorerie (Fiat Finance and Trade Ltd S.A., Fiat Finance North America Inc. and Fiat Finance Canada Ltd.), bank loans and credit facilities (Fiat Finance and Trade Ltd S.A., Fiat Finance S.p.A., Banco CNH Capital S.A., CNH Global N.V., Fiat Finance Canada Ltd., Fiat Automoveis S.A.- FIASA and other minor), property rental payments (Fiat Group Automobiles S.p.A. and its subsidiaries) and to tax authorities for VAT credits;
- management of current accounts, obtaining short- and medium-term loans and financial assistance (Fiat Finance S.p.A.);

- management of derivative financial instruments (Fiat Netherlands Holding N.V., see Notes 16 and 25);
- purchases of administrative, tax, corporate assistance and consultancy services and related IT systems (Fiat Services S.p.A. and Fiat I.T.E.M. S.p.A.), public relations services (Fiat Group Marketing & Corporate Communication S.p.A.), personnel and other management services (Fiat Servizi per l'Industria S.c.p.A.), security services (Orione S.c.p.A. and Sirio S.c.p.A.), supervisory and internal audit services (Fiat-Revisione Interna S.c.r.l.), vehicle leases (Leasys S.p.A.) maintenance services and services for office space (Fiat Partecipazioni S.p.A.).

Intercompany transactions in 2009 also related to management of the portfolio of investments in subsidiaries, whose effects on the Company's earnings and financial position were as described above, in particular:

- receipt of dividends from investees (see Note 1);
- subscription to capital increases of €300,000 thousand for Iveco S.p.A., €40,000 thousand for Comau S.p.A. and €25,000 thousand for Teksid Aluminum S.r.l. to strengthen their capital, and subscription to capital increase (€41,467 thousand) of Fiat Finance North America Inc. (see Note 12);

In 2009, transactions with related parties as defined by IAS 24 which did not involve subsidiaries are presented in the tables above under "Other related parties". In detail said transactions were as follows:

- expenses for services rendered by SGS Italia S.p.A. (€50 thousand) and Soiem S.p.A. (€70 thousand);
- professional and advisory services and services as the secretary of the Board of Directors and of the Committees were provided to Fiat S.p.A. by Mr. Franzo Grande Stevens for fees of €1,000 thousand;
- Fiat S.p.A. directors' and statutory auditors' fees as well as the compensation component arising from stock option plans with underlying Fiat S.p.A. shares regarding the Chief Executive Officer (see Note 6);
- compensation due to executives having strategic responsibilities in Fiat S.p.A. (see Note 5), as well as the compensation component arising from stock option plans with underlying Fiat S.p.A. shares assigned to them.

31. Net financial position

Pursuant to the Consob Communication of 28 July 2006 and in compliance with the CESR's recommendations for the consistent implementation of the European Commission's Regulation on Prospectuses issued on 10 February 2005, the net financial position of Fiat S.p.A. at 31 December 2009 is as follows:

(€ thousand)	At 31 December 2009	At 31 December 2008	Change
Cash and cash equivalents	474	495	(21)
Current financial receivables:	646,074	-	646,074
from Group companies	646,074	-	646,074
from third parties	-	-	-
Non-current financial payables:	(1,816,782)	(1,810,531)	(6,251)
from Group companies	(1,816,782)	(1,810,531)	(6,251)
from third parties	-	-	-
Current financial payables:	(156,712)	(553,133)	396,421
from Group companies	(96,321)	(238,976)	142,655
from third parties	(60,391)	(314,157)	253,766
Net financial position	**(1,326,946)**	**(2,363,169)**	**1,036,223**
from Group companies	(1,267,029)	(2,049,507)	782,478
from third parties	(59,917)	(313,662)	253,745

32. Significant non-recurring transactions

Pursuant to the Consob Communication of 28 July 2006, in 2009 Fiat S.p.A. did not take part in any significant non-recurring transaction as defined in such Communication.

33. Transactions resulting from unusual and/or abnormal operations

Pursuant to the Consob Communication of 28 July 2006, in 2009 Fiat S.p.A. did not take part in any unusual and/or abnormal operations as defined in that Communication.

34. Subsequent Events

In February, Fiat S.p.A. and Sollers announced the establishment of a global alliance in the form of a joint venture for the production of passenger cars and SUVs. The new JV is expected to reach total production capacity of up to 500,000 vehicles per year by 2016.

Nine new models (C & D segment and SUV) will be sold in the Russian market, six of which will be based on a new global Fiat-Chrysler platform. A minimum of 10% of the vehicles will be produced for the export market. The Fiat/Sollers project will be based in Naberezhnye Chelny, located 1,000 km east of Moscow in the Republic of Tatarstan.

Sollers' current site in Naberezhnye Chelny will be expanded to include new production facilities and a technology park for component production.

The Russian Government is expected to provide support for the joint venture through subsidized long-term financing for the entire amount of investment required, estimated at €2.4 billion.

List of equity investments with additional information required by Consob (Communication DEM/6064293 of 28 July 2006)

Subsidiaries

Company and registered office	Share Capital (€)	Result for the last financial year (€)	Equity (€)	% owned by Fiat S.p.A.	Number of shares	Book value (€)
Fiat Group Automobiles S.p.A. – Turin						
At 31.12.08	745,031,979	680,143,822	1,690,879,692	100.00	745,031,979	4,676,359,712
portion of stock options for employees of subsidiaries						(2,278,688)
impairment						(200,000,000)
At 31.12.09	**745,031,979**	**(134,673,153)**	**856,206,538**	**100.00**	**745,031,979**	**4,474,081,024**
Ferrari S.p.A – Modena						
At 31.12.08	20,260,000	160,043,898	425,782,434	85.00	6,888,400	1,055,203,823
At 31.12.09	**20,260,000**	**104,640,221**	**530,422,655**	**85.00**	**6,888,400**	**1,055,203,823**
Maserati S.p.A. – Modena						
At 31.12.08	40,000,000	37,235,249	92,156,315	100.00	40,000,000	103,886,792
portion of stock options for employees of subsidiaries						(88,413)
At 31.12.09	**40,000,000**	**(24,319,603)**	**67,836,712**	**100.00**	**40,000,000**	**103,798,379**
Fiat Netherlands Holding N.V. – Amsterdam (The Netherlands)						
At 31.12.08	2,610,397,295	640,530,439	3,909,553,111	100.00	94,923,538	3,827,346,053
At 31.12.09	**2,610,397,295**	**(119,518,487)**	**3,936,289,431**	**100.00**	**94,923,538**	**3,827,346,053**
Iveco S.p.A – Turin						
At 31.12.08	369,500,000	320,337,030	971,047,386	100.00	369,500,000	1,835,274,197
capital contribution						300,000,000
portion of stock options for employees of subsidiaries						(1,642,521)
impairment						(560,000,000)
At 31.12.09	**369,500,000**	**(254,007,877)**	**457,348,864**	**100.00**	**369,500,000**	**1,573,631,676**
Fiat Powertrain Technologies S.p.A. – Turin						
At 31.12.08	525,000,000	82,260,134	913,644,575	100.00	750,000,000	649,667,398
portion of stock options for employees of subsidiaries						(754,814)
At 31.12.09	**525,000,000**	**4,684,546**	**918,601,714**	**100.00**	**750,000,000**	**648,912,584**
Magneti Marelli S.p.A. – Corbetta						
At 31.12.08	254,325,965	29,994,331	589,765,832	99.99	254,301,607	612,337,621
Ordinary shares						
At 31.12.08				100.00	250,500,601	603,179,675
portion of stock options for employees of subsidiaries						(483,404)
At 31.12.09				**100.00**	**250,500,601**	**602,696,271**
Preference shares						
At 31.12.08				99.36	3,801,006	9,157,946
At 31.12.09				**99.36**	**3,801,006**	**9,157,946**
At 31.12.09	**254,325,965**	**(134,715,249)**	**455,050,583**	**99.99**	**254,301,607**	**611,854,217**
Teksid S.p.A. – Turin						
At 31.12.08	71,403,261	44,979,028	140,992,970	84.79	60,543,388	76,157,101
portion of stock options for employees of subsidiaries						(73,343)
At 31.12.09	**71,403,261**	**4,328,864**	**145,321,833**	**84.79**	**60,543,388**	**76,083,758**
Teksid Aluminum S.r.l. – Carmagnola						
At 31.12.08	5,000,000	(17,142,358)	14,836,004	100.00		43,292,021
capital contribution						25,000,000
impairment						(31,000,000)
At 31.12.09	**5,000,000**	**(31,077,630)**	**8,758,374**	**100.00**		**37,292,021**

List of equity investments (continued)

Company and registered office		Share Capital (€)	Result for the last financial year (€)	Equity (€)	% owned by Fiat S.p.A.	Number of shares	Book value (€)
Comau S.p.A. – Grugliasco							
At 31.12.08		48,013,959	(15,805,223)	86,140,210	100.00	48,013,959	103,288,679
capital contribution							40,000,000
portion of stock options for employees of subsidiaries							(238,183)
impairment							(51,000,000)
At 31.12.09		**48,013,959**	**(45,770,610)**	**80,369,600**	**100.00**	**48,013,959**	**92,050,496**
Fiat Partecipazioni S.p.A. – Turin							
At 31.12.08		356,158,302	502,719,923	950,071,503	100.00	356,158,302	950,701,296
portion of stock options for employees of subsidiaries							(249,621)
impairment							(16,000,000)
At 31.12.09		**356,158,302**	**(15,908,554)**	**934,162,949**	**100.00**	**356,158,302**	**934,451,675**
Fiat Finance S.p.A. – Turin							
At 31.12.08		224,440,000	23,972,414	428,359,286	100.00	244,440,000	222,262,897
At 31.12.09		**224,440,000**	**5,395,194**	**433,754,480**	**100.00**	**224,440,000**	**222,262,897**
Business Solutions S.p.A. – Turin							
At 31.12.08		4,791,396	13,243,296	19,121,337	100.00	4,791,396	36,414,650
portion of stock options for employees of subsidiaries							(9,588)
At 31.12.09		**4,791,396**	**4,947,508**	**24,068,845**	**100.00**	**4,791,396**	**36,405,062**
Itedi – Italiana Edizioni S.p.A. – Turin							
At 31.12.08		5,980,000	(426,813)	27,759,693	100.00	5,980,000	25,899,105
At 31.12.09		**5,980,000**	**(1,586,503)**	**26,173,189**	**100.00**	**5,980,000**	**25,899,105**
FGI – Fiat Group International S.A. – Paradiso (Switzerland)							
At 31.12.08		67,340,067	31,737,997	113,937,795	100.00	100,000	33,444,877
	CHF	100,000,000	47,130,926	169,197,625			
At 31.12.09		**67,403,613**	**26,943,592**	**140,988,918**	**100.00**	**100,000**	**33,444,877**
	CHF	**100,000,000**	**39,973,513**	**209,171,159**			
Fiat Finance North America Inc. – Wilmington (USA)							
At 31.12.08		28,806,503	2,404,165	9,615,824	39.47	150	15,557,000
	USD	40,090,010	3,345,876	13,382,342			
capital increase							41,466,858
At 31.12.09		**131,951,971**	**1,690,769**	**142,480,500**	**39.47**	**150**	**57,023,858**
	USD	**190,090,010**	**2,435,722**	**205,257,409**	**+60.53 ind.**		
Fiat U.S.A. Inc. – New York (USA)							
At 31.12.08		12,093,124	318,807	24,706,522	100.00	1,000	27,257,726
	USD	16,830,000	443,684	34,384,067			
At 31.12.09		**11,682,632**	**(24,869)**	**23,843,010**	**100.00**	**1,000**	**27,257,726**
	USD	**16,830,000**	**(35,827)**	**34,348,240**			
Isvor Fiat Società consortile di sviluppo e addestramento Industriale per Azioni – Turin							
At 31.12.08		300,000	162,797	1,028,376	3.00	9,000	-
At 31.12.09		**300,000**	**756,266**	**1,784,642**	**3.00**	**9,000**	**-**
					+97.00 ind.		

List of equity investments (continued)

Company and registered office	Share Capital (€)	Result for the last financial year (€)	Equity (€)	% owned by Fiat S.p.A.	Number of shares	Book value (€)
Elasis-Società Consortile per Azioni – Pomigliano d'Arco						
At 31.12.08	20,000,000	123,106	22,123,696	0.17	33,334	29,974
At 31.12.09	**20,000,000**	**(918,187)**	**21,205,509**	**0.17 +99.83 ind.**	**33,334**	**29,974**
Fiat-Revisione Interna S.c.r.l. – Turin						
At 31.12.08	300,000	23,905	620,072	51.00	153,000 n.v.	186,980
At 31.12.09	**300,000**	**13,464**	**633,536**	**51.00 +49.00 ind.**	**153,000 n.v.**	**186,980**
Fiat Servizi per l'Industria S.c.p.A. – Turin						
At 31.12.08	1,652,669	1,234,904	3,179,150	5.00	82,633	70,720
At 31.12.09	**1,652,669**	**342,456**	**3,521,606**	**5.00 +95.00 ind.**	**82,633**	**70,720**
Orione S.c.p.A.-Società Industriale per la Sicurezza e la Vigilanza Consortile per Azioni – Turin						
At 31.12.08	120,000	141,194	426,113	18.00	21,603	21,108
At 31.12.09	**120,000**	**130,713**	**556,825**	**18.00 +80.90 ind.**	**21,603**	**21,108**
SIRIO - Sicurezza Industriale Società consortile per Azioni – Turin						
At 31.12.08	120,000	1,528,008	1,755,457	0.75	901	764
At 31.12.09	**120,000**	**349,717**	**2,105,175**	**0.75 +93.16 ind.**	**901**	**764**
Total subsidiaries						**13,837,308,777**

% owned by Fiat S.p.A.
Any indirect interest in the ordinary share capital of subsidiaries is also indicated.

List of equity investments with additional information required by Consob (communication DEM/6064293 of 28 July 2006)

Associate companies

Company and registered office	Share Capital (€)	Result for the last financial year (€)	Equity (€)	% owned by Fiat S.p.A.	Number of shares	Book value (€)
RCS Mediagroup S.p.A. – Milan						
At 31.12.08	762,019,050	96,900,638	1,274,223,937	10.09	76,907,627	131,785,440
At 31.12.09 (*)	**762,019,050**	**79,343,926**	**1,265,643,760**	**10.09**	**76,907,627**	**131,785,440**
Total associate companies						**131,785,440**

(*) Figures taken from the 2008 Financial Statements

Other companies

Company and registered office	% owned by Fiat S.p.A.	Number of shares	Book value (€)
Assicurazioni Generali S.p.A. – Trieste			
At 31.12.08	0.01	180,491	3,517,770
bonus issue		7,219	113,511
fair value adjustment			(98,579)
At 31.12.09	**0.01**	**187,710**	**3,532,702**
Fin.Priv. S.r.l. – Milan			
At 31.12.08	14.29		14,772,811
fair value adjustment			3,170,436
At 31.12.09	**14.29**		**17,943,247**
Consorzio Lingotto – Turin			
At 31.12.08	5.40		279
At 31.12.09	**5.40**		**279**
Total other companies			**21,476,228**

FEES PAID TO MEMBERS OF THE BOARD OF DIRECTORS, STATUTORY AUDITORS, GENERAL MANAGERS AND EXECUTIVES WITH STRATEGIC RESPONSIBILITIES (€ THOUSAND) (ARTICLE 78 OF CONSOB REGULATION 11971/99)

Name	Office held in 2009	Term of office	Expira-tion (*)	Compensation for office held	Non-cash benefits (**)	Bonuses and other incentives	Other fees	Total
Luca Cordero di Montezemolo	Director Chairman	1/01-31/12/2009	2012	550.0 1)	85.0		4,542.0 2)	5,177.0
John Elkann	Director Vice Chairman	1/01-31/12/2009	2012	550.0 3)	81.0			631.0
Sergio Marchionne	Chief Executive Officer	1/01-31/12/2009	2012	3,050.0		1,345.0	387.4 4)	4,782.4
Andrea Agnelli	Director	1/01-31/12/2009	2012	77.0				77.0
Carlo Barel di Sant'Albano	Director	1/01-31/12/2009	2012	77.0 5)				77.0
Roland Berger	Director	1/01-31/12/2009	2012	77.0				77.0
Tiberto Brandolini d'Adda	Director	1/01-31/12/2009	2012	74.0				74.0
René Carron	Director	1/01-31/12/2009	2012	62.0				62.0
Luca Garavoglia	Director	1/01-31/12/2009	2012	77.0				77.0
Gian Maria Gros-Pietro	Director	1/01-31/12/2009	2012	95.0				95.0
Virgilio Marrone	Director	1/01-31/12/2009	2012	77.0				77.0
Vittorio Mincato	Director	1/01-31/12/2009	2012	92.0				92.0
Pasquale Pistorio	Director	1/01-31/12/2009	2012	71.0				71.0
Ratan Tata	Director	1/01-31/12/2009	2012	65.0				65.0
Mario Zibetti	Director	1/01-31/12/2009	2012	98.0				98.0
Riccardo Perotta	Chairman of the Board of Statutory Auditors	27/03-31/12/2009	2012	48.0				48.0
Giuseppe Camosci	Statutory Auditor	1/01-31/12/2009	2012	42.0				42.0
Piero Locatelli	Statutory Auditor	1/01-31/12/2009	2012	42.0				42.0
Carlo Pasteris	Chairman of the Board of Statutory Auditors	1/01-27/03/2009		15.0			59.0 6)	74.0
Executives with strategic responsibilities (***)					173.7 7)	7,116.0 8)	11,989.2 9)	19,278.9 10)

(*) year in which term of office expires at General Meeting held to approve the financial statements.
(**) includes the use of transport for personal purposes.
(***) includes 17 executives employed as at 31 December 2009 and 2 executives who left the Group during the year.
1) Gross annual compensation for the office of Chairman is €500,000.
2) Compensation for the office held at Ferrari S.p.A., including the variable portion. Mr. Montezemolo, as Chairman of Ferrari S.p.A., has the right to receive, in the event of termination of the office held, a sum payable over twenty years, the amount of which, after ten years, may not be greater than five times the fixed portion of his annual compensation. The relevant accrual recognised by Ferrari for 2009 was €824.7 thousand.
3) Gross annual compensation for the office of Vice Chairman is €500,000.
4) Compensation for the office held at the subsidiary Fiat Group International SA. This amount does not include the compensation for the office held at Fiat Group Automobiles (€500 thousand) which he does not receive but is paid to Fiat S.p.A. The Chief Executive Officer has the right to receive, in the event of termination of the office held, a sum payable over twenty years, the amount of which, after ten years, may not be greater than five times the fixed portion of his annual compensation. The relevant accrual recognised by Fiat S.p.A. in 2008 was €960.9 thousand.
5) Compensation paid to Exor S.p.A.
6) Includes compensation for the office of Chairman of the Board of Statutory Auditors of Fiat Group Automobiles S.p.A. and Fiat Powertrain Technologies S.p.A.
7) Includes fringe benefits.
8) Variable portion of compensation.
9) Including salary, amounts paid following termination of employment in the amount of €1,496.7 thousand and compensation for offices held at subsidiaries that are retained by the executives.
10) Social contributions paid by the company are not included.

STOCK OPTIONS GRANTED TO MEMBERS OF THE BOARD OF DIRECTORS, GENERAL MANAGERS AND EXECUTIVES WITH STRATEGIC RESPONSIBILITIES (ARTICLE 78 OF CONSOB REGULATION 11971/99)

Grantee		Options held at the beginning of the year			Options granted during the year			Options exercised during the year			Options expired in the year	Options held at the end of the year		
Name	Office held at the date of the grant	Number of options	Average exercise price	Exercise period (mm/yy)	Number of options	Average exercise price	Exercise period (mm/yy)	Number of options	Average exercise price	Average market price at the exercise date	Number of options	Number of options	Average exercise price	Exercise period (mm/yy)
Stock options on Fiat shares														
Paolo Fresco	Chairman	500,000	12.699	01/05-01/10								500,000	12.699	01/05-01/10
Sergio Marchionne	Chief Executive Officer	20,670,000	9.867	01/11-01/16 (1)(2)							(1,250,000) (7)	19,420,000	9.640	01/11-11/16
Executives with strategic responsibilities		2,799,000	13.517	02/01-11/14 (3)	72,000	13.15	09/03-11/14 (6)				(766,000) (7)	2,105,000	13.278	05/06-11/14
Stock options on Ferrari shares														
Luca Cordero di Montezemolo	-	80,000	175	10/04-12/10 (4)								80,000	175	10/04-12/10
Stock options on CNH shares (5)														
Executives with strategic responsibilities	-	172,279	56.011	12/01-01/14	85,518	13.58	01/09-01/15	(2,858)	21.20	24.40	(105,000)	149,939	23.481	01/15

(1) The vesting of one-third of the 2004 stock option grant was subject to the achievement of predetermined profit targets which were met in 2008, making the entire 2004 grant of 10,670,000 stock options fully vested in 2008. At the March 2009 Annual General Meeting, Shareholders approved extension of the exercise period, beginning 1 January 2011 and expiring 1 January 2016.
(2) The vesting of one-half, or 5,000,000 stock options of the 2006 stock option grant is subject to the achievement of predetermined profit targets. The exercise period begins with the approval of the 2010 Financial Statements and terminates in November 2014.
(3) Vesting of the options partially subject to achievement of predetermined profit targets.
(4) Options exercisable upon placement of Ferrari S.p.A. shares on the stock market.
(5) Prices expressed in US dollars.
(6) Grants reflect the past grants of the new executives with strategic responsibilities, net of those executives who left during 2009.
(7) Options expired comprises expired options and options forfeited during the period.

STOCK GRANTS AWARDED TO MEMBERS OF THE BOARD OF DIRECTORS, GENERAL MANAGERS AND EXECUTIVES WITH STRATEGIC RESPONSIBILITIES (ARTICLE 78 OF CONSOB REGULATION 11971/99)

Grantee		Grants held at the beginning of the year		Grants awarded during the year		Grants expired in the year	Grants held at the end of the year	
Name	Office held at the date of the grant	Number of grants	Exercise period (mm/yy)	Number of grants	Exercise period (mm/yy)	Number of grants	Number of grants	Exercise period (mm/yy)
Stock grants on Fiat shares								
Sergio Marchionne	Chief Executive Officer			2,000,000	02/11 (1)		2,000,000	02/11
Stock grants on CNH shares								
Executives with strategic responsibilities	-	100,000 (1)	01/11				100,000	01/11

(1) Exercisable upon achievement of profit targets.

16 February 2010

On behalf of the Board of Directors

/s/ Luca Cordero di Montezemolo

Luca Cordero di Montezemolo

CHAIRMAN

APPENDIX
INFORMATION REQUIRED UNDER ARTICLE 149-*DUODECIES* OF THE "REGOLAMENTO EMITTENTI" ISSUED BY CONSOB

The following table, prepared in accordance with Article 149-*duodecies* of the Issuer Regulations issued by Consob, reports fees charged for 2009 for audit and audit-related services provided by the independent auditors. No services were provided by entities in their network.

(€ thousand)	Service Provider	2009 Fees
Audit	Deloitte & Touche S.p.A.	179
Attestation	Deloitte & Touche S.p.A.(1)	17
Other services	Deloitte & Touche S.p.A.(2)	80
Total		**276**

(1) Attestation of tax forms ('Modello Unico', IRAP, Domestic Tax Consolidation and Form 770).
(2) Review and analysis related to the accounting treatment for significant transactions.

ATTESTATION IN RESPECT OF THE STATUTORY FINANCIAL STATEMENTS UNDER ARTICLE 154-*BIS* OF LEGISLATIVE DECREE 58/98

1. The undersigned, Sergio Marchionne, in his capacity as the Chief Executive Officer of the Company, and Alessandro Baldi and Maurizio Francescatti, as the executive officers responsible for the preparation of the Company's financial statements, pursuant to the provisions of Article 154-*bis*, clauses 3 and 4, of Legislative Decree no. 58 of 1998, hereby attest the adequacy with respect to the Company structure, and the effective application, of the administrative and accounting procedures applied in the preparation of the Company's statutory financial statements at 31 December 2009.
2. The assessment of the adequacy of the administrative and accounting procedures used for the preparation of the statutory financial statements at 31 December 2009 was based on a process defined by Fiat in accordance with the *Internal Control – Integrated Framework* model issued by the *Committee of Sponsoring Organizations of the Treadway Commission*, an internationally-accepted reference framework.
3. The undersigned moreover attest that:

   3.1 the statutory financial statements at 31 December 2009:

   a) have been prepared in accordance with International Financial Reporting Standards, as endorsed by the European Union through Regulation (EC) 1606/2002 of the European Parliament and Counsel, dated 19 July 2002;

   b) correspond to the amounts shown in the Company's accounts, books and records; and

   c) provide a fair and correct representation of the financial conditions, results of operations and cash flows of the Company as of 31 December 2009 and for the year then ended.

   3.2 The report on operations includes a reliable operating and financial review of the Company as well as a description of the main risks and uncertainties to which it is exposed.

16 February 2010

/s/ Sergio Marchionne

Sergio Marchionne
CHIEF EXECUTIVE OFFICER

/s/ Alessandro Baldi
/s/ Maurizio Francescatti

Alessandro Baldi
Maurizio Francescatti
EXECUTIVE OFFICERS RESPONSIBLE FOR THE PREPARATION OF THE COMPANY'S FINANCIAL STATEMENTS

AUDITOR'S REPORTS

AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ART. 156 OF LEGISLATIVE DECREE N. 58 OF 24 FEBRUARY, 1998

To the Shareholders of FIAT S.p.A.

1. We have audited the consolidated financial statements of Fiat S.p.A. and its subsidiaries (the "Fiat Group") as of and for the year ended 31 December, 2009, which comprise the statement of financial position, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the related notes to financial statements. These consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n. 38/2005 are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

2. We conducted our audit in accordance with the Auditing Standards recommended by CONSOB, the Italian Commission for listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The consolidated financial statements present for comparative purposes prior year data and the statement of financial position as of 1 January, 2008. As explained in the notes to the consolidated financial statements and as required by new IFRS pronouncements indicated in the paragraph "Accounting principles, amendments and interpretations adopted from 1 January, 2009", the Directors have restated certain comparative data related to the prior year's consolidated financial statements and to the statement of financial position as of 1 January, 2008 (derived from the consolidated financial statements as of 31 December, 2007) with respect to the data previously reported and audited by us, on which we issued auditor's reports dated 18 February, 2009 and 18 February, 2008, respectively. These modifications to comparative data and related disclosures included in the notes to the consolidated financial statements have been audited by us for the purpose of expressing our opinion on the consolidated financial statements as of 31 December, 2009.

3. In our opinion, the consolidated financial statements of the Fiat Group as of 31 December, 2009 comply with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n. 38/2005; accordingly, they give a true and fair view of the financial position of the Fiat Group, and of the results of its operations and its cash flows for the year then ended.

4. The Directors of Fiat S.p.A. are responsible for the preparation of the report on operations and the annual report on Corporate Governance in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the report on operations and of the information reported in compliance with art. 123-*bis* of Italian Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) in the annual report on Corporate Governance, with the consolidated financial statements, as required by law. For this purpose, we have performed the procedures required under Auditing Standard n. 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion, the report on operations and the information reported in compliance with art. 123-*bis* of Italian Legislative Decree n. 58/1998 paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) included in the annual report on Corporate Governance are consistent with the consolidated financial statements of the Fiat Group as of 31 December, 2009.

DELOITTE & TOUCHE S.p.A.

/s/ Fabrizio Fagnola
Partner
Fabrizio Fagnola

Turin, Italy 18 February, 2010

This report has been translated into the English language solely for the convenience of international readers.

AUDITOR'S REPORT ON THE STATUTORY FINANCIAL STATEMENTS PURSUANT TO ART. 156 OF LEGISLATIVE DECREE N. 58 OF 24 FEBRUARY, 1998

To the Shareholders of FIAT S.p.A.

1. We have audited the statutory financial statements of Fiat S.p.A. as of and for the year ended 31 December, 2009, which comprise the statement of financial position, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the related notes to financial statements. These financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n. 38/2005 are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the Auditing Standards recommended by CONSOB, the Italian Commission for listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

For the opinion on the prior year's financial statements, the data of which are presented for comparative purposes, reference should be made to our auditor's report issued on 18 February, 2009.

3. In our opinion, the statutory financial statements of Fiat S.p.A. as of 31 December, 2009 comply with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n. 38/2005; accordingly, they give a true and fair view of the financial position of Fiat S.p.A., and of the results of its operations and its cash flows for the year then ended.

4. The Directors of Fiat S.p.A. are responsible for the preparation of the report on operations and the annual report on Corporate Governance in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the report on operations and of the information reported in compliance with art. 123-*bis* of Italian Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) in the annual report on Corporate Governance, with the financial statements, as required by law. For this purpose, we have performed the procedures required under Auditing Standard n. 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion, the report on operations and the information reported in compliance with art. 123-*bis* of Italian Legislative Decree n. 58/1998 paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) included in the annual report on Corporate Governance are consistent with the financial statements of Fiat S.p.A. as of 31 December, 2009.

DELOITTE & TOUCHE S.p.A.

/s/ Fabrizio Fagnola
Partner
Fabrizio Fagnola

Turin, Italy 18 February, 2010

This report has been translated into the English language solely for the convenience of international readers.

REPORTS OF THE BOARD OF STATUTORY AUDITORS

REPORT OF THE BOARD OF STATUTORY AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS

Dear Shareholders,

The 2009 consolidated financial statements of Fiat S.p.A. made available to you report a net loss of €848 million, of which €10 million is attributable to non-controlling interests. They were provided to us within the statutory term, together with the report on operations, and were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and the requirements of national regulations issued pursuant to Article 9 of Italian Legislative Decree no. 38/2005.

The audit conducted by Deloitte & Touche S.p.A., the independent auditors, led to their opinion that:

"the consolidated financial statements of the Fiat Group as of 31 December, 2009 comply with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n. 38/2005; accordingly, they give a true and fair view of the financial position of the Fiat Group, and of the results of its operations and its cash flows for the year then ended."

The audit report also stated that:

"In our opinion, the report on operations and the information reported in compliance with art. 123-*bis* of Italian Legislative Decree n. 58/1998 paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) included in the annual report on Corporate Governance are consistent with the consolidated financial statements of the Fiat Group as of 31 December 2009."

In accordance with Article 41 (3) of Legislative Decree no. 127/1991, the Board of Statutory Auditors did not review these results and information or the consolidated financial statements, except for the items specified below.

The definition of the scope of consolidation, the selection of the standards used to consolidate subsidiaries and the procedures used for that purpose comply with the requirements of IFRS. Therefore, the structure of the consolidated financial statements is technically correct and consistent overall with the pertinent legislation.

The report on operations presents fairly the results of operations for 2009 and the financial position at year end, as well as events occurring since the end of the year for consolidated companies. Based on our examination, this Report is consistent with the consolidated financial statements.

Turin, 2 March 2010

THE STATUTORY AUDITORS

/s/ Riccardo Perotta
Riccardo Perotta

/s/ Giuseppe Camosci
Giuseppe Camosci

/s/ Piero Locatelli
Piero Locatelli

This report has been translated into the English language solely for the convenience of international readers.

REPORT OF THE BOARD OF STATUTORY AUDITORS TO SHAREHOLDERS

Dear Shareholders,

Article 153 of Legislative Decree no. 58 of 24 February 1998 requires the Board of Statutory Auditors to report the results of its oversight activity to Shareholders at the General Meeting called to approve the statutory financial statements, indicating any omissions or improper transactions that have come to its attention, and empowers it to submit motions relating to the financial statements, their approval and other matters under its jurisdiction.

This Report is provided in accordance with the abovementioned provision and pursuant to Article 2429 (2) of the Italian Civil Code.

During the past year, we performed our duties pursuant to Article 149 of Legislative Decree no. 58/1998 and are able to report specifically on the items which follow.

We attended the meetings of the Board of Directors, where we received information on the Company's business activities and on the main operational, financial and asset transactions subject to the approval of the Board and carried out by the Company and/or its subsidiaries.

In this regard, we ascertained that the aforementioned transactions complied with pertinent provisions of the law and the By-laws, were not in conflict with any resolution adopted by Shareholders and were consistent with management best practice.

The Company's organizational structure appears to be adequate for its size. As part of our work, we met with the heads of the various Company departments and with representatives of the Independent Auditors, from whom we obtained comprehensive information indicating that the Company conformed with management best practice.

The internal control system, which is constantly upgraded, has been implemented at Group level, and is in place at both the Parent Company and subsidiaries.

We evaluated and monitored the adequacy of the internal control system and the administrative and accounting system, as well as the reliability of the latter in presenting fairly the results of operations, through: i) an examination of the Compliance Officer's report on Fiat's Internal Control System; ii) an examination of the reports from Internal Audit, in addition to the results of its monitoring of the implementation of corrective actions identified through its audit activities; iii) information received from the heads of the respective functions; iv) an examination of corporate documents and the results of the audit work conducted by the Independent Auditors; v) interaction with the statutory and independent auditors of subsidiaries pursuant to Article 151 (1) & (2) of Legislative Decree no. 58/1998; vi) participation in the activities of the Internal Control Committee. On the basis of the activities conducted, it is our assessment that Fiat's Internal Control System is adequate overall.

The guidelines provided by Fiat S.p.A. to its subsidiaries pursuant to Article 114 (2) of Legislative Decree no. 58/1998 also appear to be adequate.

With reference to Article 36 of the "Regolamento Mercati" issued by Consob, relating to principal subsidiaries incorporated in and subject to the laws of a non-EU member state, we report that – at 31 December 2009 – the companies to which that provision applies are included among those companies considered relevant for the purposes of Fiat's system of internal control over financial reporting, in relation to which no deficiencies have been reported.

The Board of Directors provided us with the report on operations for the first half of the year by the statutory deadline and published it in accordance with the Consob requirements. It also complied with the legal requirement for quarterly reports. With regard to Consob communications, for those matters falling under our jurisdiction, we can confirm the following:

- the information provided by the Directors in the report on operations is comprehensive and complete;
- as required by Legislative Decree no. 58/1998, we have been informed on a constant basis on matters falling under our jurisdiction;
- no third party, related party or intercompany transactions which were atypical and/or unusual, as defined in the Consob Communication of 28 July 2006, were revealed by the periodic checks and audits we performed;
- with regard to intercompany transactions, the Board of Directors states in the Notes to the Financial Statements that numerous transactions involving the sale of goods and the provision of services took place between the Company and other Group companies, as well as related parties. The report on operations further states that these transactions were executed at standard market terms for the nature of the goods and/or services offered;
- no issues requiring mention arose from meetings conducted with the Statutory Auditors of the principal subsidiaries;
- we have reviewed and obtained information on the organisational and procedural measures implemented pursuant to and for the effects of Legislative Decree 231/2001, as amended, on the liability of legal persons for the crimes addressed therein. No significant issues requiring mention arose from the report of the Compliance Program Supervisory Body on activities carried out during 2009 or meetings conducted between the Body and the Board of Statutory Auditors;
- no significant issues arose during meetings held with the Independent Auditors pursuant to Article 150 of Legislative Decree no. 58/1998;
- the report of the Independent Auditors, issued on 18 February 2010, contains no qualifications or emphasis paragraphs;
- in compliance with Article 149 (1)(c-*bis*) of Legislative Decree no. 58/1998, we acknowledge the affirmation of the Directors in the Annual Report on Corporate Governance that:

  "the Fiat Group adopted and adheres to the Corporate Governance Code for Italian Listed Companies issued in March 2006, with additions and amendments related to the specific characteristics of the Group."

  We confirmed that the Group actually complies with the Corporate Governance Code and that its various aspects were discussed in the Annual Report on Corporate Governance submitted to you by the Board of Directors, to which you are referred for more complete information in this regard.

On 25 February 2010, we received a communication from Deloitte & Touche S.p.A. – with whom we have had a frequent exchange of information – stating that Fiat S.p.A. had retained its services to perform audits of the statutory and consolidated financial statements, limited audits of the half-yearly condensed financial statements, agreed upon procedures for auditing of the quarterly reports, as well as the engagements listed below for which the respective fees are indicated:

- agreed due diligence procedures carried out in relation to the Chrysler transaction for fees of €485,000 and USD 1,962,000; Fiat S.p.A. informed us that those fees had been fully charged back to Fiat Group Automobiles S.p.A. on the basis of a mandate without representation given by Fiat Group Automobiles S.p.A. to Fiat S.p.A. for certain activities connected with the Chrysler transaction;

- review and analysis of accounting treatment relating to the 2009 consolidated financial statements for significant and non-recurring transactions for a fee of €80,000;
- audit of actual expenditures approved by the Joint Committee established between Fiat S.p.A. and the Politecnico di Torino in relation to the establishment of diploma and degree courses in automotive engineering during the 2007/2008 academic year, for a fee of €12,000;
- attestation of tax forms ("Modello Unico", IRAP, tax consolidation and Form 770) for a fee of €4,750.

At the General Meeting held on 27 March 2009, the shareholder Mr. Bava addressed several matters to the Board of Statutory Auditors, certain of which fall within the Board's general responsibilities of oversight.

Mr. Bava then presented a demand, under Article 2408 of the Italian Civil Code, to the members of the Board of Statutory Auditors "to investigate whether the Chrysler agreement was concretely achievable and what the financial and legal consequences to the company might be".

Despite the irregular manner in which the demand was presented, the Statutory Auditors examined the issue, pointing out however that Article 2408 of the Italian Civil Code requires that a shareholder denounce which "acts he considers improper", that is, acts which would qualify as improper in the legal sense. The demand makes no reference to any specific "act", nor does it indicate any fact which substantiates any allegation of impropriety whatsoever.

We hold, therefore, that the demand is without grounds for consideration.

For completeness, we report that, in relation to the then prospective global strategic alliance between Fiat and Chrysler, the essential elements were provided in the report on operations accompanying Fiat's 2008 Consolidated and Statutory Financial Statements, specifically, in the section "significant events subsequent to year end and outlook" (page 65 of the printed version of the 2008 Consolidated and Statutory Financial Statements). In addition to other information, the summary clearly stated that a non-binding letter of intent to create a strategic alliance with Chrysler had been signed on 20 January 2009.

Finally, in relation to the assertion of Mr. Bava in regard to the action pending against him, we note that, as of today's date, no invoice for legal expenses has been submitted to the Company.

We are not aware of other facts or considerations to be reported to Shareholders.

We also acknowledge that during the year, the Company assessed the effective independence of the independent directors, and we confirm that the principles and procedures for assessment were fairly applied in accordance with Article 3.C.5 of the Corporate Governance Code. We confirmed our own continuing independence as required under Article 10.C.2 of the Corporate Governance Code.

Based on the audits we performed in those areas that fall under our jurisdiction pursuant to Article 149 of Legislative Decree no. 58/1998 and in consideration of the information received from the Independent Auditors, we have verified that the statutory financial statements at 31 December 2009, which report net income of €339,963,538, have been prepared and are presented in accordance with the applicable provisions of law.

In particular, we verified that no exceptions were exercised as permitted under Article 2423 (4) of the Italian Civil Code.

As part of the oversight activities described above, the Board of Statutory Auditors met 12 times, in addition to being present at the 9 meetings of the Board of Directors and the 6 meetings of the Internal Control Committee.

On the basis of the control and oversight activities carried out during the year, we find nothing that would prevent approval of the financial statements at 31 December 2009 or the motions put forward by the Board of Directors.

Turin, 2 March 2010

THE STATUTORY AUDITORS

/s/ Riccardo Perotta
Riccardo Perotta

/s/ Giuseppe Camosci
Giuseppe Camosci

/s/ Piero Locatelli
Piero Locatelli

This report has been translated into the English language solely for the convenience of international readers.

Following is a list of positions as director or statutory auditor held by members of the Board of Statutory Auditors at other companies at 31 December 2009 (pursuant to Article 144-*quinquiesdecies* of the Issuer Regulations) – term of office expires upon approval of financial statements for the year indicated in brackets.

- Riccardo Perotta: Chairman of the Board of Statutory Auditors at Coface Assicurazioni S.p.A. (2011), Coface Factoring Italia S.p.A. (2010), Hyundai Motor Company Italy S.r.l. (2010), Jeckerson S.p.A. (2010), Metroweb S.p.A. (2011), Value Partners S.p.A. (2011); Regular Auditor at Boing S.p.A. (2010), Mediolanum S.p.A. (2010), Prada S.p.A. (31 January 2012) and Snam Rete Gas S.p.A. (2009).
- Giuseppe Camosci: Chairman of the Board of Statutory Auditors at AEREA S.p.A. (2010), Immobiliare Elfin S.p.A. (2011), Samsung Electronics Italia S.p.A. (2010); Regular Auditor at BNP Paribas Leasegroup S.p.A. (2009), Finos S.p.A – Gruppo Trussardi (2009), ICAL S.p.A. (2009), Lacto Siero Italia S.p.A. (2009), Locatrice Italiana S.p.A. (2009), Therabel Gienne Pharma S.p.A. (2011), TRS Evolution S.p.A. (2009), Trussardi S.p.A. (2009); Director at SAPIO Produzione Idrogeno Ossigeno S.r.l. (2010).
- Piero Locatelli: Regular Auditor at Giovanni Agnelli & C. S.a.p.a. (2011) and Simon Fiduciaria S.p.A. (2010).


standards safety
2010
Foreseen second phase of the directive
for the pedestrian protection active
(ACEA Phase 2).
2010
Compatibility regulation: enhanced
protection levels for occupants


80
36

AGENDA AND RELATED REPORTS AND MOTIONS

MOTION FOR APPROVAL OF THE STATUTORY FINANCIAL STATEMENTS AND ALLOCATION OF 2009 NET PROFIT

Dear Shareholders,

We hereby submit the Statutory Financial Statements for the year ended 31 December 2009 for your approval and propose that the net profit for the year of €339,963,538 be allocated as follows:

- to the Legal reserve, €16,998,177;
- to Shareholders, a dividend of:
  - €0.17 per ordinary share, representing a total of approximately €185.7 million (€179.1 million excluding treasury shares currently held);
  - €0.31 per preference share, representing a total of approximately €32 million;
  - €0.325 per savings share, representing a total of approximately €26 million;
- to Retained profit, the remaining amount totalling approximately €79.3 million.

Payment of the dividend will be from 22 April 2010, with detachment of the coupon on 19 April. The dividend will be payable on shares outstanding at the coupon detachment date.

16 February 2010

On behalf of the Board of Directors

/s/ Luca Cordero di Montezemolo

Luca Cordero di Montezemolo
CHAIRMAN

MOTION FOR THE PURCHASE AND DISPOSAL OF OWN SHARES

Dear Shareholders,

At the General Meeting held on 27 March 2009, Shareholders renewed the authorisation, previously given on 31 March 2008, for the purchase of a maximum number of own shares for all three classes not to exceed in total the limit of 10% of share capital or an aggregate amount of €1.8 billion, including existing reserves for own shares of €656.6 million. No shares were repurchased under that authorisation. The most recent purchases were made in June 2008 and totalled 5.73 million ordinary shares, equivalent to 0.52% of share capital, for an invested amount of €61.2 million. Following this, the programme was suspended.

In order to maintain the necessary operating flexibility over an adequate time period and in consideration of the fact that the current shareholder authorisation expires on 27 September 2010, we are proposing that you renew authorisation for the purchase and disposal of own shares including in both cases through Group subsidiaries, subject to the limits set by Shareholders at the previous General Meeting and in accordance with the procedures provided under the applicable provisions of the Italian Civil Code, the combined provisions of Article 132 of Legislative Decree 58 of 24 February 1998 and Article 144-*bis* of the Issuer Regulations, and other applicable laws and regulations.

We believe that this authorisation provides the Company with a strategic opportunity for investment for all purposes permitted by law, including the servicing of incentive plans.

We therefore propose that you revoke the previous resolution, for the part not already utilised as of the date of the Annual General Meeting, and authorise the purchase of own shares for all three classes (par value of €5 each) over a period of eighteen months and for an amount not to exceed the maximum limit of 10% of share capital, inclusive of the Fiat shares already held by the Company and its subsidiaries. As at 16 February 2010, Fiat S.p.A. owned 38,568,458 ordinary shares, equal to 3.02% of share capital. No other Group company owned Fiat shares.

The maximum and minimum purchase price per share shall be directly related to the market price - specifically, the reference price reported on the Stock Exchange on the day prior to the purchase. The maximum and minimum price may not be more than 10% higher or lower, respectively, than the reference price.

Nevertheless, the Company intends to maintain reserves available for the purchase of a maximum aggregate amount of €1.8 billion, including existing reserves (€656.6 million at 16 February 2010) for own shares.

Purchases will be made on one or more occasions on regulated markets and in accordance with the terms and procedures established by Borsa Italiana consistent with equality of treatment for all shareholders. However, should the opportunity arise, purchases may also be made through a public tender offer, offer for exchange, or other permitted procedure.

We are also requesting authorisation to dispose of own 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 Company, as permitted by law (including the transfer of rights related to the shares, such as, for example, stock lending). Own shares may also be used to service incentive plans for directors and executives, as well as any additional plans that may be established by the Board in the future and subsequently submitted for the approval of Shareholders. In such an event, the shares shall be sold at the prices set when the rights are granted.

16 February 2010

On behalf of the Board of Directors

/s/ Luca Cordero di Montezemolo

Luca Cordero di Montezemolo
CHAIRMAN

RESOLUTIONS PURSUANT TO ARTICLE 114-*BIS* OF LEGISLATIVE DECREE 58/98

Dear Shareholders,

Pursuant to Article 114-*bis* of Legislative Decree 58/98, we hereby submit the motions approved by the Board of Directors on 16 February 2010 for your approval.

Specifically, these motions relate to the adoption of amendments to the 2009-2010 Plan (approved by Shareholders at the General Meeting held on 27 March 2009) aimed at enhancing the incentivization and retention value of the Plan, thereby providing the Group with an instrument that is more closely aligned to the current competitive environment in the automotive sector globally and to the specific needs of the Group. Those amendments, if approved, will result in, among other things, the 2009-2010 Plan being extended to 2011 and renamed the 2009-2011 Plan.

The Plan takes the form of stock grants and entitles beneficiaries to receive, under specific conditions, a number of Fiat ordinary shares equivalent to the number of rights granted. At inception, the Plan provided for the allocation of a maximum of 8 million rights - subject to the achievement of pre-established performance objectives and continuation of a professional relationship with the Group - of which 2 million have already been allocated to the Chief Executive Officer of Fiat S.p.A., Sergio Marchionne, and a maximum of 6 million rights were for allocation to other Group executives.

This report was prepared in conformity with the instructions for disclosure provided as a schedule to the Issuer Regulations issued by Consob.

Beneficiaries
No change relating to beneficiaries is being proposed.

The beneficiaries of the 2009-2011 Plan will be the Chief Executive Officer of Fiat S.p.A., Sergio Marchionne, and a maximum of three hundred Group executives holding key positions which have a significant impact on business results. Executives will be selected by the Chief Executive Officer of Fiat S.p.A. from among employees of the Company and/or its subsidiaries, consistent with the organisational criteria adopted in the past, and in particular for the 2006 and 2008 plans.

Reasons for amendments to the 2009-2010 Plan
In general, incentive plans based on financial instruments enable incentivization of individuals in key positions toward the achievement of Company and Group profit targets, correlating that incentivization to the medium- to long-term value created for shareholders.

The level of commitment is strengthened when vesting of rights is subject to the achievement of specific performance targets over a predetermined reference period.

At the same time, motivating management by granting instruments that are representative of the Company's value contributes to the alignment of the interests of management with those of shareholders, promoting a sense of identification with the Group and significantly enhancing retention as a result.

Retention is also sought through the use of incentives which are subject to continuation of a professional relationship with the Group.

With these objectives, the Board of Directors, supported by the Compensation Committee, constantly monitors the effectiveness of existing incentive schemes in relation to the global market and, in particular, the industries in which the Group operates.

The importance of management and the stability of that management in a period of significant volatility has been a key factor in the success of the Group since 2004 and will have increasing importance in the future. Having effective tools for incentivization and retention, therefore, is an essential competitive factor.

For the reasons stated above and at the proposal of the Compensation Committee, the Board determined that it is significantly in the Company's and Group's interests to increase the incentivization and retention capability of the 2009-2010 Plan through the adoption of amendments consisting of the introduction of a retention-only component, with an increase in the number of rights available for allocation, and extension of its duration. The latter amendment will enable, even in consideration of the effects already realised to date, extension of the effectiveness of the Plan to the date of approval of the 2011 consolidated financial statements and, consequently, to correlate it to objectives which provide greater incentivization and are more closely aligned to the future state of the global economy.

The proposed Plan is in line with latest international best practice and would take the form of stock grants which are based, for the portion whose vesting is subject to the achievement of performance objectives, on performance measurement tools that are consistent with current market conditions and linked to key performance indicators for the Group.

Tax effects of the Plan benefits are the responsibility of the beneficiaries.

Given its characteristics, no special funds would support the Plan.

Procedure for approval of amendments to the 2009-2010 Plan
Amendments to the 2009-2010 Plan were drafted by the Compensation Committee, composed of the independent directors R. Berger (Committee Chairman), L. Garavoglia and M. Zibetti, which examined the matter during its meeting on 16 February 2010.

On the same date, the Board of Directors, with Sergio Marchionne abstaining, voted to approve the Compensation Committee's proposal and to submit the proposed amendments to the Plan to Shareholders for approval, pursuant to Article 114-*bis* of Legislative Decree 58/98.

Based on the original conditions of the Plan, as approved by Shareholders on 27 March 2009, Mr. Marchionne was allocated 2 million rights that - subject to the achievement of pre-established performance targets for 2009 and 2010 and his remaining in office until approval of the 2010 consolidated financial statements by the Board of Directors - would have entitled the beneficiary to receive an equivalent number of Fiat ordinary shares.

The rights were to be vested in a single tranche upon approval of the 2010 consolidated financial statements by the Board of Directors and the number of shares assigned was to be equivalent to 25% of the rights assigned if the 2009 targets only were reached and 100% of the rights assigned if the 2010 targets were reached.

As the 2009 Group profit targets were met, in accordance with the original conditions of the 2009-2010 Plan, Mr. Marchionne has acquired the right to receive, subject to his remaining in office until approval of the Group's 2010 consolidated financial statements, 500,000 Fiat ordinary shares.

In addition, the 2009-2010 Plan also provided for allocation, in one or more tranches, of a maximum 6 million additional rights corresponding to an equivalent number of Fiat ordinary shares to a maximum of 300 executives in key positions that have a significant impact on business results, to be selected by the Chief Executive Officer of Fiat S.p.A., consistent with the organisational criteria adopted for the 2006 and 2008 plans. That part of the Plan has not been executed.

The proposed amendments, which would become effective upon your approval, consist firstly in the introduction of a retention-only component of 4 million additional rights whose vesting is subject solely to continuation of a professional relationship with the Group at the date of approval of the 2011 consolidated financial statements. Of those rights, 2 million are for the Chief Executive Officer and a maximum of 2 million for other Group executives.

Consequently, the total number of rights available for allocation under the Plan (8 million at the inception of the Plan, of which 2 million for the Chief Executive Officer of Fiat S.p.A. and a maximum of 6 million for allocation to other Group executives) would increase to 12 million, of which 4 million for the Chief Executive Officer of Fiat S.p.A. and a maximum of 8 million for other Group executives.

In addition, it is proposed that the Plan be extended to 2011 and that vesting of the 8 million rights, of which 2 million are for Sergio Marchionne and a maximum of 6 million for other Group executives, be subject to both continuation of a professional relationship with the Group until the date of approval of the 2011 consolidated financial statements and achievement of Group performance targets. In particular, the 2 million rights already allocated to the Chief Executive Officer of Fiat S.p.A. include 500,000 rights related to 2009 performance objectives that have been met - and are therefore subject solely to his remaining in office - and 1.5 million rights which we propose be subject, together with the maximum 6 million rights to be allocated to other Group executives, to achievement of 2010 and 2011 performance objectives, rather than the previous reference period of 2009 and 2010, thereby extending the incentivization and retention effects of the Plan.

The other conditions of the Plan remain unchanged and, specifically, the right of the Company to substitute, in whole or in part, Fiat ordinary shares granted to plan beneficiaries with a cash payment calculated on the basis of the Official Price of those shares published by Borsa Italiana on the date of approval of the 2011 consolidated financial statements, the discretion of the Chief Executive Officer to determine, on one or more occasions, the number of rights to be granted to each executive, as well as to reassign any rights forfeited due to termination of the employment relationship.

The Official Price published by Borsa Italiana for Fiat ordinary shares on 16 February 2010 was €7.79 per share.

Should you approve these proposals, the grant to the Chief Executive Officer of Fiat S.p.A. would have immediate effect while, as required by law, information on the beneficiaries and actual number of financial instruments granted in relation to the 2009-2011 Plan for Group executives will be communicated to the market on the grant date.

As with all existing incentive plans, the Plan will continue to be administered by the Board of Directors of Fiat S.p.A., which has the power to modify the terms, conditions and targets at any time, including as a consequence of extraordinary transactions or significant events.

Characteristics of the financial instruments

The 2009-2011 Plan is based on the granting of rights under which beneficiaries would receive an aggregate maximum of 12 million Fiat ordinary shares, 4 million of which are for the Chief Executive Officer, Sergio Marchionne, and a maximum of 8 million shares would be available for allocation to executives in key positions that have a significant impact on business results.

The rights would be vested in a single tranche upon approval of the 2011 consolidated financial statements by the Board of Directors. On that date, shares relating to the rights which vest on a retention-only basis as well as those subject to the achievement of performance objectives will be granted. With particular reference to the latter, shares corresponding to 25% of the rights allocated will be granted if the 2010 performance targets are reached and 100% if the 2011 performance targets are reached. As already specified, the Company shall retain the right to substitute those shares, in whole or in part, with a cash payment calculated on the basis of the Official Price of those shares published by Borsa Italiana on that date. Specific rules apply to certain cases of early termination of the relationship, such as, for example, a change of employer within the Group, retirement or death of the beneficiary.

Rights relating to the Plan are granted to the beneficiary only and are non-transferable, except by inheritance, while the ordinary shares received will not be subject to any restrictions other than legal restrictions relating to the use of privileged information. As such, the Board of Directors may set restrictions for periods immediately prior to key dates in the corporate calendar.

The Plan is to be serviced through shares bought on the market rather than through the issue of new shares and, therefore, would have no dilutive effects. The Company currently holds sufficient own shares to fully service existing incentive plans, as well as the Plan hereby submitted for your approval.

On February 16th, the preliminary estimate of the annual non-cash cost of the proposed amendments to the 2009-2010 Plan was €15.6 million for the approximately 2 years of the Plan remaining. Those costs will be recalculated on the date that the proposals, if approved, become effective, on the basis of the price of Fiat ordinary shares and the stated vesting conditions. For the portion of the Plan relating to the Chief Executive Officer, that date shall be the date approval is given by Shareholders. For the granting of the maximum 8 million rights on Fiat ordinary shares to other executives, that date shall be the effective grant date. For accounting purposes, the cost calculated on the grant date is recognised on a pro rata basis over the vesting period as the vesting conditions are met.

In addition to the amendments to the 2009-2010 Plan that are being submitted for your approval, the Company has other incentive plans in place for directors and executives, established in 2002 and subsequent years, with a total of 27,752,780 options outstanding at 16 February 2010, of which 845,000 are exercisable. A total of 6.5 million options will be serviced through the issue of new shares and the remainder through shares purchased on the market. A total of approximately 21.2 million shares will be required to service the 2009-2011 Plan and other plans currently in place - excluding the portion of the 2006 Plan to be serviced through the issue of new shares. This amount is fully covered by the 38.6 million own shares currently held. Detailed information on those plans is provided in disclosure documents issued in 2007, 2008 and 2009 available in the Corporate Governance section of the Group website (www.fiatgroup.com) under Fees and Interests Held, as well as in the Report on Operations and Notes to the statutory and consolidated financial statements at 31 December 2009, pursuant to regulatory requirements and the International Financial Reporting Standards, respectively.

16 February 2010

On behalf of the Board of Directors

/s/ Luca Cordero di Montezemolo

Luca Cordero di Montezemolo
CHAIRMAN

UTOPIA

"Utopia" – a term coined by the English philosopher Thomas More from the Greek words οὐ-τοπος ("place that does not exist") and εὖ-τοπος ("place of happiness") – denotes an ideal world: a perfect society, a community of individuals who live together happily and in harmony. To describe something as utopian often means to regard it as irrational, whereas actually it is a valuable opportunity to reflect on the nature of the real world, through a representation of the imaginary world, and to take on the task of converting dreams into action.

Utopia therefore has the dual function of suggesting a clean break from the status quo and proposing an ideal model. Rather than simple progress, it is a radical leap forward.

Against a background of great uncertainty, profound social change, and economic slowdown, utopia can be seen as a "memory of the future" (as Lamartine used to say: "Utopias are often only premature truths.") It is no accident that the men quoted in Fiat Group publications teach us how in art, philosophy, science and society, the search for innovative solutions and new ways of thinking and moving forward enables us to face the future with courage and determination – with the aim of making a mark on it rather than submitting to it. The list of utopians in history would be too long to convey any idea of the vitality of utopian thought. Let us therefore settle for just a few, and observe how what were once utopian concepts – such as cinema, the internet, or environmentalism – have become an integral part of our everyday lives.

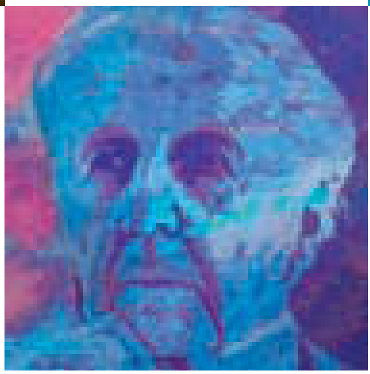
Artists, painters and poets love utopia because it is highly seductive, attractive and powerful. Utopia is a positive, overwhelming *Weltanschauung*, where anything is possible. It is freedom of thought… as well as a duty to the future.

Let us travel to a place where the purpose of life is to make possible what may today seem impossible. The time has come to define a future that frees us from the worries of today and the constraints of yesterday. Utopia is an ambition. It calls upon us to realise our ambitions for the future and, in the final analysis, it drives us to create a better world.

Roger Pfund, Geneva, 2010

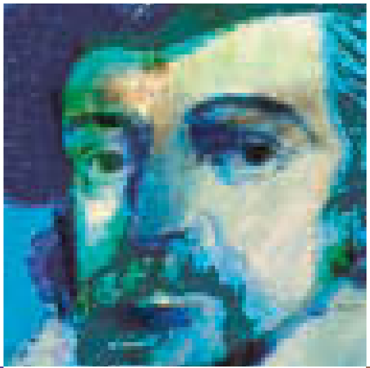
Karl Popper
1902-1994

Austrian Karl Popper was one of the most influential scientific philosophers of the 20th century. Studying scientific progress, he developed the idea that science does not proceed from certitude to certitude, but that a theory is a provisional hypothesis to be used to correct another theory. A professor at the London School of Economics, he founded the Department of Philosophy, Logic and Scientific Method there in 1946. He was also extremely interested in politics and more particularly in how democracy functions.



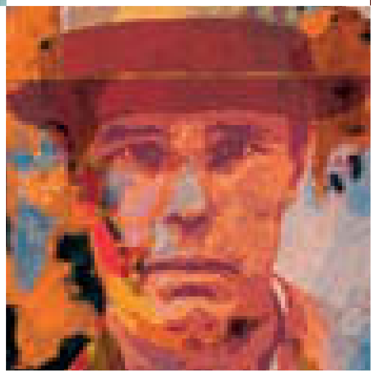
Frank Lloyd Wright
1867-1959

American architect Frank Lloyd Wright rejected the outmoded neo-academism of his era. He endeavoured to blend buildings harmoniously into the countryside with his organic architecture and found innovative solutions to solve lighting and ventilation problems. By bringing new shapes and materials to the art of building, he revolutionized the world of architecture. His masterworks include Oak Park,1889, Fallingwater,1937, the Johnson Wax Building, 1939, and the Solomon R. Guggenheim Museum, New York, 1956-1959.



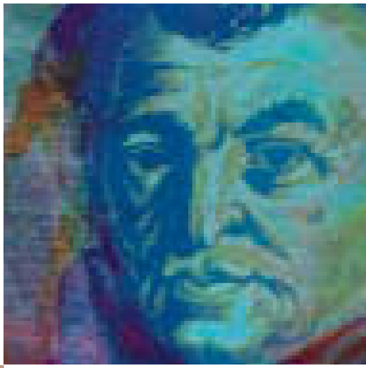
Francis Bacon
1561-1626

English statesman and philosopher. Bacon was a pioneer in the field of modern scientific methodology. A Member of the House of Commons during the reign of Queen Elizabeth I, he was instrumental under James I in the *rapprochement* between Scotland and England. Accused of corruption, he was dismissed from his duties and focused his energies as scientist on reform of the sciences. His experimental method extended to his philosophical treatises where he described knowledge as the fruit of experience.



Joseph Beuys
1921-1986

German artist Joseph Beuys explored several artistic media. He initially developed a passion for sculpture and drawing, and was soon to organize original events. He excelled in installations, performance and video. Politically committed and considered as the German counterpart of Fluxus artists, Joseph Beuys focused and developed his work round the themes of humanism, ecology, sociology and anthroposophy. Both controversial and admired, he opened the way for a new form of artistic reflection and is considered to be one of the major artists in contemporary art.



Tommaso Campanella
1568-1639

Italian philosopher and Dominican monk. Accused of heresy for his naturalist ideas, he was tortured and imprisoned for twenty-seven years. During his detention, he corresponded with a number of scholars and wrote several works, notably The City of the Sun (La Civitas Solis), the tale of a Utopian Republic founded on reason and the love of God. After his liberation in 1626, he sought refuge in France where he lived until his death.

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doing and will do depends in turn on our thoughts and our desires, on our hopes and our fears. We need to become the architects of our destiny. But this means that we must change ourselves." Karl Popper

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