



# **Interim Report**

**for the period ended 31 March 2010**

# CONTENTS

BOARD OF DIRECTORS AND AUDITORS .....	
FIAT GROUP INTERIM REPORT .....	2
OPERATING PERFORMANCE .....	2
Group Highlights .....	2
Group Results .....	3
Operating Performance by Business .....	5
Consolidated Statement of Cash Flows .....	11
Consolidated Statement of Financial Position at 31 March 2010 .....	12
Industrial Activities and Financial Services .....	14
Employees .....	20
Significant Events in the First Quarter .....	21
Subsequent Events and Outlook .....	21
INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND NOTES AT 31 MARCH 2010 .....	22
Consolidated Income Statement .....	23
Consolidated Statement of Comprehensive Income .....	24
Consolidated Statement of Financial Position .....	25
Consolidated Statement of Cash Flows .....	27
Statement of Changes in Equity .....	28
Notes .....	29

This document has been translated into English for the convenience of readers outside Italy.  
The original Italian document should be considered the authoritative version.

This Report is available at [www.fiatgroup.com](http://www.fiatgroup.com)

## **Fiat S.p.A.**

Registered Office: 250 Via Nizza, Turin (Italy)

Share Capital: €6,377,262,975

Turin Companies Register/Tax Code: 00469580013

# BOARD OF DIRECTORS AND AUDITORS

## BOARD OF DIRECTORS

### Chairman

John Elkann <sup>(1)(\*)</sup>

### Chief Executive Officer

Sergio Marchionne

### Directors

Andrea Agnelli

Carlo Barel di Sant'Albano

Roland Berger <sup>(3)</sup>

Tiberto Brandolini d'Adda

René Carron

Luca Cordero di Montezemolo <sup>(\*\*)</sup>

Luca Garavoglia <sup>(1)(3)</sup>

Gian Maria Gros-Pietro <sup>(1)(2)</sup>

Virgilio Marrone

Vittorio Mincato <sup>(2)</sup>

Pasquale Pistorio

Ratan Tata

Mario Zibetti <sup>(2)(3)</sup>

### Secretary

Franzo Grande Stevens

## BOARD OF STATUTORY AUDITORS

### Regular Auditors

Riccardo Perotta – Chairman

Giuseppe Camosci

Piero Locatelli

### Alternate Auditors

Lucio Pasquini

Fabrizio Mosca

Stefano Orlando

### INDEPENDENT AUDITORS

Deloitte & Touche S.p.A.

(\*) Appointed Chairman on 21 April 2010

(\*\*) Resigned as Chairman on 21 April 2010 but remains as member of the Board of Directors

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

(2) Member of the Internal Control Committee

(3) Member of the Compensation Committee

# FIAT GROUP INTERIM REPORT

## INTRODUCTION

The Interim Report for the period ended 31 March 2010 has been prepared in accordance with Legislative Decree 58/1998, as amended, and the "Regolamento Emittenti" issued by Consob.

This Report also conforms with the requirements of the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") adopted by the European Union and has been prepared in accordance with IAS 34 - *Interim Financial Reporting*. The accounting principles applied are consistent with those used for preparation of the Consolidated Financial Statements at 31 December 2009, except as otherwise stated under "Accounting principles, amendments and interpretations adopted from 1 January 2010" in the Notes to the Interim Consolidated Financial Statements.

This Report is unaudited.

## OPERATING PERFORMANCE

### GROUP HIGHLIGHTS

(€ million)	1 <sup>st</sup> Quarter 2010	1 <sup>st</sup> Quarter 2009
Net revenues	12,926	11,268
Trading profit/(loss)	352	(48)
Operating profit/(loss)	352	(129)
Profit/(loss) before taxes	157	(360)
Profit/(loss) for the period	(21)	(411)
Profit/(loss) attributable to owners of the parent	(25)	(410)
(per share data in €)		
Basic earnings per ordinary and preference share (1)	(0.020)	(0.331)
Basic earnings per savings share (1)	(0.020)	(0.331)
Diluted earnings per ordinary and preference share (1)	(0.020)	(0.331)
Diluted earnings per savings share (1)	(0.020)	(0.331)

(1) Note 12 to the Consolidated Financial Statements provides additional information on the calculation of basic and diluted earnings per share.

(€ million)	At 31.03.2010	At 31.12.2009
Total assets	68,027	67,235
Net (debt)/cash	(16,846)	(15,898)
- of which: Net industrial (debt)/cash	(4,707)	(4,418)
Total equity	11,457	11,115
Equity attributable to owners of the parent	10,595	10,301
No. of employees at period end	195,728	190,014

### Disclaimer

*This Report, and in particular the section entitled "Subsequent Events and Outlook", contains forward-looking statements. These statements are based on the Group's current expectations and projections about future events and, by their nature, are subject to inherent risks and uncertainties. They relate to events and depend on circumstances that may or may not occur or exist in the future, and, as such, undue reliance should not be placed on them. Actual results may differ materially from those expressed in such statements as a result of a variety of factors, including: volatility and deterioration of capital and financial markets, changes in commodity prices, changes in general economic conditions, economic growth and other changes in business conditions, changes in government regulation (in each case, in Italy or abroad), and many other factors, most of which are outside of the Group's control.*

## GROUP RESULTS

(€ million)	1 <sup>st</sup> Quarter	
	2010	2009
<b>Net revenues</b>	<b>12,926</b>	11,268
<b>Trading profit/(loss)</b>	<b>352</b>	(48)
<b>Operating profit/(loss)</b>	<b>352</b>	(129)
<b>Profit/(loss) before taxes</b>	<b>157</b>	(360)
<b>Profit/(loss) for the period</b>	<b>(21)</b>	(411)

### Group results for the first quarter of 2010

#### Net revenues

(€ million)	1 <sup>st</sup> Quarter		
	2010	2009	% change
<b>Automobiles</b> (Fiat Group Automobiles, Maserati, Ferrari)	<b>7,334</b>	6,111	20.0
<b>Agricultural and Construction Equipment</b> (CNH – Case New Holland)	<b>2,575</b>	2,598	-0.9
<b>Trucks and Commercial Vehicles</b> (Iveco)	<b>1,694</b>	1,523	11.2
<b>Components &amp; Production Systems</b> (FPT, Magneti Marelli, Teksid, Comau)	<b>2,913</b>	2,281	27.7
<b>Other Businesses</b>	<b>262</b>	266	-1.5
<b>Eliminations</b>	<b>(1,852)</b>	(1,511)	-
<b>Total for the Group</b>	<b>12,926</b>	<b>11,268</b>	<b>14.7</b>

Group **revenues** for the first quarter totalled €12.9 billion, a 14.7% increase over the same period in 2009, when severely weakened trading conditions impacted all Group businesses. Revenues for the quarter were however lower than pre-crisis levels (-14% compared with Q1 2008).

During the first 3 months of 2010, sales volumes for the Automobiles and Components businesses in Italy, in particular, continued to reflect demand generated by government sponsored incentives introduced in 2009.

**Fiat Group Automobiles** (FGA) achieved revenues of €6.8 billion (+22.1%) on a total of 532,400 cars and light commercial vehicles delivered (+14.6% over Q1 2009), with demand positively impacted by the residual effect of eco-incentives in several Western European markets. Market share was 31.4% in Italy (-0.8 p.p.) and 8.6% for Europe overall (-0.3 p.p.) in highly competitive markets. In Brazil, Fiat increased deliveries 7.9% and maintained its leading market position.

**Agricultural and Construction Equipment** (CNH) revenues were €2.6 billion, in line with 2009 (+5.2% in USD terms). Construction equipment industry sales improved globally and CNH achieved share gains in the heavy segment in Western Europe and Latin America. Agricultural equipment revenues were down with strong sales and share gains for combines globally being more than offset by a weaker mix in the North American tractor market and soft demand in Europe in both segments.

**Trucks and Commercial Vehicles** (Iveco) reported an 11.2% increase in revenues to €1.7 billion, reflecting initial signs of a recovery in demand, albeit against extremely low 2009 levels. Total deliveries were up 25.3% to 26,919 vehicles, with a significant increase in the light segment (+41%) and more moderate improvement in the heavy segment (+9.5%). Sales volumes, however, remain nearly 50% below 2007/2008 levels.

**Components and Production Systems** reported revenues of €2.9 billion, representing a 27.7% increase over the first quarter of 2009. Sales volumes increased for all Sectors.

### Trading profit/(loss)

(€ million)	1 <sup>st</sup> Quarter		
	2010	2009	Change
<b>Automobiles</b> (Fiat Group Automobiles, Maserati, Ferrari)	<b>196</b>	27	169
<b>Agricultural and Construction Equipment</b> (CNH – Case New Holland)	<b>127</b>	49	78
<b>Trucks and Commercial Vehicles</b> (Iveco)	<b>3</b>	(12)	15
<b>Components &amp; Production Systems</b> (FPT, Magneti Marelli, Teksid, Comau)	<b>32</b>	(113)	145
<b>Other Businesses and Eliminations</b>	<b>(6)</b>	1	-7
<b>Total for the Group</b>	<b>352</b>	<b>(48)</b>	<b>400</b>
<b>Trading margin</b>	<b>2.7</b>	<b>(0.4)</b>	

The Group reported a **trading profit** of €352 million (trading margin: 2.7%), compared with a trading loss of €48 million for Q1 2009. First quarter trading performance was driven by higher volumes and the continued benefit of cost containment actions.

**FGA** reported a trading profit of €153 million (€30 million loss for Q1 2009) on the back of substantially higher volumes and an improved sales mix, with increased contribution from LCVs.

**CNH** achieved a trading profit of €127 million (€49 million in Q1 2009). Cost containment and improved fixed cost absorption for Construction Equipment more than offset the negative volume and mix resulting from reduced agricultural equipment sales in North America and Europe.

**Iveco** posted a trading profit of €3 million (€12 million loss in Q1 2009), mainly reflecting volume increases and manufacturing efficiencies, partially offset by lower prices in response to competitive pressure.

Trading profit for the **Components and Production Systems** businesses totalled €32 million, compared with a €113 million loss for the first quarter of 2009. All Sectors reported improvements which were principally attributable to higher volumes and efficiency gains.

### Operating profit/(loss)

The first quarter closed with an **operating profit** of €352 million, compared to a €129 million loss for Q1 2009, and reflected the significant improvement in trading profit. In Q1 2009, operating results were impacted by net unusual expense of €81 million.

### Profit/(loss) for the period

**Net financial expense** for Q1 totalled €250 million and included a €13 million loss from the marking-to-market of two stock option related equity swaps (€14 million gain for Q1 2009). Net of this item, financial expense increased €13 million over the prior year, reflecting the costs associated with maintaining liquidity levels in excess of € 10 billion.

**Investment income** totalled €55 million, an increase over the €21 million loss for the first quarter of 2009 principally due to the higher results of joint venture companies.

**Profit before taxes** was €157 million, compared with a loss before taxes of €360 million for Q1 2009. This figure reflects the higher operating result (+€481 million) and an increase in investment income (+€76 million), net of a €40 million increase in net financial expense.

**Income taxes** totalled €178 million (€51 million for Q1 2009), and related primarily to taxable income of companies operating outside Italy and employment-related taxes in Italy. The item also includes a one-off tax charge of €14 million associated with enactment of the U.S. Patient Protection and Affordable Care Act.

There was a **net loss** for the first quarter of €21 million (net loss of €411 million for Q1 2009).

The **net loss attributable to owners of the parent** was €25 million, compared with a loss of €410 million for the same period in 2009.

## OPERATING PERFORMANCE BY BUSINESS

### Automobiles

#### Net revenues

(€ million)	1 <sup>st</sup> Quarter		
	2010	2009	% change
<b>Fiat Group Automobiles</b>	<b>6,840</b>	5,600	22.1
<b>Maserati</b>	<b>127</b>	115	10.4
<b>Ferrari</b>	<b>414</b>	441	-6.1
<b>Eliminations</b>	<b>(47)</b>	(45)	-
<b>Total</b>	<b>7,334</b>	<b>6,111</b>	<b>20.0</b>

#### Trading profit/(loss)

(€ million)	1 <sup>st</sup> Quarter		
	2010	2009	Change
<b>Fiat Group Automobiles</b>	<b>153</b>	(30)	183
<b>Maserati</b>	<b>4</b>	3	1
<b>Ferrari</b>	<b>39</b>	54	-15
<b>Total</b>	<b>196</b>	<b>27</b>	<b>169</b>
<b>Trading margin (%)</b>	<b>2.7</b>	<b>0.4</b>	

#### Fiat Group Automobiles

Fiat Group Automobiles closed the quarter with **revenues** of €6.8 billion, up 22.1% over the first quarter of 2009 driven by an increase in volumes and favourable currency differences (+16.4% at constant exchange rates).

Fiat Group Automobiles delivered a total of 532,400 passenger cars and light commercial vehicles during the quarter, representing a 14.6% increase over the first quarter of 2009. In Europe (EU 27 + EFTA), deliveries for Fiat Group Automobiles increased 13.4% to 330,200 units. Volume increases were significant in Italy (+31.0%), France (+17.4%), the UK (+42.2%) and Spain, where deliveries essentially tripled. There was a decisive drop in Germany (-60.8%), reflecting a fall in the market following the non-renewal of incentives.

For passenger cars only, Fiat Group Automobiles delivered 437,800 vehicles during the first three months, a 9.8% increase over the first three months of 2009. In Europe, a total of 276,200 passenger cars were delivered, representing an 8.4% gain year-over-year. Deliveries were up significantly in the principal markets: Italy (+26.3%), France (+13.1%), the UK (+41.3%), and Spain, where they essentially tripled. The exception to the trend was Germany (-72.6%), where the non-renewal of incentives sharply reduced sales in the smaller segments, where FGA's presence is most significant.

The European passenger car market grew 9.5% over the first quarter of 2009, with performance varying between markets based on the level of advancement of incentive programmes. In Germany, especially, there was a 22.8% drop in demand following the conclusion of the incentive schemes at the end of 2009, which had a significant impact on the A segment. Continuation of government incentives contributed to the increase in demand in France (+16.9%) and other countries where incentives were not introduced until after the first quarter of 2009, such as the UK (+27.3%) and Spain (+44.5%), where the announcement of a VAT increase in July 2010 has also resulted in an acceleration of demand. In Italy, the market was up 23.3% for the quarter: government eco-incentives, which concluded at the end of 2009, continued to have a favourable impact on registrations in the first quarter of 2010, which resulted from the significant order intake experienced prior to the end of 2009. In Brazil, demand increased 13.9%.

In the first quarter, in a very competitive market environment, Fiat Group Automobiles share was 31.4% for Italy (-0.8 percentage points over Q1 2009) and 8.6% for Europe overall (-0.3 percentage points). The Sector achieved gains in Spain (+0.5 percentage points to 3.0%) and also in the UK (+0.3 percentage points to 3.0%), while share fell in France (-0.6 percentage points to 4.1%). In Germany, the sharp market decline in FGA's core segments determined the reduction in share to 3.0% (-2.5 percentage points). In Europe, the Fiat Panda was once again leader in its reference segment. The Lancia brand also had particularly positive performance, with registrations up 21% over 2009.

For Western Europe only (EU 15 + EFTA), Fiat Group Automobiles recorded an 8.7% share (down 0.3 percentage points over Q1 2009).

A total of 94,600 light commercial vehicles were delivered in Q1, representing an increase of 43.8% over the first quarter of 2009. For Europe, deliveries were up 49.1% to 53,900 units. Approximately one-third of the increase is attributable to the fact that deliveries for Q1 2009 were particularly low due to dealer destocking actions.

With the European market growing 5.2% overall, Fiat Professional achieved a 13.5% share (+1.4 percentage points). In Italy, market share increased to 45.3% (+5.3 percentage points). The introduction of the new Doblò, which was launched at the end of 2009, and the success of the CNG Fiorino in Italy both contributed to the brand's excellent first quarter performance.

In Brazil, passenger car and light commercial vehicle deliveries increased 7.9% over the first quarter of 2009. Share decreased to 22.3% (-1.5 percentage points), with market supply of the new Uno expected in May. However, the Sector continued to hold its market-leading position.

Fiat Group Automobiles closed Q1 2010 with a **trading profit** of €153 million, compared with a €30 million trading loss for Q1 2009. The improvement was attributable to the increase in volumes and an improved mix, primarily related to the performance of light commercial vehicles.

The highlight for the quarter was the significant presence of FGA brands at the 80th Geneva Motor Show. On stage at the Swiss event was the Alfa Romeo Giulietta in its international debut. Following a presentation to the international press in mid-April, the new 5-door hatchback will be launched in several markets beginning in May. The Alfa Romeo Giulietta, released on the brand's 100th anniversary, offers the maximum in performance and technology: from its engines, which represent the state-of-the-art in technology, performance and respect for the environment, to its new compact architecture complete with sophisticated suspension systems, active dual-pinion steering, high-quality materials and advanced production technologies.

Alongside the Giulietta was a MiTo equipped with the "Alfa TCT" (Twin Clutch Technology, an innovative automatic dual dry clutch transmission).

The Swiss show was also the venue for the presentation of the Fiat Doblò Natural Power with 1.4-litre, 16-valve T-JET CNG/gasoline engine, confirming Fiat's undisputed leadership in factory-installed powerplants of this type.

At the beginning of the year the brand also began sale of the 2010 model year Bravo, which has been enhanced in both style and content.

At Geneva, for Lancia there was the debut of a special series Delta with new look and features and the limited edition Ypsilon ELLE.

Also on display at Geneva was the Abarth Punto Evo, the high-tech sport version of the Fiat model presented last September. The power increase was achieved through an innovative 165 hp, 16-valve MultiAir 1400. An object of much admiration was the Abarth 500C, the first convertible released by the brand since its relaunch.

In March, JATO named Fiat Automobiles, for the third year running, as having the lowest CO<sub>2</sub> emissions among the top 10 selling brands in Europe with the lowest average CO<sub>2</sub> emissions for cars sold in 2009: 127.8 g/km.

### *Maserati*

For Q1 2010, Maserati reported €127 million in **revenues**, up 10.4% over the same period in 2009. This improvement is principally attributable to the excellent performance of the new GranCabrio, which has been very successful in all of the brand's markets.

A total of 1,205 cars were delivered to the network during the quarter, a 4.1% increase over the same period in 2009.

**Trading profit** came in at €4 million for Q1 2010, an improvement over the €3 million figure for Q1 2009.

At the Geneva Motor Show in March, Maserati presented the limited production Quattroporte Sport GT S Awards Edition, created to celebrate the numerous awards the model has received from top international magazines since its launch. Due out in July, the special series embodies the elegance and sportiness of the brand's flagship model, combining the most attractive handcrafted detailing with elements expressing its sporting character.

### *Ferrari*

For Q1 2010, Ferrari reported €414 million in **revenues**, down 6.1% over the corresponding period in 2009, when volumes reflected only the initial impacts of the economic crisis. The drop was primarily attributable to a change in product mix.

A total of 1,585 cars were delivered to the network during the quarter, substantially in line with Q1 2009 (1,571 cars; +0.9%).



Ferrari closed the quarter with a **trading profit** of €39 million (€54 million for Q1 2009). The decline was attributable, on one side, to a less favourable product mix and, on the other, to the fact that the newly-released F458 Italia provided a limited contribution for the period.

At the Geneva Motor Show in March, Ferrari presented the HY-Kers, a hybrid GT which benefits from eco-smart technologies developed in Formula 1 racing. Powered by two engines, one electric and the other a traditional V12, the car is a demonstration of the marque's skill in merging respect for the environment with pure driving pleasure. Geneva was also the venue for the debut of the Ferrari California with Start&Stop, while the Beijing Motor Show at the end of April will see the public unveiling of the 599 GTO, the highest performance vehicle in Ferrari's history to be produced in a limited series.

The success of 8-cylinder models continued in the first quarter of 2010, with numerous awards and recognitions being received by the California and the F458 Italia.

### Agricultural and Construction Equipment

	1 <sup>st</sup> Quarter	
(€ million)	2010	2009
<b>Net revenues</b>	<b>2,575</b>	<b>2,598</b>
% change	-0.9	
<b>Trading profit</b>	<b>127</b>	<b>49</b>
Change	78	
<b>Trading margin (%)</b>	<b>4.9</b>	<b>1.9</b>

CNH – Case New Holland had **revenues** of €2.6 billion for the quarter, in line with Q1 2009 (up 5.2% in US dollar terms). Construction equipment revenues rose due to higher volumes compared to the first quarter of 2009, which was marked by the severe downturn in global markets. Agricultural equipment revenues were down as strong combine sales were more than offset by a weaker mix in North America tractor sales and a sluggish European market in both segments.

Worldwide agricultural equipment industry unit sales increased 14% compared to the first quarter 2009. Global tractor sales rose 14% and global combine sales fell 2% for the quarter. Tractor and combine sales rose slightly in North America and both declined sharply in Western Europe where economic conditions continue to be challenging. Latin America saw significant increases in both tractor and combine markets on strong growth and commodity prices. For Rest of the World, demand for combines was weak, while tractor sales increased 30% mainly driven by demand in China.

CNH market share for tractors declined in North America, especially in the under 40 hp segment where the Sector is reducing inventory to preparation for new models later this year. European market share was flat and Latin America market share decreased due to competitive pricing in the high volume, small and mid-sized categories. Share in Rest of the World markets fell slightly, with demand in certain fast-growing markets, such as China, predominantly met by local low-range products. CNH global market share for combines was up in the first quarter. In North America, the Sector increased its market share targeting key cash crop accounts and was able to meet customer order requirements. In Western Europe share was stable, while in Latin America market share rose on strong demand for newly introduced CNH rotary combines. The Sector picked up market share in Rest of World markets where CNH benefited from increased demand in Turkey, where its brands are strongly positioned in the agricultural capital goods sector, and in the CIS States, where CNH finalized a JV with Kamaz in Russia in March 2010.

Global industry volume for construction equipment rose 31% in the first quarter, with light equipment up 21% and heavy equipment up 40%. North American sales fell 4% for light equipment and 16% for heavy; Western Europe saw a decline in both segments as well. In Latin America, the market rebounded off a weak quarter in the prior year and on strong infrastructure and construction spending, growing 77% in the light segment and 81% in the heavy segment. Rest of World industry sales for construction equipment jumped nearly 55% for light and 57% for heavy models, both dominated by demand in China.

In North America, CNH market share was in line for heavy segment and fell slightly in the light segment amid intense pricing competition. In Europe, the Sector's share was in line with the light segment market and improved in heavy equipment. CNH share in Latin America was down for light equipment; however share increased in the heavy segment as it was able to meet demand for key customers in a tight market. In Rest of the World markets, where CNH has limited presence, market share remained stable.

CNH **trading profit** was €127 million for the quarter, compared to €49 million one year ago. Cost containment measures, improved fixed cost absorption, especially at construction equipment plants, more than offset the negative volume and mix resulting from reduced agricultural equipment sales in North America and Europe.

In Q1 2010, Case IH released the new series Farmall A tractor in the US, with new styling. Case IH is also added a model to its JXU 115 range with more power and a 20x20 drive. In crop production, the brand introduced the Precision How 800 Air Drill for seeding of canola and other specialty crops, the 580 Bushel Cart, and the True Tandem 370 Disk Harrow.

New Holland introduced the Blue Power T7070 Autocommand and T7060 Power Command tractors in Europe and North America. In Europe the brand also introduced two further models. The T6000 Elite 6-cylinder models, light-weight tractors with electronic engine and power boost, and range from 116 hp to 140 hp. And in 88 hp to 101 hp range, New Holland launched the TK series with cab.

Case Construction's 650L crawler dozer was one of the "Top 20 Rollouts" of 2009 by Better Roads magazine.

New Holland's B Series Loader Backhoe was named as Construction Equipment Magazine's Top 100 Products of 2009.

## Trucks and Commercial Vehicles

	1 <sup>st</sup> Quarter	
(€ million)	2010	2009
<b>Net revenues</b>	<b>1,694</b>	<b>1,523</b>
% change	11.2	
<b>Trading profit/(loss)</b>	<b>3</b>	<b>(12)</b>
Change	15	
<b>Trading margin (%)</b>	<b>0.2</b>	<b>(0.8)</b>

Iveco reported €1.7 billion in **revenues** for the first quarter of 2010, a year-on-year increase of 11.2%. The increase primarily reflects signs of initial recovery in demand which, however, remains at extremely low levels.

Iveco delivered a total of 26,919 vehicles on a worldwide basis, including buses and special vehicles, representing an increase of 25.3% over the same period in 2009. Growth was mainly driven by performance in the light segment (+41.1%). Deliveries were also up in the heavy segment (+9.5%), as well as the medium segment (+40.2%), which has a significantly smaller relative weighting. Total deliveries for the first quarter, however, remained extremely contained, being almost 50% below the average for 2007/08. In Western Europe, 17,241 vehicles were delivered (+19.5%), with increases in the main markets: Italy (+43.6%), Germany (+41.4%), Spain (+30.4%) and France (+16.0%), while in the UK deliveries were down further (-32.5%) against Q1 2009. Deliveries trend was also positive in Eastern Europe, up 12.8% and significantly in Latin America, posting an increase of 53.4%.

In Western Europe, registrations for ≥3.5 ton trucks and commercial vehicles only contracted a further 12.6% over Q1 2009, due to a significantly reduced order intake in the second half of 2009 compared to the same period in 2008, particularly in the medium and heavy segments. The light segment grew slightly (+2.0%), while there was a decrease of 33.3% in the heavy segment and 19.7% in the medium segment. Analysed by country, registrations were down in all major European markets: Italy (-4.5%), France (-12.9%), Germany (-7.1%), the UK (-7.6%) and Spain (-5.8%).

Iveco's market share in Western Europe was 14.3% for the quarter, up 0.7 percentage points over Q1 2009. Share in the light vehicle segment increased 0.1 percentage points. For the heavy segment, share was up 1.0 percentage point on the back of positive performances in Italy (+4.2 percentage points), France (+1.8 percentage points) and the UK (+1.7 percentage points). In the medium segment, there was a 0.8 percentage point decrease, particularly impacted by performance of the Italian and UK markets.

In this context Iveco managed to further reduce its overall inventory of new trucks and commercial vehicles, both at company and network level, reflecting achievement of its de-stocking program.

Iveco closed the first quarter with a **trading profit** of €3 million, compared to a €12 million loss for Q1 2009. The improvement was primarily attributable to volume increases and manufacturing efficiencies, partially offset by lowering of prices in response to competitive pressure.

The new Iveco range attracted several awards during the quarter. Among the most important was "Utilitaire de l'Année 2010" awarded to the EcoDaily in France by the weekly "L'Argus de l'Automobile". In China, the Power Daily (the light vehicle produced by the joint venture Naveco) was given special mention as "Recommended Vehicle for Green Logistics" by "Green China Magazine" and "China Green Logistics Development Promotion Alliance" for the optimum power coupled with low emissions and reduced consumption.

During the period, Iveco also provided vehicles for the Overland 12 expedition, to take place this year in Africa, and became Official Sponsor of the Fiat Yamaha Racing Team.

## Components and Production Systems

### Net revenues

(€ million)	1 <sup>st</sup> Quarter		
	2010	2009	% change
<b>FPT Powertrain Technologies</b>	<b>1,364</b>	1,107	23.2
<b>Components</b> (Magneti Marelli)	<b>1,273</b>	976	30.4
<b>Metallurgical Products</b> (Teksid)	<b>171</b>	118	44.9
<b>Production Systems</b> (Comau)	<b>228</b>	186	22.6
<b>Eliminations</b>	<b>(123)</b>	(106)	-
<b>Total</b>	<b>2,913</b>	<b>2,281</b>	<b>27.7</b>

### Trading profit/(loss)

(€ million)	1 <sup>st</sup> Quarter		
	2010	2009	Change
<b>FPT Powertrain Technologies</b>	<b>13</b>	(58)	71
<b>Components</b> (Magneti Marelli)	<b>19</b>	(40)	59
<b>Metallurgical Products</b> (Teksid)	-	(8)	8
<b>Production Systems</b> (Comau)	-	(7)	7
<b>Total</b>	<b>32</b>	<b>(113)</b>	<b>145</b>
<b>Trading margin (%)</b>	<b>1.1</b>	<b>(5.0)</b>	

### FPT Powertrain Technologies

FPT Powertrain Technologies reported €1,364 million in **revenues** for Q1 2010, representing a 23.2% increase year-over-year. Sales to external customers and joint ventures accounted for 17% of the total.

The Passenger & Commercial Vehicles product line closed the quarter with revenues of €886 million (+24.7%). A total of 583,000 engines (+18.8%) and 577,000 transmissions (+23.0%) were sold during the quarter.

Industrial & Marine reported revenues of €485 million, up 24% over the first quarter of 2009. A total of 88,000 engines (+36.2%) were sold primarily to Iveco (36%), CNH (26%) and Sevel (27%), the JV in light commercial vehicles. In addition, 15,000 transmissions (+21.5%) and 33,000 axles (+30.0%) were delivered.

FPT closed Q1 2010 with a **trading profit** of €13 million, compared to a €58 million loss for Q1 2009. This improvement was primarily attributable to a recovery in sales volumes, in addition to the achievement of purchasing and manufacturing efficiencies.

At the Geneva Motor Show, FPT presented an absolute first in gasoline engine technology: the new 85 hp two-cylinder Twin-Air. This engine combines the revolutionary MultiAir system with special fluid dynamics to achieve optimum fuel efficiency. Smaller (-23%) and lighter (-10%) than a 4-cylinder with equivalent performance, this new engine offers a significant reduction in CO<sub>2</sub> emissions (up to 30%). The Twin-Air will debut on the Fiat 500 in September.

Also in Geneva, FPT Powertrain Technologies presented another important development in transmissions, the "Alfa TCT" (Twin Clutch Technology) to be mounted on the Alfa Romeo MiTo. This innovative transmission incorporates 23 patented technologies.

In South America, the 1.0-litre Fire Low Friction and the Flexfuel versions of the 1.4-litre Fire Evo2 and the 1.6 & 1.8-litre E-Torq were launched.

### Magneti Marelli

Magneti Marelli reported €1,273 million in **revenues** for Q1 2010, up 30.4% over the first three months of 2009, which were heavily impacted by the effects of the global economic crisis.

All business lines achieved revenue increases for the quarter, particularly in Brazil, China and Turkey. In Italy sales for the Sector also benefited from government incentives on new vehicle orders in the final months of 2009.

The Lighting business line experienced a recovery in revenues in the medium-to-large segment, which had been particularly hard hit in 2009 by the crisis, as well as positive performance in the NAFTA region. The growth in the light

commercial vehicles market had a positive impact on sales for the Suspension Systems business in Italy and the Exhaust Systems business in Spain.

Magneti Marelli reported Q1 **trading profit** of €19 million, compared to a €40 million loss for Q1 2009. This improvement was attributable to higher sales volumes and production efficiencies achieved.

The most notable new developments presented by the Sector during the quarter included components produced by Magneti Marelli for the new Alfa Romeo Giulietta, including: LED headlights and tail lights, suspensions, hot-end exhaust and the new navigation system, which incorporates navigator, dual tuner radio receiver, and CD/MP3 player with interface for Blue&Me system, into a single device.

Magneti Marelli also collaborated with FPT Powertrain Technologies to develop and produce the Alfa TCT transmission. Other developments included numerous engine and lighting components developed for major European automakers.

#### *Teksid*

Teksid reported **revenues** of €171 million for Q1 2010. The 44.9% increase was attributable to higher volumes compared with the first quarter of 2009, which had been severely impacted by the market crisis. Volumes for the Cast Iron business unit increased 36.2% as a result of positive performance in the Mercosur and NAFTA regions, as well as in Europe. Volumes also increased significantly (+81.8%) for the Aluminium business unit.

Teksid closed the quarter with **trading profit** at break even, compared to an €8 million loss for Q1 2009.

#### *Comau*

Comau reported **revenues** of €228 million for Q1 2010, up 22.6% year-over-year. The increase was principally attributable to the Body Welding operations in North America.

Order intake for the period of €350 million, represented a 55% year-over-year increase principally attributable to the Services operations. At 31 March 2010, the order backlog totalled €468 million, in line with year-end 2009.

Comau closed the quarter with **trading profit** at break even, compared with a trading loss of €7 million for the corresponding period in 2009. The increase of Body Welding operations was the major contributor to the improvement.

#### **Other Businesses**

Other Businesses includes the contribution from the Group's publishing businesses, service companies and holding companies. In Q1 2010, Other Businesses had **revenues** of €262 million, substantially in line with Q1 2009.

For Q1 2010, Other Businesses reported a **trading loss** of €6 million, including the impact of eliminations and consolidation adjustments, compared to a profit of €1 million for the same period in 2009.

## CONSOLIDATED STATEMENT OF CASH FLOWS

Following is a summary statement of cash flows and related comments. A full statement of cash flows is provided in the section "Interim Consolidated Financial Statements".

(€ million)	1 <sup>st</sup> Quarter 2010	1 <sup>st</sup> Quarter 2009
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD (AS REPORTED)	12,226	3,683
Cash and cash equivalents included under Assets held for sale	-	-
B) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	12,226	3,683
C) CASH FROM/(USED IN) OPERATING ACTIVITIES	414	206
D) CASH FROM/(USED IN) INVESTING ACTIVITIES	(726)	(446)
E) CASH FROM/(USED IN) FINANCING ACTIVITIES	(1,130)	1,445
Currency translation differences	185	53
F) NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,257)	1,258
G) CASH AND CASH EQUIVALENTS AT END OF PERIOD	10,969	4,941
of which: Cash and cash equivalents included under Assets held for sale	-	-
H) CASH AND CASH EQUIVALENTS AT END OF PERIOD (AS REPORTED)	10,969	4,941

During the first quarter of 2010, **operating activities** generated €414 million in cash. Income-related cash inflows of €589 million (calculated as net profit plus amortisation and depreciation, dividends, changes in provisions and various items related to sales with buy-back commitments and operating leases, net of gains/losses on disposals and other non-cash items) was partially offset by cash absorbed by the seasonal increase in working capital which totalled €175 million, when calculated on a comparable scope of operations and at constant exchange rates.

Cash used in **investing activities** totalled €726 million.

Expenditure for tangible and intangible assets (including €253 million in capitalised development costs) totalled €696 million.

Investments in subsidiaries and associates, totalling €30 million, mainly related to the €19 million recapitalisation of the Chinese 50/50 joint venture GAC Fiat Automobiles Co. Ltd.

For the first quarter of 2010, proceeds from the sale of non-current assets totalled €27 million.

The €141 million increase in receivables from financing activities is principally attributable to the seasonal increase in sales volumes for CNH in North America.

Cash used in **financing activities** totalled approximately €1.1 billion, mostly attributable to repayment at maturity of a €1 billion bond.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2010

At 31 March 2010, **total assets** amounted to €68,027 million, increasing €792 million from the €67,235 million figure at 31 December 2009.

**Non-current assets** totalled €26,052 million, an increase of €568 million over the figure at 31 December 2009. €560 million of the increase was due to currency translation differences, which impacted intangible assets (€190 million, mainly related to CNH Goodwill) and property, plant and equipment (approximately €230 million).

**Current assets** totalled €41,895 million, an increase of €226 million: the decrease in cash and cash equivalents (-€1,257 million) was more than offset by increases for the other principal line items (inventory, trade receivables, current taxes receivable and receivables from financing activities).

Receivables from financing activities totalled €13,441 million at 31 March 2010, an increase of €746 million over 31 December 2009. Net of currency translation differences and write-downs, the increase was €141 million.

**Working capital** (net of items related to vehicles sold under buy-back commitments and vehicles no longer subject to lease agreements which are included in inventory) was a negative €1,673 million, in line (-€9 million) with the amount at the beginning of the period.

(€ million)		At 31.03.2010	At 31.12.2009	Change
Inventory	(a)	8,123	7,887	236
Trade receivables		3,963	3,649	314
Trade payables		(12,074)	(12,295)	221
Net current taxes receivable/(payable) & Other current receivables/(payables)	(b)	(1,685)	(905)	-780
<b>Working capital</b>		<b>(1,673)</b>	<b>(1,664)</b>	<b>-9</b>

(a) Inventory is reported net of the value of vehicles sold under buy-back commitments by Fiat Group Automobiles and, following adoption of the improvement to IAS 16 in 2009, includes vehicles of other Sectors which are no longer subject to buy-back commitments or lease agreements and are held for sale.

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

At 31 March 2010, trade receivables, other receivables and receivables from financing activities falling due after that date and sold without recourse – and, therefore, eliminated from the statement of financial position pursuant to the derecognition requirements of IAS 39 – totalled €3,820 million (€4,611 million at 31 December 2009). This amount includes financial receivables, mostly from the sales network, of €1,897 million (€2,530 million at 31 December 2009) sold to jointly-controlled financial services companies (FGA Capital group) and of €378 million (€440 million at 31 December 2009) sold to associate financial services companies (Iveco Finance Holdings Limited).

For the first quarter of 2010, working capital increased €175 million (on a comparable scope of operations and at constant exchange rates). Seasonal build, typical for the quarter, was contained through disciplined alignment of production and inventory levels to demand, in addition to strong sales volumes for FGA.

At 31 March 2010, consolidated **net debt** totalled €16,846 million, up €948 million over the €15,898 million figure at 31 December 2009. Excluding the impact of currency translation differences (approximately €540 million), cash from operating activities for the first quarter was more than offset by increases in the loan portfolio of Financial Services companies and capital expenditure.

(€ million)		At 31.03.2010	At 31.12.2009
Financial payables		<b>(28,300)</b>	(28,527)
Asset-backed financing		<b>(7,482)</b>	(7,086)
Other		<b>(20,818)</b>	(21,441)
Current financial receivables from jointly-controlled financial services entities	(a)	<b>12</b>	14
<b>Financial payables, net of intersegment balances and current financial receivables from jointly-controlled financial services entities</b>		<b>(28,288)</b>	<b>(28,513)</b>
Other financial assets	(b)	<b>666</b>	636
Other financial liabilities	(b)	<b>(425)</b>	(464)
<b>Liquidity</b>		<b>11,201</b>	12,443
Current securities		<b>232</b>	217
Cash and cash equivalents		<b>10,969</b>	12,226
<b>Net (debt)/cash</b>		<b>(16,846)</b>	<b>(15,898)</b>
Industrial Activities		<b>(4,707)</b>	(4,418)
Financial Services		<b>(12,139)</b>	(11,480)

(a) Includes current financial receivables from FGA Capital.

(b) Includes assets and liabilities arising from the fair value recognition of derivative financial instruments.

In the first three months of 2010 **Financial payables** decreased €227 million (approximately €1 billion excluding currency translation differences), mainly for the repayment of a €1 billion bond at maturity.

At 31 March 2010, **Liquidity** (cash, cash equivalents and current securities) totalled €11.2 billion, a decrease of €1.2 billion over the €12.4 billion figure at year-end 2009.

Cash and cash equivalents included Cash with a pre-determined use of €602 million (€530 million at 31 December 2009), primarily for the Financial Services companies and allocated to servicing securitisation vehicles (included under Asset-backed financing).

## INDUSTRIAL ACTIVITIES AND FINANCIAL SERVICES

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

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

### Basis of analysis

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

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

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

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

### Operating Performance by Activity

(€ million)	1 <sup>st</sup> Quarter 2010			1 <sup>st</sup> Quarter 2009		
	Consolidated	Industrial Activities	Financial Services	Consolidated	Industrial Activities	Financial Services
Net revenues	12,926	12,633	373	11,268	10,950	380
Cost of sales	11,094	10,876	298	9,879	9,654	287
Selling, general and administrative	1,115	1,078	37	1,079	1,038	41
Research and development	338	338	-	340	340	-
Other income/(expense)	(27)	(32)	5	(18)	(14)	(4)
<b>TRADING PROFIT/(LOSS)</b>	<b>352</b>	<b>309</b>	<b>43</b>	<b>(48)</b>	<b>(96)</b>	<b>48</b>
Gains/(losses) on disposal of investments	1	1	-	(2)	(2)	-
Restructuring costs	2	2	-	2	1	1
Other unusual income/(expense)	1	1	-	(77)	(77)	-
<b>OPERATING PROFIT/(LOSS)</b>	<b>352</b>	<b>309</b>	<b>43</b>	<b>(129)</b>	<b>(176)</b>	<b>47</b>
Financial income/(expense)	(250)	(250)	-	(210)	(210)	-
Result from investments (*)	55	44	11	(21)	(28)	7
<b>PROFIT/(LOSS) BEFORE TAXES</b>	<b>157</b>	<b>103</b>	<b>54</b>	<b>(360)</b>	<b>(414)</b>	<b>54</b>
Income taxes	178	166	12	51	32	19
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>(21)</b>	<b>(63)</b>	<b>42</b>	<b>(411)</b>	<b>(446)</b>	<b>35</b>
Result from intersegment investments	-	42	5	-	35	(1)
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>(21)</b>	<b>(21)</b>	<b>47</b>	<b>(411)</b>	<b>(411)</b>	<b>34</b>

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

### Industrial Activities

For the first quarter, **net revenues** for Industrial Activities increased 15.4% over the same period in 2009 which had been impacted by severely weakened trading conditions. Revenues were, however, at lower levels than prior to the economic crisis (-14.9% compared with the first quarter of 2008). The Automobiles and Components businesses reported revenues, respectively, 20.2% and 27.7% higher than in the first quarter of 2009, with the Italian market, in particular, still benefiting from government incentives introduced in 2009. Iveco's net revenues increased 11.4% against



first quarter 2009 that was 50% lower than the same period in 2008. CNH revenues were stable, increasing 6% however in US dollar terms.

Industrial Activities reported a **trading profit** of €309 million compared with a trading loss of €96 million for the first quarter of 2009. All businesses contributed to the recovery in profitability which was principally attributable to higher volumes (as compared to a 2009 first quarter influenced by the economic crisis) and **cost containment actions initiated as early as the latter part of 2008**.

Industrial Activities reported an **operating profit** of €309 million, compared to a €176 million loss for Q1 2009. The improvement (+€485 million) was attributable the higher trading profit (+€405 million) and lower net unusual expense (-€80 million).

#### *Financial Services*

For the first quarter of 2010, **net revenues** for Financial Services totalled €373 million, slightly down (-1.8%) over the same period in 2009.

(€ million)	1 <sup>st</sup> Quarter		
	2010	2009	% change
<b>Fiat Group Automobiles</b>	<b>44</b>	44	-
<b>Ferrari</b>	<b>5</b>	5	-
<b>Agricultural and Construction Equipment (CNH – Case New Holland)</b>	<b>286</b>	299	-4.3
<b>Trucks and Commercial Vehicles (Iveco)</b>	<b>38</b>	34	11.8
<b>Eliminations</b>	-	(2)	n.a.
<b>Total</b>	<b>373</b>	<b>380</b>	<b>-1.8</b>

Financial Services for the Agricultural and Construction Equipment Sector reported revenues of €286 million, down 4.3% over the first quarter of 2009, impacted by currency translation differences: in US dollar terms, revenues grew 1.8%.

In the first quarter of 2010, Iveco Financial Services had revenues of €38 million, up 11.8% over the same period in 2009. The increase was primarily attributable to sales finance activities for CNH in Eastern Europe, where CNH has no financial services companies.

**Trading profit** totalled €43 million for the first quarter of 2010, down €5 million over the same period in 2009.

(€ million)	1 <sup>st</sup> Quarter		
	2010	2009	Change
<b>Fiat Group Automobiles</b>	<b>10</b>	7	3
<b>Ferrari</b>	<b>1</b>	1	-
<b>Agricultural and Construction Equipment (CNH – Case New Holland)</b>	<b>41</b>	45	-4
<b>Trucks and Commercial Vehicles (Iveco)</b>	<b>(9)</b>	(4)	-5
<b>Eliminations</b>	-	(1)	1
<b>Total</b>	<b>43</b>	<b>48</b>	<b>-5</b>

Trading profit for the Financial Services businesses of Fiat Group Automobiles totalled €10 million for the first quarter of 2010, an increase of €3 million over the €7 million figure for 2009 which was principally attributable to higher volumes in Brazil.

Trading profit for CNH – Case New Holland's Financial Services totalled €41 million, compared with €45 million for the first quarter of 2009.

Iveco's financial services businesses reported a trading loss of €9 million, compared with a €4 million loss for 2009. The difference was primarily attributable to higher risks provisions on the portfolio.

## Statement of Financial Position by Activity

(€ million)	At 31.03.2010			At 31.12.2009		
	Consolidated	Industrial Activities	Financial Services	Consolidated	Industrial Activities	Financial Services
Intangible assets	7,446	7,343	103	7,199	7,103	96
Property, plant and equipment	13,102	13,096	6	12,945	12,939	6
Investment property	-	-	-	-	-	-
Investments and other financial assets	2,230	4,078	927	2,159	3,968	944
Leased assets	451	6	445	457	7	450
Defined benefit plan assets	148	144	4	144	140	4
Deferred tax assets	2,675	2,509	166	2,580	2,433	147
<b>Total non-current assets</b>	<b>26,052</b>	<b>27,176</b>	<b>1,651</b>	<b>25,484</b>	<b>26,590</b>	<b>1,647</b>
Inventory	9,012	8,878	134	8,748	8,614	134
Trade receivables	3,963	3,910	103	3,649	3,590	121
Receivables from financing activities	13,441	5,587	14,018	12,695	5,506	13,368
Current taxes receivable	748	726	22	674	650	24
Other current assets	2,826	2,576	277	2,778	2,514	296
Current financial assets	936	834	107	899	827	76
Current investments	38	38	-	46	46	-
Other current securities	232	151	81	217	164	53
Other financial assets	666	645	26	636	617	23
Cash and cash equivalents	10,969	9,671	1,298	12,226	10,819	1,407
<b>Total current assets</b>	<b>41,895</b>	<b>32,182</b>	<b>15,959</b>	<b>41,669</b>	<b>32,520</b>	<b>15,426</b>
Assets held for sale	80	80	-	82	79	10
<b>TOTAL ASSETS</b>	<b>68,027</b>	<b>59,438</b>	<b>17,610</b>	<b>67,235</b>	<b>59,189</b>	<b>17,083</b>
<b>Total assets adjusted for asset-backed financing transactions</b>	<b>60,545</b>	<b>58,927</b>	<b>10,612</b>	<b>60,149</b>	<b>58,725</b>	<b>10,428</b>
Equity	11,457	11,457	2,774	11,115	11,115	2,756
Provisions	8,476	8,380	96	8,432	8,333	99
Employee benefits	3,427	3,414	13	3,447	3,431	16
Other provisions	5,049	4,966	83	4,985	4,902	83
Financial payables	28,300	20,169	14,295	28,527	20,898	13,812
Asset-backed financing	7,482	511	6,998	7,086	464	6,655
Other	20,818	19,658	7,297	21,441	20,434	7,157
Other financial liabilities	425	382	48	464	420	48
Trade payables	12,074	12,021	105	12,295	12,253	108
Current taxes payable	559	508	54	377	347	32
Deferred tax liabilities	128	124	4	152	148	4
Other current liabilities	6,608	6,397	234	5,865	5,675	216
Liabilities held for sale	-	-	-	8	-	8
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>68,027</b>	<b>59,438</b>	<b>17,610</b>	<b>67,235</b>	<b>59,189</b>	<b>17,083</b>
<b>Total equity and liabilities adjusted for asset-backed financing transactions</b>	<b>60,545</b>	<b>58,927</b>	<b>10,612</b>	<b>60,149</b>	<b>58,725</b>	<b>10,428</b>

## Net Debt by Activity

(€ million)	At 31.03.2010			At 31.12.2009		
	Consolidated	Industrial Activities	Financial Services	Consolidated	Industrial Activities	Financial Services
Financial payables	(28,300)	(20,169)	(14,295)	(28,527)	(20,898)	(13,812)
Asset-backed financing	(7,482)	(511)	(6,998)	(7,086)	(464)	(6,655)
Other	(20,818)	(19,658)	(7,297)	(21,441)	(20,434)	(7,157)
Current financial receivables from jointly-controlled financial services entities	(a) 12	12	-	14	14	-
Intersegment financial receivables	-	5,365	799	-	5,286	893
Intersegment financial receivables included under Assets held for sale	-	-	-	-	-	4
<b>Financial payables, net of intersegment balances and current financial receivables from jointly-controlled financial services entities</b>	<b>(28,288)</b>	<b>(14,792)</b>	<b>(13,496)</b>	<b>(28,513)</b>	<b>(15,598)</b>	<b>(12,915)</b>
Other financial assets	(b) 666	645	26	636	617	23
Other financial liabilities	(b) (425)	(382)	(48)	(464)	(420)	(48)
Liquidity	11,201	9,822	1,379	12,443	10,983	1,460
Current securities	232	151	81	217	164	53
Cash and cash equivalents	10,969	9,671	1,298	12,226	10,819	1,407
<b>Net (debt)/cash</b>	<b>(16,846)</b>	<b>(4,707)</b>	<b>(12,139)</b>	<b>(15,898)</b>	<b>(4,418)</b>	<b>(11,480)</b>

(a) This item includes current financial amounts receivable from FGA Capital by other companies in the Fiat Group.

(b) Includes assets and liabilities arising from the fair value recognition of derivative financial instruments.

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

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

At 31 March 2010, Cash and cash equivalents included Cash with a pre-determined use of €602 million (€530 million at year-end 2009), primarily for the Financial Services companies and allocated to servicing securitisation vehicles (included under asset-backed financing).

**Net debt** for the **Financial Services** companies at 31 March 2010 reflected an increase of €659 million over 31 December 2009, primarily attributable to currency translation differences (€588 million) and a higher lending portfolio (€142 million) which were partly offset by cash generated by operating activities (€177 million).

### Change in Net Industrial Debt

(€ million)	1 <sup>st</sup> Quarter 2010	1 <sup>st</sup> Quarter 2009
<b>Net industrial (debt)/cash at beginning of period</b>	<b>(4,418)</b>	<b>(5,949)</b>
Profit/(loss) for the period	(21)	(411)
Amortisation and depreciation (net of vehicles sold under buy-back commitments or leased)	679	678
Change in provisions for risks and charges and similar	(148)	(304)
<b>Cash from/(used in) operating activities during the period before change in working capital</b>	<b>510</b>	<b>(37)</b>
Change in working capital	(248)	264
<b>Cash from/(used in) operating activities</b>	<b>262</b>	<b>227</b>
Investments in property, plant and equipment and intangible assets (net of vehicles sold under buy-back commitments or leased)	(696)	(664)
<b>Cash from/(used in) operating activities, net of capital expenditures</b>	<b>(434)</b>	<b>(437)</b>
Change in consolidation scope and other changes	99	(208)
<b>Net industrial cash flow</b>	<b>(335)</b>	<b>(645)</b>
Capital increases, (purchase)/disposal of own shares and dividends	-	2
Currency translation differences	46	17
<b>Change in net industrial debt</b>	<b>(289)</b>	<b>(626)</b>
<b>Net industrial (debt)/cash at end of period</b>	<b>(4,707)</b>	<b>(6,575)</b>

During the first three months of 2010, **net industrial debt** increased €289 million to €4,707 million.

Net of the change in working capital, cash from operating activities was €510 million, while “Change in consolidation scope and other changes” and currency translation differences were positive for €99 and €46 million, respectively. These positive items were more than offset by capital expenditure (€696 million) and the seasonal increase in working capital (€248 million).

## Statement of Cash Flows by Activity

(€ million)	1 <sup>st</sup> Quarter 2010			1 <sup>st</sup> Quarter 2009		
	Consolidated	Industrial Activities	Financial Services	Consolidated	Industrial Activities	Financial Services
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD (AS REPORTED)	12,226	10,819	1,407	3,683	2,604	1,079
Cash and cash equivalents included under Assets held for sale	-	-	-	-	-	-
B) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	12,226	10,819	1,407	3,683	2,604	1,079
C) CASH FROM/(USED IN) OPERATING ACTIVITIES:						
Profit/(loss) for the period	(21)	(21)	47	(411)	(411)	34
Amortisation and depreciation (net of vehicles sold under buy-back commitments or leased)	680	679	1	679	678	1
(Gains)/losses on disposal of non-current assets and other non-cash items (a)	25	(61)	39	66	(11)	43
Dividends received	59	84	-	5	39	6
Change in provisions	(158)	(151)	(7)	(124)	(128)	4
Change in deferred taxes	(63)	(49)	(14)	(144)	(174)	30
Changes relating to buy-back commitments (b)	33	29	4	(44)	(31)	(13)
Changes relating to operating leases (c)	34	-	34	21	1	20
Change in working capital	(175)	(248)	73	158	264	(106)
<b>TOTAL</b>	<b>414</b>	<b>262</b>	<b>177</b>	<b>206</b>	<b>227</b>	<b>19</b>
D) CASH FROM/(USED IN) INVESTING ACTIVITIES:						
Investments in:						
Property, plant and equipment and intangible assets (net of vehicles sold under buy-back commitments or leased)	(696)	(696)	-	(664)	(664)	-
Unconsolidated subsidiaries and other investments	(30)	(65)	-	(26)	(26)	-
Proceeds from the sale of non-current assets (net of vehicles sold under buy-back commitments)	27	26	1	41	38	3
Net change in receivables from financing activities	(141)	1	(142)	184	(9)	193
Change in other current securities	(5)	20	(25)	(13)	1	(14)
Other changes	119	239	(120)	32	196	(164)
<b>TOTAL</b>	<b>(726)</b>	<b>(475)</b>	<b>(286)</b>	<b>(446)</b>	<b>(464)</b>	<b>18</b>
E) CASH FROM/(USED IN) FINANCING ACTIVITIES:						
Net change in financial payables and other financial assets/liabilities	(1,130)	(1,038)	(92)	1,437	1,380	57
Increase in share capital	-	-	35	8	8	-
(Purchase)/disposal of own shares	-	-	-	-	-	-
Dividends paid	-	-	(25)	-	(6)	(34)
<b>TOTAL</b>	<b>(1,130)</b>	<b>(1,038)</b>	<b>(82)</b>	<b>1,445</b>	<b>1,382</b>	<b>23</b>
Currency translation differences	185	103	82	53	7	46
F) NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,257)	(1,148)	(109)	1,258	1,152	106
G) CASH AND CASH EQUIVALENTS AT END OF PERIOD	10,969	9,671	1,298	4,941	3,756	1,185
of which: Cash and cash equivalents included under Assets held for sale	-	-	-	-	-	-
H) CASH AND CASH EQUIVALENTS AT END OF PERIOD (AS REPORTED)	10,969	9,671	1,298	4,941	3,756	1,185

(a) This item includes the reversal of a €13 million loss (€14 million gain for Q1 2009) in the fair value of two stock-option related swaps on Fiat S.p.A. shares.

(b) Cash from vehicles sold under buy-back commitments for the periods reported above, net of amounts already recognised through the income statement, is included in a separate line item under operating activities which also includes the change in working capital, capital expenditures and depreciation.

(c) Cash from operating leases is stated in a separate line item which also includes investment, depreciation and change in inventory.

### Industrial Activities

For the first quarter of 2010, Industrial Activities absorbed cash and cash equivalents totalling €1,148 million. In particular:

- **Operating activities** generated cash of €262 million. Income-related cash inflows (net profit plus amortisation and depreciation), net of gains/(losses) on disposal and other non-cash items, changes in provisions, deferred taxes, items relating to vehicles sold under buy-back commitments or leased, and dividends received, of €510 million was partly offset by the seasonal increase in working capital which, on a comparable scope of operations and at constant exchange rates, amounted to €248 million.
- **Investing activities** absorbed a total of €475 million in cash primarily related to investments in tangible and intangible assets and equity investments (€761 million) which was partly offset by the sale of non-current assets, for a total of €26 million, and the decrease in funding provided to the Group's financial services companies by central treasury companies (included under other changes).
- Cash used in **financing activities** totalled approximately €1,038 million, mostly attributable to repayment at maturity of a €1 billion bond.

### Financial Services

Cash and cash equivalents for Financial Services activities totalled €1,298 million at 31 March 2010, down €109 million over 31 December 2009.

Changes in cash during 2009 were attributable to:

- Operating activities, which generated €177 million in cash, principally from income-related cash inflows (net profit plus amortisation and depreciation).
- Investing activities (including changes in financial receivables from/payable to industrial companies) absorbed €286 million in cash due to an increase in the lending portfolio and a decrease in funding received from treasury companies (included under other changes).
- Financing activities, which absorbed a total of €82 million in cash.

\* \* \* \* \*

### EMPLOYEES

At 31 March 2010, the Group had 195,728 employees, an increase of 5,714 over the 190,014 figure at 31 December 2009.

This increase mainly reflects changes in the scope of operations (approximately 3,800 employees), relating to the insourcing of material handling activities in Italy, in addition to the production start-up for FGA in Serbia. The remaining change was attributable to an increase in the workforce, mostly blue-collar workers in Latin America, resulting from an increase in production levels.

## SIGNIFICANT EVENTS IN THE FIRST QUARTER

In February, Fiat S.p.A. and Sollers signed a memorandum of understanding for the establishment of a global alliance for the production of passenger cars and SUVs. The new JV is expected to reach production capacity of up to 500,000 vehicles per year by 2016. Nine new models (C & D segment and SUV) will be sold in the Russian market, six of which will be based on a new global Fiat-Chrysler platform. A minimum of 10% of vehicles will be produced for the export market. The project will include new production facilities and a technology park for component production. The Russian government is expected to provide support for the joint venture through subsidised long-term financing for the full investment required, estimated at €2.4 billion.

CNH and KAMAZ finalised a joint venture agreement for the production of agricultural and construction equipment in the Russian Federation. This followed a preliminary agreement signed in October 2009. The new company, CNH-KAMAZ Industrial BV, will be 50% held by CNH. JV will initially produce machinery for the Russian market and, subsequently, for other CIS markets. The planned initial investment of USD 70 million will provide annual production capacity of 4,000 units, including a family of 300 hp combines, two ranges of tractors in the 300-535 hp segment and construction equipment.

Fiat Group Automobiles S.p.A. and Chrysler Group LLC took an additional step towards integrating their distribution activities in Europe. Starting from April 2010, FGA will commence commercial activities to support the sale and service of Chrysler, Jeep® and Dodge branded products in several countries in Europe. The activities and employees of the Chrysler national sales companies in Europe will be gradually transferred to the corresponding FGA national sales companies. FGA Capital is already provider of financial services for Chrysler's European activities.

The Shareholders of Fiat S.p.A., which met in Turin on 26 March, approved the 2009 statutory financial statements and distribution of a gross dividend of €0.17 per ordinary share, €0.31 per preference share and €0.325 per savings share, payable from April 22nd. The aggregate dividend was €243.7 million (€237.1 excluding treasury shares currently held). Shareholders also approved amendments to the 2009-2010 Incentive Plan and renewed authorisation for the purchase of own shares for €1.8 billion (inclusive of the €656 million in treasury shares currently held); the buy-back programme remains on hold.

During the quarter, Fiat S.p.A. received the Sector Mover and Gold Class distinctions from SAM (Sustainable Asset Management), the sustainability-focused investment group which analyses the 2,500 largest quoted companies to determine their eligibility for inclusion in the Dow Jones Sustainability indexes. For 2009, Fiat was the best relative improver in sustainability performance within the Automobile sector (SAM Sector Mover).

## SUBSEQUENT EVENTS AND OUTLOOK

There have been no significant events subsequent to the close of the quarter.

\* \* \* \* \*

2010 is positioning itself as a year of transition and stabilization.

The Group expects all of its Sectors to improve performance over the prior year, with the exception of the Automobiles business, the performance of which will be impacted in the last 3 quarters of the year by the reduction and/or elimination of eco-incentives programs which underpin demand in Western Europe.

The Group will continue to implement the rigorous cost containment action initiated as early as the latter part of 2008.

The capital expenditures programs are expected to increase over the abnormally low levels of 2009, with the resumption of a normalized level of capital commitments across all Sectors, yielding a 30% to 35% rise in expenditures over 2009.

Targets for the year are confirmed as follows:

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

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

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

# INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

at 31 March 2010



# CONSOLIDATED INCOME STATEMENT

(€ million)	Note	1 <sup>st</sup> Quarter 2010	1 <sup>st</sup> Quarter 2009
Net revenues	(1)	12,926	11,268
Cost of sales	(2)	11,094	9,879
Selling, general and administrative costs	(3)	1,115	1,079
Research and development costs	(4)	338	340
Other income (expenses)	(5)	(27)	(18)
<b>TRADING PROFIT/(LOSS)</b>		<b>352</b>	<b>(48)</b>
Gains (losses) on the disposal of investments	(6)	1	(2)
Restructuring costs	(7)	2	2
Other unusual income (expenses)	(8)	1	(77)
<b>OPERATING PROFIT/(LOSS)</b>		<b>352</b>	<b>(129)</b>
Financial income (expenses)	(9)	(250)	(210)
Result from investments:	(10)	55	(21)
Share of the profit/(loss) of investees accounted for using the equity method		52	(24)
Other income (expenses) from investments		3	3
<b>PROFIT/(LOSS) BEFORE TAXES</b>		<b>157</b>	<b>(360)</b>
Income taxes	(11)	178	51
<b>PROFIT/(LOSS) FROM CONTINUING OPERATIONS</b>		<b>(21)</b>	<b>(411)</b>
Profit/(loss) from discontinued operations		-	-
<b>PROFIT/(LOSS) FOR THE PERIOD</b>		<b>(21)</b>	<b>(411)</b>
<b>PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO:</b>			
Owners of the parent		(25)	(410)
Non-controlling interests		4	(1)

(in €)

BASIC EARNINGS/(LOSS) PER ORDINARY AND PREFERENCE SHARE	(12)	<b>(0.020)</b>	<b>(0.331)</b>
BASIC EARNINGS/(LOSS) PER SAVINGS SHARE	(12)	<b>(0.020)</b>	<b>(0.331)</b>
DILUTED EARNINGS/(LOSS) PER ORDINARY AND PREFERENCE SHARE	(12)	<b>(0.020)</b>	<b>(0.331)</b>
DILUTED EARNINGS/(LOSS) PER SAVINGS SHARE	(12)	<b>(0.020)</b>	<b>(0.331)</b>

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€ million)	Note	1 <sup>st</sup> Quarter 2010	1 <sup>st</sup> Quarter 2009
<b>PROFIT/(LOSS) FOR THE PERIOD (A)</b>		<b>(21)</b>	<b>(411)</b>
Gains/(losses) on cash flow hedges	(23)	25	(234)
Gains/(losses) on fair value of available-for-sale financial assets	(23)	(1)	(3)
Gains/(losses) on exchange differences on translating foreign operations	(23)	486	175
Share of Other comprehensive income of entities accounted for using the equity method	(23)	69	(17)
Income tax relating to components of Other comprehensive income	(23)	14	(5)
<b>TOTAL OTHER COMPREHENSIVE INCOME, NET OF TAX (B)</b>		<b>593</b>	<b>(84)</b>
<b>TOTAL COMPREHENSIVE INCOME (A)+(B)</b>		<b>572</b>	<b>(495)</b>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>			
Owners of the parent		531	(512)
Non-controlling interests		41	17

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€ million)	Note	At 31 March 2010	At 31 December 2009
<b>ASSETS</b>			
Intangible assets	(13)	7,446	7,199
Property, plant and equipment	(14)	13,102	12,945
Investments and other financial assets:	(15)	2,230	2,159
Investments accounted for using the equity method		1,956	1,884
Other investments and financial assets		274	275
Leased assets	(16)	451	457
Defined benefit plan assets		148	144
Deferred tax assets	(11)	2,675	2,580
<b>Total Non-current assets</b>		<b>26,052</b>	<b>25,484</b>
Inventories	(17)	9,012	8,748
Trade receivables	(18)	3,963	3,649
Receivables from financing activities	(18)	13,441	12,695
Current tax receivables	(18)	748	674
Other current assets	(18)	2,826	2,778
Current financial assets:		936	899
Current investments		38	46
Current securities	(19)	232	217
Other financial assets	(20)	666	636
Cash and cash equivalents	(21)	10,969	12,226
<b>Total Current assets</b>		<b>41,895</b>	<b>41,669</b>
Assets held for sale	(22)	80	82
<b>TOTAL ASSETS</b>		<b>68,027</b>	<b>67,235</b>
<b>Total assets adjusted for asset-backed financing transactions</b>		<b>60,545</b>	<b>60,149</b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(CONTINUED)

(€million)	Note	At 31 March 2010	At 31 December 2009
<b>EQUITY AND LIABILITIES</b>			
Equity:	(23)	11,457	11,115
Issued capital and reserves attributable to owners of the parent		10,595	10,301
Non-controlling interest		862	814
Provisions:	(24)	8,476	8,432
Employee benefits		3,427	3,447
Other provisions		5,049	4,985
Debt:	(25)	28,300	28,527
Asset-backed financing		7,482	7,086
Other debt		20,818	21,441
Other financial liabilities	(20)	425	464
Trade payables	(26)	12,074	12,295
Current tax payables		559	377
Deferred tax liabilities	(11)	128	152
Other current liabilities	(27)	6,608	5,865
Liabilities held for sale	(22)	-	8
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>68,027</b>	<b>67,235</b>
<b>Total equity and liabilities adjusted for asset-backed financing transactions</b>		<b>60,545</b>	<b>60,149</b>

# CONSOLIDATED STATEMENT OF CASH FLOWS

(€ million)	Note	1 <sup>st</sup> Quarter 2010	1 <sup>st</sup> Quarter 2009
<b>A) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD AS REPORTED</b>	(21)	<b>12,226</b>	<b>3,683</b>
Cash and cash equivalents included as Assets held for sale		-	-
<b>B) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	(21)	<b>12,226</b>	<b>3,683</b>
<b>C) CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES DURING THE PERIOD:</b>			
Profit/(loss) for the period		(21)	(411)
Amortisation and depreciation (net of vehicles sold under buy-back commitments and leased assets)		680	679
(Gains) losses from disposal of non-current assets		(5)	(3)
Other non-cash items	(a)	30	69
Dividends received		59	5
Change in provisions		(158)	(124)
Change in deferred income taxes		(63)	(144)
Change in items due to buy-back commitments	(b)	33	(44)
Change in operating lease items	(c)	34	21
Change in working capital		(175)	158
<b>TOTAL</b>		<b>414</b>	<b>206</b>
<b>D) CASH FLOWS FROM (USED IN) INVESTMENT ACTIVITIES:</b>			
Investments in:			
Property plant and equipment and intangible assets (net of vehicles sold under buy-back commitments and leased assets)		(696)	(664)
Investments in consolidated subsidiaries and other investments		(30)	(26)
Proceeds from the sale of non-current assets (net of vehicles sold under buy-back)		27	41
Net change in receivables from financing activities		(141)	184
Change in other current securities		(5)	(13)
Other changes		119	32
<b>TOTAL</b>		<b>(726)</b>	<b>(446)</b>
<b>E) CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:</b>			
Repayment of bonds		(1,000)	-
Issuance of other medium-term borrowings		512	1,191
Repayment of other medium-term borrowings		(507)	(241)
Net change in other financial payables and other financial assets/liabilities		(135)	487
Capital increase		-	8
(Buy-back) sale of treasury shares		-	-
Dividends paid		-	-
<b>TOTAL</b>		<b>(1,130)</b>	<b>1,445</b>
Translation exchange differences		185	53
<b>F) TOTAL CHANGE IN CASH AND CASH EQUIVALENTS</b>		<b>(1,257)</b>	<b>1,258</b>
<b>G) CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	(21)	<b>10,969</b>	<b>4,941</b>
of which: Cash and cash equivalents included as Assets held for sale		-	-
<b>H) CASH AND CASH EQUIVALENTS AT END OF PERIOD AS REPORTED</b>	(21)	<b>10,969</b>	<b>4,941</b>

(a) In the first quarter 2010, this item includes the reversal of the negative €13 million arising from the fair value measurement of the equity swaps on Fiat shares (positive for an amount of €14 million in the first quarter of 2009).

(b) The cash flows generated by the sale of vehicles under buy-back commitments, net of the amounts included in Profit/(loss) for the period, are included under operating activities in a single line item which includes changes in working capital, capital expenditures, depreciation and impairment losses. This item also includes gains and losses arising from the sales of vehicles transferred under buy-back commitments that occur before the end of the agreement term without repossession of the vehicle.

(c) Cash flows generated by operating lease arrangements are included in operating activities in a single line item which includes capital expenditures, depreciation, impairment losses and changes in inventories.

# STATEMENT OF CHANGES IN EQUITY

(€ million)	Share capital	Treasury shares	Capital reserves	Earning reserves	Cash flow hedge reserve	Cumulative translation adjustment reserve	Available for sale financial assets reserve	Cumulative share of OCI of entities consolidated under the equity method	Non-controlling interests	Total
<b>AT 1 JANUARY 2009</b>	<b>6,377</b>	<b>(657)</b>	<b>682</b>	<b>4,661</b>	<b>(568)</b>	<b>(103)</b>	<b>(1)</b>	<b>(37)</b>	<b>747</b>	<b>11,101</b>
<b>Changes in equity for Q1 2009</b>										
Capital increase	-	-	-	-	-	-	-	-	8	8
Dividends accrued or distributed	-	-	-	(25)	-	-	-	-	-	(25)
Increase in the reserve for share based payments	-	-	-	3	-	-	-	-	-	3
Total comprehensive income for the year	-	-	-	(410)	(236)	154	(3)	(17)	17	(495)
Other changes	-	-	-	-	-	-	-	-	(3)	(3)
<b>AT 31 MARCH 2009</b>	<b>6,377</b>	<b>(657)</b>	<b>682</b>	<b>4,229</b>	<b>(804)</b>	<b>51</b>	<b>(4)</b>	<b>(54)</b>	<b>769</b>	<b>10,589</b>

(€ million)	Share capital	Treasury shares	Capital reserves	Earning reserves	Cash flow hedge reserve	Cumulative translation adjustment reserve	Available for sale financial assets reserve	Cumulative share of OCI of entities consolidated under the equity method	Non-controlling interests	Total
<b>AT 1 JANUARY 2010</b>	<b>6,377</b>	<b>(657)</b>	<b>682</b>	<b>3,804</b>	<b>(219)</b>	<b>393</b>	<b>2</b>	<b>(81)</b>	<b>814</b>	<b>11,115</b>
<b>Changes in equity for Q1 2010</b>										
Dividends accrued or/and distributed	-	-	-	(237)	-	-	-	-	-	(237)
Purchase and sale of shares in subsidiaries from/to non-controlling interests	-	-	(4)	-	-	-	-	-	5	1
Increase in the reserve for share based payments	-	-	-	2	-	-	-	-	-	2
Total comprehensive income for the year	-	-	-	(25)	43	448	(1)	66	41	572
Other changes	-	-	-	2	-	-	-	-	2	4
<b>AT 31 MARCH 2010</b>	<b>6,377</b>	<b>(657)</b>	<b>678</b>	<b>3,546</b>	<b>(176)</b>	<b>841</b>	<b>1</b>	<b>(15)</b>	<b>862</b>	<b>11,457</b>

# NOTES

## SIGNIFICANT ACCOUNTING POLICIES

### Accounting policies

This Quarterly report have 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 Quarterly report have 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 31 December 2009, other than those discussed in the following paragraph “Accounting principles, amendments and interpretations adopted from 1 January 2010”.

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.

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

### Accounting principles, amendments and interpretations adopted from 1 January 2010

The Group adopted the following standards, amendments and interpretations from 1 January 2010.

#### *IAS 27 (2008) – Consolidated and Separate Financial Statements*

The revisions to IAS 27 principally affect the accounting for transactions and events that result in a change in the Group’s interest in its subsidiaries and the attribution of a subsidiary’s losses to non-controlling interests. In accordance with the relevant transitional provisions, the Group adopted these changes to IAS 27 prospectively. The adoption of the revised standard has affected the accounting of certain increases and decreases in the Group’s ownership interest in its subsidiaries.

IAS 27 (2008) specifies that once control has been obtained, further transactions whereby the parent entity acquires additional equity interests from non-controlling interests, or disposes of equity interests without losing control are transaction with owners and therefore shall be accounted for as equity transactions. It follows that the carrying amounts of the controlling and non-controlling interests must be adjusted to reflect the changes in their relative interests in the subsidiary and any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the parent. There is no consequential adjustment to the carrying amount of goodwill and no gain or loss is recognised in profit or loss. Costs associated with these transactions are recognised in equity in accordance with IAS 32 paragraph 35.

In prior years, in the absence of a specific principle or interpretation, if the Group purchased a non-controlling interest in a subsidiary that it already controlled it recognised any excess of the acquisition cost over the carrying value of the assets and liabilities acquired as goodwill (the “Parent entity extension method”). If it disposed of a non-controlling interest without losing control, however, the Group recognised any difference between the carrying amount of assets and liabilities of the subsidiary and the consideration received in profit or loss.

Following the adoption of the above change the Group has recognised a reduction in equity of €4 million in the first quarter of 2010 as the result of a series of minor acquisitions and sales of non-controlling interests in subsidiaries. The adoption of the new standard did not lead to the recognition of significant effects on Total other comprehensive income or on earnings per ordinary share.

### **Standards, amendments and interpretations effective from 1 January 2010 but not applicable to the Group**

The following amendments, improvements and interpretations have also been issued and are effective from 1 January 2010; these relate to matters that were not applicable to the Group at the date of these interim consolidated financial statements but which may affect the accounting for future transactions or arrangements:

- IFRS 3 (Revised 2008) – *Business Combinations*.
- Improvement to IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations*.
- Amendments to IAS 28 – *Investments in Associates* and IAS 31 – *Interests in Joint Ventures* consequential to the amendment to IAS 27.
- Improvements to IAS/IFRS (2009).
- Amendments to IFRS 2 – *Share based Payment: Group Cash-settled Share-based Payment Transactions*.
- IFRIC 17 – *Distributions of Non-cash Assets to Owners*.
- IFRIC 18 – *Transfers of Assets from Customers*.
- Amendment to IAS 39 – *Financial Instruments: Recognition and Measurement: Eligible Hedged items*

### **Accounting principles, amendments and interpretations not yet applicable and not early adopted by the Group**

On 8 October 2009, the IASB issued an amendment to IAS 32 – *Financial Instruments: Presentation, Classification of Rights Issues* in order to address the accounting for rights issues (rights, options or warrants) that are denominated in a currency other than the functional currency of the issuer. Previously such rights issues were accounted for as derivative liabilities. However, the amendment requires that, provided certain conditions are met, such rights issues are classified as equity regardless of the currency in which the exercise price is denominated. The amendment is applicable retrospectively from 1 January 2011; when applied this amendment is not expected to lead to significant effects on the Group's financial statements.

On 4 November 2009, the IASB issued a revised version of IAS 24 - *Related Party Disclosures* that simplifies the disclosure requirements for government-related entities and clarifies the definition of a related party. The revised standard is effective for annual periods beginning on or after 1 January 2011. The revised standard had not yet been endorsed by the European Union at the date of these interim consolidated financial statements.

On 12 November 2009, the IASB issued a new standard IFRS 9 – *Financial Instruments* on the classification and measurement of financial assets, having an effective date for mandatory adoption of 1 January 2013. The new standard represents the completion of the first part of a project to replace IAS 39. The new standard uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments and the contractual cash flow characteristics of the financial assets. IFRS 9 also requires a single impairment method to be used. The new standard had not yet been endorsed by the European Union at the date of these interim consolidated financial statements.

On 26 November 2009, the IASB issued a minor amendment to IFRIC 14 - *Prepayments of a Minimum Funding Requirement*. The amendment applies when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements. The amendment permits such an entity to treat the benefit of such an early payment as an asset. The amendment has an effective date for mandatory adoption of 1 January 2011; the amendment had not yet been endorsed by the European Union at the date of these interim consolidated financial statements.

On 26 November 2009, the IFRIC issued the interpretation IFRIC 19 – *Extinguishing Financial Liabilities with Equity Instruments* that provides guidance on how to account for the extinguishment of a financial liability by the issue of equity instruments. The interpretation clarifies that when an entity renegotiates the terms of a financial liability with its creditor and the creditor agrees to accept the entity's shares or other equity instruments to settle the financial liability fully or partially, then the entity's equity instruments issued to a creditor are part of the consideration paid to extinguish the financial liability and are measured at their fair value. The difference between the carrying amount of the financial liability extinguished and the initial measurement amount of the equity instruments issued is included in the profit or loss for the period. The interpretation has an effective date for mandatory adoption of 1 January 2011; the interpretation had not yet been endorsed by the European Union at the date of these interim consolidated financial statements.



#### SCOPE OF CONSOLIDATION

There have been no significant changes in the scope of consolidation during the first quarter of 2010 although the subsidiary Targa Rent S.r.l. which was classified as held for sale at 31 December 2009 and which formed part of the Fiat Group Automobiles sector was sold on 1 February 2010.

#### OTHER INFORMATION

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

## COMPOSITION AND PRINCIPAL CHANGES

### 1. Net revenues

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

(€ million)	1 <sup>st</sup> Quarter 2010	1 <sup>st</sup> Quarter 2009
Fiat Group Automobiles	6,785	5,555
Maserati	109	100
Ferrari	401	427
Agricultural and Construction Equipment	2,573	2,594
Trucks and Commercial Vehicles	1,668	1,513
FPT Powertrain Technologies	233	199
Components	774	555
Metallurgical Products	105	68
Production Systems	168	134
Other operating segments	110	123
<b>Total Net revenues</b>	<b>12,926</b>	<b>11,268</b>

### 2. Cost of sales

Cost of sales comprises the following:

(€ million)	1 <sup>st</sup> Quarter 2010	1 <sup>st</sup> Quarter 2009
Interest cost and other financial charges from financial services companies	202	203
Other cost of sales	10,892	9,676
<b>Cost of sales</b>	<b>11,094</b>	<b>9,879</b>

### 3. Selling, general and administrative costs

Selling costs amount to €644 million in the first quarter of 2010 (€636 million in the first quarter of 2009) and comprise mainly marketing, advertising and sales personnel costs.

General and administrative costs amount to €471 million in the first quarter of 2010 (€443 million in the first quarter of 2009) 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 first quarter of 2010 research and development costs amount to €338 million (€340 million in the first quarter of 2009) comprise all research and development costs not recognised as assets amounting to €161 million (€163 million in the first quarter of 2009), the write-down of costs previously capitalised (nil in the first quarter of 2010 and €3 million in the first quarter of 2009) and the amortisation of capitalised development costs of €177 million (€174 million in the first quarter of 2009). During the period the Group incurred new expenditure for capitalised development costs of €253 million (€233 million in the first quarter of 2009).

### 5. Other income (expenses)

Other expenses for the first quarter of 2010 amounts to €27 million (other expenses of €18 million for the first quarter of 2009) 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 retirement benefits (health service costs), indirect taxes and duties, and accruals to miscellaneous provisions.

## 6. Gains (losses) on the disposal of investments

In the first quarter of 2010 this item consists of gains of €1 million (losses of €2 million) arising on the disposal of certain minor investments.

## 7. Restructuring costs

The net balance on this item for the first quarter of 2010 amounts to €2 million (€2 million in the first quarter of 2009).

## 8. Other unusual income (expenses)

In the first quarter of 2010, this item resulted in a net gain of €1 million.

In the first quarter of 2009, this item resulted in a net expense of €77 million, mainly relating to exceptional additional costs incurred by FGA and Iveco as a consequence of the sudden serious crisis in the world automotive market, to provide mainly against the risks of the residual values of vehicles leased out under operating leases, those sold with buy-back clauses and those included in used stocks.

## 9. Financial income (expenses)

In addition to the items included in the specific line of the income statement, Net financial income (expenses) also includes the income from financial services companies included in Net revenues for €224 million (€243 million in the first quarter of 2009) 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 €202 million (€203 million in the first quarter of 2009).

Reconciliation to the income statement is provided at the foot of each column of the following table.

(€ million)	1 <sup>st</sup> Quarter 2010	1 <sup>st</sup> Quarter 2009
Financial income:		
Interest earned and other financial income	38	43
Interest income from customers and other financial income of financial services companies	224	243
Gains on disposal of securities	5	1
<b>Total financial income</b>	<b>267</b>	<b>287</b>
of which:		
Financial income, excluding financial services companies (a)	43	44
Interest and other financial expenses:		
Interest expense and other financial expenses	413	339
Write-downs of financial assets	58	50
Losses on disposal of securities	4	4
Interest costs on employee benefits	30	41
<b>Total interest and other financial expenses</b>	<b>505</b>	<b>434</b>
<b>Net income (expenses) from derivative financial instruments and exchange losses</b>	<b>10</b>	<b>(23)</b>
of which:		
Interest and other financial expenses, effects resulting from derivative financial instruments and exchange differences, excluding financial services companies (b)	293	254
<b>Net financial income (expenses) excluding financial services companies (a) – (b)</b>	<b>(250)</b>	<b>(210)</b>

Net financial expenses for the first quarter of 2010, excluding the financial services companies, amounted to €250 million, and include a net financial expense of €13 million arising from the equity swaps on Fiat S.p.A. ordinary shares, carried out to support certain stock options plans. Net financial expenses of €210 million for the first quarter of 2009 included a net financial income of €14 million arising from the above mentioned equity swap.

## 10. Result from investments

In the first quarter of 2010 this item consists of: a net gain of €52 million arising from the Group's interest in companies accounted for using the equity method (net loss of €24 million in the first quarter of 2009), the write-downs connected with the loss in value of financial assets and any reinstatement of value, 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 first quarter of 2010 is a gain amounting to €55 million (a loss of €21 million in the first quarter of 2009) and consists of (amounts in € million): Fiat Group Automobiles Sector Companies 49 (-13 in the first quarter of 2009); entities of Agricultural and Construction equipment Sector 7 (-14 in the first quarter of 2009), Trucks and Commercial Vehicles Sector Companies -3 (-2 in the first quarter of 2009) and other companies 2 (8 in the first quarter of 2009).

## 11. Income taxes

Income taxes consist of the following:

(€ million)	1 <sup>st</sup> Quarter 2010	1 <sup>st</sup> Quarter 2009
Current taxes:		
IRAP	22	41
Other taxes	228	158
<b>Total current taxes</b>	<b>250</b>	<b>199</b>
Deferred taxes for the period	(73)	(147)
Taxes relating to prior periods	1	(1)
<b>Total income taxes</b>	<b>178</b>	<b>51</b>

The increase in the charge for current and deferred taxes in the first quarter of 2010 with respect to the same period of 2009 is due mainly to an increase in the taxable profits of non-Italian companies. In addition, in the first quarter of 2010 Income taxes also includes a one-off tax charge of €14 million associated with enactment of the U.S. Patient Protection and Affordable Care Act.

Net deferred tax assets at 31 March 2010 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:

(€ million)	At 31 March 2010	At 31 December 2009
Deferred tax assets	2,675	2,580
Deferred tax liabilities	(128)	(152)
<b>Net deferred tax assets</b>	<b>2,547</b>	<b>2,428</b>

## 12. Earnings/(loss) per share

As explained in Note 24 to the Consolidated Financial Statements at 31 December 2009, the share capital of Fiat S.p.A. is represented by three classes of shares (ordinary shares, preference shares and saving shares) each of which has different dividend rights. In the first quarter of 2010 and 2009 the loss for the period attributable to owners of the parent has been allocated to all three classes of shares. In order to calculate earnings per share, the amount obtained has then been divided by the average number of outstanding shares.

The following table shows the reconciliation between the Profit/(loss) for the period attributable the owners of the parent and the Profit/(loss) for the period attributable to each class of shares, as well as, the weighted average number of shares outstanding during the periods:

		1 <sup>st</sup> Quarter 2010				1 <sup>st</sup> Quarter 2009			
		Ordinary shares	Preference shares	Saving shares	Total	Ordinary shares	Preference shares	Saving shares	Total
Profit/(loss) attributable to owners of the parent	€ million				(25)				(410)
Theoretical preference right	€ million	-	-	-	-	-	-	-	-
Profit/(loss) attributable to all classes of shares	€ million	(21)	(2)	(2)	(25)	(349)	(35)	(26)	(410)
<b>Profit/(loss) attributable to each class of shares</b>	€ million	<b>(21)</b>	<b>(2)</b>	<b>(2)</b>	<b>(25)</b>	<b>(349)</b>	<b>(35)</b>	<b>(26)</b>	<b>(410)</b>
<b>Average number of shares outstanding</b>	thousand	<b>1,053,679</b>	<b>103,292</b>	<b>79,913</b>	<b>1,236,884</b>	<b>1,053,679</b>	<b>103,292</b>	<b>79,913</b>	<b>1,236,884</b>
<b>Basic earnings/(loss) per share</b>	€	<b>(0.020)</b>	<b>(0.020)</b>	<b>(0.020)</b>		<b>(0.331)</b>	<b>(0.331)</b>	<b>(0.331)</b>	

Stock option and stock grant plans based on Fiat S.p.A. ordinary shares have not been taken into consideration in the calculation of diluted earnings per share in either the first quarter of 2010 and 2009 as this would have had an antidilutive effect. In addition, the effect on profit or loss for the period that would occur if the stock options granted by the Group's subsidiaries on their equity instruments were to be exercised has not been taken into consideration because this would also be antidilutive or nil.

The following table sets out the average 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 <sup>st</sup> Quarter 2010				1 <sup>st</sup> Quarter 2009			
		Ordinary shares	Preference shares	Ordinary shares	Preference shares	Ordinary shares	Preference shares	Ordinary shares	Preference shares
<b>Profit/(loss) attributable to each class of shares</b>	€ million	<b>(21)</b>	<b>(2)</b>	<b>(2)</b>	<b>(25)</b>	<b>(349)</b>	<b>(35)</b>	<b>(26)</b>	<b>(410)</b>
<b>Average number of shares considered in the diluted earnings per share</b>	thousand	<b>1,053,679</b>	<b>103,292</b>	<b>79,913</b>	<b>1,236,884</b>	<b>1,053,679</b>	<b>103,292</b>	<b>79,913</b>	<b>1,236,884</b>
<b>Diluted earnings/(loss) per share</b>	€	<b>(0.020)</b>	<b>(0.020)</b>	<b>(0.020)</b>		<b>(0.331)</b>	<b>(0.331)</b>	<b>(0.331)</b>	

### 13. Intangible assets

(€ million)	Net of amortisation at 31 December 2009	Additions	Amortisation	Foreign exchange effects and other changes	Net of amortisation at 31 March 2010
Goodwill	2,776	-	-	131	<b>2,907</b>
Development costs	3,593	253	(177)	35	<b>3,704</b>
Other	830	22	(48)	31	<b>835</b>
<b>Total Intangible assets</b>	<b>7,199</b>	<b>275</b>	<b>(225)</b>	<b>197</b>	<b>7,446</b>

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 €1,777 million, the Ferrari Sector for €786 million, the Pico group and other companies in the Production Systems Sector for €134 million, companies in the Components Sector for €119 million, companies in the Trucks and Commercial Vehicles Sector for €56 million, and companies in the Metallurgical Products Sector for €18 million.

The addition to Other intangible assets of €22 million in the period relates mainly to software.

Foreign exchange gains of €192 million in the first quarter of 2010 principally reflect changes in the Euro/US dollar rate.

### 14. Property, plant and equipment

(€ million)	Net of depreciation at 31 December 2009	Additions	Depreciation	Foreign exchange effects	Disposals and other changes	Net of depreciation at 31 March 2010
Property, plant and equipment	12,035	421	(455)	228	(8)	<b>12,221</b>
Assets sold with a buy-back commitment	910	52	(31)	1	(51)	<b>881</b>
<b>Total Property plant and equipment</b>	<b>12,945</b>	<b>473</b>	<b>(486)</b>	<b>229</b>	<b>(59)</b>	<b>13,102</b>

Additions of €473 million in the first quarter of 2010 mainly refer to the Sectors Fiat Group Automobiles, Components, FPT Powertrain Technologies, Ferrari, CNH - Case New Holland and Trucks and Commercial vehicles. Foreign exchange gains of €229 million in the first quarter of 2010 arise principally from the strengthening of the Polish Zloty, the US Dollar and the Brazilian Real against the Euro.

### 15. Investments and other financial assets

(€ million)	At 31 March 2010	At 31 December 2009
Investments	2,044	1,981
Non-current financial receivables	137	138
Other securities	49	40
<b>Total Investments and other financial assets</b>	<b>2,230</b>	<b>2,159</b>

Changes in Investments are as follows:

(€ million)	At 31 December 2009	Revaluations (write-downs)	Changes in the scope of consolidation	Other Changes	At 31 March 2010
<b>Investments</b>	<b>1,981</b>	<b>49</b>	<b>(1)</b>	<b>15</b>	<b>2,044</b>

At 31 March 2010 the item Investments totals €2,044 million (€1,981 million at 31 December 2009) and includes, amongst others, the following investments (€ million): FGA Capital S.p.A. 631 (643 at 31 December 2009), Tofas Turk Otomobil Fabrikasi A.S. 261 (241 at 31 December 2009), Naveco (Nanjing Iveco Motor Co.) Ltd. 150 (137 at 31 December 2009), Iveco Finance Holdings Limited 124 (127 at 31 December 2009), Sevelnord Société Anonyme 103 (105 at 31 December 2009), Sevel S.p.A. 98 (95 at 31 December 2009), Kobelco Construction Machinery Co. Ltd. 92 (88 at 31 December 2009), Rizzoli Corriere della Sera MediaGroup S.p.A. 102 (108 at 31 December 2009).

Other changes consisting of a net increase of €15 million are made up as follows: foreign exchange gains of €47 million; purchases and capitalisations for €30 million (of which €19 million mainly relating to the capital increase made by the equally held jointly controlled entity GAC Fiat Automobiles Co. Ltd.); dividends of €59 million distributed by companies accounted for using the equity method (of which €26 million received from FGA Capital), and other decreases of €3 million (including positive changes in the cash flow hedge reserve of Tofas-Turk Otomobil Fabrikasi Tofas A.S. for €7 million).

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 loss in value in investments accounted for under the cost method.

For purposes of completeness it is noted that the initial interest of the Fiat Group in Chrysler Group LLC continues to be carried at nil in the consolidated balance sheet at 31 March 2010 as an investment in an associate accounted for using the equity method. At the date of this Quarterly report neither the opening statement of financial position of the new Chrysler as of 10 June 2009 nor its financial statements for the period ended 31 December 2009 or those for the first quarter of 2010 were available. Further details about this investment and its accounting treatment in the Fiat Group's financial statements are included in the Chrysler transaction section and in Note 16 to the Consolidated financial statements at 31 December 2009.

## 16. Leased assets

(€ million)	Net of depreciation at 31 December 2009	Additions	Depreciation	Foreign exchange effect	Disposals and other changes	Net of depreciation at 31 March 2010
<b>Leased assets</b>	457	55	(23)	34	(72)	451

## 17. Inventories

(€ million)	At 31 March 2010	At 31 December 2009
Raw materials, supplies and finished goods	8,866	8,669
Gross amount due from customers for contract works	146	79
<b>Total Inventories</b>	<b>9,012</b>	<b>8,748</b>

Inventories at 31 March 2010 include assets sold with a buy-back commitment by Fiat Group Automobiles and assets in the Trucks and Commercial Vehicles and Agricultural and Construction Equipment Sectors which are no longer subject to operating lease arrangements or buy-back commitments and are held for sale, for a total amount of €889 million (€861 million at 31 December 2009). Excluding these amounts, Inventories rose by €236 million during the first quarter of 2010.

The amount due from customers for contract work mainly relates to the Production Systems Sector and can be analysed as follows:

(€ million)	At 31 March 2010	At 31 December 2009
Aggregate amount of costs incurred and recognised profits (less recognised losses) to date	1,195	1,056
Less: Progress billings	(1,157)	(1,058)
<b>Construction contracts, net of advances on contract work</b>	<b>38</b>	<b>(2)</b>
Gross amount due from customers for contract work as an asset	146	79
Less: Gross amount due to customers for contract work as a liability included in Other current liabilities	(108)	(81)
<b>Construction contracts, net of advances on contract work</b>	<b>38</b>	<b>(2)</b>

At 31 March 2010 and at 31 December 2009, the amount of retentions by customers on contract work in progress was not significant.

## 18. Current receivables and Other current assets

(€ million)	At 31 March 2010	At 31 December 2009
Trade receivables	3,963	3,649
Receivables from financing activities	13,441	12,695
Current tax receivables	748	674
Other current assets:		
Other current receivables	2,539	2,529
Accrued income and prepaid expenses	287	249
Total other current assets	2,826	2,778
<b>Total Current receivables and Other current assets</b>	<b>20,978</b>	<b>19,796</b>

Other receivables include amounts due from the tax authorities, security deposits and miscellaneous receivables.

Receivables from financing activities include the following:

(€ million)	At 31 March 2010	At 31 December 2009
Retail financing	6,499	6,239
Finance leases	1,163	1,110
Dealer financing	5,580	5,108
Supplier financing	62	102
Current financial receivables from jointly controlled financial services entities	12	14
Financial receivables from companies under joint control, associates and unconsolidated subsidiaries	63	55
Other	62	67
<b>Total Receivables from financing activities</b>	<b>13,441</b>	<b>12,695</b>

Receivables from financing activities increased by €746 million over the period. Excluding translation exchange gains of €659 million arising mainly from trends in the Euro/US dollar, Euro/Canadian dollar, Euro/Australian dollar and Eur/Brazilian Real rates, the item increased by €87 million mainly due to a seasonal rise in sales volumes in the CNH sector in North America.

Current financial receivables from jointly controlled financial services entities includes of financial receivables due by the FGA Capital group.

## 19. Current securities

At 31 March 2010 Current securities include mainly short-term or marketable securities which represent temporary investments, but which do not satisfy all the requirements for being classified as cash equivalents.

## 20. Other financial assets and Other financial liabilities

These items include the measurement at fair value of derivative financial instruments at 31 March 2010.

In particular, the overall change in other financial assets (from €636 million at 31 December 2009 to €666 million at 31 March 2010), and in other financial liabilities (from €464 million at 31 December 2009 to €425 million at 31 March 2010), is mainly due to the changes in exchange rates and interest rates over the period, as well as to the change in the fair value (negative for €13 million in the first quarter of 2010) of the equity swaps on Fiat S.p.A. ordinary shares.

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 31 March 2010, this item includes approximately €602 million (€530 million at 31 December 2009) of restricted cash whose use is primarily limited to the repayment of the debt relating to securitisations classified as Asset-backed financing.

## 22. Assets and liabilities held for sale

Assets and liabilities held for sale at 31 March 2010 include certain buildings and factories of the Fiat Group Automobiles, Agricultural and Construction Equipment and Comau Sectors and a 100% investment in a minor company in Brazil, which was classified as held for sale on acquisition.

In addition to the above, at 31 December 2009 Assets and liabilities held for sale also included the net assets of Targa Rent S.r.l., a minor subsidiary of the Fiat Group Automobiles Sector that was sold during the first quarter of 2010.

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

(€ million)	At 31 March 2010	At 31 December 2009
Property, plant and equipment	20	20
Investments and other financial assets	60	58
Trade receivables	-	4
<b>Total Assets</b>	<b>80</b>	<b>82</b>
Provisions	-	2
Trade payables	-	5
Other current liabilities	-	1
<b>Total Liabilities</b>	<b>-</b>	<b>8</b>

## 23. Equity

Consolidated shareholders' equity at 31 March 2010 increased by €342 million over 31 December 2009, mainly due to foreign exchange gains of €549 million arising on the translation into euros of the financial statements of subsidiaries denominated in currencies other than euro and an increase of €45 million in the cash flow hedge reserve, partially offset by a decrease of €237 million resulting from the recognition of the liability for dividends and the loss for the period of €21 million.

### Share capital

Share capital, fully paid-in, amounts to €6,377 million at 31 March 2010 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 each.

For more complete information on the share capital of Fiat S.p.A., reference should be made to Note 24 of the Consolidated Financial Statements at 31 December 2009.

### Treasury shares

Treasury shares consist of 38,568,458 Fiat S.p.A. ordinary shares for an amount of €656.6 million (unchanged with respect of 31 December 2009).

These Treasury shares were purchased under an original share buy-back programme (the "Programme") approved by shareholders in General Meeting on 31 March 2008 which provided for the purchase of treasury shares on regulated markets in accordance with the following conditions:

- the Programme was to end on 30 September 2009, or once the maximum purchase value of €1.8 billion (including

the Fiat shares already held by the Company) or a number of shares equivalent to 10% of share capital was reached;

- the maximum purchase price could not exceed the stock market reference price on the day before the purchase by more than 10%;
- the maximum number of shares purchased on any one day could not exceed 20% of the total daily trading volume for each share class.

Although the share buy-back programme is still on hold, in order to maintain the necessary operating flexibility over an adequate time period, shareholders in General Meeting on 26 March 2010 renewed their authorisation for the purchase and disposal of treasury shares, including transactions carried out through subsidiary companies, at the same time revoking the authorisation given by them in the General Meeting of 27 March 2009 to the extent not exercised at that date. The new authorisation is for the purchase of a maximum number of shares, for all three classes combined, not to exceed 10% of share capital or a purchase value of €1.8 billion, inclusive of the €656.6 million in Fiat shares already held by the company.

At 21 April 2010, the total number of ordinary shares purchased since the beginning of the programme was 37.27 million, for a total invested amount of €665 million.

#### *Other comprehensive income*

The amount of Other comprehensive income can be analysed as follows:

(€ million)	1st Quarter 2010	1st Quarter 2009
Gains/(Losses) on cash flow hedges arising during the period	(57)	(368)
Reclassification adjustment for gains/(losses) on cash flow hedges included in income statement	82	134
<b>Gains/(Losses) on cash flow hedges</b>	<b>25</b>	<b>(234)</b>
Gains/(Losses) on fair value of available-for-sale financial assets arising during the period	(1)	(3)
Reclassification adjustment for gains/(losses) on fair value of available-for-sale financial assets included in income statement	-	-
<b>Gains/(Losses) on fair value of available-for-sale financial assets</b>	<b>(1)</b>	<b>(3)</b>
<b>Gains/(Losses) on exchange differences on translating foreign operations</b>	<b>486</b>	<b>175</b>
Share of Other comprehensive income of entities consolidated by using the equity method arising during the period	61	(37)
Reclassification adjustment for the share of Other comprehensive income of entities consolidated by using the equity method	8	20
<b>Share of Other comprehensive income of entities consolidated by using the equity method</b>	<b>69</b>	<b>(17)</b>
<b>Income tax relating to components of Other comprehensive income</b>	<b>14</b>	<b>(5)</b>
<b>Total Other comprehensive income for the year, net of tax</b>	<b>593</b>	<b>(84)</b>

The income tax effect relating to Other comprehensive income can be analysed as follows:

(€ million)	1st Quarter 2010			1st Quarter 2009		
	Before tax amount	Tax (expense) benefit	Net-of-tax amount	Before tax amount	Tax (expense) benefit	Net-of-tax amount
Gains/(Losses) on cash flow hedges	25	14	39	(234)	(5)	(239)
Gains/(Losses) on fair value of available-for-sale financial assets	(1)	-	(1)	(3)	-	(3)
Gains/(Losses) on exchange differences on translating foreign operations	486	-	486	175	-	175
Share of Other comprehensive income of entities consolidated by using the equity method	69	-	69	(17)	-	(17)
<b>Total Other comprehensive income</b>	<b>579</b>	<b>14</b>	<b>593</b>	<b>(79)</b>	<b>(5)</b>	<b>(84)</b>

The decrease in gains recognized directly in the financial assets available-for-sale fair value adjustment reserve is due to a decline in the fair value of the assets to which it relates.

The effect on issued capital and reserves attributable to the owners of the parent that arises from the result for the period and from changes in the Group's ownership in its subsidiaries may be analysed as follows:

(€ million)	1 <sup>st</sup> Quarter 2010
Profit/(loss) for the period attributable to owners of the parent	(25)
Transfers (to)/from non-controlling interests:	
Decrease in the Group's capital reserves due to the purchase and sale of shares in subsidiaries from/(to) non-controlling interests	(4)
<b>Changes from net profit/(loss) attributable to owners of the parent and transfers from/(to) non-controlling interests</b>	<b>(29)</b>

## 24. Provisions

(€ million)	At 31 March 2010	At 31 December 2009
Employee benefits	3,427	3,447
Other provisions:		
Warranty provision	1,501	1,479
Restructuring provision	327	359
Investment provision	51	50
Other risks	3,170	3,097
Total Other provisions	5,049	4,985
<b>Total Provisions</b>	<b>8,476</b>	<b>8,432</b>

Provisions for Employee benefits include provisions for both pension plans and other post employment benefits.

Reserves for risks and charges and other reserves amount to €3,170 million 31 March 2010 (€3,097 million at 31 December 2009) and include provisions for contractual, commercial and legal risks.

## 25. Debt

(€ million)	At 31 March 2010	At 31 December 2009
Asset-backed financing	7,482	7,086
Other debt:		
Bonds	10,549	11,397
Borrowings from banks	8,697	8,394
Payables represented by securities	244	384
Other	1,328	1,266
Total Other debt	20,818	21,441
<b>Total Debt</b>	<b>28,300</b>	<b>28,527</b>

Debt decreased by €227 million over the quarter to 31 March 2010. This arose from an increase of €847 million caused by changes in foreign exchange rates and a decrease €1,074 million resulting mainly from the redemption at maturity of the bond of €1,000 million issued by Fiat Finance and Trade Ltd S.A. as part of the Global Medium Term Notes programme.

The principal bond issues outstanding at 31 March 2010 are as follows:

	Currency	Face value of outstanding bonds (in million)	Coupon	Maturity	Outstanding amount (€million)
<b>Global Medium Term Notes:</b>					
Fiat Finance and Trade Ltd S.A.(1)	EUR	1,300	6.750%	25 May 2011	1,300
Fiat Finance and Trade Ltd S.A.(1)	EUR	247	(2)	(2)	247
Fiat Finance and Trade Ltd S.A.(3)	EUR	1,000	5.625%	15 November 2011	1,000
Fiat Finance and Trade Ltd S.A. (3)	EUR	1,250	9.000%	30 July 2012	1,250
Fiat Finance and Trade Ltd S.A. (3)	EUR	200	5.750%	18 December 2012	200
Fiat Finance and Trade Ltd S.A. (3)	EUR	1,250	7.625%	15 September 2014	1,250
Fiat Finance and Trade Ltd S.A. (3)	EUR	1,500	6.875%	13 February 2015	1,500
Fiat Finance North America Inc. (3)	EUR	1,000	5.625%	12 June 2017	1,000
Others (4)					103
<b>Total Global Medium Term Notes</b>					<b>7,850</b>
<b>Other bonds:</b>					
Fiat Finance and Trade Ltd S.A. (3)	EUR	1,000	6.625%	15 February 2013	1,000
Case New Holland Inc.	USD	1,000	7.750%	1 September 2013	742
Case New Holland Inc. (5)	USD	500	7.125%	1 March 2014	371
CNH America LLC	USD	254	7.250%	15 January 2016	189
<b>Total Other bonds</b>					<b>2,302</b>
<b>Hedging effect and amortised cost valuation</b>					<b>397</b>
<b>Total Bonds</b>					<b>10,549</b>

(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 (€17 million) due beginning from the sixth year (7 November 2007) by reducing the face value of each bond outstanding by one-fifth. The last instalment will be repaid on 7 November 2011. The bonds pay coupon interest equal to: 4.40% in the first year (7 November 2002), 4.60% in the second year (7 November 2003), 4.80% in the third year (7 November 2004), 5.00% in the fourth year (7 November 2005), 5.20% in the fifth year (7 November 2006), 5.40% in the sixth year (7 November 2007), 5.90% in the seventh year (7 November 2008), 6.40% in the eighth year (7 November 2009), 6.90% in the ninth year (7 November 2010), 7.40% in the tenth year (7 November 2011).

(3) Bond listed on the Irish Stock Exchange.

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

(5) On or after 1 March 2010, these Notes are redeemable at issuer's option at a price equal to 100% of the principal amount of the Notes plus, interests accrued, and a premium declining to par. This premium decrease over time and will be equal to zero from 1 March 2012.

Further information about these bonds is included in Note 27 to the Consolidated Financial Statements at 31 December 2009. The unaudited prospectuses and offering circulars, or their abstracts, relating to the principal bond issues are available on the Group's website at [www.fiatgroup.com](http://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.

Committed credit lines expiring after twelve months amount to approximately €3 billion and were fully utilised at 31 March 2010.

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 €403 million at 31 March 2010 (€358 million at 31 December 2009); this amount includes balances of €316 million (€268 million at 31 December 2009) due to creditors for assets acquired under finance leases.

## 26. Trade payables

Trade payables of €12,074 million at 31 March 2010 decreased by €221 million from the amount at 31 December 2009.

## 27. Other current liabilities

Other payables include €1,908 million of amounts payable to customers relating to buy-back agreements (€1,885 million at 31 December 2009), accrued expenses and deferred income of €1,279 million (€1,078 million at 31 December 2009) dividends of €237 million payable to Fiat S.p.A. shareholders as resolved in their General Meeting on 26 March 2010.

## 28. Guarantees granted, commitments and contingent liabilities

### *Guarantees granted*

At 31 March 2010 the Group had outstanding guarantees granted on the debt or commitments of third parties or unconsolidated subsidiaries jointly controlled and associated entities totalling €709 million (€593 million at 31 December 2009).

### *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 30 of the Consolidated Financial Statements at 31 December 2009, to which reference should be made, insofar as no changes occurred in the first quarter of 2010. 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;
- investment of Fiat in Chrysler Group LLC.

### *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 31 March 2010 amounting to €3,820 million (€4,611 million at 31 December 2009, with due dates beyond that date), which refer to trade receivables and other receivables for €2,991 million (€3,679 million at 31 December 2009) and receivables from financing for €829 million (€932 million at 31 December 2009). The amount includes receivables, mostly due from the sales network, of €1,897 million (€2,530 million at 31 December 2009) sold to jointly controlled financial services companies (FGA Capital) and of €378 million (€440 million at 31 December 2009) sold to associate financial services companies (Iveco Finance Holdings Limited, controlled by Barclays).

## 29. Information by business sector

The Income statement by business sector for the first quarter of 2010 and 2009 is as follows:

(€ million)	Fiat Group Automobiles	Maserati	Ferrari	CNH	Iveco	FPT	Magneti Marelli	Teksid	Comau	Other Operating Segments	Unallocated items & adjustments	FIAT Group
<b>1st Quarter 2010</b>												
Segment revenues	6,840	127	414	2,575	1,694	1,364	1,273	171	228	262	(2,022)	12,926
Revenues from transactions with other operating segments (*)	(55)	(18)	(13)	(2)	(26)	(1,131)	(499)	(66)	(60)	(152)	2,022	-
<b>Revenues from external customers</b>	<b>6,785</b>	<b>109</b>	<b>401</b>	<b>2,573</b>	<b>1,668</b>	<b>233</b>	<b>774</b>	<b>105</b>	<b>168</b>	<b>110</b>	-	<b>12,926</b>
<b>Trading profit/(loss)</b>	<b>153</b>	<b>4</b>	<b>39</b>	<b>127</b>	<b>3</b>	<b>13</b>	<b>19</b>	-	-	<b>(11)</b>	<b>5</b>	<b>352</b>
Unusual income/(expense)	-	-	-	(1)	-	-	-	-	-	1	-	-
<b>Operating profit/(loss)</b>	<b>153</b>	<b>4</b>	<b>39</b>	<b>126</b>	<b>3</b>	<b>13</b>	<b>19</b>	-	-	<b>(10)</b>	<b>5</b>	<b>352</b>
Financial income/(expense)											(250)	(250)
Interest in profit/(loss) of joint ventures and associates accounted for by the equity method	50	-	-	7	(3)	3	-	-	-	(6)	1	52
Other profit/(loss) from investments	(1)	-	-	-	-	-	(2)	-	-	6	-	3
<b>Result from investments</b>	<b>49</b>	-	-	<b>7</b>	<b>(3)</b>	<b>3</b>	<b>(2)</b>	-	-	-	<b>1</b>	<b>55</b>
<b>Profit/(loss) before taxes</b>												<b>157</b>
Income taxes											178	178
<b>Profit/(loss) from continuing operations</b>												<b>(21)</b>

(€ million)	Fiat Group Automobiles	Maserati	Ferrari	CNH	Iveco	FPT	Magneti Marelli	Teksid	Comau	Other Operating Segments	Unallocated items & adjustments	FIAT Group
<b>1st Quarter 2009</b>												
Segment revenues	5,600	115	441	2,598	1,523	1,107	976	118	186	266	(1,662)	11,268
Revenues from transactions with other operating segments (*)	(45)	(15)	(14)	(4)	(10)	(908)	(421)	(50)	(52)	(143)	1,662	-
<b>Revenues from external customers</b>	<b>5,555</b>	<b>100</b>	<b>427</b>	<b>2,594</b>	<b>1,513</b>	<b>199</b>	<b>555</b>	<b>68</b>	<b>134</b>	<b>123</b>	-	<b>11,268</b>
<b>Trading profit/(loss)</b>	<b>(30)</b>	<b>3</b>	<b>54</b>	<b>49</b>	<b>(12)</b>	<b>(58)</b>	<b>(40)</b>	<b>(8)</b>	<b>(7)</b>	<b>(15)</b>	<b>16</b>	<b>(48)</b>
Unusual income/(expense)	(30)	-	-	1	(49)	(1)	-	1	-	(1)	(2)	(81)
<b>Operating profit/(loss)</b>	<b>(60)</b>	<b>3</b>	<b>54</b>	<b>50</b>	<b>(61)</b>	<b>(59)</b>	<b>(40)</b>	<b>(7)</b>	<b>(7)</b>	<b>(16)</b>	<b>14</b>	<b>(129)</b>
Financial income/(expense)											(210)	(210)
Interest in profit/(loss) of joint ventures and associates accounted for by the equity method	(11)	-	-	(14)	(2)	1	-	-	-	2	-	(24)
Other profit/(loss) from investments	(2)	-	-	-	-	-	(1)	-	-	6	-	3
<b>Result from investments</b>	<b>(13)</b>	-	-	<b>(14)</b>	<b>(2)</b>	<b>1</b>	<b>(1)</b>	-	-	<b>8</b>	-	<b>(21)</b>
<b>Profit/(loss) before taxes</b>												<b>(360)</b>
Income taxes											51	51
<b>Profit/(loss) from continuing operations</b>												<b>(411)</b>

(\*) Revenues from transactions with other operating segments 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.

The Total Assets by business sector at 31 March 2010 and at 31 December 2009 is as follows:

(€million)	Fiat Group Automobiles	Maserati	Ferrari	CNH	Iveco	FPT	Magneti Marelli	Teksid	Comau	Other Operating Segments	Unallocated items & adjustments	FIAT Group
<b>At 31 March 2010</b>												
<b>Segment assets</b>	<b>16,223</b>	<b>382</b>	<b>1,717</b>	<b>19,331</b>	<b>7,057</b>	<b>5,074</b>	<b>3,418</b>	<b>558</b>	<b>609</b>	<b>14,553</b>	<b>(15,141)</b>	<b>53,781</b>
Tax assets											3,422	3,422
Receivables from financing activities, Non- current Other receivables and Securities of industrial companies											346	346
Cash and cash equivalents, Current securities and Other financial assets of industrial companies											10,478	10,478
<b>Total Treasury assets</b>											<b>10,824</b>	<b>10,824</b>
<b>Total unallocated assets</b>											<b>14,246</b>	<b>14,246</b>
<b>Total Assets</b>												<b>68,027</b>

(€million)	Fiat Group Automobiles	Maserati	Ferrari	CNH	Iveco	FPT	Magneti Marelli	Teksid	Comau	Other Operating Segments	Unallocated items & adjustments	FIAT Group
<b>At 31 December 2009</b>												
<b>Segment assets</b>	<b>16,157</b>	<b>368</b>	<b>1,608</b>	<b>18,346</b>	<b>7,159</b>	<b>4,988</b>	<b>3,258</b>	<b>517</b>	<b>567</b>	<b>15,169</b>	<b>(16,110)</b>	<b>52,027</b>
Tax assets											3,254	3,254
Receivables from financing activities, Non- current Other receivables and Securities of industrial companies											340	340
Cash and cash equivalents, Current securities and Other financial assets of industrial companies											11,614	11,614
<b>Total Treasury assets</b>											<b>11,954</b>	<b>11,954</b>
<b>Total unallocated assets</b>											<b>15,208</b>	<b>15,208</b>
<b>Total Assets</b>												<b>67,235</b>

### 30. 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 Euro were as follows:

	1 <sup>st</sup> Quarter 2010		At 31 December 2009:	1st Quarter 2009	
	Average	At 31 March	At 31 December	Average	At 31 March
US dollar	1.383	1.348	1.441	1.303	1.331
Pound sterling	0.888	0.890	0.888	0.909	0.931
Swiss franc	1.463	1.428	1.484	1.498	1.515
Polish zloty	3.987	3.867	4.105	4.499	4.689
Brazilian real	2.492	2.404	2.511	3.017	3.077
Argentine peso	5.306	5.216	5.473	4.616	4.945

### **31. Other information**

During the first quarter of 2010, the Group had an average number of employees of 193,414, compared to an average of 193,382 during the first quarter of 2009.

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*The managers responsible for preparing the Company's financial reports, Alessandro Baldi and Camillo Rossotto, declare, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law on Finance, that the accounting information contained in this document corresponds to the results documented in the books, accounting and other records of the company.*