Quarterly Report

Third Quarter 2007

This Report has been translated into English from the original version in Italian.
In case of doubt, the Italian version shall prevail.

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FIAT S.P.A.
Registered Office: Via Nizza 250, Turin
Paid-in capital: 6,377,262,975 euros
Entered in the Turin Company Register – Fiscal Code: 00469580013

Board of Directors and Control Bodies

Board of Directors

Chairman
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Vice Chairman
John Elkann (1) (4)

Chief Executive Officer
Sergio Marchionne (4)

Directors
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Roland Berger (3) (4)
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Luca Garavoglia (1) (3)
Gian Maria Gros-Pietro (1) (2)
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Vittorio Mincato (2)
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Franzo Grande Stevens

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Statutory Auditors
Carlo Pasteris – Chairman
Giuseppe Camosci
Cesare Ferrero

Alternate Auditors
Giorgio Giorgi
Piero Locatelli
Roberto Lonzar

External Auditors
Deloitte & Touche S.p.A.

(*) Co-opted on July 24, 2007
(1) Member of the Nominating and Corporate Governance Committee
(2) Member of the Internal Control Committee
(3) Member of the Compensation Committee
(4) Member of the Strategic Committee

Operating Highlights of the Fiat Group

1/1-9/30			3rd Quarter	
2007	2006	(in millions of euros)	2007	2006
42,713	37,973	Net revenues	**13,858**	11,809
2,286	1,409	Trading profit	**745**	427
2,286	1,409	Operating result	**745**	427
2,071	1,101	Income before taxes	**622**	327
1,457	681	Net result for the period	**454**	200
1,383	613	Net result attributable to equity holders of the Parent	**432**	195
		(in euros)		
1.084	0.433	Basic earnings per ordinary share *(1)*	**0.344**	0.156
1.084	0.433	Basic earnings per preference share *(1)*	**0.344**	0.123
1.239	1.208	Basic earnings per savings share *(1)*	**0.344**	0.156
1.075	0.433	Diluted earnings per ordinary share *(1)*	**0.341**	0.156
1.075	0.433	Diluted earnings per preference share *(1)*	**0.341**	0.123
1.230	1.208	Diluted earnings per savings share *(1)*	**0.341**	0.156

(1) See Note 12 of the Interim Consolidated Financial Statements of this Quarterly Report for further information on the determination of basic earnings per share and diluted earnings per share.

Financial Highlights of the Fiat Group

(in millions of euros)	At 9/30 2007	At 12/31 2006
Total assets	**58,495**	58,303
Net debt	**12,416**	11,836
- of which: Net industrial debt	**1,425**	1,773
Stockholders' equity before minority interest	**10,653**	10,036
Group interest in stockholders' equity	**9,996**	9,362

Employees at period-end (number)	**183,593**	172,012

Overview

Highlights of the Group's performance in the third quarter of 2007

The Group had **net revenues** of 13,858 million euros in the third quarter of 2007, up 17.4% from the same period of 2006, driven by significant growth across all major industrial businesses, and in particular of the Automobiles businesses (+17.3%), CNH-Case New Holland (+22%; +31% in US dollar terms) and Iveco (+23.2%).

In the third quarter of 2007, the Group had a **trading profit** of 745 million euros (5.4% of revenues), a sharp increase (+318 million euros) from the trading profit of 427 million euros (3.6% of revenues) reported in the corresponding quarter of 2006. A significant contribution came from the Automobiles businesses, with Fiat Group Automobiles more than tripling its trading profit to 185 million euros (2.8% of revenues), the Agricultural and Construction Equipment businesses, whose trading profit rose by 88 million euros to 225 million euros (8% of revenues), and Iveco, whose trading profit improved by 34 million euros to 190 million euros (7.4% of revenues).

Operating income totalled 745 million euros in the third quarter of 2007, equal to trading profit, with unusual items netting out to nil.

Income before taxes totalled 622 million euros, compared with income of 327 million euros in the third quarter of 2006. The improvement of 295 million euros mainly reflects higher operating income (+318 million euros), as the increase in investment income (+20 million euros) was more than offset by higher net financial expenses (+43 million euros): in the third quarter of 2007 net financial expenses include the negative impact of 19 million euros arising from the mark-to-market of stock option-related equity swaps, while in the corresponding period of 2006 this item had benefited from a gain of 24 million euros on the same equity swap.

Net income was 454 million euros in the third quarter of 2007, up 254 million euros from income of 200 million euros reported in the same period of 2006.

Highlights of the Group's performance in the first nine months of 2007

In the first nine months of 2007, the Group had **net revenues** of 42,713 million euros, up 12.5% from the corresponding period of 2006, with significant contributions coming from Iveco (+22.9%), the Automobiles businesses (+13.5%) and CNH-Case New Holland (+10.1%; +18.9% in US dollar terms).

In the first nine months of 2007, Group **trading profit** amounted to 2,286 million euros (5.4% of revenues), a sharp improvement (+877 million euros) from the trading profit of 1,409 million euros (3.7% of revenues) recorded in the corresponding period of 2006. This improvement reflects, among other things, significant improvements at Fiat Group Automobiles, whose trading profit grew by 374 million euros to 570 million euros (2.9% of revenues), Iveco, up 175 million euros to 564 million euros (7.1% of revenues), and at the Agricultural and Construction Equipment businesses, whose trading profit increased by 215 million euros to 762 million euros (8.7% of revenues).

Operating income totalled 2,286 million euros in the first nine months of 2007, equal to trading profit, with unusual items netting out to nil.

Income before taxes for the period totalled 2,071 million euros, against income of 1,101 million euros in the corresponding period of the previous year. The 970 million euro improvement is due to the increase of 877 million euros in operating income and a decrease of 87 million euros in net financial expenses resulting from lower net industrial debt as well as an increase of 85 million euros in gains from stock option-related equity swaps, partly offset by the 43 million euro cost related to the early redemption of a CNH 9.25% fixed rate bond due in 2011.

Net income totalled 1,457 million euros in the first nine months of 2007, an increase of 776 million euros with respect to net income of 681 million euros in the corresponding period of 2006.

In the first nine months of 2007, **net industrial debt** decreased by 348 million euros to 1,425 million euros, mainly due to operating performance as well as proceeds of 225 million euros from the sale of the interest held in Mediobanca, partly offset by investments for the period (2.1 billion euros), dividends paid (0.3 billion euros) and share buy-backs (0.4 billion euros). At the end of the period, the Group net industrial debt to stockholders' equity ratio was 0.13 (0.18 at December 31, 2006).

The Group's **cash position** at September 30, 2007 was 5.3 billion euros compared with approximately 8 billion euros at December 31, 2006.

Significant Events Occurring since the End of the Period and Business Outlook

No significant events to be reported occurred since the end of the period.

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The Group's results for the third quarter are in line with expectations and confirm the positive trend of the first part of the year. The Group therefore believes it can continue on its growth and margin expansion path, as set out in the 2007-2010 industrial plan.

In view of the results achieved in the first nine months, Fiat is moving up its full year guidance:

- Group trading profit between 2.9 and 3 billion euros (trading margin of over 5%)
- net income between 1.8 and 1.9 billion euros;
- basic earnings per share between 1.40 and 1.50 euros;
- net industrial debt of approximately 500 million euros (excluding the impact of additional share buy-backs).

2008 targets are confirmed.

Operating Performance of the Group

1/1-9/30			3rd Quarter	
2007	2006	(in millions of euros)	2007	2006
42,713	37,973	Net revenues	13,858	11,809
2,286	1,409	Trading profit	745	427
2,286	1,409	Operating result	745	427
2,071	1,101	Income before taxes	622	327
1,457	681	Net result for the period	454	200

Effective January 1, 2007 the activities which were previously part of the Services Sector were transferred to Fiat Services S.p.A., a company included among Holding companies and Other companies. Fiat Services S.p.A. and its subsidiaries outside of Italy provide administrative and professional services to Fiat Group Companies. In accordance with IAS 14 – *Segment Reporting*, effective January 1, the Services Sector is no longer represented and the relevant figures for 2006 have consequently been reclassified. Fiat Services activities are organised in three service units: Transactional Processes (Finance and Payroll), Information and Communication Technology Services and Customs Services.

On February 1, 2007 Fiat Auto changed its name into "Fiat Group Automobiles S.p.A.".

Operating performance of the Fiat Group in the third quarter of 2007

Net revenues

	3rd Quarter		
(in millions of euros)	2007	2006	% change
Automobiles (Fiat Group Automobiles, Maserati, Ferrari)	**6,986**	5,954	17.3
Agricultural and Construction Equipment (CNH-Case New Holland)	**2,823**	2,314	22.0
Trucks and Commercial Vehicles (Iveco)	**2,580**	2,095	23.2
Components and Production Systems (FPT, Magneti Marelli, Teksid, Comau)	**3,129**	2,733	14.5
Other Businesses (Publishing and Communications, Holding companies and Other companies)	**315**	340	-7.4
Eliminations	**(1,975)**	(1,627)	-
Total for the Group	**13,858**	11,809	17.4

In the third quarter of 2007, the Group had **net revenues** of 13,858 million euros, posting an increase of 17.4% from the third quarter of 2006, due to the significant growth at all major industrial businesses.

With revenues of 6,986 million euros, the **Automobiles** businesses posted a 17.3% increase over the third quarter of 2006. All the Sectors contributed to this positive performance: higher sales volumes at Fiat Group Automobiles drove its revenues to 6,510 million euros, up 17.6% from the third quarter of 2006; revenues increased by 33% at Maserati and 10.8% at Ferrari.

In the third quarter of 2007, **Agricultural and Construction Equipment** (**CNH)** had revenues of 2,823 million euros (+22% from the third quarter of 2006). In US dollar terms, revenues increased by 31%. The performance of the Sector grew on the back of higher volumes and better mix across all brands.

With revenues of 2,580 million euros, **Iveco** confirmed its very positive trend and posted an increase of 23.2% with respect to the third quarter of 2006, due to a sharp rise in sales volumes and improved pricing.

In the third quarter of 2007, the **Components and Production Systems** businesses had aggregate revenues of 3,129 million euros; the 14.5% increase from the corresponding period of 2006 reflects the growth in revenues at FPT

Powertrain Technologies (+21.1%) and Magneti Marelli (+20.8%, +17.3% on a comparable scope of operations). Teksid's revenues decreased by 26.5%, due to the sale at the beginning of March 2007 of Meridian Technologies, a company operating in the Magnesium business; on a comparable scope of operations, revenues were stable. Comau recorded a decline of 11.1% in line with resizing efforts devoted to this business.

Trading profit

	3rd Quarter		
(in millions of euros)	2007	2006	Change
Automobiles (Fiat Group Automobiles, Maserati, Ferrari)	**247**	83	164
Agricultural and Construction Equipment (CNH-Case New Holland)	**225**	137	88
Trucks and Commercial Vehicles (Iveco)	**190**	156	34
Components and Production Systems (FPT, Magneti Marelli, Teksid, Comau)	**121**	83	38
Other Businesses (Publishing and Communications, Holding Companies and Other companies) **and Eliminations**	**(38)**	(32)	-6
Total for the Group	**745**	**427**	**318**
Trading margin (%)	**5.4**	**3.6**	

In the third quarter of 2007, the Group had a **trading profit** of 745 million euros, an increase of 318 million euros from the 427 million euro trading profit of the same period of 2006. A significant contribution came from the Automobiles businesses, with Fiat Group Automobiles more than tripling its trading profit to 185 million euros, CNH, up by 88 million euros (+64.2%) to 225 million euros, and Iveco, up by 34 million euros (+21.8%) to 190 million euros. Positive performances were also recorded by the Components and Production Systems businesses, which reported an aggregate increase of 38 million euros, due mainly to improved results at FPT Powertrain Technologies (+31 million euros). Comau achieved a trading profit of 1 million euros, compared with a trading loss of 8 million euros in the third quarter of 2006. This improvement reflects the positive effects of the restructuring plan launched in the second half of 2006. Magneti Marelli confirmed the positive result of the third quarter of 2006, and so did Teksid which was able to offset the negative impact of the change in the scope of consolidation.

Operating result

Operating income totalled 745 million euros in the third quarter of 2007; the improvement of 318 million euros with respect to the operating income of 427 million euros in the third quarter of 2006 reflects higher trading profit.

Net gains on the disposal of investments amounted to 128 million euros in the third quarter of 2007 and included mainly the gain realised upon the sale of the interest held in Mediobanca (118 million euros). Net gains of 159 million euros were recorded in the third quarter of 2006 and included the gains on the sale of B.U.C. – Banca Unione di Credito (80 million euros), Immobiliare Novoli (39 million euros), Machen Iveco Holding SA which owned 51% of Ashok Leyland Ltd (23 million euros), and the gain realised upon completion of the sale of Atlanet (22 million euros).

In the third quarter of 2007, **restructuring costs** totalled 32 million euros and related mainly to CNH. In the third quarter of 2006, restructuring costs totalled 129 million euros and related principally to CNH (88 million euros), Comau (29 million euros) and Iveco (10 million euros).

In the third quarter of 2007, the balance of **other unusual income (expenses)** was a negative 96 million euros, mainly relating to costs incurred in connection with the rationalisation of some strategic suppliers of the Group. In the third quarter of 2006, other unusual expenses totalled 30 million euros, 25 million euros of which for the writedown of goodwill related to certain European subsidiaries of Comau, following the process of business reshaping of the Sector launched in the third quarter of 2006.

Net result

Net financial expenses totalled 163 million euros in the third quarter of 2007 (financial expenses of 120 million euros in the third quarter of 2006) and included a negative impact of 19 million euros arising from the mark-to-market of stock option-related equity swaps on Fiat shares (positive impact of 24 million euros in the third quarter of 2006). Comparing with the corresponding period of 2006, the positive effect arising from lower net industrial debt of the Group has been offset by an increase in income/expense of a financial nature that is not directly linked to the level of that debt. The financial component of costs for pension plans and other employee benefits totalled 36 million euros in the third quarter of 2007, compared with 38 million euros in the corresponding period of 2006.

Investment income totalled 40 million euros in the third quarter of 2007, an improvement of 20 million euros over the income achieved in the third quarter of 2006.

Income before taxes totalled 622 millions euros in the third quarter of 2007, against income of 327 million euros in the same period a year ago. The 295 million euro improvement is due to the increase of 318 million euros in operating income, to which must be added the rise (+20 million euros) in investment income, partly reduced by higher net financial expenses for 43 million euros.

Income taxes totalled 168 millions euros in the third quarter of 2007, 42 million euros of which for IRAP and 14 million euros for prior-year taxes. The tax charge (excluding IRAP) of 126 million euros represents an increase over that for the same period of the previous year as the result of improvements in net income, in particular outside of Italy, partially offset by net non-recurring income of 64 million euros, arising from the write-back of a deferred tax liability no longer due, net of higher prior-period taxes. The Group is expected to utilise tax loss carry-forwards in the remainder of 2007 and the whole 2008 to deliver an effective tax rate (exclusive of IRAP) in line with the third quarter of 2007. In the third quarter of 2006, income taxes amounted to 127 million euros, 35 million euros of which for IRAP.

Net income totalled 454 million euros in the third quarter of 2007, against income of 200 million euros in the same period of 2006.

Net income attributable to equity holders of the Parent amounted to 432 million euros in the third quarter of 2007, against income of 195 million euros in the same period of 2006.

Operating Performance of the Fiat Group in the first nine months of 2007

Net revenues

(in millions of euros)	1/1-9/30 2007	2006	% change
Automobiles (Fiat Group Automobiles, Maserati, Ferrari)	**21,167**	18,645	13.5
Agricultural and Construction Equipment (CNH-Case New Holland)	**8,783**	7,980	10.1
Trucks and Commercial Vehicles (Iveco)	**7,928**	6,452	22.9
Components and Production Systems (FPT, Magneti Marelli, Teksid, Comau)	**9,837**	9,167	7.3
Other Businesses (Publishing and Communications, Holding companies and Other companies)	**1,000**	1,088	-8.1
Eliminations	**(6,002)**	(5,359)	-
Total for the Group	**42,713**	**37,973**	**12.5**

The Fiat Group had **net revenues** of 42,713 million euros in the first nine months of 2007, an increase of 12.5% from the corresponding period of 2006, with all the main industrial businesses posting improvements.

The **Automobiles** businesses had revenues of 21,167 million euros for an increase of 13.5% from the first nine months of 2006. All Sectors contributed to this good performance: higher sales volumes drove Fiat Group Automobiles revenues to 19,594 million euros, up 13.2% from the same period of 2006; revenues increased 29.3% at Maserati and 12.9% at Ferrari.

Agricultural and Construction Equipment (CNH) had revenues of 8,783 million euros in the first nine months of 2007 (+10.1% from the corresponding period of 2006). In US dollar terms, revenues increased by 18.9% due to increased volumes and the improved product mix.

In the first nine months of 2007, **Iveco** had revenues of 7,928 million euros, an increase of 22.9% from the first nine months of 2006, attributable to significantly higher sales volumes and improved pricing.

The **Components and Production Systems** businesses had revenues of 9,837 million euros in the first nine months of 2007, for an increase of 7.3% from the same period of 2006. Revenues increased at FPT Powertrain Technologies (+14.7%) and Magneti Marelli (+11%; +11.5% on a comparable scope of operations), while they decreased by 25.3% at Teksid, mainly due to the sale of Meridian Technologies at the beginning of March 2007 (-4.8% on a comparable scope of operations). Comau's revenues decreased by 15.7% due to difficult trading conditions and the impact of resizing efforts devoted to the Sector.

Trading profit

(in millions of euros)	1/1-9/30 2007	2006	Change
Automobiles (Fiat Group Automobiles, Maserati, Ferrari)	**733**	266	467
Agricultural and Construction Equipment (CNH-Case New Holland)	**762**	547	215
Trucks and Commercial Vehicles (Iveco)	**564**	389	175
Components and Production Systems (FPT, Magneti Marelli, Teksid, Comau)	**350**	270	80
Other Businesses (Publishing and Communications, Holding companies and Other companies) **and Eliminations**	**(123)**	(63)	-60
Total for the Group	**2,286**	**1,409**	**877**
Trading margin (%)	**5.4**	**3.7**	

In the first nine months of 2007, **trading profit** of the Fiat Group amounted to 2,286 million euros, an increase of 877 million euros from the 1,409 million euros reported in the corresponding period of 2006. The significant improvement posted by the Automobiles businesses (374 million euros) reflects higher trading profit at Fiat Group Automobiles (it should be noted that this Sector's trading profit included a one-off gain net of one-off costs of approximately 40 million euros recorded in the first quarter of 2007). A significant contribution also came from CNH, whose trading profit was up 215 million euros (+39.3%) to 762 million euros, and from Iveco, whose trading profit grew by 175 million euros (+45%) to 564 million euros. The Components and Productions Systems posted an aggregate improvement of 80 million euros as a result of higher trading profit at FPT Powertrain Technologies (+66 million euros) and Magneti Marelli (+9 million euros). Comau had a trading loss of 24 million euros (loss of 29 million euros in the first nine months of 2006); the improvement stems from the positive results achieved in the second and third quarter of 2007.

Operating result

Operating income totalled 2,286 million euros in the first nine months of 2007; the 877 million euro improvement from the 1,409 million euros reported in the corresponding period of 2006 reflects higher trading profit.

Net **gains** on the disposal of investments totalled 180 million euros in the first nine months of 2007 and mainly included the gain of 42 million euros realised upon final disposal of Ingest Facility and those previously mentioned for the quarter. With regard to the sale of Meridian Technologies, which was finalised in early 2007, a net loss of 29 million euros was recognised in the Consolidated Financial Statements at December 31, 2006. The 167 million euros reported in the first nine months of 2006 referred mainly to the sales previously mentioned for the third quarter of 2006

In the January-September period, **restructuring costs** totalled 54 million euros and related primarily to CNH and Comau. In the first nine months of 2006, restructuring costs totalled 137 million euros and related mainly to the same Sectors.

Other unusual income (expenses) in the first nine months of 2007 consisted of net expenses of 126 million euros, largely in connection with the rationalisation of some strategic suppliers of the Group. In the corresponding period of 2006 this item consisted of net expenses of 30 million euros, previously described as part of the comments to the third quarter.

Net result

Net financial expenses totalled 331 million euros in the first nine months of 2007, compared with net expenses of 418 million euros in the corresponding period of 2006. The 87 million euro improvement from the corresponding period of the previous year mainly reflects lower net industrial debt as well as higher financial income for 85 million euros arising from stock option-related equity swaps on Fiat shares. Conversely, expenses of 43 million euros were recognised in relation to the early redemption of a CNH 9.25% fixed rate bond due in 2011. The financial component of costs for pension plans and other employee benefits totalled 114 million euros in the first nine months of 2007, compared with 119 million euros in the corresponding period of 2006.

Investment income totalled 116 million euros in the first nine months of 2007, as compared to income of 110 million euros in the corresponding period of 2006, which included the release to income of a provision of 15 million euros, originally made in connection with an investment in China, for which the risk no longer subsisted.

Income before taxes totalled 2,071 million euros in the first nine months of 2007, against income of 1,101 million euros in the corresponding period of last year. The 970 million euro improvement is due to the increase of 877 million euros in operating income, lower net financial expenses for 87 million euros and an increase in investment income of 6 million euros.

Income taxes totalled 614 million euros in the first nine months of 2007, 132 million euros of which for IRAP and 20 million euros for prior-period taxes. The tax charge (excluding IRAP), amounting to 482 million euros, increased with respect to the same period of last year due to improved net income, in particular those of foreign companies, partly offset by net non-recurring income of 64 million euros, as previously mentioned for the quarter. Income taxes in the first nine months of 2006 amounted to 420 million euros, 112 million euros of which for IRAP.

Net income totalled 1,457 million euros in the January-September 2007 period, against income of 681 million euros in the corresponding period of 2006.

Net income attributable to equity holders of the Parent totalled 1,383 million euros in the first nine months of 2007, compared with income of 613 million euros in the corresponding period of 2006.

Operating Performance by Business

Automobiles

Net revenues

2007	2006	1/1-9/30 % change	(in millions of euros)	2007	2006	3rd Quarter % change
19,594	17,305	13.2	**Fiat Group Automobiles**	**6,510**	5,537	17.6
485	375	29.3	**Maserati**	**141**	106	33.0
1,172	1,038	12.9	**Ferrari**	**368**	332	10.8
(84)	(73)	-	**Eliminations**	**(33)**	(21)	-
21,167	**18,645**	**13.5**	**Total**	**6,986**	**5,954**	**17.3**

Trading profit

2007	2006	1/1-9/30 Change	(in millions of euros)	2007	2006	3rd Quarter Change
570	196	374	**Fiat Group Automobiles**	**185**	51	134
6	(32)	38	**Maserati**	**6**	(6)	12
157	102	55	**Ferrari**	**56**	38	18
733	**266**	**467**	**Total**	**247**	**83**	**164**
3.5	**1.4**		**Trading margin (%)**	**3.5**	**1.4**	

Fiat Group Automobiles

Fiat Group Automobiles closed the third quarter of 2007 with **revenues** of 6,510 million euros, an increase of 17.6% over the third quarter of 2006. The success of new models continued to drive the increase in sales. Higher volumes were recorded both in Europe and South America.

Effective January 1 2007, the European Financial Services activities (financing to the sales network and renting) sold to Fiat Group Automobiles Financial Services (FAFS), the 50-50 joint venture established at the end of December 2006 by Fiat Group Automobiles and Crédit Agricole, are no longer consolidated on a line-by-line basis but are accounted for using the equity method. Detailed information on the transactions connected with the establishment of FAFS was provided in the Fiat Group Consolidated Financial Statements at December 31, 2006. On a comparable scope of operations, Sector revenues would have increased by 20.4%.

In the third quarter of 2007, the automobile market in Western Europe increased by 1.6% from the third quarter of 2006. Among leading European countries, increases were recorded in Italy (+6%), partly as a result of government incentives for car park renewal, France (+8.2%) and Great Britain (+2.0%), while demand continued to decline in Germany (-5.6%), as it was still impacted by the accelerated purchasing of automobiles in the closing months of 2006 before the German VAT rate increased at the beginning of 2007, and in Spain (-2.9%). Outside Western Europe, the markets where the Sector operates were particularly buoyant: demand for automobiles increased by 22.1% in Poland while registrations in Brazil posted an increase of 28.6% over the third quarter of last year.

The Western European market for light commercial vehicles grew by 12.4% over the third quarter of 2006, with increases recorded in all the principal countries.

In the third quarter of 2007 Fiat Group Automobiles delivered a total of 542,600 units, up 18% from the same period of 2006. A total of 304,800 units were delivered in Western Europe, for an increase of 9.3%. Due to the success of the Punto, Panda, Bravo, Fiat 500 and light commercial vehicles, Sector deliveries increased in all the main countries: Germany +22.1%, realising a remarkable turnaround in a market that remained sluggish, Italy +8.7%, Great Britain +5.1%, Spain +3.4%, France +2.7%. Fiat Group Automobiles share of the automobile market reached 30.9% in Italy, up 0.2 percentage points from the third quarter of 2006; in Western Europe, its share stood at 7.4% for an increase of 0.4 percentage points.

In Brazil, Fiat Group Automobiles took full advantage of the positive trend in demand and continued to perform positively: deliveries increased by 33.7% from the third quarter of 2006 and its share of the automobile market rose by 0.4 percentage points to 26.6%. In Poland, deliveries also increased significantly (+34.1%) and the Sector's market share stood at 10.2% (+0.3 percentage points with respect to the third quarter of 2006).

With regard to light commercial vehicles, a total of 88,400 units were delivered, for an increase of 26.2% from the third quarter of 2006. The Ducato and the New Scudo were the Sector's best selling vehicles, with the latter performing well as transport vehicle for both goods and passengers. In Western Europe deliveries totalled 50,700 units, an increase of 16.8%. LCV market share stood at 43.4% in Italy, down 2 percentage points with respect to the third quarter of 2006, which had benefited from significant fleet contracts which come up for renewal every four years. In Western Europe, market share reached 11.8% (+1.1 percentage points).

Fiat Group Automobiles had a **trading profit** of 185 million euros in the third quarter of 2007, up sharply with respect to trading profit of 51 million euros in the third quarter of 2006. The increase is mainly attributable to higher volumes, a more favourable product mix following the introduction of new models and increased absorption of fixed production costs, net of an increase in marketing costs due to the introduction of new models, higher costs for the development of the sales network and a rise in research and development expense connected to the renewal of the product portfolio.

In the **first nine months** of 2007 Fiat Group Automobiles had **revenues** of 19,594 million euros, up 13.2% over the first nine months of 2006 reflecting higher sales volumes. On a comparable scope of operations, Sector revenues increased by 15.7%.

A total of 1,662,400 units were delivered in the first nine months of 2007 for an increase of 13.8% from the same period of 2006. In particular, in Western Europe Sector deliveries rose by 6.4% to 1,021,000 units, notwithstanding a soft automobile market. Overall demand was in line with the first nine months of 2006 (-0.2%), as decreases in Germany (-8%) and Spain (-2%) were offset by higher demand in Italy (+6.6%), Great Britain (+2%) and France (+0.3%).

Sector deliveries increased by 6.4% in Italy, 17% in Spain, 7.8% in France, 6.9% in Great Britain and 1.1% in Germany. In the January-September 2007 period, Fiat Group Automobiles share of the automobile market in Italy stood at 31.4%, against 30.7% in the first nine months of 2006. This positive performance was confirmed in Western Europe too, where the overall market share stood at 8.1%, for an increase of 0.5 percentage points.

The performance of the Sector's models was outstanding: Fiat Panda was the best-selling car in Europe in the A segment and the Punto was one of the most requested cars of its segment. These positive performances were flanked by the contribution of the Bravo in the new C segment, above expectations, and of the Fiat 500, launched at the beginning of July. The latter, a car that is the icon of the Sector, was particularly well received and received over 90,000 orders to date.

Sustained in part by the favourable trend of the market, deliveries were up strongly in Brazil (+31.8%) and in Poland, where volumes increased by 23.7%.

A total of 284,600 light commercial vehicles were delivered in the first nine months of 2007, for an increase of 23.2% from the first nine months of 2006. 176,100 units were delivered in Western Europe (+15.7%), where the Sector's market share reached 11.7% (+0.6 percentage points).

Fiat Group Automobiles had a **trading profit** of 570 million euros in the first nine months of 2007, posting a significant improvement (+374 million euros) from the 196 million euros recorded in the same period of 2006. The drivers of this increase are the same as those disclosed for the quarter, in addition to the impact of approximately 40 million euros arising from a non-recurring gain (net of non-recurring expenses) recorded in the first quarter of 2007.

Maserati

Maserati had **revenues** of 141 million euros in the third quarter of 2007, up 33% over the corresponding period of 2006. The significant improvement was largely attributable to the outstanding performance of the new automatic version of the Quattroporte, and of the new Maserati GranTurismo.

During the quarter, Maserati delivered 1,467 cars to the dealer network, an increase of 25.8% over the third quarter of 2006, due to the significant increase in volumes of the Quattroporte model. The decrease in sales of the Coupé model has not yet been compensated by sales of the Maserati GranTurismo, the new model presented in March 2007 at the Geneva Motor Show and marketed as of July.

In the third quarter of 2007, Maserati had a **trading profit** of 6 million euros, a sharp improvement from the trading loss of 6 million euros reported in the third quarter of 2006. This result confirms the turnaround in performance reported in the second quarter, attributable to higher volumes and ongoing cost-containment initiatives.

In the **first nine months** of 2007, Maserati had revenues of 485 million euros, up 29.3% over the first nine months of 2006, once again driven by the excellent performance of the Quattroporte Automatica.

During the period, a total of 5,171 units were delivered to the dealer network, an increase of 23% from the first nine months of 2006. Deliveries of the Quattroporte model increased by 66%: a performance that is all the more significant considering the fact that the reference market (luxury sedan segment) contracted by 10%.

Maserati's trading profit amounted to 6 million euros during the first nine months of 2007, a significant improvement with respect to the trading loss of 32 million euros of the first nine months of 2006. This improvement is attributable to the same reasons illustrated for the quarter.

The order backlog at the end of September 2007 amounted to 2,606 cars, 2,155 of which were Maserati GranTurismo.

Ferrari

Ferrari recorded **revenues** of 368 million euros in the third quarter of 2007, an increase of 10.8% from the third quarter of 2006 mainly attributable to sales of the 599 GTB Fiorano model and the F430 model, the spider version in particular.

Deliveries to the dealer network reached 1,428 units, 8.8% more than in the third quarter of 2006. A total of 1,535 units were delivered to end customers, an increase of 12% over the third quarter of 2006.

Ferrari closed the third quarter of 2007 with a **trading profit** of 56 million euros, an improvement of 18 million euros with respect to the trading profit of 38 million euros recorded in the corresponding period of 2006. This positive performance is mainly attributable to an increase in sales volumes and cost efficiency gains.

In the **first nine months** of 2007, Ferrari recorded revenues of 1,172 million euros, up 12.9% from the first nine months of 2006, mainly due to higher sales of the models previously indicated for the quarter.

During the January-September period, deliveries to the dealer network amounted to 4,675 units, an increase of 15.1% over the first nine months of 2006. Deliveries to end customers totalled 4,899 units, up 13% from the same period a year ago.

Ferrari closed the first nine months of 2007 with a trading profit of 157 million euros, a significant improvement over the 102 million euro trading profit reported in the first nine months of 2006. The reasons for this improvement are the same as those reported for the quarter.

Agricultural and Construction Equipment

1/1-9/30			3rd Quarter	
2007	2006	(in millions of euros)	2007	2006
8,783	7,980	**Net revenues**	**2,823**	2,314
10.1		% change	22.0	
762	547	**Trading profit**	**225**	137
215		Change	88	
8.7	6.9	**Trading margin (%)**	**8.0**	5.9

Revenues of CNH-Case New Holland in the third quarter of 2007 amounted to 2,823 million euros, posting an increase of 22%, which is all the more significant as it was impacted by the weakness of the US dollar which negatively influenced performance in reported terms. In US dollar terms, revenues increased by 31%. The improvement is due to higher volumes and better mix across all brands.

The global market for agricultural equipment increased by approximately 3% over the third quarter of 2006. The market expanded 1% in North America due to higher demand for tractors and combine harvesters. In Latin America, the market reported significant growth, for both combines and tractors. In Western Europe, the market increased for tractors while it was unchanged for combines. In the Rest of the World, market demand was down. Deliveries of CNH-Case New Holland agricultural equipment to its dealer network and sales to end customers increased strongly in the third quarter of 2007, in particular for higher horsepower tractors and combines. All geographic areas benefited from this positive performance, with particularly buoyant sales of combine harvesters in the Americas. In this context, all CNH brands increased their market shares for both tractors and combine harvesters over the third quarter in 2006.

In the third quarter of 2007, the global construction equipment market grew by 12% with respect to the third quarter of 2006. Demand for both heavy and light equipment grew significantly in all the main geographic regions, except North America where it declined by 10%. In the third quarter of 2007, CNH-Case New Holland deliveries to dealers and sales to end customers increased with respect to the third quarter of 2006, reflecting significant increases in volumes in all the geographic regions outside North America, where performance was impacted by the unfavourable market conditions.

CNH-Case New Holland closed the third quarter of 2007 with a **trading profit** of 225 million euros, an increase of 88 million euros from the 137 million euros reported in the third quarter of 2006. The improvement derived from higher volumes, a more favourable mix and lower warranty costs connected with the efforts undertaken to improve product quality.

In the **first nine months** of 2007, CNH had **revenues** of 8,783 million euros, up 10.1% compared with the corresponding quarter in 2006. The improvement was negatively impacted by the unfavourable translation effect of the dollar/euro exchange rate; in US dollar terms, revenues increased by 18.9%, mainly due to an increase in sales of higher horsepower tractors and combines, construction equipment outside North America, as well as to the new products launched and a more favourable sales mix.

The global market for agricultural equipment increased by 1% in the first nine months of 2007, with a stable market for tractors and positive performances for combine harvesters, and was characterized by high growth rates in Latin America for both product lines. Demand also increased in Western Europe and North America, while it decreased in the Rest of the world. During the first nine months of the year, CNH deliveries to its dealers and sales to end customers increased over the corresponding period of 2006 across all geographic areas. In particular, sales of higher horsepower tractors and combines increased significantly.

In the construction equipment segment, within the context of a market that expanded (+13%) at the global level, but contracted in North America, CNH deliveries to the network and sales to end customers increased over the first nine months of 2006: the decrease in North America was offset by positive performances in the other areas.

CNH closed the first nine months of 2007 with a **trading profit** of 762 million euros, significantly higher than the 547 million euros recorded in the corresponding period of 2006. The increase in volumes, a more favourable mix, improved pricing and lower warranty costs connected with the efforts undertaken to improve product quality were the main drivers of this improvement.

Truck and Commercial Vehicles

1/1-9/30			3rd Quarter	
2007	2006	(in millions of euros)	2007	2006
7,928	6,452	Net revenues	2,580	2,095
22.9		% change	23.2	
564	389	Trading profit	190	156
175		Change	34	
7.1	6.0	Trading margin (%)	7.4	7.4

In the third quarter of 2007, Iveco had **revenues** of 2,580 million euros, a significant improvement of 23.2% from the corresponding period of 2006, due to the strong increase in sales volumes in Western and Eastern Europe and improved pricing.

Western European demand for commercial vehicles (curb weight > 2.8 tons) increased overall by 17% with respect to the third quarter of 2006 driven by growth in the light vehicles segment (+25.2%). Fluctuations in demand for heavy vehicles (+2.6%) and medium vehicles (-6.7%) were negatively influenced by the high number of registrations recorded in the third quarter of 2006 (particularly in September 2006), a period that was characterised by the pre-registration of vehicles of this segment equipped with Euro 3 engines prior to the introduction of new emission regulations (Euro 4) applicable to these vehicles. Demand rose in all the principal European countries: significant increases were recorded in Germany (+27.8%), France (+21.1%), Spain (+14.2%), Italy (+11.7%) and Great Britain (+7.8%). Demand for buses in the five most important European countries grew by 11% over the third quarter of 2006, driven by increased demand in Great Britain and Italy.

Iveco delivered a total of 48,600 vehicles in the third quarter of 2007, 3,200 of which sold with buy back commitments, posting an increase of 20.6% from the same period of 2006. A total of 32,400 vehicles were delivered in Western Europe, for an improvement of 8.4%. The Sector recorded remarkable improvements in the light and heavy vehicles segments, driven by the excellent performance of the light vehicle Daily and the new heavy vehicle Stralis. At the single country level, increases were recorded in Italy (+25.3%), Germany (+16.1%), France (+4.2%) and Great Britain (+2.5%), while a decline was posted in Spain. As regards the main geographic areas outside Western Europe where the Sector operates, deliveries increased in Eastern Europe (+25%) and Latin America (+34%).

Iveco's market share in Western Europe stood at 10.5%, a slight decrease (-0.4 percentage points) with respect to the third quarter of 2006. It was negatively impacted by a decline in the light vehicle segment (-0.7 percentage points), partly attributable to increased demand for vans, which was also satisfied by the offer available of car-derived vehicles. This decline was only partially offset by the improvements achieved in the market shares of medium and heavy vehicles (+2 percentage points and +1.2 percentage points, respectively).

In the third quarter of 2007, Iveco had a **trading profit** of 190 million euros, an improvement of 34 million euros with respect to the 156 million euros recorded in the third quarter of 2006. The change is mainly attributable to the strong increase in sales volumes and better pricing resulting from the improvement in the competitive repositioning of its products, especially heavy vehicles, partly reduced by higher expenses for international dealer network development and support to projects in Asia and Latin America.

In the **first nine months** of 2007 Iveco's **revenues** totalled 7,928 million euros. The sharp increase (+22.9%) from the corresponding period of 2006 reflects higher sales volumes and improved pricing.

In the January-September 2007 period, Iveco delivered a total of 153,100 vehicles, 10,100 of which sold with buy-back commitments, posting an increase of 18% over the corresponding period of 2006. In Western Europe alone, a total of 109,000 vehicles were delivered, for an increase in sales of 10.3%, in a market that grew 9.6% overall as a result of the positive trend in demand for light vehicles, while the other segments continued to decline. Deliveries increased sharply, especially in the light and heavy segments, across all the main European countries, except for Great Britain where deliveries were impacted by market softness. The Sector confirmed its excellent performances also in the other geographical areas, with deliveries increasing 48% in Eastern Europe and 40% in Latin America. Iveco's market share in Western Europe (10.4%) declined slightly (-0.3 percentage points) with respect to the first nine months of 2006, as the Sector's market share decreased slightly for light vehicles (-0.3 percentage points), while it increased for medium and heavy vehicles (+1.1 percentage points and +0.6 percentage points, respectively).

In the first nine months of 2007 **trading profit** reached 564 million euros, up 175 million euros from the same period of 2006 due to the same reasons mentioned for the quarter.

Components and Production Systems

Net revenues

	1/1-9/30				3rd Quarter	
2007	2006	% change	(in millions of euros)	**2007**	2006	% change
5,180	4,515	14.7	**FPT Powertrain Technologies**	**1,629**	1,345	21.1
3,685	3,321	11.0	**Components** (Magneti Marelli)	**1,183**	979	20.8
555	743	-25.3	**Metallurgical Products** (Teksid)	**164**	223	-26.5
792	940	-15.7	**Production Systems** (Comau)	**256**	288	-11.1
(375)	(352)	-	**Eliminations**	**(103)**	(102)	-
9,837	**9,167**	**7.3**	**Total**	**3,129**	**2,733**	**14.5**

Trading profit

	1/1-9/30				3rd Quarter	
2007	2006	Change	(in millions of euros)	**2007**	2006	Change
184	118	66	**FPT Powertrain Technologies**	**63**	32	31
145	136	9	**Components** (Magneti Marelli)	**44**	44	-
45	45	-	**Metallurgical Products** (Teksid)	**13**	15	-2
(24)	(29)	5	**Production Systems** (Comau)	**1**	(8)	9
350	**270**	**80**	**Total**	**121**	**83**	**38**
3.6	**2.9**		**Trading margin (%)**	**3.9**	**3.0**	

FPT Powertrain Technologies

FPT Powertrain Technologies had **revenues** of 1,629 million euros in the third quarter of 2007, an increase of 21.1% from the same period of 2006. The automotive powertrain activities (Passenger & Commercial Vehicles) and the powertrain activities for commercial vehicles, industrial applications in agricultural and construction equipment and marine engines (Industrial & Marine) contributed to this result. Part of the Sector's output was sold to other Group Sectors, while sales to third parties and joint ventures represented 22% of revenues of the period.

The Passenger & Commercial Vehicles product line closed the quarter with revenues of 904 million euros (+18.9%), with 81% of production earmarked for Group Sectors and the remaining 19% represented by sales of diesel engines to third parties. During the quarter, the product line sold a total of 614,400 engines, up 18.5%, and 497,000 transmissions (+27.7%).

The Industrial & Marine product line had revenues of 719 million euros, posting an increase of 23.8% over the third quarter of 2006 as a result of higher sales volumes to both Group companies and third parties. A total of 112,800 engines were sold, up 17.6%, mainly to Iveco (45%), CNH (20%) and Sevel, the joint venture for the production of light commercial vehicles (25%). In addition, 27,100 transmissions (+14.7%) and 66,500 axles (+15.5%) were sold.

In the third quarter of 2007, the Sector had a **trading profit** of 63 million euros, almost double with respect to the 32 million euros reported in the third quarter of 2006. The change is attributable to higher volumes as well as significant efficiencies in purchasing and manufacturing costs, partly offset by higher research and development costs in the Industrial & Marine product line and higher costs connected to international business development.

In the **first nine months** of 2007 FPT had revenues of 5,180 million euros (24% of which to third parties and joint ventures), for an increase of 14.7% over the corresponding period of 2006.

In the January-September 2007 period, revenues of the Passenger & Commercial Vehicles product line totalled 2,848 million euros (+12.9%), 78% of which to Group Sectors. During the period, a total of 1,924,400 engines (+11.2%) and 1,540,700 transmissions (+22.5%) were sold. The Industrial & Marine product line had revenues of 2,316 million euros in the first nine months of 2007, for an increase of 16.9% with respect to the first nine months of 2006 due to sales to all the main customers, and sold 372,500 engines (+12.7%).

Trading profit for the first nine months of 2007 was 184 million euros, an improvement of 66 million euros from the 118 million euros reported in the corresponding period of 2006, due to higher volumes and efficiency gains.

Magneti Marelli

In April 2007, following the acquisition of 80% of Concordia Finance S.A., Magneti Marelli reacquired control of the automotive spare parts distribution activities. The After Market Parts & Services business unit was therefore consolidated as of May 1, 2007. This business unit is active worldwide in the distribution of spare parts in the Independent After Market segment.

Magneti Marelli had **revenues** of 1,183 million euros in the third quarter of 2007, an increase of 20.8% over the third quarter of the previous year. On a comparable basis, revenues increased by 17.3%, due to higher sales of Fiat models and increased sales to third parties in Europe, Brazil and the Nafta area.

As regards business units, Lighting revenues continued to increase, especially towards third parties in its principal markets, Germany and the Nafta area. Engine control improved its performance, with revenues increasing in Brazil, especially for Fiat, as well as in Europe and China; Electronic Systems revenues increased due to sales of cabin-related products for Fiat and instrument clusters for third parties. The rise in revenues at the Suspension Systems business was mainly connected to higher sales to Fiat, its most important customer, due to the good performance of production in Poland and Brazil. The same is true for the Exhaust Systems business unit whose revenues grew as a result of increased sales to Fiat as well as higher sales to third parties in Brazil.

In the third quarter of 2007, Magneti Marelli had a **trading profit** of 44 million euros, in line with the third quarter of 2006. The positive effect of higher sales volumes and efficiency gains was offset by the negative impact of the price/cost ratio and new products start-up costs.

In the **first nine months** of 2007 Magneti Marelli had revenues of 3,685 million euros for an increase of 11% over the same period of the previous year. The impact of the consolidation of the After Market Parts & Services business was compensated by the sale to Fiat Group Automobiles of the activities for the final assembly of suspension systems earmarked for Fiat models, which took place in the second quarter of 2006. On a comparable scope of operations, revenues increased by 11.5%, due to buoyant sales to Fiat and third parties, with increases being posted across all the business units.

Magneti Marelli had a trading profit of 145 million euros in the first nine months of 2007, up 9 million euros from the same period of 2006 as a result of higher sales volumes and efficiency gains, notwithstanding the negative factors previously mentioned for the quarter.

Teksid

At the beginning of March 2007, the sale of the interests held in Meridian Technologies Inc., which was headed by Teksid's Magnesium Business Unit, to a consortium of investors headed by the Swiss holding company Estatia AG was finalised on receiving the necessary authorisations. Said activities were therefore deconsolidated as of that date.

In the third quarter of 2007, the Sector had **revenues** of 164 million euros, a decrease of 26.5% from the 223 million euros reported in the third quarter of last year. On a comparable scope of operations, revenues were unchanged, notwithstanding a slight decrease in volumes (-1.8%): higher sales on the Brazilian and European markets were more than offset by a decrease in the North American market.

Teksid closed the third quarter of 2007 with a **trading profit** of 13 million euros, compared with trading profit of 15 million euros in the corresponding quarter of 2006, which included 3 million euros generated by the Magnesium Business Unit. On a comparable scope of operations, the improvement amounted to 1 million euros and was due to efficiency gains which more than offset the increase in raw materials and energy costs.

In the **first nine months** of 2007 Teksid had revenues of 555 million euros, down 25.3% from the first nine months of 2006. Excluding the mentioned change in the scope of operations, the decrease amounted to 4.8%.

Teksid's trading profit totalled 45 million euros in the first nine months of 2007, in line with the corresponding period of the previous year. On a comparable scope of operations, the improvement amounted to 14 million euros.

Comau

Comau had **revenues** of 256 million euros in the third quarter of 2007, a decrease of 11.1% compared with the third quarter of 2006. The change is attributable to the downsizing of the Body-welding operations in Europe as well as to the Powertrain business as a result of difficult trading conditions for the sector. Exchange rate trends also negatively influenced revenue performance.

Order intake for the period, totalling 220 million euros (+19.9%), was positively impacted by the good performance of Engineering and Service activities in South America.

In the third quarter of 2007 Comau had a **trading profit** of 1 million euros, against a trading loss of 8 million euros in the same period of 2006. The improvement is due to the restructuring plan launched in the second half of 2006 and whose effects will be fully visible in 2008.

Comau had revenues of 792 million euros in the **first nine months** of 2007, a decrease of 15.7% with respect to the corresponding period of 2006.

Order intake for the period totalled 909 million euros and was substantially in line with the first nine months of 2006. Order backlog at September 30, 2007 totalled 661 million euros, an increase of 14% with respect to December 31, 2006.

In the first nine months of 2007 Comau had a trading loss of 24 million euros, against a trading loss of 29 million euros in the corresponding period of 2006. The lower trading loss is due to the positive results achieved in the second and third quarter.

Other Businesses

Net revenues

		1/1-9/30				3rd Quarter
2007	2006	% change	(in millions of euros)	2007	2006	% change
284	282	0.7	**Publishing and Communications** (Itedi)	**79**	80	-1.3
716	806	-11.2	**Holding companies and Other companies**	**236**	260	-9.2
1,000	**1,088**	**-8.1**	**Total**	**315**	**340**	**-7.4**

Trading profit

		1/1-9/30				3rd Quarter
2007	2006	Change	(in millions of euros)	2007	2006	Change
4	3	1	**Publishing and Communications** (Itedi)	**(2)**	(2)	-
(127)	(66)	-61	**Holding companies and Other companies and Eliminations**	**(36)**	(30)	-6
(123)	**(63)**	**-60**	**Total**	**(38)**	**(32)**	**-6**

Itedi

Itedi had **revenues** of 79 million euros in the third quarter of 2007, a decrease of 1.3% with respect to the corresponding quarter of the previous year, as a result of lower advertising revenues at Publikompass, mainly due to the termination of concession agreements of certain newspapers.

The Sector closed the third quarter of 2007 with a **trading loss** of 2 million euros partially reflecting the seasonality of the business (loss of 2 million euros in the third quarter of 2006). The improvement resulting from overhead cost containment initiatives was offset by the impact of lower revenues.

In the **first nine months** of 2007 Itedi had revenues of 284 million euros, substantially in line with the corresponding period of 2006: higher revenues at Editrice La Stampa, mainly due to the sale of additional products, compensated lower advertising revenues. Trading profit totalled 4 million euros, an improvement of 1 million euros due to cost containment initiatives that compensated for the termination of government subsidies on paper cost that were in place in 2006.

Holding companies and Other companies

Holding companies and Other companies had **revenues** of 236 million euros in the third quarter of 2007; the 9.2% decrease with respect to the third quarter of 2006 is connected to the sale of Ingest Facility (operating in the facility management field) in the first quarter of 2007.

Holding companies and Other companies had a **trading loss** of 36 million euros in the third quarter of 2007, against a loss of 30 million euros in the third quarter of 2006 (which included trading profit of 10 million euros realised by the Services Sector). The difference is mainly attributable to changes in the scope of consolidation (-2 million euros mainly arising from the sale of B.U.C. – Banca Unione di Credito in the third quarter of 2006), as well as to non cash-costs of 8 million euros recognised in accordance with IFRS in connection with the stock option plan on Fiat shares approved by the Board of Directors at the end of 2006 subject to approval by the Stockholders Meeting; this approval was given in April 2007.

Revenues of Holding companies and Other companies in the **first nine months** of 2007 decreased by 11.2% to 716 million euros. Trading loss of Holding companies and Other companies (including eliminations and consolidation adjustments) increased from 66 million euros in the first nine months of 2006 (which included trading profit of 25 million euros realised by the Services Sector) to 127 million euros in the first nine months of 2007. The 61 million euro difference is due to lower activities on the High Speed Railway contract “Treno Alta Velocità” (TAV) for 9 million euros (in the first quarter of 2006 there was still a significant contribution for the Turin-Novara line that was completed in that period), as well as to changes in the scope of consolidation for 15 million euros, 10 million euros of which arising from the sale of B.U.C. – Banca Unione di Credito and 5 million euros from the sale of certain activities belonging to the Services Sector. Additionally non-cash costs of 30 million euros in connection with the mentioned stock option plan on Fiat shares were recognised in the period.

Consolidated Statement of Cash Flows

The consolidated statement of cash flows is presented as a component of the Interim Consolidated Financial Statements. A condensed version thereof as well as comments are provided below.

(in millions of euros)		1/1-9/30 2007	1/1-9/30 2006
A)	**Cash and cash equivalents at beginning of period as reported**	**7,736**	**6,417**
	Cash and cash equivalents included as Assets held for sale	**5**	-
B)	**Cash and cash equivalents at beginning of period**	**7,741**	**6,417**
C)	**Cash flows from (used in) operating activities during the period**	**2,524**	**2,013**
D)	**Cash flows from (used in) investment activities**	**(2,949)**	**(2,155)**
E)	**Cash flows from (used in) financing activities**	**(2,263)**	**(990)**
	Translation exchange differences	**12**	(121)
F)	**Total change in cash and cash equivalents**	**(2,676)**	**(1,253)**
G)	**Cash and cash equivalents at end of period**	**5,065**	**5,164**
	of which: Cash and cash equivalents included as Assets held for sale	**5**	81
H)	**Cash and cash equivalents at end of period as reported**	**5,060**	**5,083**

In the first nine months of 2007, cash flows from **operating activities** totalled 2,524 million euros.

Income cash flow, that is net income plus amortisation and depreciation, dividends, changes in provisions and items related to sales with buy-back commitments, net of Gains/losses on disposal and other non-cash items, amounted to 2,986 million euros, partly reduced by the cash used for the increase in working capital which, when calculated on a comparable consolidation and exchange rate basis, amounted to 462 million euros.

Cash flows used in **investment activities** totalled 2,949 million euros, in particular for:

- investments in tangible assets (including investments in vehicles for long-term renting operations for 214 million euros) and intangible assets (including capitalised development costs for 601 million euros) totalling 2,295 million euros;
- the increase in receivables from financing activities (1,030 million euros) mainly attributable to growth in financing extended by the financial services companies of CNH-Case New Holland, partly offset by the decrease in financing activities of the financial services companies of Fiat Group Automobiles that were not conveyed to Fiat Auto Financial Services at the end of 2006.

Conversely, proceeds from the sale of non-current assets totalled 541 million euros in the first nine months of 2007, and relate mainly to the sale of the interest held in Mediobanca (225 million euros), the sale of Meridian Technologies Inc. (Metallurgical Products Sector) and Ingest Facility (included in the Services Sector until the end of 2006), the final payment received on the sale of 51% of FAFS which took place at the end of 2006, as well as the proceeds from the sales of vehicles as part of the long-term renting operations.

Cash flows used in **financing activities** totalled 2,263 million euros mainly due to the reduction of debt for approximately 1.7 billion euros (0.9 billion euros of which relate to asset-backed financing), the payment of dividends (310 million euros, 36 million euros of which to minority stockholders of Group companies) as well as the purchase of treasury stock as part of the buy-back programme approved by the Stockholders Meeting in April 2007 (401 million euros), net of sales resulting from the exercise of stock options (24 million euros).

Balance Sheet of the Group at September 30, 2007

At September 30 2007, **Total Assets** amounted to 58,495 million euros, an increase of 192 million euros from 58,303 million euros at December 31, 2006.

At the end of the period, Total Assets included assets reclassified under Assets held for sale for 230 million euros, mainly relating to the Production Systems Sector and Fiat Group Automobiles (activities destined to be conveyed to the joint venture with Tata Motors in India).

In the first nine months of 2007 **Non-current assets** decreased by 23 million euros.
In particular, the decrease in Investments and other financial assets (-186 million euros), mainly attributable to the sale of the interest held by Fiat S.p.A. in Mediobanca (1.83%), was only partially offset by the increase in Leased assets (+113 million euros) and in Property, plant and equipment (+51 million euros). The increase in the latter is largely attributable to the positive balance of investments, depreciation and disposals (mainly vehicles sold by Iveco with buy-back commitments) and the mentioned reclassification of assets under Assets held for sale. Changes in the scope of consolidation accounted for an increase of 100 million euros mainly relating to the line-by-line consolidation of I.T.C.A., a car components company.

At September 30, 2007 receivables from financing activities totalled 12,528 million euros, an increase of 785 million euros from December 31, 2006. Net of the foreign exchange impact and of writedowns carried out, the increase amounted to 1,030 million euros.

Working capital, net of items connected with the sales of vehicles with buy-back commitments, is negative by 586 million euros, 252 million euros more than at the beginning of the fiscal year, when working capital was negative by 838 million euros.

(in millions of euros)		At 9/30 2007	At 12/31 2006	Change
Net inventories	(1)	**8,537**	7,553	984
Trade receivables		**5,047**	4,944	103
Trade payables		**(13,207)**	(12,603)	-604
Other receivables/(payables), accruals and deferrals	(2)	**(963)**	(732)	-231
Working capital		**(586)**	**(838)**	**252**

(1) Inventories are shown net of the value of vehicles sold with buy-back commitments by Fiat Group Automobiles.

(2) Other payables included in the balance of Other receivables/(payables), accruals and deferrals exclude amounts due to customers corresponding to the buy-back price due upon expiration of the related contracts and the amount of the fees paid in advance by customers for vehicles sold with buy-back commitments, which is equal to the difference at the date of signing the contract between the sales price and the buy-back price and which is allocated over the term of the entire agreement.

The seasonal trend of the third quarter during which activities, particularly those located in Italy, close for the summer holidays, led to an increase in working capital of 719 million euros in the July-September period that more than offset the overall reduction, totalling 467 million euros, recorded in the first six months of the year.

In the first nine months of 2007, the increase in **net inventories** (984 million euros) is attributable to higher levels of activity at all the main Group Sectors.

At September 30, 2007 trade receivables, other receivables and receivables from financing activities falling due after that date and sold without recourse and therefore eliminated from the balance sheet in compliance with IAS 39 derecognition requirements, totalled 5,954 million euros (5.697 million euros at December 31, 2006). This amount includes receivables, mainly from the sales network, sold to jointly-controlled financial services companies (FAFS) for 3,349 million euros (3,400 million euros at December 31, 2006) and associated financial services companies (Iveco Financial Services, controlled by Barclays) for 847 million euros (661 million euros at December 31, 2006).

The increase in **net inventories** and **trade receivables** (1,087 million euros) was only partly offset by the increase in **trade payables**, which increased by 604 million euros in the first nine months of 2007 mainly as a result of high activity levels, especially in the first half of 2007, and the rise in the liability balance of Other receivables/(payables), accruals and deferrals (231 million euros) which is mainly attributable to the change in receivables from/payables to tax authorities as well as receipt of extended term payments as part of the sale of 51% of FAFS.

At September 30, 2007 consolidated **net debt** (including net debt reclassified among Assets/liabilities held for sale) amounted to 12,416 million euros, 580 million euros more than the 11,836 million euros reported at December 31, 2006 due to growth in the investment portfolio of financial services companies as previously mentioned in the cash flow analysis, partly offset by the net cash flows generated by industrial activities.

(in millions of euros)		At 9/30 2007	At 12/31 2006
Debt		**(18,331)**	(20,188)
- Asset-backed financing		**(7,099)**	(8,344)
- Other debt		**(11,232)**	(11,844)
Debt included among Liabilities held for sale		**(67)**	(33)
Current financial receivables from jointly controlled financial services entities	(a)	**216**	143
Financial payables net of intersegment balances and current financial receivables from jointly controlled financial services entities		**(18,182)**	**(20,078)**
Other financial assets	(b)	**645**	382
Other financial liabilities	(b)	**(172)**	(105)
Current securities		**228**	224
Cash and cash equivalents		**5,060**	7,736
Cash and cash equivalents included among Assets held for sale		**5**	5
Net debt		**(12,416)**	**(11,836)**
- Industrial Activities		(1,425)	**(1,773)**
- Financial Services		(10,991)	**(10,063)**

(a) This item includes current financial receivables from the joint venture Fiat Group Automobiles Financial Services (FAFS).

(b) This item includes the asset and liability fair values of derivative financial instruments.

At September 30, 2007 **debt** decreased by 1,857 million euros. Net of change due to foreign currency translations, which led to a decrease in debt of approximately 300 million euros, and the change in the scope of consolidation, the decrease of approximately 1.7 billion euros is attributable to lower asset-backed financing (0.9 billion euros net of exchange rate impacts) and partly to lower bank loans and other debt (0.8 billion euros).

In the first nine months of 2007, bonds repayments totalled 802 million euros, 781 million euros of which related to the early redemption in August 2007 of a Case New Holland Inc. bond (due in 2011). In June, Fiat Finance North America Inc. issued a 1 billion euro bond with a fixed coupon of 5.625% and due in June 2017 as part of the 15 billion euro Global Medium Term Note Programme.

The **cash position** (cash, cash equivalents and current securities including those reclassified under Assets held for sale, for 5 million euros) totalled 5,293 million euros at September 30, 2007, a decrease of 2,672 million euros with respect to 7,965 million euros at December 31, 2006.

At September 30, 2007 cash and cash equivalents included 546 million euros (627 million euros at December 31, 2006), specifically allocated to service the debt for securitisation structures, mainly recognised under Asset-backed financing.

Headcount

At September 30, 2007, the Group had a 183,593 headcount, an increase of 3,562 over the 180,031 employees at June 30, 2007, and 11,581 more than the 172,012 employees at December 31, 2006. In both cases, changes were attributable to staff hirings, which referred mainly to blue-collar workers who were hired in connection with higher production volumes, and the balance of changes in the scope of operations.

The latter entailed a staff increase of approximately 900 employees with respect to December 31, 2006, mainly due to the consolidation of Magneti Marelli's After Market Parts & Services activities in the second quarter of 2007, and of the I.T.C.A. Group, a company operating in the automotive sector, in the third quarter of 2007, partly offset by the sale of Teksid's Magnesium activities and Ingest Facility.

Industrial Activities and Financial Services Activities: performance in the third quarter and first nine months of 2007

The following analyses of the consolidated income statement, balance sheet and statement of cash flows present separately the consolidated data of the Group's Industrial Activities and Financial Services activities. The latter include the retail financing, leasing and rental companies of CNH-Case New Holland, Iveco and Fiat Group Automobiles. Starting from the end of 2006, Fiat Group Automobiles no longer consolidates on a line by line basis the activities that were transferred to the joint venture Fiat Group Automobiles Financial Services (FAFS), established at the end of December 2006 with Crédit Agricole, which is accounted for using the equity method. Starting from the end of 2006, financial services activities are performed by Ferrari as well.

Certain of the Iveco financial services companies also carry out their business through trading activities: in order to better identify the contribution made by Financial Services activities to the Group's performance, trading activity has been excluded from their revenues and cost of sales starting January 1, 2007. As a result, figures for the third quarter and first nine months of 2006 have been reclassified accordingly, leading to a reduction in revenues and cost of sales of the Financial Services activities by the same amount, with no impact on the trading profit of these activities, on the income statement of Industrial Activities and on that of the Group as a whole.

Principles of analysis

The separation between Industrial Activities and Financial Services is made by preparing specific subconsolidated financial statements on the basis of the normal business performed by each Group company.

The 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 result, the effect of this accounting is classified in the income statement item Result from intersegment investments.

The Holding companies (Fiat S.p.A., FGI – Fiat Group International SA – the new name of IHF-Internazionale Holding Fiat S.A., Fiat Partecipazioni S.p.A., Fiat Netherlands Holding N.V.) are classified under Industrial Activities.

The subconsolidated financial statements of Industrial Activities also include companies that operate centralised cash management activities, i.e. those which raise financial resources on the market and finance Group companies, without providing financial services support to third parties.

Operating Performance by Activity Segment

Third Quarter results

(in millions of euros)	3rd Quarter 2007 Consolidated	Industrial Activities	Financial Services	3rd Quarter 2006 Consolidated	Industrial Activities	Financial Services
Net revenues	**13,858**	**13.597**	**369**	11.809	11.365	575
Cost of sales	**11,586**	**11.454**	**240**	10.043	9.744	430
Selling, general and administrative costs	**1,186**	**1.144**	**42**	1.059	990	69
Research and development	**349**	**349**	**-**	331	331	-
Other income (expenses)	**8**	**6**	**2**	51	44	7
Trading profit	**745**	**656**	**89**	**427**	**344**	**83**
Gains (losses) on the disposal of investments	**128**	**126**	**2**	159	158	1
Restructuring costs	**32**	**32**	**-**	129	129	-
Other unusual income (expenses)	**(96)**	**(96)**	**-**	(30)	(30)	-
Operating result	**745**	**654**	**91**	**427**	**343**	**84**
Financial income (expenses)	**(163)**	**(163)**	**-**	(120)	(120)	-
Result from investments (*)	**40**	**20**	**20**	20	7	13
Result before taxes	**622**	**511**	**111**	**327**	**230**	**97**
Income taxes	**168**	**146**	**22**	127	101	26
Net result	**454**	**365**	**89**	**200**	**129**	**71**
Result from intersegment investments	**-**	**89**	**-**	-	68	-
Net result	**454**	**454**	**89**	**200**	**197**	**71**

(*) This item includes investment income as well as writedowns and upward adjustments in non-intersegment investments accounted for using the equity method.

Nine months results

(in millions of euros)	1/1-9/30 2007 Consolidated	Industrial Activities	Financial Services	1/1-9/30 2006 Consolidated	Industrial Activities	Financial Services
Net revenues	**42,713**	**41,992**	**1,044**	37,973	36,776	1,660
Cost of sales	**35,646**	**35,297**	**672**	32,111	31,334	1,240
Selling, general and administrative costs	**3,717**	**3,593**	**124**	3,468	3,260	208
Research and development	**1,104**	**1,104**	**-**	1,032	1,032	-
Other income (expenses)	**40**	**38**	**2**	47	37	10
Trading profit	**2,286**	**2,036**	**250**	**1,409**	**1,187**	**222**
Gains (losses) on the disposal of investments	**180**	**178**	**2**	167	169	(2)
Restructuring costs	**54**	**54**	**-**	137	137	-
Other unusual income (expenses)	**(126)**	**(126)**	**-**	(30)	(28)	(2)
Operating result	**2,286**	**2,034**	**252**	**1,409**	**1,191**	**218**
Financial income (expenses)	**(331)**	**(331)**	**-**	(418)	(418)	-
Result from investments (*)	**116**	**59**	**57**	110	71	39
Result before taxes	**2,071**	**1,762**	**309**	**1,101**	**844**	**257**
Income taxes	**614**	**536**	**78**	420	365	55
Net result	**1,457**	**1,226**	**231**	**681**	**479**	**202**
Result from intersegment investments	**-**	**231**	**-**	-	200	-
Net result	**1,457**	**1,457**	**231**	**681**	**679**	**202**

(*) This item includes investment income as well as writedowns and upward adjustments in non-intersegment investments accounted for using the equity method.

Industrial Activities

In the third quarter of 2007, **net revenues** of Industrial Activities totalled 13,597 million euros, an increase of 19.6% from the corresponding period of the previous year. This improvement was driven by positive performances at the main industrial businesses. Revenues of the Automobiles businesses grew by 20.6%, CNH-Case New Holland revenues increased by 32.7% when stated in dollars; Iveco recorded growth of 25.2%. As for the Components and Production Systems businesses, revenues increased at FPT Powertrain Technologies and Magneti Marelli, while they decreased at Teksid, mainly due to the sale of the Magnesium operations. At Comau, revenues decreased.

In the first nine months of 2007 revenues of Industrial Activities increased by 14.2% from 36,776 million euros in 2006 to 41,992 million euros in 2007.

In the third quarter of 2007, **trading profit** of Industrial Activities totalled 656 million euros, an increase of 312 million euros from the 344 million euros reported in the corresponding period of last year: all industrial businesses contributed to this improvement, with the Automobiles businesses, Iveco and CNH-Case New Holland delivering particularly positive results.

Trading profit was 2,036 million euros in the first nine months of 2007, a sharp improvement (+849 million euros) from the trading profit of 1,187 million euros recorded in the first nine months of 2006.

In the third quarter of 2007 Industrial Activities had **operating income** of 654 million euros, compared with 343 million euros in the third quarter of 2006. The 311 million euro increase reflects higher trading profit.

Operating income of Industrial Activities totalled 2,034 million euros in the first nine months of 2007, up 843 million euros from operating income of 1,191 million euros in the corresponding period of 2006.

Financial Services

In the third quarter of 2007, Financial Services had **net revenues** of 369 million euros, down 35.8% from the corresponding period of 2006 mainly due to changes in the scope of operations (sale of B.U.C. – Banca Unione di Credit in August 2006 and establishment of FAFS at the end of December 2006).

1/1-9/30				3rd Quarter		
2007	2006	% change	(in millions of euros)	2007	2006	% change
97	740	-86.9	**Fiat Group Automobiles**	**31**	256	-87.9
5	-	n.s	**Ferrari**	**3**	-	n.s
857	783	9.5	**Agricultural and Construction Equipment** (CNH)	**306**	274	11.7
85	90	-5.6	**Trucks and Commercial Vehicles** (Iveco)	**29**	34	-14.7
-	47	n.s	**Holding companies and Other companies** (1)	**-**	11	n.s
1,044	**1,660**	**-37.1**	**Total**	**369**	**575**	**-35.8**

(1) These amounts refer to the banking activities performed by B.U.C. – Banca Unione di Credito sold in August 2006.

In the third quarter of 2007, Financial Services of Fiat Group Automobiles had revenues of 31 million euros, against revenues of 256 million euros in the same period of last year. The figure for 2006 included 221 million euros related to the companies conveyed to FAFS. On a comparable scope of operations, revenues decreased by 11.4% due to lower volumes of activity.

Financial Services of the Agricultural and Construction Equipment Sector had revenues of 306 million euros, for an increase of 11.7%, due to growth in the managed portfolio.

Iveco's financial services had revenues of 29 million euros, down by 14.7% with respect to the same period of 2006.

In the first nine months of 2007 Financial Services had revenues of 1,044 million euros, a decrease of 37.1% from the

1,660 million euros reported in the first nine months of 2006 due to the mentioned changes in the scope of operations. On a comparable basis, revenues increased by 6%.

Trading profit totalled 89 million euros in the third quarter of 2007, an improvement of 6 million euros from the third quarter of 2006.

	1/1-9/30				3rd Quarter	
2007	2006	Change	(in millions of euros)	**2007**	2006	Change
32	38	-6	**Fiat Group Automobiles**	**11**	19	-8
(1)	-	-1	**Ferrari**	**1**	-	1
209	178	31	**Agricultural and Construction Equipment** (CNH)	**73**	64	9
10	(4)	14	**Trucks and Commercial Vehicles** (Iveco)	**4**	(2)	6
-	10	-10	**Holding companies and Other companies** (1)	**-**	2	-2
250	222	28	**Total**	**89**	83	6

(1) These amounts refer to the banking activities performed by B.U.C. – Banca Unione di Credito sold in August 2006.

The Financial Services of Fiat Group Automobiles had a trading profit of 11 million euros in the third quarter of 2007, down 8 million euros from the corresponding period of last year. The decrease arising from the change in the scope of consolidation was partly offset by the positive effect of efficiencies on governance costs.

Trading profit of the Financial Services of CNH-Case New Holland grew to 73 million euros from 64 million euros in the third quarter of 2006, as a result of higher activity levels.

In the third quarter of 2007 Iveco's Financial Services had a trading profit of 4 million euros against a trading loss of 2 million euros in the third quarter of 2006. The improvement is mainly due to the effects of the reorganisation of renting activities.

In the first nine months of 2007, Financial Services had a trading profit of 250 million euros with respect to trading profit of 222 million euros in the corresponding period of the previous year.

Balance Sheet by Activity Segment

(in millions of euros)	At 9/30 2007 Consolidated	Industrial Activities	Financial Services	At 12/31 2006 Consolidated	Industrial Activities	Financial Services
Intangible assets	6,431	6,329	102	6,421	6,325	96
- Goodwill	2,804	2,713	91	2,850	2,756	94
- Other intangible assets	3,627	3,616	11	3,571	3,569	2
Property, plant and equipment	10,591	10,585	6	10,540	10,528	12
Investment property	11	11	-	19	19	-
Investments and other financial assets	2,094	4,105	904	2,280	3,886	867
Leased assets	360	7	353	247	7	240
Defined benefit plan assets	14	14	-	11	11	-
Deferred tax assets	1,854	1,697	157	1,860	1,710	150
Total Non-current Assets	21,355	22,748	1,522	21,378	22,486	1,365
Inventories	9,770	9,685	85	8,447	8,390	57
Trade receivables	5,047	5,238	254	4,944	5,068	178
Receivables from financing activities	12,528	4,395	12,407	11,743	2,891	11,977
Other receivables:	3,322	3,121	231	2,839	2,806	58
- Current tax receivables	976	973	15	808	798	11
- Others	2,346	2,148	216	2,031	2,008	47
Accrued income and prepaid expenses	285	272	13	247	226	21
Current financial assets	898	786	112	637	531	106
- Current investments	25	25	-	31	31	-
- Current securities	228	124	104	224	134	90
- Other financial assets	645	637	8	382	366	16
Cash and cash equivalents	5,060	4,061	999	7,736	6,706	1,030
Total Current Assets	36,910	27,558	14,101	36,593	26,618	13,427
Assets held for sale	230	230	-	332	332	-
TOTAL ASSETS	58,495	50,536	15,623	58,303	49,436	14,792
Total assets adjusted for asset-backed financing transactions	51,396	49,908	9,146	49,959	48,504	7,313
Stockholders' equity	10,653	10,653	2,458	10,036	10,036	2,395
Provisions	8,491	8,365	126	8,611	8,471	140
- Employee benefits	3,659	3,646	13	3,761	3,750	11
- Other provisions	4,832	4,719	113	4,850	4,721	129
Debt	18,331	10,649	12,413	20,188	11,555	11,836
- Asset-backed financing	7,099	628	6,477	8,344	932	7,479
- Other debt	11,232	10,021	5,936	11,844	10,623	4,357
Other financial liabilities	172	159	13	105	98	7
Trade payables	13,207	13,286	367	12,603	12,637	260
Other payables:	6,221	6,064	186	5,019	4,963	89
- Current tax payables	649	578	83	311	266	56
- Others	5,572	5,486	103	4,708	4,697	33
Deferred tax liabilities	185	185	-	263	262	1
Accrued expenses and deferred income	1,108	1,048	60	1,169	1,105	64
Liabilities held for sale	127	127	-	309	309	-
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES	58,495	50,536	15,623	58,303	49,436	14,792
Total liabilities adjusted for asset-backed financing transactions	51,396	49,908	9,146	49,959	48,504	7,313

Net Debt by Activity Segment

(in millions of euros)		At 9/30 2007 Consolidated	Industrial Activities	Financial Services	At 12/31 2006 Consolidated	Industrial Activities	Financial Services
Debt		**(18,331)**	**(10,649)**	**(12,413)**	(20,188)	(11,555)	(11,836)
- Asset-backed financing		**(7,099)**	**(628)**	**(6,477)**	(8,344)	(932)	(7,479)
- Other debt		**(11,232)**	**(10,021)**	**(5,936)**	(11,844)	(10,623)	(4,357)
Debt included among Liabilities held for sale		**(67)**	**(67)**	**-**	(33)	(33)	-
Current financial receivables from jointly controlled financial services entities	(a)	**216**	**216**	**-**	143	143	-
Intersegment financial receivables		**-**	**4,407**	**324**	-	2,559	644
Financial payables net of intersegment balances and current financial receivables from jointly controlled financial services entities		**(18,182)**	**(6,093)**	**(12,089)**	(20,078)	(8,886)	(11,192)
Other financial assets	(b)	**645**	**637**	**8**	382	366	16
Other financial liabilities	(b)	**(172)**	**(159)**	**(13)**	(105)	(98)	(7)
Current securities		**228**	**124**	**104**	224	134	90
Cash and cash equivalents		**5,060**	**4,061**	**999**	7,736	6,706	1,030
Cash and cash equivalents included among Assets held for sale		**5**	**5**	**-**	5	5	-
Net debt		**(12,416)**	**(1,425)**	**(10,991)**	**(11,836)**	**(1,773)**	**(10,063)**

(a) This item includes current financial receivables due to Fiat Group companies by the FAFS Group.

(b) This item includes the asset and liability fair values of derivative financial instruments.

"Debt" under Industrial Activities partly includes funds raised by the central cash management and transferred to financial services companies in support of their activity (represented under the item "Intersegment financial receivables").

"Intersegment financial receivables" under Financial Services represent loans or advances to industrial companies, relating to the sale of receivables by industrial to financial services companies in transactions that do not comply with the requirements set out in IAS 39 for the recognition of those sales, as well as any temporary cash deposited with the central cash management.

At September 30, 2007, "Cash and cash equivalents" include 546 million euros (627 million euros at December 31, 2006) mainly relating to financial services companies, allocated to service the debt for securitisation structures and classified as "Asset-backed financing".

At September 30, 2007 **net debt** of the **financial services companies** showed an increase of 928 million euros compared to net debt at December 31, 2006, mainly due to growth in the portfolio of CNH-Case New Holland totalling approximately 1 billion euros and investments for the period (mainly in vehicles leased out under operating leases), totalling 217 million euros, offset only in part by the positive effects of operating performance (approximately 200 million euros) and the foreign currency translation effects (approximately 220 million euros).

Statement of Changes in Net Industrial Debt

(in millions of euros)	1/1-9/30 2007	1/1-9/30 2006
Net industrial debt at beginning of period	**(1,773)**	**(3,219)**
- Net result	**1,457**	679
- Amortisation and depreciation (net of vehicles sold under buy-back commitments)	**1,933**	1,965
- Change in provisions for risks and charges and other changes	**(559)**	(221)
Cash flows from (used in) operating activities during the period, net of change in working capital	**2,831**	**2,423**
- Change in working capital	**(385)**	(800)
Cash flows from (used in) operating activities during the period	**2,446**	**1,623**
- Investments in tangible and intangible assets (net of vehicles sold under buy-back commitments)	**(2,078)**	(1,673)
Cash flows from (used in) operating activities during the period, net of capital expenditures	**368**	**(50)**
- Change in the scope of consolidation and other changes	**602**	645
Net cash flows from (used in) industrial activities excluding capital contributions and dividends paid	**970**	**595**
- Capital increases, (purchase) disposal of treasury stock and dividends	**(687)**	(7)
- Translation exchange differences	**65**	21
Change in net industrial debt	**348**	**609**
Net industrial debt at end of period	**(1,425)**	**(2,610)**

During the first nine months of 2007 **net industrial debt** decreased by 348 million euros despite dividend payments for 310 million euros and net purchases of treasury stock for 377 million euros.

Cash flows generated by **operating activities during the period** was positive by 2,446 million euros and more than offset industrial capital expenditures totalling 2,078 million euros in the first nine months of 2007.

The item Change in the scope of consolidation and other changes includes in particular the proceeds from the sale of the interest held in Mediobanca, the sale of Ingest Facility and Meridian Technologies and the final payment received on the sale of 51% of FAFS, which took place at the end of 2006.

Statement of Cash Flows by Activity Segment

(in millions of euros)		1/1-9/30 2007 Consolidated	Industrial Activities	Financial Services	1/1-9/30 2006 Consolidated	Industrial Activities	Financial Services
A) Cash and cash equivalents at beginning of period as reported		**7,736**	**6,706**	**1,030**	6,417	5,517	900
Cash and cash equivalents included as Assets held for sale		**5**	**5**	**-**	-	-	-
B) Cash and cash equivalents at beginning of period		**7,741**	**6,711**	**1,030**	6,417	5,517	900
C) Cash flows from (used in) operating activities during the period:							
Net result for the year		**1,457**	**1,457**	**231**	681	679	202
Amortisation and depreciation (net of vehicles sold under buy-back commitments)		**1,985**	**1,933**	**52**	2,210	1,965	245
(Gains)/losses on disposal and other non-cash items	(a)	**(429)**	**(653)**	**(7)**	(149)	(434)	84
Dividends received		**69**	**173**	**11**	67	147	-
Change in provisions		**(93)**	**(73)**	**(20)**	(70)	(53)	(17)
Change in deferred income taxes		**(79)**	**(73)**	**(6)**	72	90	(18)
Change in items due to buy-back commitments	(b)	**76**	**67**	**9**	(20)	29	(53)
Change in working capital		**(462)**	**(385)**	**(77)**	(778)	(800)	28
Total		**2,524**	**2,446**	**193**	2,013	1,623	471
D) Cash flows from (used in) investment activities:							
Investments in:							
- Tangible and intangible assets (net of vehicles sold under buy-back commitments)		**(2,295)**	**(2,078)**	**(217)**	(2,377)	(1,673)	(704)
- Investments		**(77)**	**(37)**	**-**	(42)	(37)	-
Proceeds from the sale of non-current assets		**541**	**496**	**45**	505	496	9
Net change in receivables from financing activities		**(1,030)**	**(28)**	**(1,002)**	(321)	137	(458)
Change in current securities		**(1)**	**6**	**(7)**	92	67	25
Other changes		**(87)**	**(2,268)**	**2,174**	(12)	(408)	396
Total		**(2,949)**	**(3,909)**	**993**	(2,155)	(1,418)	(732)
E) Cash flows from (used in) financing activities:							
Net change in financial payables and other financial assets/liabilities		**(1,576)**	**(523)**	**(1,053)**	(983)	(1,614)	631
Increase in capital stock		**-**	**-**	**(40)**	16	16	(5)
(Purchase) Disposal of treasury stock		**(377)**	**(377)**	**-**	-	-	-
Dividends paid		**(310)**	**(310)**	**(115)**	(23)	(23)	(80)
Total		**(2,263)**	**(1,210)**	**(1,208)**	(990)	(1,621)	546
Translation exchange differences		**12**	**28**	**(9)**	(121)	(78)	(44)
F) Net change in cash and cash equivalents		**(2,676)**	**(2,645)**	**(31)**	(1,253)	(1,494)	241
G) Cash and cash equivalents at end of period		**5,065**	**4,066**	**999**	5,164	4,023	1,141
of which: Cash and cash equivalents included as Assets held for sale		**5**	**5**	**-**	81	-	81
H) Cash and cash equivalents at end of period as reported		**5,060**	**4,061**	**999**	5,083	4,023	1,060

(a) For the nine months ended September 30, 2007 this item includes amongst other things the net gains and losses on the disposal of non-current assets of 185 million euros, the net positive fair value adjustment arising from the equity swaps on Fiat shares of 141 million euros and non-recurring income of 60 million euros deriving from the reinstatement in the carrying amount of land which had previously been written down to zero.

(b) The cash flows for the two periods generated by the sale of vehicles under buy-back commitments, net of the amount already included in the result, are included in operating activities for the period in a single item which includes the change in working capital, capital expenditures, depreciation, gains and losses and proceeds from sales at the end of the contract term, relating to assets included in "Property, plant and equipment".

Industrial Activities

In the first nine months of 2007, Industrial Activities absorbed cash and cash equivalents totalling 2,645 million euros and in particular:

- operating activities generated 2,446 million euros: income cash flow (net income plus amortisation and depreciation), net of Gains/losses on disposal and other non-cash items and including changes in provisions, deferred taxes and items relating to the management of sales with buy-back commitments, was positive by 2,658 million euros, to which should be added dividends for 173 million euros. This flow was partly reduced by the cash used for the increase in working capital which, on a comparable scope of consolidation and at the same exchange rates, amounted to 385 million euros;
- investment activities absorbed a total of 3,909 million euros. The liquidity generated by the sale of non-current assets for 496 million euros (mainly the sale of the interest held in Mediobanca, the sale of Meridian Technologies and Ingest Facility and the receipt of extended term payments as part of the sale of 51% of FAFS which took place at the end of 2006) only partly offset funding requirements for period investments and those generated by the increase in financing extended to the Group's Financial Services companies by central cash management companies (included among Other changes).
- financing activities absorbed 1,210 million euros in liquidity. Funding requirements for the repayment of bonds and bank loans, the payment of dividends, the purchase of treasury stock and lower asset backed financing were only partly compensated by the new 1 billion euro bond whose issuance was finalised in June 2007.

Financial Services

The cash and cash equivalents of Financial Services at September 30, 2007 totalled 999 million euros, down 31 million euros from December 31, 2006.

Changes in cash during the first nine months of 2007 derive from:

- operations during the year which generated 193 million euros in cash, principally in consequence of income cash flow (net income plus amortisation and depreciation);
- investment activities (including changes in financial receivables from/payables to Group industrial companies) which generated 993 million euros in cash. In particular, the item Other changes includes the mentioned financing extended by central cash management companies (included among industrial companies), in support of their activity which more than offset requirements connected with growth in the investment portfolio and investments (217 million euros) mainly for vehicles leased out under operating leases;
- financing activities which absorbed a total of 1,208 million euros, 1,053 million euros of which mainly due to lower asset-backed financing. The latter decreased because the central cash management companies directly provided financing to Financial Services companies.

Fiat Group Interim Consolidated Financial Statements and Notes at September 30, 2007

Consolidated Income Statement

(in millions of euros)	(Note)	3rd Quarter 2007	3rd Quarter 2006	1/1-9/30 2007	1/1-9/30 2006
Net revenues	(1)	**13,858**	11,809	**42,713**	37,973
Cost of sales	(2)	**11,586**	10,043	**35,646**	32,111
Selling, general and administrative costs	(3)	**1,186**	1,059	**3,717**	3,468
Research and development costs	(4)	**349**	331	**1,104**	1,032
Other income (expenses)	(5)	**8**	51	**40**	47
Trading profit		**745**	427	**2,286**	1,409
Gains (losses) on the disposal of investments	(6)	**128**	159	**180**	167
Restructuring costs	(7)	**32**	129	**54**	137
Other unusual income (expenses)	(8)	**(96)**	(30)	**(126)**	(30)
Operating result		**745**	427	**2,286**	1,409
Financial income (expenses)	(9)	**(163)**	(120)	**(331)**	(418)
Result from investments:	(10)	**40**	20	**116**	110
- Net result of investees accounted for using the equity method		**59**	17	**125**	87
- Other income (expenses) from investments		**(19)**	3	**(9)**	23
Result before taxes		**622**	327	**2,071**	1,101
Income taxes	(11)	**168**	127	**614**	420
Result from continuing operations		**454**	200	**1,457**	681
Result from discontinued operations		**-**	-	**-**	-
Net result		**454**	200	**1,457**	681
Attributable to:					
Equity holders of the parent		**432**	195	**1,383**	613
Minority interests		**22**	5	**74**	68

(in euros)					
Basic earnings per ordinary share	(12)	**0.344**	0.156	**1.084**	0.433
Basic earnings per preference share	(12)	**0.344**	0.123	**1.084**	0.433
Basic earnings per savings share	(12)	**0.344**	0.156	**1.239**	1.208
Diluted earnings per ordinary share	(12)	**0.341**	0.156	**1.075**	0.433
Diluted earnings per preference share	(12)	**0.341**	0.123	**1.075**	0.433
Diluted earnings per savings share	(12)	**0.341**	0.156	**1.230**	1.208

Consolidated Balance Sheet

(in millions of euros)	(Note)	At September 30, 2007	At December 31, 2006
ASSETS			
Intangible assets	(13)	**6,431**	6,421
Property, plant and equipment	(14)	**10,591**	10,540
Investment property		**11**	19
Investments and other financial assets:	(15)	**2,094**	2,280
- Investments accounted for using the equity method		**1,787**	1,719
- Other investments and financial assets		**307**	561
Leased assets	(16)	**360**	247
Defined benefit plan assets		**14**	11
Deferred tax assets	(11)	**1,854**	1,860
Total Non-current assets		**21,355**	**21,378**
Inventories	(17)	**9,770**	8,447
Trade receivables	(18)	**5,047**	4,944
Receivables from financing activities	(18)	**12,528**	11,743
Other receivables:	(18)	**3,322**	2,839
- Current tax receivables		**976**	808
- Others		**2,346**	2,031
Accrued income and prepaid expenses		**285**	247
Current financial assets:		**898**	637
- Current investments		**25**	31
- Current securities	(19)	**228**	224
- Other financial assets	(20)	**645**	382
Cash and cash equivalents	(21)	**5,060**	7,736
Total Current assets		**36,910**	**36,593**
Assets held for sale	(22)	**230**	332
TOTAL ASSETS		**58,495**	**58,303**
Total assets adjusted for asset-backed financing transactions		**51,396**	**49,959**
LIABILITIES			
Stockholders' equity:	(23)	**10,653**	10,036
- Stockholders' equity of the Group		**9,996**	9,362
- Minority interest		**657**	674
Provisions:	(24)	**8,491**	8,611
- Employee benefits		**3,659**	3,761
- Other provisions		**4,832**	4,850
Debt:	(25)	**18,331**	20,188
- Asset-backed financing		**7,099**	8,344
- Other debt		**11,232**	11,844
Other financial liabilities	(20)	**172**	105
Trade payables	(26)	**13,207**	12,603
Other payables:	(27)	**6,221**	5,019
- Current tax payables	(27)	**649**	311
- Others		**5,572**	4,708
Deferred tax liabilities	(11)	**185**	263
Accrued expenses and deferred income	(28)	**1,108**	1,169
Liabilities held for sale	(22)	**127**	309
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES		**58,495**	**58,303**
Total liabilities adjusted for asset-backed financing transactions		**51,396**	**49,959**

Consolidated Statement of Cash Flows

(in millions of euros)			1/1-9/30 2007	1/1-9/30 2006
A)	Cash and cash equivalents at beginning of period as reported		7,736	6,417
	Cash and cash equivalents included as Assets held for sale		5	-
B)	Cash and cash equivalents at beginning of period		7,741	6,417
C)	Cash flows from (used in) operating activities during the period:			
	Net result		1,457	681
	Amortisation and depreciation (net of vehicles sold under buy-back commitments)		1,985	2,210
	(Gains) losses on disposal and other non-cash items	(a)	(429)	(149)
	Dividends received		69	67
	Change in provisions		(93)	(70)
	Change in deferred income taxes		(79)	72
	Change in items due to buy-back commitments	(b)	76	(20)
	Change in working capital		(462)	(778)
	Total		2,524	2,013
D)	Cash flows from (used in) investment activities:			
	Investments in:			
	- Tangible and intangible assets (net of vehicles sold under buy-back commitments)		(2.295)	(2,377)
	- Investments in consolidated subsidiaries and other investments		(77)	(42)
	Proceeds from the sale of non-current assets (net of vehicles sold under buy-back commitments)		541	505
	Net change in receivables from financing activities		(1,030)	(321)
	Change in current securities		(1)	92
	Other changes		(87)	(12)
	Total		(2,949)	(2,155)
E)	Cash flows from (used in) financing activities:			
	New issuance of bonds		1,000	2,414
	Repayment of bonds		(802)	(1,796)
	Issuance of other medium-term borrowings		291	1,008
	Repayment of other medium-term borrowings		(830)	(1,820)
	Net change in other financial payables and other financial assets/liabilities		(1,235)	(789)
	(Buy-back) Sale of Treasury Stock		(377)	-
	Increase in capital stock		-	16
	Dividends paid		(310)	(23)
	Total		(2,263)	(990)
	Translation exchange differences		12	(121)
F)	Total change in cash and cash equivalents		(2,676)	(1,253)
G)	Cash and cash equivalents at end of period		5,065	5,164
	of which: Cash and cash equivalents included as Assets held for sale		5	81
H)	Cash and cash equivalents at end of period as reported		5,060	5,083

(a) For the nine months ended September 30, 2007 this item includes amongst other things the net gains and losses on the disposal of non-current assets of 185 million euros, a net positive fair value adjustment related to the equity swaps on Fiat shares for 141 million euros, and non-recurring income of 60 million euros deriving from the reinstatement in the carrying amount of land which had previously been written down to zero.

(b) The cash flows for the two periods generated by the sale of vehicles with a buy-back commitment net of the amount already included in the net result, are included in operating activities for the period, in a single item which includes the change in working capital, capital expenditures, depreciation, gains and losses and proceeds form sales at the end of the contract term, relating to assets included in Property, plant and equipment.

Statement of Changes in Stockholders' Equity

(in millions of euros)	Capital stock	Treasury stock, capital reserves, earning reserves	Income (expense) recognised directly in equity	Minority interest	Total
Balance at December 31, 2005	6,377	1,393	911	732	9,413
Dividends paid	-	-	-	(23)	**(23)**
Increase in reserve for share based payments	-	4	-	-	**4**
Net changes in Income (expenses) recognised directly in equity	-	-	(375)	(15)	**(390)**
Capital increase	-	-	-	16	**16**
Other changes	-	(2)	-	(109)	**(111)**
Net result	-	613	-	68	**681**
Balance at September 30, 2006	6,377	2,008	536	669	9,590

(in millions of euros)	Capital stock	Treasury stock, capital reserves, earning reserves	Income (expense) recognised directly in equity	Minority interest	Total
Balance at December 31, 2006	6,377	2,459	526	674	10,036
Dividends paid	-	(274)	-	(36)	**(310)**
Increase in reserve for share based payments	-	49	-	-	**49**
Net changes in Income (expenses) recognised directly in equity	-	-	(143)	(18)	**(161)**
Treasury stock buy-back and sale	-	(379)	-	-	**(379)**
Other changes	-	(2)	-	(37)	**(39)**
Net result	-	1,383	-	74	**1,457**
Balance at September 30, 2007	**6,377**	**3,236**	**383**	**657**	**10,653**

Consolidated Statement of Recognised Income and Expense at September 30, 2007

(in millions of euros)	1/1-9/30 2007	1/1-9/30 2006
Gains (losses) recognised directly in the cash flow hedge reserve	**150**	28
Gains (losses) recognised directly in reserve for fair value measurement of available-for-sale financial assets	**(46)**	32
Exchange gains (losses) on the translation of foreign operations	**(31)**	(449)
Gains (losses) recognised directly in equity	**73**	**(389)**
Transfers from cash flow hedge reserve	**(112)**	8
Transfer from reserve for fair value measurement of available-for-sale financial assets	**(123)**	(9)
Transfer from reserve for the translation of foreign operations	**1**	-
Net result	**1,457**	681
Recognised income (expense) for the period	**1,296**	**291**
Attributable to:		
Equity holders of the parent	**1,240**	**238**
Minority interests	**56**	**53**

Notes

Significant accounting policies

This Report for the third quarter of 2007 and the Consolidated Financial Statements for the nine months ended September 30, 2007 have been prepared in accordance with Consob Regulation No. 11971 of May 14, 1999 and subsequent amendments.

Accounting policies

This Report has been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") endorsed by the European Union. 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 particular, this report has been prepared in accordance with IAS 34 - *Interim Financial Reporting* applying the same accounting principles and policies used in the preparation of the Consolidated financial statements at December 31, 2006, other than those discussed in the paragraph "Accounting principles applicable from January 1, 2007".

The preparation of the interim financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and disclosure of contingent assets and liabilities at the date of the interim financial statements. If in the future such estimates and assumptions, which are based on management's best judgment at the date of the interim financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change.

Moreover, these valuation procedures, in particular those of a more complex nature regarding matters such as any impairment of non-current assets, are only carried out in full during the preparation of the annual financial statements, when all the information required is available, other than in the event that there are indications of impairment, when an immediate assessment is necessary. In the same way the actuarial valuations that are required for the determination of employee benefit provisions are also usually only carried out during the preparation of the annual financial statements. In this respect the Fiat Group has not yet recognised the accounting effects resulting from the changes made to the regulations governing the reserve for the Italian employee severance indemnity (the "*Trattamento di Fine Rapporto*" or "*TFR*") by Law No. 296 of December 27, 2006 (the "*Legge Finanziaria 2007*") and subsequent Decrees and Regulations issued during the first months of 2007 these effects will be recognised in the annual consolidated financial statements, at which time the information included in the new actuaries' reports as of December 31, 2007, prepared in the light of the changes in legislation, will be accounted for. Estimates made, however, indicate that these effects will not have a significant effect on the Group's results.

The Group operates in industries where significant seasonal or cyclical variations in total sales are not experienced during the financial year.

Income taxes are recognised based upon the best estimate of the weighted average income tax rate expected for the full financial year.

Accounting principles adopted from January 1, 2007

On March 3, 2006, the IFRIC issued interpretation IFRIC 9 – *Reassessment of Embedded Derivatives*, which requires an entity to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative when the entity first becomes a party to the contract. Subsequent reassessment is prohibited unless there is a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract, in which case reassessment is required. No significant effect arose from the adoption of this interpretation.

On July 20, 2006, the IFRIC issued IFRIC interpretation 10 – *Interim financial reporting and Impairment* in order to state that any such impairment losses recognised on goodwill and certain financial assets in an interim period must not be reversed in subsequent interim or annual financial statement. No effect arose from the adoption of this interpretation.

On November 2, 2006, IFRIC issued IFRIC Interpretation 11 – *IFRS 2-Group and Treasury Share Transactions* in order to address the accounting treatment of share-based payment arrangements under which an entity chooses or is required to buy treasury stock to satisfy its obligations and those under which the employees of one Group company are granted rights to the shares of another (such as the parent company). The Fiat Group applied this interpretation to the new stock option plan for which rights were granted in November 2006 and which was approved at the stockholders' meeting of April 5, 2007. No significant effects on the accounting for existing plans arose on the adoption of this interpretation.

New accounting principles issued by the IASB

On November 30, 2006, the IASB issued the IFRS 8 – *Operating Segments* that will become effective for the Group on January 1, 2009 and which will replace IAS 14 – *Segment Reporting* from that date. The new standard requires the information provided in segment reporting to be based upon the components of the entity that management uses to make decisions about operational matters. The standard requires these operating segments to be identified on the basis of internal reports that are regularly reviewed by an entity's management in order to allocate resources to the segment and assess its performance. At the date of this report this document has not yet been endorsed by the European Union and the Group is currently assessing any impact that the adoption of this new standard may have on the financial statements.

On March 29, 2007 the IASB issued a revised version of IAS 23 – *Borrowing costs*. The standard shall be applied for annual period beginning after 1 January, 2009. The main change from the previous version is the removal of the option 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. The standard shall be applied to borrowing costs relating to qualifying assets for which the commencement date for capitalisation is on or after the 1 January 2009. At the date of this report this document has not yet been endorsed by the European Union.

On July 5, 2007 IFRIC issued the interpretation IFRIC 14 – IAS 19 – *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*. The interpretation is mandatory from January 1, 2008. The interpretation provides general guidance on how to assess the limit in IAS 19 *Employee Benefits* on the amount of the surplus that can be recognised as an asset. It also explains how the pension asset or liability may be affected when there is a statutory or contractual minimum funding requirement. At the date of this report this interpretation had not yet been endorsed by the European Union.

On September 6, 2007 the IASB issued a revised version of IAS 1 - *Presentation of Financial Statements* that will come into effect for the annual periods beginning on or after 1 January 2009. The revision is aimed at improving users' ability to analyse and compare the information given in financial statements. The changes made to the standard are to require information in financial statements to be aggregated on the basis of shared characteristics and to introduce a statement of comprehensive income. This will enable readers to analyse changes in a company's equity resulting from transactions with owners in their capacity as owners (such as dividends and share repurchases) separately from 'non-owner' changes (such as transactions with third parties). At the date of this report this document has not yet been endorsed by the European Union.

The following standards and interpretations have also been issued in 2005 and 2006 and in the first nine months ended at September 30, 2007, but are not applicable to the Fiat Group:

- IFRIC 7 – *Applying the Restatement approach under IAS 29 – Financial reporting in Hyperinflationary economies* (effective from January 1, 2007);
- IFRIC 8 – *Scope of IFRS 2* (effective from January 1, 2007);
- IFRIC 12 – *Service Concession Arrangements* (effective from January 1, 2008);

- IFRC 13 – *Customer Loyalty Programmes* (effective from January 1, 2009).

Scope of consolidation

Changes in the scope of consolidation that took place during the first nine months of 2007 with respect to the annual consolidated financial statements at December 31, 2006 are as follows:

- On February 28, 2006, the procedure for the sale of subsidiary Ingest Facility S.p.A. to Pirelli RE Facility Management was concluded on receiving the antitrust authorities' approval.
- On March 2, 2007, the sale of Meridian Technologies Inc. to a consortium of investors headed by the Swiss holding company Estatia A.G. was finalised on receiving approval from the authorities and on the closing of the financing to the purchaser from financial institutions.
- At the end of April 2007 Magneti Marelli reacquired control of Automotive Spare Parts Distribution Operations following its acquisition of 80% of Concordia Finance S.A. As a result of this the After Market Parts and Services business line, which operates at a worldwide level in the distribution of spare parts in the Independent After Market sector, is accounted for on a consolidated basis from 1 May 2007.
- In May 2007 the Fiat Group acquired the entire ownership of the I.T.C.A. group which carries out its business in the automotive sector. In the third quarter of 2007, the Group completed the process aimed at carrying out of purchase accounting for this acquisition, which included converting the consolidated financial statements of the acquired group to IFRS and obtaining the necessary appraisals for the assets acquired, which have been consolidated from June 1st, 2007.
- On September 1, 2007, Electromechanical Racing S.r.l., which manufactures certain electromechanical components and systems for leading car races, was merged into Magneti Marelli Holding S.p.A., which had acquired a 100% holding on December 29, 2006. The subsidiary had not been consolidated on a line-by-line basis as it was not considered significant.

These changes in the scope of consolidation do not have a significant overall impact.

Further in August 2007 the Fiat Group acquired the entire ownership of Teksid Aluminum S.r.l. The Group is currently going through a process aimed at carrying out purchase accounting for this acquisition, which includes converting the consolidated financial statements of the entity acquired to IFRS and obtaining the necessary appraisals for the assets acquired. This investment, which has been recognised at cost in this report, will be consolidated during the fourth quarter of 2007 once the purchase accounting process has been completed.

The assets and liabilities of certain business of the Comau Sector have been reclassified as Assets and Liabilities held for sale in the first nine months of 2007.

In addition, starting from January 1, 2007, the activities previously forming the Business Solutions Sector were transferred to Fiat Services S.p.A., a subsidiary included in the Other and Holdings grouping and performing professional service operations for Fiat Group entities along with its foreign subsidiaries. Starting from this date the Business Solutions Sector is no longer presented and the comparative data for 2006 have been suitably reclassified in accordance with IAS 14 - *Segment Reporting*.

Other information

Other sections of this Report provide information on significant events occurred since the end of the period and business outlook.

Composition and principal changes

Income Statement

1. Net revenues

An analysis of Net revenues (net of intra-Group transactions) by business Sector is as follows:

(in millions of euros)	3rd Quarter 2007	3rd Quarter 2006	1/1-9/30/2007	1/1-9/30/2006
Fiat Group Automobiles	**6,433**	5,480	**19,392**	17,131
Maserati	**139**	100	**475**	351
Ferrari	**352**	317	**1,112**	987
Agricultural and Construction Equipment	**2,822**	2,314	**8,781**	7,979
Trucks and Commercial Vehicles	**2,564**	2,071	**7,864**	6,381
Fiat Powertrain Technologies	**365**	316	**1,254**	1,132
Components	**755**	634	**2,354**	2,050
Metallurgical Products	**119**	174	**395**	573
Production Systems	**169**	215	**549**	736
Publishing and Communications	**78**	78	**279**	276
Other and holdings (*)	**62**	110	**258**	377
Total Net revenues	**13,858**	**11,809**	**42,713**	**37,973**

(*) This line includes for 2006 the activities of Business Solution Sector transferred to Fiat Services S.p.A on January 1, 2007.

2. Cost of sales

Cost of sales comprises the following:

(in millions of euros)	3rd Quarter 2007	3rd Quarter 2006	1/1-9/30/2007	1/1-9/30/2006
Interest cost and other financial charges from financial services companies	**197**	248	**557**	670
Other cost of sales	**11,389**	9,795	**35,089**	31,441
Cost of sales	**11,586**	**10,043**	**35,646**	**32,111**

3. Selling, general and administrative costs

Selling costs amount to 660 million euros and 2,104 million euros in the third quarter of 2007 and in the first nine months of 2007, respectively (596 million euros and 1,947 million euros in the third quarter of 2006 and in the first nine months of 2006, respectively) and comprise mainly marketing, advertising and sales personnel costs.

General and administrative costs amount to 526 million euros and 1,613 million euros in the third quarter of 2007 and in the first nine months of 2007, respectively (463 million euros and 1,521 million euros in the third quarter of 2006 and in the first nine months of 2006, respectively) and comprise mainly expenses for administration which are not attributable to sales, production and research and development functions.

4. Research and development costs

In the third quarter of 2007, research and development costs of 349 million euros (331 million euros in the third quarter of 2006) comprise all research and development costs not recognized as assets amounting to 180 million euros (172 million euros in the third quarter of 2006) including the write-downs of any costs previously capitalized, and the amortization of capitalized development costs of 169 million euros (159 million euros in the third quarter of 2006). During the period the Group incurred new expenditure for capitalized development costs of 201 million euros (167 million euros in the third quarter of 2006).

In the first nine months of 2007, research and development costs of 1,104 million euros (1,032 million euros in the first nine months of 2006) comprise all research and development costs not recognized as assets amounting to 597 million euros (578 million euros in the first nine months of 2006) including the write-downs of any costs previously capitalized and the amortization of capitalized development costs of 507 million euros (454 million euros in the first nine months of 2006). During the period the Group incurred new expenditure for capitalized development costs of 601 million euros (592 million euros in the first nine months of 2006).

5. Other income (expenses)

Other income amounts to 8 million euros and 40 million euros in the third quarter 2007 and in the first nine months of 2007, respectively (other income of 51 million euros and of 47 million euros in the third quarter 2006 and in the first nine months of 2006, respectively) and consists of trading income which is not attributable to the typical sales and services operations of the Group, such as income from the sale of licenses and know-how, net of miscellaneous operating costs not ascribable to specific functional areas, such as post employment benefits for retired former employees (health care costs), indirect taxes and duties, and accruals to miscellaneous provisions.

In particular, this item includes in the first nine months of 2007 non-recurring income of 60 million euros arising from the reinstatement of the carrying amount of a piece of land which had been fully written down in a prior period and which is now in the process of being sold; it also includes miscellaneous non-recurring expenses of 20 million euros.

6. Gains (losses) on the disposal of investments

In the third quarter of 2007 this item results in a net gain of 128 million euros, which includes a gain of 118 million euros on the disposal of interest in Mediobanca S.p.A. and a gain of 7 million euros on the disposal of a minor investment in Tecnomare S.p.A. This item resulted in a net gain of 180 million euros in the first nine months of 2007, consisting also of the gain of 42 million euros recognised in the first quarter of 2007 on the finalisation of the disposal of the subsidiary Ingest Facility S.p.A as well of the gain of 5 million euros on the disposal of a 17% interest in the associate Servizio Titoli S.p.A., in which the Group maintains a 10% holding, and of a gain of 4 million euros from the disposal of a Comau French business. As described in Note 13 to the Consolidated financial statements at December 31, 2006, the net loss of 29 million euros on the disposal of the subsidiary Meridian Technologies Inc., concluded on March 2, 2007, was recognised in the income statement for 2006.

This item, amounting to 159 million euros in the third quarter of 2006 and 167 million euros in the first nine months of 2006, included a gain of 80 million euros on the sale of Banca Unione Credito - B.U.C., a gain of 39 million euros on the sale of Immobilare Novoli S.p.A., a gain of 23 million euros on the sale of Machen Iveco Holding Sa (which held about 51% shareholding in Ashok Leyland Ltd), and a gain of 22 million euros on the finalization of the sale of Atlanet S.p.A. In addition a gain of 9 million euros was realized on the sale of the Group's residual interest in I.P.I. S.p.A. in the second quarter of 2006.

7. Restructuring costs

Restructuring costs amount to 32 million euros in the third quarter of 2007, mainly relating to CNH. In the third quarter of 2006 this item amounted to 129 million euros, mainly relating to CNH (88 million euros), Comau (29 million euros) and Iveco (10 million euros).

In the first nine months of 2007, the Group incurred restructuring costs for a total of 54 million euros (137 million euros in the first nine months of 2006), mainly relating to CNH and Comau.

8. Other unusual income (expenses)

Net expenses of 96 million euros and 126 million euros were incurred in the third quarter of 2007 and the first nine months of 2007 respectively, of which 78 million euros and 106 million euros in connection with rationalisation of some strategic Group suppliers (some of which have been or are being acquired by the Group itself).

In the third quarter and in the first nine months of 2006, this item resulted in net expenses of 30 million euros. Included in this item, amongst other things, is the impairment of goodwill of 25 million euros relating to certain of Comau's European operations, which results from the redefinition and restructuring of the perimeters of that Sector's operations.

9. Financial income (expenses)

In addition to the items included in the specific line of the income statement, Net financial income (expenses) also includes the income from financial services companies included in Net revenues for 252 million euros and 723 million euros in the third quarter of 2007 and in the first nine months of 2007, respectively (295 million euros and 839 million euros in the third quarter of 2006 and in the first nine months of 2006, respectively) and the costs incurred by financial services companies included in Interest cost and other financial charges from financial services companies included in Cost of sales for 197 million euros and 557 million euros in the third quarter of 2007 and in the first nine months of 2007, respectively (248 million euros and 670 million euros in the third quarter of 2006 and in the first nine months of 2006, respectively). Reconciliation to the income statement is provided at the foot of each column of the following table.

(in millions of euros)	3rd Quarter 2007	3rd Quarter 2006	1/1-9/30/2007	1/1-9/30/2006
Financial income				
Interest earned and other financial income	**76**	80	**238**	216
Interest income from customers and other financial income of financial services companies	**252**	295	**723**	839
Gains on disposal of securities	**3**	2	**11**	6
Total financial income	**331**	377	**972**	1,061
of which:				
Financial income, excluding financial services companies	**79**	82	**249**	222
Interest and other financial expenses				
Interest expense and other financial expenses	**355**	425	**1,136**	1,208
Write-downs of financial assets	**23**	26	**53**	87
Losses on disposal of securities	**1**	1	**2**	2
Interest costs on employee benefits	**36**	38	**114**	119
Total interest and other financial expenses (a)	**415**	490	**1,305**	1,416
Net income (expenses) from derivative financial instruments and exchange losses (b)	**(24)**	40	**168**	106
of which of (a-b):				
Interest and other financial expenses, effects resulting from derivative financial instruments and exchange differences, excluding financial services companies	**242**	202	**580**	640
Net financial income (expenses) excluding financial services companies	**(163)**	(120)	**(331)**	(418)

Net financial expenses for the third quarter of 2007, excluding the financial services companies, amounted to 163 million euros, and include financial expenses of 19 million euros arising from the fair value measurement of the equity swaps on Fiat S.p.A. ordinary shares, carried out to support certain stock options plans. Net financial expenses of 120 million euros for the third quarter of 2006 included net financial income of 24 million euros arising from this equity swap.

Net financial expenses for the first nine months of 2007, excluding the financial services companies, amounted to 331 million euros, a decrease compared to the net expenses of 418 million euros for the corresponding period in 2006. The improvement compared to the corresponding period of 2006 is the consequence of the lower level of debt in the Group's Industrial Activities and of the net financial income of 141 million euros in the first nine months of 2007, arising from the fair value measurement of the equity swaps on Fiat shares, set up to support certain stock options plans (net gain of 56 million euros in the first nine months of 2006). These effects have been partially offset by a cost of 43 million euros recognised in the second quarter of 2007 arising from the redemption in advance of a CNH 9.25% fixed rate bond, originally repayable in 2011 but repaid on August 1, 2007.

There has been a decrease in the income and expense of the financial services companies compared to the third quarter of 2006 and the first nine months of 2006, as the result of the sale of BUC and the transfer of the Fiat Group Automobiles European financial services business to FAFS.

10. Result from investments

The item includes the Group's interest in the net income or loss of the companies accounted for using the equity method for an amount equal to 59 million euros and 125 million euros in the third quarter of 2007 and in the first nine months of 2007, respectively (17 million euros and 87 million euros in the corresponding periods of 2006); the item additionally includes the write-downs connected with the impairment loss of financial assets and any reversal, the write-downs of investments classified as available-for-sale, accruals to provisions against investments, income and expense arising from the adjustment to fair value of investments in other entities held for trading and dividend income.

The Result from investments in the third quarter of 2007 is a profit amounting to 40 million euros (a profit of 20 million euros in the third quarter of 2006) and consists of (amounts in millions of euros): Fiat Group Automobiles Sector Companies 6 (-2 in the third quarter of 2006); entities of Agricultural and Construction equipment Sector 20 (9 in the third quarter of 2006), Trucks and Commercial Vehicles Sector Companies 3 (4 in the third quarter of 2006) and other companies 11 (9 in the second quarter of 2006).

The Result from investments in the first nine months of 2007 is a profit amounting to 116 million euros (a profit of 110 million euros in the first nine months of 2006) and consists of (amounts in millions of euros): Fiat Group Automobiles Sector Companies 40 (22 in the first nine months of 2006); entities of Agricultural and Construction equipment Sector 37 (38in the first nine months of 2006), Trucks and Commercial Vehicles Sector Companies 5 (25 in the first nine months of 2006) and other companies 34 (25 in the first nine months of 2006).

The profit for the first nine months of 2006 for the Trucks and Commercial Vehicles Sector was due to the release to income of provisions of 15 million euros made in 2005 against risks in connection with a Chinese associate which no longer subsist.

11. Income taxes

Income taxes consist of the following:

(in millions of euros)	3rd Quarter 2007	3rd Quarter 2006	1/1-9/30/2007	1/1-9/30/2006
Current taxes:				
- IRAP	**42**	35	**132**	112
- Other taxes	**201**	89	**558**	254
Total current taxes	**243**	**124**	**690**	**366**
Deferred taxes for the period	**(89)**	5	**(96)**	50
Taxes relating to prior periods	**14**	(2)	**20**	4
Total Income taxes	**168**	**127**	**614**	**420**

The increase in Current taxes in the third quarter of 2007 and in the first nine months of 2007 with respect to the same periods of 2006 mainly arises from improvements in results, in particular those of foreign companies.

Deferred taxes expenses of 89 million euros for the third quarter of 2007 are stated net of deferred tax income of 80 million euros arising on the write-back of a deferred tax liability no longer due.

Net deferred tax assets at September 30, 2007 consist of deferred tax assets, net of deferred tax liabilities that have been offset where permissible by the individual companies. The net balance of Deferred tax assets and Deferred tax liabilities may be analyzed as follows:

(in millions of euros)	At September 30, 2007	At December 31, 2006
Deferred tax assets	**1,854**	1,860
Deferred tax liabilities	**(185)**	(263)
Net deferred tax assets	**1,669**	**1,597**

12. Earnings per share

As explained in Note 25 to Consolidated financial statements at December 31, 2006, Fiat S.p.A. capital stock 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, the net result attributable to the ordinary equity holders of the parent company has been adjusted by the amount of the dividends that would be contractually due to each class of shares in the theoretical event of a total distribution of profits. The total profit allocated to each class of share has then been divided by the weighted average number of outstanding shares in the period to determine earnings per share.

The following table shows for the first nine months of 2007 and the first nine months of 2006 the reconciliation between the net result attributable to equity holders of the parent and the profit attributable to each class of shares, as well as, the weighted number of shares outstanding during the period:

		1/1-9/30/2007				1/1-9/30/2006			
		Ordinary shares	Preference shares	Saving shares	Total	Ordinary shares	Preference shares	Saving shares	Total
Profit attributable to equity holders of the parent	million of euros				**1,383**				613
Prior period dividends to saving shares declared for the period	million of euros	-	-	-	**-**	-	-	50	50
Dividends due to each class of shares	million of euros	168	32	25	**225**	169	32	25	226
Theoretical preference right on saving and ordinary shares	million of euros	168	-	12	**180**	169	-	12	181
Profit available for distribution to all classes of shares	million of euros	836	80	62	978	134	13	9	156
Profit attributable to each class of shares	million of euros	**1,172**	**112**	**99**	**1,383**	472	45	96	613
Weighted average number of shares outstanding	thousand	**1,081,729**	**103,292**	**79,913**	**1,264,934**	1,087,967	103,292	79,913	1,271,172
Basic earning per share	euros	**1.084**	**1.084**	**1.239**		0.433	0.433	1.208	

The following table shows for the third quarter of 2007 and the third quarter of 2006 the reconciliation between the net result attributable to equity holders of the parent and the profit attributable to each class of shares, as well as, the average number of shares outstanding during the period.

		3rd Quarter 2007				3rd Quarter 2006			
		Ordinary shares	Preference shares	Saving shares	Total	Ordinary shares	Preference shares	Saving shares	Total
Profit attributable to equity holders of the parent	million of euros				**432**				195
Profit attributable to each class of shares	million of euros	**370**	**35**	**27**	**432**	170	13	12	195
Weighted average number of shares	thousand	1,073,061	103,292	79,913	**1,256,266**	1,087,967	103,292	79,913	1,271,172
Basic earning per share	euros	**0.344**	**0.344**	**0.344**		0.156	0.123	0.156	

Prior period dividends of 0,62 euros per share were included in the calculation of earnings per share attributable to savings shares for the third quarter of 2006 and the first nine months of 2006. If these prior period dividends had not been included, basic earnings per savings share would have been 0.153 euros per share in the third quarter of 2006 and 0.627 euros per share in the first nine months of 2006. Basic earnings per ordinary and preference share would have been 0.153 euros per share in the third quarter of 2006 and 0.472 euros per share in the first nine months of 2006.

For the purpose of calculating diluted earnings per share for the third quarter of 2007 and the first nine months of 2007, the average number of outstanding ordinary shares has been increased so as also to take into consideration the effect that would arise if the stock options on Fiat S.p.A. shares were to be exercised, while the result attributable to the Group has been adjusted to take into account the dilutive effects that would arise if the stock options granted by the Group's subsidiaries on their equity instruments were to be exercised. No dilutive effects arose in the corresponding period of 2006.

No dilutive effects arose in the first nine months of 2007 and 2006 and in the third quarter of 2006 from warrants issued by Fiat S.p.A. on its ordinary shares; this warrants expired in January 2007.

The following table sets out for the first nine months of 2007 and the third quarter of 2007, together with the corresponding comparative periods in 2006, the weighted number of shares outstanding during the period used in the calculation of diluted earnings per share and diluted earnings per share by class of share.

		1/1-9/30/2007				1/1-9/30/2006			
		Ordinary shares	Preference shares	Saving shares	Total	Ordinary shares	Preference shares	Saving shares	Total
Profit attributable to each class of shares	million of euros	1,172	111	98	**1,381**	472	45	96	613
Total number of shares considered in the diluted earning per share	thousands	1,089,765	103,292	79,913	**1,272,970**	1,087,967	103,292	79,913	1,271,172
Diluted earning per share	euros	**1.075**	**1.075**	**1.230**		0.433	0.433	1.208	

		3rd Quarter 2007				3rd Quarter 2006			
		Ordinary shares	Preference shares	Saving shares	Total	Ordinary shares	Preference shares	Saving shares	Total
Profit attributable to each class of shares	million of euros	369	35	27	**431**	170	13	12	195
Total number of shares considered in the diluted earning per share	thousands	1,080,900	103,292	79,913	**1,264,105**	1,087,967	103,292	79,913	1,271,172
Diluted earning per share	euros	**0.341**	**0.341**	**0.341**		0.156	0.123	0.156	

Balance Sheet

13. Intangible assets

(in millions of euros)	Net of amortisation at December 31, 2006	Additions	Amortisation	Foreign exchange effects and other changes	Net of amortisation at September 30, 2007
Goodwill	2,850	-	-	(46)	**2,804**
Development costs	2,776	601	(507)	(22)	**2,848**
Other	795	94	(148)	38	**779**
Total Intangible assets	**6,421**	**695**	**(655)**	**(30)**	**6,431**

Goodwill consists principally of net goodwill resulting from the purchase of the Case group and other companies of the Agricultural and Construction Equipment Sector for 1,683 million euros, the Ferrari Sector for 786 million euros, the Pico group and other companies in the Production Systems Sector for 143 million euros, companies in the Components Sector for 111 million euros, companies in the Trucks and Commercial Vehicles Sector for 56 million euros and companies in the Metallurgical Products Sector for 11 million euros. Included in other changes for the nine months is goodwill arising from the following purchases: After Market Parts and Services group 61 million euros, I.T.C.A. group 10 million euros, Electromechanical Racing S.r.l. 2 million euros.

The addition to Other intangible assets of 94 million euros in the first nine months of 2007 relates mainly to software.

Foreign exchange losses of 140 million euros in the first nine months of 2007 principally reflect changes in the Euro/U.S. dollar rate.

The item Foreign exchange effect and other changes include a reclassification of 57 million euros of expenditure on software previously improperly reported as Property, plant and equipment.

14. Property, plant and equipment

(in millions of euros)	Net of depreciation at December 31, 2006	Additions	Depreciation	Foreign exchange effects	Disposals and other changes	Net of depreciation at September 30, 2007
Property, plant and equipment	9,383	1,385	(1,274)	52	(90)	**9,456**
Assets sold with a buy-back commitment	1,157	273	(109)	(6)	(180)	**1,135**
Total Property plant and equipment	**10,540**	**1,658**	**(1,383)**	**46**	**(270)**	**10,591**

Additions of 1,658 million euros in the first nine months of 2007 mainly refer to the Automotive Sectors (Fiat Group Automobiles, Trucks and Commercial Vehicles and CNH - Case New Holland). Foreign exchange gains of 46 million euros in the first nine months of 2007 principally reflect changes in the Euro/Brazilian Real rate.

15. Investments and other financial assets

(in millions of euros)	At September 30, 2007	At December 31, 2006
Investments	**1,888**	2,078
Receivables	**103**	97
Other securities	**103**	105
Total Investments and other financial assets	**2,094**	**2,280**

Changes in Investments are as follows:

(in millions of euros)	At December 31, 2006	Revaluations (write-downs)	Changes in the scope of consolidation	Other changes	At September 30, 2007
Investments	2,078	125	(6)	(309)	1,888

At September 30, 2007, the item Investments totals 1,888 million euros (2,078 million euros at December 31, 2006) and includes, amongst others, the following investments (in millions of euros): Fiat Group Automobiles Financial Services S.p.A. 562 (528 at December 31, 2006), Tofas Turk Otomobil Fabrikasi A.S. 242 (206 at December 31, 2006), Iveco Finance Holdings Limited 147 (141 at December 31, 2006), Sevel S.p.A. 95 (93 at December 31, 2006), Naveco Ltd. 112 (117 at December 31, 2006), Kobelco Construction Machinery Co. Ltd. 95 (97 at December 31, 2006), Rizzoli Corriere della Sera MediaGroup S.p.A. 124 (107 at December 31, 2006).

Other negative changes of 309 million euros are made up as follows: disposal of the investment in Mediobanca S.p.A. -222 million euros; the negative effect of dividends for -69 million euros distributed by companies accounted for using the equity method; purchases and capitalisations amounting to 54 million euros of which the capitalisation of certain jointly controlled entities for 26 million euros; negative fair value adjustment of 46 million euros arising from the investment in Mediobanca S.p.A. until its disposal, and other minor decreases of 26 million euros.

Revaluations and write-downs consist of adjustments for the result for the period to the carrying value of investments accounted for under the equity method. Write-downs also include any impairment loss in investments accounted for under the cost method.

16. Leased assets

(in millions of euros)	Net of depreciation at December 31, 2006	Additions	Depreciation	Foreign exchange effect	Disposals and other changes	Net of depreciation at September 30, 2007
Leased assets	247	214	(51)	(11)	(39)	360

17. Inventories

(in millions of euros)	At September 30, 2007	At December 31, 2006
Raw materials, supplies and finished goods	**9,621**	8,240
Work in progress	**2,194**	2,493
Advances on contract work	**(2,045)**	(2,286)
Total Inventories	**9,770**	8,447

At September 30, 2007, Inventories include assets sold with a buy-back commitment by Fiat Group Automobiles for 1,233 million euros (894 million euros at December 31, 2006). Net of this amount, inventories show an increase of 984 million euros in the first nine months of 2007, mainly due to the increase in the volumes and levels of operations of the main Sectors of the Group.

The majority of Work in progress and Advances on contract work relate to the Production Systems Sector (Comau).

18. Current receivables

(in millions of euros)	At September 30, 2007	At December 31, 2006
Trade receivables	**5,047**	4,944
Receivables from financing activities	**12,528**	11,743
Other receivables	**3,322**	2,839
Total Current Receivables	**20,897**	**19,526**

Trade receivables have increased by 103 million euros compared to December 31, 2006 as the result of increase in sales of Fiat Group Automobiles, Trucks and Commercial Vehicles and Magneti Marelli.

Other receivables mainly include amounts due from the Tax Authorities, security deposits and miscellaneous receivables.

Receivables from financing activities include the following:

(in millions of euros)	At September 30, 2007	At December 31, 2006
Retail financing	**6,728**	6,482
Finance leases	**604**	580
Dealer financing	**4,667**	4,084
Supplier financing	**79**	234
Current financial receivables from jointly controlled financial services entities	**216**	143
Financial receivables from companies under joint control, associates and unconsolidated subsidiaries	**37**	22
Other	**197**	198
Total Receivables from financing activities	**12,528**	**11,743**

The increase of 785 million euros in Receivables from financing activities (1,030 million euros excluding exchange differences and write-downs) is principally due to the increase in the financing given by the CNH - Case New Holland financial services companies, partially offset by the decrease in the financing activities of the Fiat Group Automobiles financial services companies that did not become part of FAFS at the end of 2006 and in the supplier financing.

19. Current securities

At September 30, 2007, Current securities include mainly short-term or marketable securities which represent temporary investments readily convertible into cash, but which do not satisfy the requirements for being classified as cash equivalents.

20. Other financial assets and Other financial liabilities

These items include, respectively, the positive and the negative measurement at fair value of derivative financial instruments at September 30, 2007.

In particular, the overall change in other financial assets (from 382 million euros at December 31, 2006 to 645 million euros at September 30, 2007), and the increase in other financial liabilities (from 105 million euros at December 31, 2006 to 172 million euros at June 30, 2007), is mainly due to the changes in exchange rates and interest rates over the period, as well as to the increase in fair value relating to the equity swap on Fiat S.p.A. ordinary shares (141 million euros at September 30, 2007).

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.

21. Cash and cash equivalents

Cash and cash equivalents include cash at bank, 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.

At September 30, 2007, this item includes approximately 546 million euros (627 million euros at December 31, 2006) of cash whose use is restricted to the repayment of the debt related to securitisations mainly classified in the item Asset-backed financing.

22. Assets and liabilities held for sale

At September 30, 2007, Assets and liabilities held for sale mainly include the assets and liabilities of the Indian business of Fiat Group Automobiles that will be transferred to the joint venture with Tata Motors that is currently being set up, certain properties and buildings held by Fiat Group Automobiles, CNH - Case New Holland and Trucks and Commercial Vehicles, and the carrying value of the assets and liabilities of certain business of Comau Sector.

The items included in Assets held for sale and Liabilities held for sale may be summarised as follows:

(in millions of euros)	At September 30, 2007	At December 31, 2006
Intangible assets	**3**	8
Property, plant and equipment	**185**	173
Investments and other financial assets	**4**	-
Leased assets	**-**	7
Deferred tax assets	**-**	6
Inventories	**10**	37
Trade receivables	**12**	80
Receivables from financing activities	**1**	6
Other receivables, Accrued income and prepaid expenses	**10**	10
Cash and cash equivalents	**5**	5
Total Assets	**230**	**332**
Employee benefits	**-**	13
Other provisions	**23**	42
Other debt	**67**	34
Trade payables	**19**	172
Deferred tax liabilities	**-**	4
Other payables, Accrued expenses and deferred income	**19**	44
Total Liabilities	**128**	**309**

At December 31, 2006, the item Assets and Liabilities held for sale consisted of the above-mentioned assets and liabilities, and of the assets and liabilities of Meridian Technologies Inc. and Ingest Facility S.p.A.

23. Stockholders' equity

Stockholders’ equity has increased by 617 million euros over that at December 31, 2006, a figure which includes the net income for the period of 1,457 million euros, net of dividend distributed of 310 million euros, foreign exchange losses from the translation into euros of the financial statements of subsidiaries denominated in other currencies of 31 million euros, a decrease of 56 million euros arising from the sale of Meridian Technologies Inc. and from the treasury stock buy-back and sale (-379 millions of euros). In respect of this latter item, until September 30, 2007, a total of 19.127 million ordinary shares (for an amount of 401 million euros) were purchased under the treasury stock buy-back programme (the “Programme”) announced by the Board of Directors under the authorisation granted by stockholders on April 5, 2007. The stockholders authorisation will be effective for 18 months from April 5, 2007. The buy-back, aimed at servicing stock option plans and the investment of liquidity, refers to a maximum number of Fiat S.p.A. treasury shares from the three classes of stock which shall not exceed 10% of the capital stock and a maximum aggregate amount of 1.4 billion euros. Under the Programme (which is renewable), the purchases will be carried out on the regulated market as follows:

- from the effective date on April 10, 2007 and through December 31, 2007, or once the maximum amount of 1.4 billion euros or a number of shares equal to 10% of the capital stock is reached;
- maximum purchase price not exceeding 10% of the reference price reported on the Stock Exchange on the day before the purchase is made;
- the maximum number of shares purchased daily not exceeding 20% of the total daily trading volume for each class of shares.

Treasury shares of 403 million euros were outstanding at September 30, 2007 (24 million euros at December 31, 2006).

On January 29, 2007, the Italian Stock Exchange removed from trading the 2007 Fiat Ordinary Share Warrants issued in 2002 and expired in 2007. The owners of the 65,509,168 outstanding warrants at that date were given the option to subscribe in January 2007 to Fiat S.p.A. ordinary shares in the ratio of one Fiat ordinary share at a price of 29.364 euros for every four warrants held. To date 4,676 warrants have been exercised with the issue of 1,169 shares. As a consequence, on February 1, 2007 the capital stock of Fiat S.p.A. increased from 6,377,257,130 euros to 6,377,262,975 euros and additional paid-in capital increased by 28,481.52 euros.

Capital stock, fully paid-in, amounts to 6,377 million euros at March 31, 2007 and consists of 1,275,452,595 shares as follows:

- 1,092,247,485 ordinary shares;
- 103,292,310 preference shares;
- 79,912,800 savings shares;

All with a par value of 5 euros each.

For more complete information on the capital stock of Fiat S.p.A., reference should be made to Note 25 of the Consolidated Financial Statements at December 31, 2006.

Consolidated gains (losses) recognised directly in equity are as follows:

(in millions of euros)	At September 30, 2007	At December 31, 2006
Gains (losses) recognised directly in the cash flow hedge reserve	**114**	76
Gains (losses) recognised directly in the available-for-sale reserve	**1**	170
Gains (losses) on translation differences	**264**	294
Total Gains (losses) recognised directly in equity	**379**	**540**

The decrease in gains recognised directly in the available-for-sale reserve is due to the reclassification to the income statement of the gains arising from the investment in Mediobanca S.p.A., previously recognised directly in equity, which was sold in the third quarter of 2007 (see note 6).

24. Provisions

(in millions of euros)		At September 30, 2007		At December 31, 2006
Employee benefits		**3,659**		3,761
Other provisions:				
- Warranty provision	**1,313**		1,254	
- Restructuring provision	**396**		561	
- Investment provision	**83**		67	
- Other risks	**3,040**		2,968	
Total Other provisions		**4,832**		4,850
Total Provisions		**8,491**		**8,611**

Provisions for Employee benefits include provisions for both pension plans and other post employment benefits. The decrease of 102 million includes a foreign exchange loss of 79 million euros arising from changes in the exchange rate between the US dollar and the Euro.

Reserves for risks and charges and other reserves amount to 4,832 million euros at September 30, 2007 (4,850 million euros at December 31, 2006) and include provisions for contractual, commercial and legal risks.

25. Debt

(in millions of euros)	At September 30, 2007		At December 31, 2006	
Asset-backed financing		**7,099**		8,344
Other debt:				
Bonds	**7,330**		7,297	
Borrowings from banks	**2,696**		3,349	
Payables represented by securities	**241**		315	
Other	**965**		883	
Total Other debt		**11,232**		11,844
Total Debt		**18,331**		**20,188**

At September 30, 2007, Debt decreased by 1,857 million euros from December 31, 2006, due to lower asset-backed financing liabilities for 1,245 million euros (931 million euros net of exchange rate differences) and to the repayment of other medium-term borrowing from bank.

The increase in Bonds during the first nine months of 2007 is the result of the issue by Fiat Finance North America Inc. of a bond having a nominal value of 1 billion euros at a price of 99.232 bearing fixed interest at 5.625% and repayable on June 12, 2017, as part of a Global Medium Term Notes Programme with a ceiling of 15 billion euros. This increase has been partially offset by the redemption in advance, in August 2007, of a Case New Holland Inc. bond originally due in August 2011 and amounting to 781 million euros, by the repayment at the due date of the residual debt of 13 million euros arising from the 5 year bond convertible into General Motors Corporation common stock (the “Exchangeable bond”) and by the effect of exchange rate differences.

The principal bond issues outstanding at September 30, 2007, are as follows:

	Currency	Face value of outstanding bonds (in millions)	Coupon	Maturity	Outstanding amount (in millions of euros)
Global Medium Term Notes:					
Fiat Finance and Trade Ltd S.A.(1)	EUR	1,000	6.25%	February 24, 2010	1,000
Fiat Finance and Trade Ltd S.A.(1)	EUR	1,300	6.75%	May 25, 2011	1,300
Fiat Finance and Trade Ltd S.A.(1)	EUR	617	(2)	(2)	617
Fiat Finance and Trade Ltd S.A.(4)	EUR	1,000	5.625%	November 15, 2011	1,000
Fiat Finance North America Inc. (4)	EUR	1,000	5.625%	June 12, 2017	1,000
Others (3)					249
Total Global Medium Term Notes					**5,166**
Other bonds:					
CNH Capital America LLC	USD	127	6.75%	October 21, 2007	89
Case New Holland Inc.	USD	500	6.00%	June 1, 2009	353
Fiat Finance and Trade Ltd S.A. (4)	EUR	1,000	6.625%	February 15, 2013	1,000
Case New Holland Inc.	USD	500	7.125%	March 1, 2014	353
CNH America LLC	USD	254	7.25%	January 15, 2016	179
Total Other bonds					**1,974**
Hedging effect and amortised cost valuation					**190**
Total Bonds					**7,330**

(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 euros) due beginning from the sixth year (November 7, 2007) by reducing the face value of each bond outstanding by one-fifth. The last instalment will be repaid on November 7, 2011. The bonds pay coupon interest equal to: 4.40% in the first year (November 7, 2002), 4.60% in the second year (November 7, 2003), 4.80% in the third year (November 7, 2004), 5.00% in the fourth year (November 7, 2005), 5.20% in the fifth year (November 7, 2006), 5.40% in the sixth year (November 7, 2007), 5.90% in the seventh year (November 7, 2008), 6.40% in the eighth year (November 7, 2009), 6.90% in the ninth year (November 7, 2010), 7.40% in the tenth year (November 7, 2011).

(3) Bonds with amounts outstanding equal to or less than the equivalent of 50 million euros.

(4) Bond listed on the Irish Stock Exchange.

Further information about these bonds is included in Note 28 to the Consolidated Financial Statements at December 31, 2006. The prospectuses, the offering circulars or their abstracts relating to the aforementioned principal bond issues are available on the Group's website at www.fiatgroup.com under "Investor Relations – Financial Reports".

The Fiat Group intends to repay the issued bonds in cash at maturity by utilizing available liquid resources.

At September 30, 2007, the Fiat Group also had unused committed credit lines of approximately 2 billion euros.

In addition, the companies in the Fiat 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 buybacks, if made, depend upon market conditions, the financial situation of the Group and other factors which could affect such decisions.

Finally, financial payables secured with mortgages and other liens on assets of the Group amount to 313 million euros at September 30, 2007 (190 million euros at December 31, 2006); this amount includes balances of 122 million euros (57 million euros at December 31, 2006) due to creditors for assets acquired under finance leases.

26. Trade payables

Trade payables of 13,207 million euros at September 30, 2007, increased by 604 million euros from the amount at December 31, 2006. This change is mainly due to the increase in the level of activities of Fiat Group Automobiles, CNH - Case New Holland, Trucks and Commercial Vehicles and Components Sectors.

27. Other payables

This balance amounts to 6,221 million euros at September 30, 2007 (5,019 million euros at December 31, 2006). The increase is mostly the result of the rise in payables to customers arising from buy-back agreements (2,759 million euros at September 30, 2007 and 2,370 million euros at December 31, 2006) and in balances due to the authorities for current tax, which increased from 311 million euros at December 31, 2006 to 649 million euros at September 30, 2007.

28. Accrued expenses and deferred income

The item Accrued liabilities and deferred income includes public investment grants recognised as income over the useful lives of the assets to which they relate. Furthermore, the item comprises deferred income relating to service contracts, as well as accrued liabilities for costs that will be settled in the following periods.

29. Guarantees granted, commitments and other contingent liabilities

Guarantees granted

At September 30, 2007, the Group has provided guarantees on the debt or commitments of third parties or jointly controlled and associated entities totalling 756 million euros, in line with the amount at December 31, 2006 (726 million euros).

Other commitments and important contractual rights

The Fiat Group has important commitments and rights deriving from outstanding agreements. These commitments and rights are described in Note 32 of the Consolidated Financial Statements at December 31, 2006, to which reference should be made, insofar as no changes occurred in the first nine months of 2007. In particular, these involve commitments and rights regarding:

- relations of Fiat with the Arab fund Mubadala Development Company concerning its holding in the subsidiary Ferrari S.p.A.;
- relations of Fiat with Renault concerning the subsidiary Teksid.

Lawsuits and controversies

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

Sales of receivables

The Group has discounted receivables and bills without recourse having due dates beyond September 30, 2007 amounting to 5,954 million euros (5,697 million euros at December 31, 2006, with due dates beyond that date), which refer to trade receivables and other receivables for 4,552 million euros (4,489 million euros at December 31, 2006) and receivables from financing for 1,402 million euros (1,208 million euros at December 31, 2006). The amount includes receivables, mostly due from the sales network, of 3,349 million euros (3,400 million euros at 31 December 2006) sold to jointly-controlled financial services companies (FAFS) and of 847 million euros (661 million euros at 31 December 2006) sold to associate financial services companies (Iveco Financial Services, controlled by Barclays). The increase which has taken place over the first nine months of 2007 is connected with the high levels of business volumes and in particular those of Fiat Group Automobiles, CNH - Case New Holland, Trucks and Commercial Vehicles and Magneti Marelli.

30. Income statement by business sector

(in millions of euros)	Fiat Group Automobiles	Maserati	Ferrari	CNH	Iveco	FPT	Magneti Marelli	Teksid	Comau	Itedi	Other and elimina-tions	FIAT Group
3d Quarter 2007												
Total net revenues	6,510	141	368	2,823	2,580	1,629	1,183	164	256	79	(1,875)	**13,858**
Net revenues intersegment (*)	(77)	(2)	(16)	(1)	(16)	(1,264)	(428)	(45)	(87)	(1)	1,937	-
Net revenues from third parties	**6,433**	**139**	**352**	**2,822**	**2,564**	**365**	**755**	**119**	**169**	**78**	**62**	**13,858**
Trading profit	**185**	**6**	**56**	**225**	**190**	**63**	**44**	**13**	**1**	**(2)**	**(36)**	**745**
Unusual income (expenses)	(87)	-	-	(23)	(4)	(14)	-	-	7	(1)	122	-
Operating result	**98**	**6**	**56**	**202**	**186**	**49**	**44**	**13**	**8**	**(3)**	**86**	**745**
Financial income (expenses)												**(163)**
Result from investments												**40**
Result before taxes												**622**
Income taxes												**168**
Result from continuing operations												**454**

(in millions of euros)	Fiat Group Automobiles	Maserati	Ferrari	CNH	Iveco	FPT	Magneti Marelli	Teksid	Comau	Itedi	Other and elimina-tions	FIAT Group
3d Quarter 2006												
Total net revenues	5,537	106	332	2,314	2,095	1,345	979	223	288	80	(1,490)	11,809
Net revenues intersegment (*)	(57)	(6)	(15)	-	(24)	(1,029)	(345)	(49)	(73)	(2)	1,600	-
Net revenues from third parties	**5,480**	**100**	**317**	**2,314**	**2,071**	**316**	**634**	**174**	**215**	**78**	**110**	11,809
Trading profit	**51**	**(6)**	**38**	**137**	**156**	**32**	**44**	**15**	**(8)**	**(2)**	**(30)**	427
Unusual income (expenses)	1	-	-	(89)	13	(1)	(1)	-	(53)	1	129	-
Operating result	**52**	**(6)**	**38**	**48**	**169**	**31**	**43**	**15**	**(61)**	**(1)**	**99**	427
Financial income (expenses)												(120)
Result from investments												20
Result before taxes												327
Income taxes												127
Result from continuing operations												200

(*) Intersegment net sales and revenues include revenues between consolidated Group companies relating to different Sectors. Intersegment sales are accounted for at transfer prices that are substantially in line with market.

(in millions of euros)	Fiat Group Automobiles	Maserati	Ferrari	CNH	Iveco	FPT	Magneti Marelli	Teksid	Comau	Itedi	Other and elimina-tions	FIAT Group
1/1-9/30/2007												
Total net revenues	19,594	485	1,172	8,783	7,928	5,180	3,685	555	792	284	(5,745)	**42,713**
Net revenues intersegment (*)	(202)	(10)	(60)	(2)	(64)	(3,926)	(1,331)	(160)	(243)	(5)	6,003	-
Net revenues from third parties	**19,392**	**475**	**1,112**	**8,781**	**7,864**	**1,254**	**2,354**	**395**	**549**	**279**	**258**	**42,713**
Trading profit	**570**	**6**	**157**	**762**	**564**	**184**	**145**	**45**	**(24)**	**4**	**(127)**	**2,286**
Unusual income (expenses)	(117)	-	-	(23)	(4)	(14)	-	(3)	(10)	(1)	172	-
Operating result	**453**	**6**	**157**	**739**	**560**	**170**	**145**	**42**	**(34)**	**3**	**45**	**2,286**
Financial income (expenses)												**(331)**
Result from investments												**116**
Result before taxes												**2,071**
Income taxes												**614**
Result from continuing operations												**1,457**

(in millions of euros)	Fiat Group Automobiles	Maserati	Ferrari	CNH	Iveco	FPT	Magneti Marelli	Teksid	Comau	Itedi	Other and elimina-tions	FIAT Group
1/1-9/30/2006												
Total net revenues	17,305	375	1,038	7,980	6,452	4,515	3,321	743	940	282	(4,978)	37,973
Net revenues intersegment (*)	(174)	(24)	(51)	(1)	(71)	(3,383)	(1,271)	(170)	(204)	(6)	5,355	-
Net revenues from third parties	**17,131**	**351**	**987**	**7,979**	**6,381**	**1,132**	**2,050**	**573**	**736**	**276**	**377**	37,973
Trading profit	**196**	**(32)**	**102**	**547**	**389**	**118**	**136**	**45**	**(29)**	**3**	**(66)**	1,409
Unusual income (expenses)	(4)	-	-	(93)	15	(1)	(2)	(2)	(54)	2	139	-
Operating result	**192**	**(32)**	**102**	**454**	**404**	**117**	**134**	**43**	**(83)**	**5**	**73**	1,409
Financial income (expenses)												(418)
Result from investments												110
Result before taxes												1,101
Income taxes												420
Result from continuing operations												681

(*) Intersegment net sales and revenues include revenues between consolidated Group companies relating to different Sectors. Intersegment sales are accounted for at transfer prices that are substantially in line with market.

31. Translation of financial statements denominated in a currency other than the euros

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

	1/1-9/30/2007		At December 31, 2006	1/1-9/30/2006	
	Average	At September 30		Average	At September 30
US dollar	**1.344**	**1.418**	1.317	1.245	1.266
Pound sterling	**0.676**	**0.697**	0.672	0.685	0.678
Swiss franc	**1.637**	**1.660**	1.607	1.566	1.588
Polish zloty	**3.826**	**3.773**	3.831	3.912	3.971
Brazilian real	**2.690**	**2.607**	2.815	2.720	2.752
Argentine peso	**4.212**	**4.530**	4.066	3.842	3.950

Other information

During the first nine months of 2007, the Group had an average number of employees of 177,592, compared to an average of 173,748 during the first nine months of 2006.

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The managers responsible for preparing the company's financial reports, Alessandro Baldi and Maurizio Francescatti, declare, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law on Finance, that the accounting information contained in the "2007 Third Quarter Report" results documented in the books, accounting and other records of the company.