Interim Report
for the quarter ended 31 March 2011

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

This Report is also available at www.fiatspa.com

Fiat S.p.A.

Registered Office: 250 Via Nizza, Turin, ITALY

Share Capital: €4,465,094,707.50

Turin Companies Register/Tax Code: 00469580013

BOARD OF DIRECTORS AND AUDITORS

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Deloitte & Touche S.p.A.

FIAT GROUP INTERIM REPORT

INTRODUCTION

The Interim Report for the quarter ended 31 March 2011 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 2010, except as otherwise stated under "Accounting principles, amendments and interpretations adopted from 1 January 2011" in the Notes to the Interim Consolidated Financial Statements.

The Interim Report is unaudited.

OPERATING PERFORMANCE

HIGHLIGHTS

(€ million)		1st Quarter 2011	1st Quarter 2010 (*)
Net revenues		**9,210**	8,603
Trading profit/(loss)		**251**	230
Operating profit/(loss)		**251**	232
Profit/(loss) before taxes		**153**	139
Profit/(loss) for the period		**37**	13
Profit/(loss) attributable to owners of the parent		**29**	7
(per share data in €)			
Basic earnings per ordinary share for Continuing Operations	(1)	**-**	-
Basic earnings per preference share for Continuing Operations	(1)	**0.111**	-
Basic earnings per savings share for Continuing Operations	(1)	**0.217**	0.086

(*) In accordance with IFRS 5, the figures for Q1 2010 have been reclassified to exclude the businesses transferred to Fiat Industrial on 1 January 2011 under the Demerger

(1) Note 11 to the financial statements provides additional information on the calculation of basic and diluted earnings per share

(€ million)	31.03.2011	31.12.2010
Total assets	**43,399**	73,442 (**)
Net (debt)/cash	**(2,889)**	(2,753) (***)
- of which: Net industrial (debt)/cash	**(489)**	(542) (***)
Total equity	**7,718**	12,461 (**)
Equity attributable to owners of the parent	**7,538**	11,544 (**)
No. of employees at period end	**139,142**	137,801

(**) Amounts relate to Fiat Group pre Demerger

(***) Amounts take into account effects from the Demerger which occurred on 1 January 2011

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, weather, floods, earthquakes or other natural disasters, changes in government regulation (in each case, in Italy or abroad), production difficulties, including capacity and supply constraints and many other risks and uncertainties, most of which are outside of the Group's control.

GROUP RESULTS

(€ million)	1st Quarter 2011	2010
Net revenues	**9,210**	8,603
Trading profit/(loss)	**251**	230
Operating profit/(loss)	**251**	232
Profit/(loss) before taxes	**153**	139
Profit/(loss) for the period	**37**	13

Group results for the first quarter of 2011

Net revenues

(€ million)	1st Quarter 2011	2010	% change
Automobiles (Fiat Group Automobiles, Maserati, Ferrari)	**7,591**	7,334	3.5
Components & Production Systems (Magneti Marelli, Fiat Powertrain(*), Teksid, Comau)	**3,006**	2,449	22.7
Other Businesses	**251**	262	-4.2
Eliminations	**(1,638)**	(1,442)	
Total for the Group	**9,210**	**8,603**	**7.1**

(*) Includes the activities of the Passenger & Commercial Vehicles business line of the former FPT Powertrain Technologies sector

Group **revenues** for the first quarter totaled €9.2 billion, a 7.1% increase over the same period in 2010, with Luxury & Performance brands and Components & Production Systems recording double-digit growth. For Fiat Group Automobiles, revenues were up 2.6% over the first quarter of 2010.

Fiat Group Automobiles (FGA) posted revenues of €7.0 billion (+2.6%, substantially unchanged at constant exchange rates), with shipments for the quarter totaling 518,600 passenger cars and light commercial vehicles (-2.6% vs. Q1 2010). A better mix, resulting from higher light commercial vehicle volumes (+7.5%) and the success of the Alfa Romeo Giulietta compensated for the drop in other passenger car volumes (down 4.8% overall). Share of the European passenger car market was down 1.5 percentage points to 7.1%, primarily due to a 2.4 percentage point decline in Italy (share at 29%) over the prior year, with 2010 benefiting from the final impact of eco-incentives for smaller and CNG/LPG vehicles. Fiat Professional maintained a leading position in Europe, with a share of 12.8%. In Brazil, Fiat remained market leader, with overall share substantially stable at 22.1%.

Luxury & Performance brands recorded significant growth over Q1 2010: Ferrari posted revenues of €491 million, up 18.6%. Maserati revenues were up 6.3% to €135 million.

Components & Production Systems had revenues of €3 billion, a 22.7% increase over Q1 2010. All sectors posted double-digit growth. For Magneti Marelli, in particular, revenues were up 16.7% to €1.5 billion and Fiat Powertrain, on a constant scope of operations, gained 17.1% to €1.2 billion.

Trading profit/(loss)

(€ million)	1st Quarter 2011	2010	Change
Automobiles (Fiat Group Automobiles, Maserati, Ferrari)	**192**	196	-4
Components & Production Systems (Magneti Marelli, Fiat Powertrain(*), Teksid, Comau)	**61**	42	19
Other Businesses and **Eliminations**	**(2)**	(8)	6
Total for the Group	**251**	**230**	**21**
Trading margin (%)	**2.7**	**2.7**	

(*) Includes the activities of the Passenger & Commercial Vehicles business line of the former FPT Powertrain Technologies sector

Trading profit came in at €251 million (€230 million for Q1 2010), driven by strong performance for Luxury & Performance brands and Magneti Marelli. Trading margin was 2.7%, in line with the prior year, with a slight contraction for FGA also reflecting higher R&D expenditure in advance of new model releases.

Fiat Group Automobiles achieved trading profit of €130 million (€153 million for Q1 2010), with trading margin at 1.9% (2.2% for prior year), with production efficiencies only partially offsetting impacts of the European volume decline and higher R&D expenditure in advance of new model releases.

Luxury & Performance brands benefited from higher volumes and an improved mix, with Ferrari posting a trading profit of €53 million, up 36% year-over-year, and Maserati more than doubling trading profit to €9 million.

Components & Production Systems reported trading profit of €61 million, up from €42 million for Q1 2010, with the increase primarily attributable to Magneti Marelli's strong performance.

Operating profit/(loss)

Operating profit is aligned to trading profit with no net impact from unusual items.

Profit/(loss) for the period

Net financial expense totaled €138 million for the quarter and included a €23 million gain in the mark-to-market value of two stock option-related equity swaps (€13 million loss for Q1 2010). Net of that item, financial expense increased €32 million over the prior year, reflecting the cost of maintaining a higher level of liquidity.

Profit before taxes was €153 million, up €14 million over the €139 million figure for the first quarter of 2010. This increase reflects the higher operating result (+€19 million) and lower net financial expense (+€4 million), net of a decrease in investment income (-€9 million).

Income taxes totaled €116 million (€126 million for Q1 2010), and related primarily to taxable income of companies operating outside Italy and employment-related taxes in Italy (IRAP).

For Q1 2011, Fiat Group reported **net profit** of €37 million (net profit of €13 million for Q1 2010).

Net profit attributable to owners of the parent was €29 million, an increase of €22 million over the €7 million figure for the first quarter of 2010.

OPERATING PERFORMANCE BY BUSINESS

Automobiles

Net revenues

	1st Quarter		
(€ million)	2011	2010	% change
Fiat Group Automobiles	**7,015**	6,840	2.6
Maserati	**135**	127	6.3
Ferrari	**491**	414	18.6
Eliminations	**(50)**	(47)	-
Total	**7,591**	**7,334**	**3.5**

Trading profit/(loss)

	1st Quarter		
(€ million)	2011	2010	Change
Fiat Group Automobiles	**130**	153	-23
Maserati	**9**	4	5
Ferrari	**53**	39	14
Total	**192**	**196**	**-4**
Trading margin (%)	**2.5**	**2.7**	

Fiat Group Automobiles

Fiat Group Automobiles (FGA) closed Q1 with **revenues** of €7.0 billion, up 2.6% over the first three months of 2010 (substantially unchanged at constant exchange rates). A better mix, resulting from higher light commercial vehicle volumes and the success of the Alfa Romeo Giulietta, compensated for the drop in other passenger car volumes.

FGA shipments of passenger cars and light commercial vehicles totaled 518,600 units, representing a 2.6% decline over Q1 2010. For passenger cars, a total of 416,900 units were shipped, down 4.8% over the first three months of 2010, including approximately 7,100 Chrysler and Jeep® brand vehicles for which FGA is general distributor in most European markets. For light commercial vehicles, shipment volumes totaled 101,700 units during the quarter, a 7.5% increase over the same period in 2010.

During the quarter, the **European passenger car** market (EU27+EFTA) registered a slight year-over-year contraction (-2.0% with 3.7 million units sold to end customers). However, performance was uneven across markets, reflecting differences in the phase-out of incentives programs, as well as variations in macro-economic conditions. In Germany (where the impact of incentives tailed off at the end of 2009), robust economic recovery drove a 13.9% increase in demand, particularly for the higher segments. In France, market demand was up 8.9%, as the order backlog existing at the end of 2010 following the termination of incentives was cleared.

In Italy, the market was down 23.1% over Q1 2010, when volumes benefited favorably from the residual effects of eco-incentives, reaching the lowest level in the last 20 years. In Spain, demand dropped 27.3%, reflecting the termination of government incentives, compounded by an unfavorable economic climate. In the UK, there was an 8.7% decline over Q1 2010, when approximately 20% of newly-registered vehicles benefited from government incentives. Elsewhere in Europe, double-digit growth was recorded in several key markets such as the Netherlands and Austria.

During the quarter, shipment volumes for FGA passenger cars in Europe totaled 245,300 units, an 11.2% decline over 2010. Higher shipments in Germany (+27.8%) and the minor European markets (+11.5% in aggregate) only partially offset declines in Italy (-20.3%), France (-4.3%), the UK (-3.9%) and Spain (-15.2%). The declines were substantially in line with the realignment of the reference segments in each of those markets.

Alfa Romeo increased shipments in Europe by more than 70%. With shipments of 24,600 units for the quarter, sales for the Giulietta were in line with expectations. Both Fiat and Lancia experienced volume declines, however, with performance closely linked to the overall trend for each country and segment.

For Europe overall, FGA recorded a 7.1% market share for the quarter, with the 1.5 percentage point year-over-year decline attributable to an unfavorable market mix. In Italy, in particular, share was down 2.4 percentage points to 29.0%. The principal underlying factor was the significant decline in demand for alternative-fuel vehicles (linked to the termination of eco-incentives) – a segment in which Fiat has an approximate 50% share – which accounted for 31% of total demand in Q1 2010 but only 5% in Q1 of this year. Net of that effect, growth for the Italian market would have been 6% with FGA making a 1.4 percentage point share gain. In the other major markets, share was down slightly in Germany (-0.2 percentage points to 2.8%), France (-0.3 p.p. to 3.8%) and the UK (-0.2 p.p. to 2.8%), but increased marginally in Spain (+0.1 p.p. to 3.1%). Positive performance also continued in the Dutch market, with FGA increasing its share from 4.9% to 7.1% – and almost doubling registrations for the quarter – on the back of incentives based on CO_2 emissions levels, where FGA is the undisputed market leader. Compared to Q4 2010, share in Europe was up 0.3 percentage points (from 6.8%) and in Italy it was up 0.5 percentage points (from 28.5%).

Fiat brand was the most heavily impacted by these market conditions, with overall share in Europe down from 7.0% to 5.3%. The Fiat 500 continued to improve share in its segment and the Grande Punto MyLife performed well in Italy and Germany, while the drop in share was, in part, attributable to the discontinuation of the Punto Classic, Croma and Multipla.

The same factors also impacted Lancia, whose share declined 0.2 percentage points to 0.7%, as the market settled in expectation of the launch of the new Ypsilon in Q2.

By contrast, Alfa Romeo increased European market share 0.4 percentage points over 2010 to 1.1%.

For **light commercial vehicles**, FGA shipped 56,900 units in **Europe** during the quarter, a 5.4% increase over the same period for 2010, in line with market demand. Volume gains were particularly significant in the major markets, with double-digit increases registered in Germany (+43.8%), France (+15.8%), the UK (+18.5%) and Spain (+22.9%). Italy was the only major market to run counter to the trend, with shipments down 11.2% as a result of particularly weak demand.

For Europe overall, Fiat Professional registered a 12.8% share (-0.7 percentage points) with uneven demand across markets resulting in a significantly less favorable mix for the brand. However, share gains were recorded in all major markets. In Italy, share was 46.9% (+0.1 percentage points), even though 2010 performance was underpinned by record demand for the CNG Fiorino. Share was up significantly in Germany (+1.5 percentage points to 12.3%) and the United Kingdom (+0.5 percentage points to 3.7%) and in Spain the brand gained 1.5 percentage points to post a 9.8% share for the quarter, while in France, where the market grew 7.8%, FGA increased new registrations to close the quarter with an 8.9% share (+0.2 percentage points). In both Spain and France, Fiat Professional achieved its highest ever first quarter performance.

Driving these results was the Fiat Ducato, with new registrations increasing around 26% for the quarter to 27,000 units.

In **Brazil**, passenger car demand was substantially unchanged over the prior year (+0.8%), despite the non-renewal of incentives for purchases of small and medium segment vehicles.

During the quarter, FGA shipped a total of 180,200 passenger cars and light commercial vehicles, representing an 8.0% increase over the first three months of 2010. The overall market grew 3.6% (+16.2% for LCVs) and FGA maintained its leadership position with a share of 22.1% (-0.2 percentage points). The success of the Novo Uno continued in 2011 and, in February, it took the no. 1 position in its segment for the first time.

In **Argentina**, the overall market grew significantly, recording a 27.7% increase (+32.7% for light commercial vehicles only). FGA shipments totaled 19,500 passenger cars and light commercial vehicles for the quarter, with overall market share at around 10%.

Fiat Group Automobiles closed Q1 2011 with **trading profit** of €130 million, compared to €153 million for Q1 2010, with production efficiencies only partially offsetting impacts of the European volume decline and higher R&D expenditure in advance of new model releases.

In March, FGA presented several new products at the Geneva Motor Show. Carrying the flag for Fiat brand was the new Fiat Freemont. Making its debut appearance, it is the first Fiat model to come out of the alliance with Chrysler Group and will be available from Q2. The Freemont will be offered with a selection of two turbo-diesel engines, a 140 hp and a 170 hp MultiJet 2.0, both with manual transmission. These will be followed by 2 AWD versions with a 170 hp MultiJet 2.0 and a 276 hp 3.6 V6 gasoline engine, both with automatic transmission.

Alfa Romeo showcased the Giulietta and MiTo with the latest enhancements in styling and technology. The 2011 Model Year MiTo presented in Geneva was launched in major European markets in April. Alfa Romeo also unveiled the 4C Concept – a compact mid-engine, rear-wheel drive, 2-seater “supercar” that embodies the brand's sporting spirit and is expected to be available by the end of 2012.

One year after initiating integration of its product portfolio with Chrysler brand, Lancia returned to the Geneva Motor Show to introduce the new Ypsilon, Thema and Voyager. Also presented were the Flavia Concept and Flavia Cabrio Concept. The new Ypsilon will be available in most major European markets from June and is being offered in a 5-door version. The vehicle’s concentration of luxury and technology will reaffirm the brand’s leadership in the “B Premium” segment. The Lancia Thema – a luxury sedan with exclusive content – will be available at all European dealerships in the 4th quarter. Space was also given to the Lancia Voyager, the best Multi-Purpose Vehicle of all time, that combines style with versatility. The Delta has been restyled and comes with new trim packages and engine options.

Jeep was present at the Geneva Motor Show with the European debut of the new Jeep Compass – its compact SUV – and the world debut of the new Grand Cherokee with a 3.0 liter turbodiesel MultiJet II engine.

On March 1st, as a confirmation of FGA's strong commitment to the environment, for the fourth consecutive year, JATO (the global leader in automotive intelligence) recognized the Fiat brand, for the lowest CO_2 emissions of cars sold in Europe in 2010, with an average of 123.1 g/km (4.7 g/km lower than the average for 2009). Fiat was also first in the Group ranking, with average emissions down 5 g/km over the previous year to 125.9 g/km.

Alfa Romeo received recognition for the highly-successful Giulietta and MiTo in both Italy and Germany. In Italy, the Giulietta was awarded “La novità dell'anno 2011” by *Quattroruote* magazine and in Germany it was winner in the compact category of “Die Besten Autos” awarded by *Auto Motor und Sport* magazine. Readers of the German magazine also voted the MiTo best economy car for the third consecutive year.

Maserati

Maserati posted **revenues** of €135 million for the quarter, up 6.3% over the same period in 2010.

A total of 1,467 vehicles were delivered to the network, up 21.7% over the 1,205 units delivered in Q1 2010. Significant volume gains were recorded in the USA, China, UK and Germany. China continued to demonstrate its significant potential, becoming Maserati's second largest market after the USA.

Trading profit came in at €9 million for the quarter, more than double the €4 million reported for Q1 2010 mainly due to higher sales volumes.

At the Geneva Motor Show in March, Maserati presented the GranCabrio Sport equipped with a more powerful and fuel-efficient version of the marque’s 4.7-liter V8 engine, in a configuration that delivers 450 horsepower and maximum torque of 510 Nm.

In January, Maserati appointed an official importer for India, a market that offers the brand significant potential.

Ferrari

For the first quarter of 2011, **Ferrari** reported **revenues** of €491 million, an 18.6% increase over the same period in 2010 driven primarily by higher sales volumes and the positive contribution of the 458 Italia and 599 GTO.

A total of 1,691 cars were delivered to the network during the quarter, representing a 6.7% increase over Q1 2010. Volumes were higher for both 8-cylinder (+6.5% year-over-year) and 12-cylinder models (+8%).

North America maintained its position as Ferrari's no. 1 market with 452 vehicles delivered for the period, accounting for 27% of total sales (+3.1% vs. 2010). Volumes also increased in China with 153 vehicles delivered, representing 9% of total sales (+3.7% vs. 2010). Performance in the remaining markets was substantially in line with Q1 2010.

Ferrari closed the quarter with a **trading profit** of €53 million (€39 million for Q1 2010). The 36% gain was attributable to higher sales volumes, a more favorable product mix and strong results from the customization program.

At the Geneva Motor Show in March, Ferrari presented two major new models: the world premier of the FF, the revolutionary mid-front mounted V12 with 4 seats and all-wheel drive (4RM) capability – the most performing and versatile car in Ferrari's history – and the 458 Italia with the High Emotions Low Emissions system (HELE).

The FF combines extreme performance, even on surfaces with a very low grip coefficient (made possible by Ferrari's patented 4RM system), with the handling of a GT and a highly-innovative design.

The 458 Italia with HELE system, on the other hand, offers CO_2 emissions as low as 275 g/km (a 15% reduction over the basic model), making it best in its class, another accomplishment to join the more than 20 awards received from the world's most prestigious magazines.

Also in March the company announced its appointment of an importer for India, Ferrari's 58th market. The first dealership will be inaugurated in New Delhi this spring and a second is planned for Mumbai before year end.

Components & Production Systems

Net revenues

	1st Quarter		
(€ million)	2011	2010	% change
Components (Magneti Marelli)	**1,486**	1,273	16.7
Fiat Powertrain	**1,196**	886	35.0
Metallurgical Products (Teksid)	**227**	171	32.7
Production Systems (Comau)	**277**	228	21.5
Eliminations	**(180)**	(109)	-
Total	**3,006**	**2,449**	**22.7**

Trading profit/(loss)

	1st Quarter		
(€ million)	2011	2010	Change
Components (Magneti Marelli)	**34**	19	15
Fiat Powertrain	**23**	23	-
Metallurgical Products (Teksid)	**3**	-	3
Production Systems (Comau)	**1**	-	1
Total	**61**	**42**	**19**
Trading margin (%)	**2.0**	**1.7**	

Magneti Marelli

For Q1 2011, **Magneti Marelli** reported **revenues** of €1,486 million, up 16.7% over the first three months of the prior year.

In Europe, positive performance in Germany, in addition to higher production volumes for LCVs and the Alfa Romeo Giulietta, compensated for the drop in production for external customers in Poland. The North American market is experiencing a recovery and both Brazil and China recorded healthy levels of demand.

All businesses reported volume increases over Q1 2010, with performance for the principal lines as follows:

Lighting

Revenues totaled €436 million for Q1 2011, an increase of approximately 21.7% over the previous year. The growth was primarily driven by the German market and a recovery in the NAFTA region underpinned by new products launched in 2010. Performance in Turkey, Russia and China was also positive.

Engine Controls

Revenues for Q1 2011 totaled €252 million, an increase of 6% over the same period for 2010 with growth concentrated in Brazil, China and India, while the European market experienced a slight decline.

Electronic Systems

Revenues for Q1 2011 were €186 million, up 23% over Q1 2010. There was particularly strong growth in the telematics area driven by demand from both external customers and Fiat.

Magneti Marelli reported Q1 **trading profit** of €34 million, compared with €19 million for Q1 2010. The improvement was driven by higher sales volumes and improved production efficiencies which more than compensated for cost pressures from increased components prices.

New product developments during the quarter include components for the new Lancia Ypsilon, for which Magneti Marelli developed LED headlights and tail lights, in addition to control units for gasoline and diesel engines, the DFN automated transmission, front and rear suspensions and exhaust systems.

Magneti Marelli launched a technology collaboration with Wind River, global leader in embedded and mobile software, for the creation of the first solution for In-Vehicle Infotainment that conforms to the international standards established by the GENIVI consortium, which brings together the leading automakers and automotive electronics producers.

Fiat Powertrain

Fiat Powertrain reported **revenues** of €1,196 million for Q1 2011, representing a 35% increase over the prior year (Q1 2010: €886 million). That figure includes the effect of the full consolidation of Fiat Powertrain Polska Sp.z.o.o. (formerly Fiat-GM Powertrain Polska) which took place in the second quarter of 2010. On a constant scope of operations, the increase was 17.1%.

Sales to external customers and joint ventures accounted for 16.4% of total revenues (8.3% for Q1 2010). A total of 635,000 engines (+8.9%) and 608,000 transmissions (+5.2%) were sold during the quarter.

Q1 2011 closed with a **trading profit** of €23 million, in line with the first quarter of 2010. On a comparable basis, there would be a 15% increase mainly driven by higher volumes.

During the period, the company completed upgrades to bring the bifuel LPG versions of the FIRE family of engines to Euro 5 standard. The 1.2 version was launched on the Fiat Panda; the 1.4 8v on the Fiat Grande Punto, the Lancia Musa and Ypsilon; and, the 1.4 16v version debuted on the Fiat Bravo.

Launch of the Fiat Freemont will see the debut of the MultiJet II, the 2.0 B-family diesel (140 hp and 170 hp), and a 115 hp version of the engine will subsequently also be available on the Ducato.

Beginning in May, the Alfa Romeo Giulietta will also come equipped with a 170 hp 2.0 diesel engine.

Gasoline propulsion systems in development include additional versions of the multi-award winning two-cylinder TwinAir system: aspirated, 105 hp turbo and bi-fuel CNG turbo. Development also continued on 6-speed versions of the C510 and C514 manual transmissions, both for first application on the new Fiat Panda to be launched at the end of the year.

Readers of the German auto magazine *Auto Motor und Sport* awarded the TwinAir engine the “Paul Pietsch” prize for technological development.

Teksid

Teksid recorded €227 million in **revenues**, an increase of 32.7% over the first three months of 2010, which was attributable to higher volumes for the Cast Iron business unit (+22.2%) driven by positive performance in Mercosur, NAFTA and Europe. Volumes for the Aluminium business unit, however, were down 13.5%.

Teksid closed the quarter with **trading profit** of €3 million, compared to a break even recorded for Q1 2010, primarily as a result of volume increases.

Comau

Comau reported **revenues** of €277 million for Q1 2011, up 21.5% year-over-year. The increase was principally attributable to the Powertrain Systems and Robotics operations.

Order intake for the period totaled €677 million, nearly double the Q1 2010 level, which was impacted by the continuing effects of the global crisis. The increase is principally attributable to the Body Welding and Powertrain Systems operations. At 31 March 2011, the order backlog totaled €931 million, up 47% over year-end 2010. Activity for the Services operations in Latin America was substantially in line with the previous year.

Comau closed the quarter with **trading profit** of €1 million, compared with break even for the corresponding period in 2010. The slight increase was attributable to the Robotics operations.

Other Businesses

Other Businesses includes the contribution from the Group's publishing businesses, service companies and holding companies. In Q1 2011, Other Businesses had **revenues** of €251 million, down 4.2% on Q1 2010.

Other Businesses reported a **trading loss** of €2 million, including the impact of eliminations and consolidation adjustments, compared to a loss of €8 million for the same period in 2010.

CONSOLIDATED STATEMENT OF CASH FLOWS

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

(€ million)	1st Quarter 2011	1st Quarter 2010 (*)
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**11,967**	**12,226**
B) CASH FROM/(USED IN) OPERATING ACTIVITIES DURING THE PERIOD	**408**	**414**
of which: Cash and cash equivalents from operating activities of Discontinued Operations	-	341
C) CASH FROM/(USED IN) INVESTING ACTIVITIES	**(722)**	**(726)**
of which: Cash and cash equivalents used in investing activities of Discontinued Operations	-	(145)
D) CASH FROM/(USED IN) FINANCING ACTIVITIES	**1,325**	**(1,130)**
of which: Cash and cash equivalents used in financing activities of Discontinued Operations	-	(156)
Currency translation differences	(106)	185
E) NET CHANGE IN CASH AND CASH EQUIVALENTS	**905**	**(1,257)**
F) CASH AND CASH EQUIVALENTS AT END OF PERIOD	**12,872**	**10,969**

(*) In accordance with IFRS 5, figures for Q1 2010 have been reclassified to reflect the effects of the Demerger that took effect on 1 January 2011

During the first quarter of 2011, **operating activities** generated €408 million in cash. Income-related cash inflows of €635 million (calculated as net profit plus amortization and depreciation, dividends, changes in provisions and various items related to sales with buy-back commitments, net of gains/losses on disposals and other non-cash items) were partially absorbed by the increase in working capital of €227 million (calculated on a comparable scope of operations and at constant exchange rates).

Cash used in **investing activities** totaled €722 million.

Expenditure for tangible and intangible assets (including €208 million in capitalized development costs) totaled €503 million.

Investments in subsidiaries and associates, totaling €31 million, consisted primarily of a €25 million recapitalization of the 50/50 Chinese joint venture GAC Fiat Automobiles Co. Ltd.

Proceeds from the sale of non-current assets totaled €93 million and included cash received for the sale of the 49% interest held by FGA in Iveco Latin America Ltda. to Fiat Industrial in 2010.

The €220 million increase in receivables from financing activities was primarily attributable to FGA's financial services companies in Latin America.

Cash from **financing activities** totaled approximately €1.3 billion. The reimbursement of net financial receivables from Fiat Industrial Group outstanding at 31 December 2010, totaling €2.8 billion, was partially offset by a reduction of more than €1.4 billion in net debt related primarily to bank credit lines that were repaid at expiry or transferred to Fiat Industrial under the Demerger.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2011

At 31 March 2011, **total assets** amounted to €43,399 million. Total assets of €73,442 million at 31 December 2010 related to Fiat Group pre Demerger, of which €41,521 million related to Continuing Operations.

Non-current assets totaled €17,407 million, substantially in line with year-end 2010 (+€105 million). The change related primarily to the increase in investments and other financial assets (+€351 million), which consisted almost entirely of the reclassification of a portion of the value of own shares, previously recognized against equity, attributable to the Fiat Industrial S.p.A. shares received under the Demerger. That increase was only partially offset by the decrease in property, plant and equipment (-€227 million) resulting from the net balance of investments and depreciation, as well as negative currency translation differences.

Current assets totaled €25,920 million, a decrease of €3,857 million. Net of the change in financial receivables from Fiat Industrial – totaling €5.6 billion at year-end 2010 and subsequently settled along with the financial payables outstanding – there was an increase in current assets of €1.8 billion relating primarily to cash and cash equivalents (+€905 million), inventory and trade receivables.

Receivables from financing activities totaled €3,004 million at 31 March 2011, an increase of €138 million over 31 December 2010 (increase of €220 million net of currency translation differences and write-downs).

Working capital (net of items relating to vehicles sold under buy-back commitments that are held in inventory) was a negative €4,498 million, a marginal increase of €168 million over the beginning of the period.

(€ million)		31.03.2011	31.12.2010	Change
Inventory	(a)	**4,107**	3,806	301
Trade receivables		**2,719**	2,259	460
Trade payables		**(9,379)**	(9,345)	-34
Current taxes receivable/(payable) & Other current receivables/(payables)	(b)	**(1,945)**	(1,386)	-559
Working capital		**(4,498)**	**(4,666)**	**168**

(a) Inventory is reported net of the value of vehicles repurchased under buy-back commitments by Fiat Group Automobiles that are held for sale

(b) Other current payables, included under current taxes receivable/(payable) & other current receivables/(payables), exclude 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 life of the contract

At 31 March 2011, 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 – totaled €3,350 million (€3,524 million at 31 December 2010). This amount includes financial receivables, mostly relating to the sales network, of €2,284 million (€2,376 million at 31 December 2010) sold to jointly-controlled financial services companies (FGA Capital group).

For the first quarter of 2011, working capital increased €227 million (on a comparable scope of operations and at constant exchange rates), in line with production and sales volumes for the period.

At 31 March 2011, consolidated **net debt** totaled €2,889 million, up €136 million over the €2,753 million figure at 31 December 2010. Increases in the Financial Services loan portfolio and capital expenditure were only partially offset by cash from operating activities.

(€ million)		31.03.2011	31.12.2010 (*)
Financial payables		**(16,398)**	(20,804)
Asset-backed financing		**(697)**	(533)
Financial payables to Fiat Industrial		**-**	(2,865)
Other		**(15,701)**	(17,406)
Financial receivables from Fiat Industrial		**-**	5,626
Current financial receivables from jointly-controlled financial services companies	(a)	**14**	12
Financial payables, net of current financial receivables from jointly-controlled financial services companies		**(16,384)**	**(15,166)**
Other financial assets	(b)	**543**	516
Other financial liabilities	(b)	**(105)**	(255)
Liquidity		**13,057**	12,152
Current securities		**185**	185
Cash and cash equivalents		**12,872**	11,967
Net (debt)/cash		**(2,889)**	**(2,753)**
Industrial Activities		**(489)**	(542)
Financial Services		**(2,400)**	(2,211)

(*) Figures take into account the impacts of the Demerger which took effect on 1 January 2011

(a) Includes current financial receivables from FGA Capital

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

Other financial payables decreased €1.7 billion during the quarter (approximately €1.5 billion net of currency translation differences) due to bank credit lines being repaid at expiry or transferred to Fiat Industrial under the Demerger. The net intercompany financial position existing between Fiat and Fiat Industrial was settled in January, resulting in a net cash inflow of approximately €2.8 billion.

At 31 March 2011, **liquidity** (cash, cash equivalents and current securities) totaled €13.1 billion, an increase of approximately €1 billion over the €12.2 billion figure at year-end 2010, essentially due to the settlement of balances outstanding with Fiat Industrial, net of repayments on bank loans and credit facilities.

INDUSTRIAL ACTIVITIES AND FINANCIAL SERVICES

The following tables provide a breakdown of the consolidated statements of income, financial position and cash flows between "Industrial Activities" and "Financial Services". The latter includes subsidiaries of Fiat Group Automobiles and Ferrari engaged in retail and dealer finance, leasing and rental activities.

Financial Services also includes FGA Capital (the joint venture between Fiat Group Automobiles and Crédit Agricole), which is 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 segment in companies included in another segment are accounted for under the equity method. To provide a more meaningful 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. and Fiat Partecipazioni S.p.A.) are classified under Industrial Activities.

The sub-consolidation of Industrial Activities also includes companies that perform centralized 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

	1st Quarter 2011			1st Quarter 2010(**)		
(€ million)	Consolidated	Industrial Activities	Financial Services	Consolidated	Industrial Activities	Financial Services
Net revenues	**9,210**	**9,151**	**78**	8,603	8,567	49
Cost of sales	**7,909**	**7,866**	**62**	7,417	7,397	33
Selling, general and administrative	**788**	**778**	**10**	708	699	9
Research and development	**278**	**278**	**-**	233	233	-
Other income/(expense)	**16**	**10**	**6**	(15)	(19)	4
TRADING PROFIT/(LOSS)	**251**	**239**	**12**	**230**	**219**	**11**
Gains/(losses) on disposal of investments	**4**	**4**	**-**	1	1	-
Restructuring costs	**4**	**4**	**-**	-	-	-
Other unusual income/(expense)	**-**	**-**	**-**	1	1	-
OPERATING PROFIT/(LOSS)	**251**	**239**	**12**	**232**	**221**	**11**
Financial income/(expense)	**(138)**	**(138)**	**-**	(142)	(142)	-
Result from investments (*)	**40**	**21**	**19**	49	35	14
PROFIT/(LOSS) BEFORE TAXES	**153**	**122**	**31**	**139**	**114**	**25**
Income taxes	**116**	**113**	**3**	126	122	4
PROFIT/(LOSS) FOR THE PERIOD	**37**	**9**	**28**	**13**	**(8)**	**21**
Result from intersegment investments	**-**	**28**	**-**	-	21	-
PROFIT/(LOSS) FOR THE PERIOD	**37**	**37**	**28**	**13**	**13**	**21**

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

(**) In accordance with IFRS 5, the figures have been reclassified to exclude the businesses transferred to Fiat Industrial on 1 January 2011

Industrial Activities

Net revenues for Industrial Activities were up 6.8% over the same period for 2010, with significant increases for Luxury & Performance brands (Maserati +6.3%, Ferrari +18.3%) and Components & Production Systems (+22.7%). Fiat Group Automobiles recorded a 2.2% increase in revenues for the quarter, with the better mix from higher light commercial vehicle volumes and the success of the Alfa Romeo Giulietta compensating for the drop in other passenger car volumes.

Industrial Activities reported a **trading profit** of €239 million, an improvement of €20 million over the first quarter of 2010. Positive performance of the Components & Production Systems business – in particular Magneti Marelli which recorded a €15 million increase in trading profit – more than offset the €5 million decrease for Automobiles. The improvement in trading profit for Maserati (+€5 million) and Ferrari (+€14 million) only partially compensated for the decrease registered by Fiat Group Automobiles (-€24 million) which also reflected higher R&D expenditure in advance of new model releases.

Industrial Activities reported an **operating profit** of €239 million, with the €18 million increase reflecting higher trading profit.

Financial Services

For the first quarter of 2011, **net revenues** for Financial Services totaled €78 million, a sharp increase (+59.2%) over the same period in 2010.

	1st Quarter		
(€ million)	2011	2010	% change
Fiat Group Automobiles	**72**	44	63.6
Ferrari	**6**	5	20.0
Total	**78**	**49**	**59.2**

Revenues for the Financial Services businesses of Fiat Group Automobiles totaled €72 million, up 63.6% (+52.3% at constant exchange rates) on the back of an increase in volumes financed by Financial Services companies outside of Europe (primarily Banco Fidis in Brazil).

Trading profit for the quarter was €12 million, substantially in line with the results posted in Q1 2010 for the Financial Services activities of both FGA and Ferrari.

	1st Quarter		
(€ million)	2011	2010	Change
Fiat Group Automobiles	**11**	10	1
Ferrari	**1**	1	-
Total	**12**	**11**	**1**

Statement of Financial Position by Activity

(€ million)	31.03.2011 Consolidated	31.03.2011 Industrial Activities	31.03.2011 Financial Services	31.12.2010 (*) Consolidated	31.12.2010 (*) Industrial Activities	31.12.2010 (*) Financial Services
Intangible assets	4,350	4,346	4	4,350	4,345	5
Property, plant and equipment	9,374	9,370	4	9,601	9,598	3
Investments and other financial assets	2,004	2,386	727	1,653	2,086	733
Defined benefit plan assets	19	19	-	20	19	1
Deferred tax assets	1,660	1,601	59	1,678	1,617	61
Total non-current assets	**17,407**	**17,722**	**794**	**17,302**	**17,665**	**803**
Inventory	4,811	4,807	4	4,443	4,438	5
Trade receivables	2,719	2,711	12	2,259	2,255	5
Receivables from financing activities	3,004	1,494	3,025	2,866	1,719	2,949
Financial receivables from Fiat Industrial	-	-	-	5,626	5,621	5
Current taxes receivable	349	350	3	353	351	6
Other current assets	1,398	1,373	28	1,528	1,514	21
Current financial assets:	767	730	37	735	697	39
Current investments	39	39	-	34	34	-
Current securities	185	148	37	185	147	38
Other financial assets	543	543	-	516	516	1
Cash and cash equivalents	12,872	12,708	164	11,967	11,705	262
Total current assets	**25,920**	**24,173**	**3,273**	**29,777**	**28,300**	**3,292**
Assets held for sale and Discontinued Operations	72	72	-	34,854 (1)	24,423 (1)	14,539
Elimination of financial payables/receivables from Fiat Industrial	-	-	-	(8,491)	(8,483)	(8)
TOTAL ASSETS	**43,399**	**41,967**	**4,067**	**73,442**	**61,905**	**18,626**
Total assets adjusted for asset-backed financing transactions	**42,702**	**41,538**	**3,706**	**64,588**	**61,520**	**10,152**
Equity	7,718	7,718	1,110	12,461	12,461	2,733
Provisions:	5,055	4,991	64	4,924	4,857	67
Employee benefits	1,905	1,901	4	1,704	1,700	4
Other provisions	3,150	3,090	60	3,220	3,157	63
Financial payables:	16,398	15,129	2,784	20,804	19,843	2,763
Asset-backed financing	697	429	361	533	280	258
Financial payables to Fiat Industrial	-	-	-	2,865	2,862	3
Other	15,701	14,700	2,423	17,406	16,701	2,502
Other financial liabilities	105	103	2	255	254	2
Trade payables	9,379	9,367	19	9,345	9,332	17
Current taxes payable	288	281	11	181	170	18
Deferred tax liabilities	149	143	6	135	130	5
Other current liabilities	4,307	4,235	71	3,908	3,855	56
Liabilities held for sale and Discontinued Operations	-	-	-	29,920	19,486	12,973
Elimination of financial payables/receivables from Fiat Industrial	-	-	-	(8,491)	(8,483)	(8)
TOTAL EQUITY AND LIABILITIES	**43,399**	**41,967**	**4,067**	**73,442**	**61,905**	**18,626**
Total equity and liabilities adjusted for asset-backed financing transactions	**42,702**	**41,538**	**3,706**	**64,588**	**61,520**	**10,152**

(*) Amounts relate to Fiat Group pre Demerger

(1) Of which, €68 million relates to assets held for sale (Continuing Operations)

Net Debt by Activity

(€ million)		Consolidated 31.03.2011	Industrial Activities 31.03.2011	Financial Services 31.03.2011	Consolidated 31.12.2010[*]	Industrial Activities 31.12.2010[*]	Financial Services 31.12.2010[*]
Financial payables		(16,398)	(15,129)	(2,784)	(20,804)	(19,843)	(2,763)
Asset-backed financing		(697)	(429)	(361)	(533)	(280)	(258)
Financial payables to Fiat Industrial		-	-	-	(2,865)	(2,862)	(3)
Other		(15,701)	(14,700)	(2,423)	(17,406)	(16,701)	(2,502)
Financial receivables from Fiat Industrial		-	-	-	5,626	5,621	5
Current financial receivables from jointly-controlled financial services companies	(a)	14	14	-	12	12	-
Intersegment financial receivables		-	1,330	185	-	1,554	248
Financial payables, net of intersegment balances and current financial receivables from jointly-controlled financial services companies		**(16,384)**	**(13,785)**	**(2,599)**	**(15,166)**	**(12,656)**	**(2,510)**
Other financial assets	(b)	543	543	-	516	516	1
Other financial liabilities	(b)	(105)	(103)	(2)	(255)	(254)	(2)
Liquidity		13,057	12,856	201	12,152	11,852	300
Current securities		185	148	37	185	147	38
Cash and cash equivalents		12,872	12,708	164	11,967	11,705	262
Net (debt)/cash		**(2,889)**	**(489)**	**(2,400)**	**(2,753)**	**(542)**	**(2,211)**

(*) Figures take into account the impacts of the Demerger which took effect on 1 January 2011

(a) This item includes current financial payables of FGA Capital to 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 – for receivables sold to financial services companies that do not meet the derecognition requirements of IAS 39 – as well as liquidity deposited temporarily with the central treasury.

Net debt for the **Financial Services** companies at 31 March 2011 was up €189 million over year-end 2010, primarily due to the increased funding requirement associated with growth in the loan portfolio (€237 million) and dividends paid to industrial companies (€44 million), both of which were only partially offset by cash generated by operating activities during the period (€23 million) and positive currency translation differences (€77 million).

Change in Net Industrial Debt

(€ million)	1st Quarter 2011	1st Quarter 2010(*)
Net industrial (debt)/cash at beginning of period	**(542)**	(3,103)
Profit/(loss) for the period	37	13
Amortization and depreciation	550	516
Change in provisions for risks and charges and similar	72	(107)
Cash from/(used in) operating activities during the period before change in working capital	**659**	**422**
Change in working capital	(230)	(314)
Cash from/(used in) operating activities during the period	**429**	**108**
Investments in property, plant and equipment and intangible assets	(502)	(577)
Cash from/(used in) operating activities, net of capital expenditures	**(73)**	**(469)**
Change in consolidation scope and other changes	172	47
Net industrial cash flow	**99**	**(422)**
Capital increases and dividends	1	(400)
Currency translation differences	(47)	36
Change in net industrial debt	**53**	**(786)**
Net industrial (debt)/cash at end of period	**(489)**	**(3,889)**

(*) Historic data related to Fiat Group post Demerger only

During the first three months of 2011, **net industrial debt** decreased €53 million to €489 million.

Net of the change in working capital, operating activities generated €659 million in cash. The remaining changes were attributable to changes in the scope of consolidation and other changes (€172 million), which included the positive impact of the measurement of hedging derivatives. These positive items more than offset capital expenditure (€502 million), the increase in working capital (€230 million) and currency translation differences (€47 million).

Statement of Cash Flows by Activity

(€ million)		1st Quarter 2011 Consolidated	1st Quarter 2011 Industrial Activities	1st Quarter 2011 Financial Services	1st Quarter 2010 (*) Consolidated	1st Quarter 2010 (*) Industrial Activities	1st Quarter 2010 (*) Financial Services
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		11,967	11,705	262	12,226	10,819	1,407
B) CASH FROM/(USED IN) OPERATING ACTIVITIES:							
Profit/(loss) for the period		37	37	28	13	13	20
Amortization and depreciation		550	550	-	516	516	-
(Gains)/losses on disposal of non-current assets and other non-cash items	(a)	(26)	(46)	(8)	(24)	(34)	(10)
Dividends received		76	120	-	54	79	-
Change in provisions		(20)	(19)	(1)	(155)	(152)	(3)
Change in deferred taxes		3	2	1	(15)	(15)	-
Changes relating to buy-back commitments	(b)	15	15	-	14	14	-
Change in working capital		(227)	(230)	3	(330)	(341)	15
Cash from/(used in) operating activities of Discontinued Operations		-	-	-	341	182	155
TOTAL		408	429	23	414	262	177
C) CASH FROM/(USED IN) INVESTING ACTIVITIES:							
Investments in:							
Property, plant and equipment and intangible assets		(503)	(502)	(1)	(577)	(577)	-
Unconsolidated subsidiaries and other investments		(31)	(31)	-	(30)	(30)	-
Proceeds from the sale of non-current assets		93	93	-	24	23	1
Net change in receivables from financing activities		(220)	17	(237)	(129)	15	(144)
Change in other current securities		(7)	(6)	(1)	3	20	(17)
Other changes		(54)	62	(116)	128	412	(330)
Cash from/(used in) investing activities of Discontinued Operations		-	-	-	(145)	(338)	204
TOTAL		(722)	(367)	(355)	(726)	(475)	(286)
D) CASH FROM/(USED IN) FINANCING ACTIVITIES:							
Net change in financial payables and other financial assets/liabilities		(1,437)	(1,723)	286	(974)	(1,025)	51
Change in net financial receivables from Fiat Industrial Group		2,761	2,759	2	-	-	-
Increase in share capital		3	3	-	-	-	35
(Purchase)/disposal of own shares		-	-	-	-	-	-
Dividends paid		(2)	(2)	(44)	-	-	(25)
Cash from/(used in) financing activities of Discontinued Operations		-	-	-	(156)	(13)	(143)
TOTAL		1,325	1,037	244	(1,130)	(1,038)	(82)
Currency translation differences		(106)	(96)	(10)	185	103	82
E) NET CHANGE IN CASH AND CASH EQUIVALENTS		905	1,003	(98)	(1,257)	(1,148)	(109)
F) CASH AND CASH EQUIVALENTS AT END OF PERIOD		12,872	12,708	164	10,969	9,671	1,298

(*) In accordance with IFRS 5, figures for Q1 2010 have been reclassified to reflect the effects of the Demerger that took effect on 1 January 2011

(a) For the first quarter of 2011, this item included the reversal of a €23 million gain (€13 million loss for Q1 2010) in the fair value of two equity swaps on a basket of Fiat S.p.A. and Fiat Industrial S.p.A. shares

(b) Cash from vehicles sold under buy-back commitments for the periods reported above, net of amounts already recognized through profit and loss for the period, is included in a separate line item under operating activities, which also includes the change in working capital

Industrial Activities
For the first quarter of 2011, Industrial Activities generated cash and cash equivalents totaling €1,003 million. In particular:

- **Operating activities** generated cash of €429 million attributable to income-related cash inflows (net profit plus amortization 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, and dividends received, which generated a total of €659 million, partially absorbed by the increase in working capital which, on a comparable scope of operations and at constant exchange rates, amounted to €230 million.
- **Investing activities** absorbed a total of €367 million in cash primarily related to investments in tangible and intangible assets and equity investments (€533 million), which was partly offset by the sale of non-current assets, for a total of €93 million, and the decrease in funding provided to the Group's financial services companies by central treasury companies (included under other changes).
- **Financing activities** generated cash of €1,037 million. The €2.8 billion in cash received from Fiat Industrial Group in January more than offset net repayment of debt during the quarter.

Financial Services
Cash and cash equivalents for Financial Services totaled €164 million at 31 March 2011, down €98 million over 31 December 2010.

Changes in cash were attributable to:

- Operating activities, which generated €23 million in cash, principally from income-related cash inflows (net profit plus amortization and depreciation).
- Investing activities (including changes in financial receivables from/payable to industrial companies) absorbed €355 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 generated a total of €244 million in cash, with a €286 million net increase in financing partially offset by dividends paid to Industrial Activities.

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GROUP EMPLOYEES
At 31 March 2011, the Group had 139,142 employees, an increase of 1,341 over the 137,801 figure at 31 December 2010.

This increase mainly reflects changes in the scope of operations (approximately 600 employees) and higher employment, mostly in Latin America, associated with the increase in production levels.

SIGNIFICANT EVENTS IN Q1

On 10 January 2011, Fiat increased its ownership in Chrysler Group LLC from 20% to 25% following achievement of the first of three Performance Events stipulated in the alliance agreement (i.e., attainment of US regulatory approval and commitment to produce an engine in the USA based on Fiat's FIRE family).

On February 11th, Fiat Powertrain and Penske Corporation reached an agreement under which Fiat Powertrain will acquire Penske Corporation's 50% interest in VM Motori S.p.A. (VM). The agreement will close once the customary approval of antitrust authorities is completed. VM, specialized in the design and production of diesel engines, enlarges Fiat's portfolio with state-of-the-art products for a variety of applications, particularly automotive, including a newly developed V6 engine. Once the agreement takes effect, VM will be jointly controlled by Fiat Powertrain and General Motors.

At the end of February, Fiat submitted a memorandum of intent to the Russian Federation's Ministry for Economic Development concerning a project for the localization of production and distribution of passenger cars and light commercial vehicles in Russia. The project involves the establishment of manufacturing capacity for up to 300,000 vehicles per year in the C, D, SUV and light commercial vehicle segments under the Fiat and Jeep® brands and distribution of a limited number of imported vehicles to complete the product range.

In March, the European Investment Bank (EIB) and Fiat signed an agreement for €250 million in financing for Fiat's R&D programs. This project is targeted at Fiat's R&D centers in Italy, whose activities are focused on increasing the energy efficiency of automobiles through improved fuel consumption and more advanced vehicle architectures.

The Shareholders of Fiat S.p.A., who met in Turin on March 30th, approved the 2010 statutory financial statements and distribution of a gross dividend of €0.09 per ordinary share, €0.31 per preference share and €0.31 per savings share, payable from April 21st with coupon detachment on April 18th. Shareholders also renewed the authorization for the purchase and disposal of own shares, including through subsidiaries. The authorization is for the purchase of a maximum number of shares for all three classes not to exceed the legally established percentage of share capital or an aggregate amount of €1.2 billion, inclusive of existing reserves for own shares (totaling €289 million). As announced, the buy-back program is currently on hold and buy-backs are not obligatory under the authorization. Finally, Shareholders appointed Reconta Ernst & Young S.p.A. as independent auditors for the nine-year period 1 January 2012 - 31 December 2020.

SUBSEQUENT EVENTS AND OUTLOOK

On April 1st, Fiat closed a €1 billion bond issue due on 1 April 2016 with a fixed coupon of 6.375%. The notes were issued by Fiat Finance and Trade Ltd. S.A., a wholly-owned subsidiary of Fiat S.p.A., under the Global Medium Term Note program guaranteed by Fiat S.p.A. The securities are listed on the Irish Stock Exchange.

On April 12th, Fiat announced that it had achieved the second Performance Event (i.e., at least USD 1.5 billion in cumulative revenues for Chrysler from sales outside the NAFTA region and formalization of other agreements), with its ownership interest in Chrysler consequently increasing from 25% to 30%.

* * * * * * *

The 2011 targets for Fiat post Demerger are confirmed as follows:

- Revenues of approximately €37 billion;
- Trading profit between €0.9 and €1.2 billion;
- Net profit at around €0.3 billion;
- Net industrial debt between €1.5 and €1.8 billion;
- Capital expenditure in the range of €4 to €4.5 billion.

Capital expenditure programs are expected to increase substantially over the abnormally low levels of 2010 with a return to normalized levels of capital commitment across sectors.

While working on achievement of its financial targets, Fiat will continue its strategy of targeted alliances to optimize capital commitments and reduce risks.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

at 31 March 2011

CONSOLIDATED INCOME STATEMENT

(€ million)	Note	1st Quarter 2011	1st Quarter 2010(*)
Net revenues	(1)	9,210	8,603
Cost of sales	(2)	7,909	7,417
Selling, general and administrative costs	(3)	788	708
Research and development costs	(4)	278	233
Other income (expenses)	(5)	16	(15)
TRADING PROFIT/(LOSS)		**251**	**230**
Gains (losses) on the disposal of investments	(6)	4	1
Restructuring costs	(7)	4	-
Other unusual income (expenses)		-	1
OPERATING PROFIT/(LOSS)		**251**	**232**
Financial income (expenses)	(8)	(138)	(142)
Result from investments:	(9)	40	49
Share of the profit/(loss) of investees accounted for using the equity method		38	47
Other income (expenses) from investments		2	2
PROFIT/(LOSS) BEFORE TAXES		**153**	**139**
Income taxes	(10)	116	126
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		**37**	**13**
Post–tax profit/(loss) from Discontinued operations		-	(34)
PROFIT/(LOSS) FOR THE PERIOD		**37**	**(21)**
PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO:			
Owners of the parent		29	(25)
Non-controlling interests		8	4
PROFIT/(LOSS) FROM CONTINUING OPERATIONS ATTRIBUTABLE TO:			
Owners of the parent		29	7
Non-controlling interests		8	6

(in €)			
BASIC AND DILUTED EARNINGS/(LOSS) PER ORDINARY SHARE	(11)	**-**	**(0.020)**
BASIC AND DILUTED EARNINGS/(LOSS) PER PREFERENCE SHARE	(11)	**0.111**	**(0.020)**
BASIC AND DILUTED EARNINGS/(LOSS) PER SAVINGS SHARE	(11)	**0.217**	**(0.020)**
BASIC AND DILUTED EARNINGS/(LOSS) PER ORDINARY SHARE – CONTINUING OPERATIONS	(11)	**-**	**-**
BASIC AND DILUTED EARNINGS/(LOSS) PER PREFERENCE SHARE – CONTINUING OPERATIONS	(11)	**0.111**	**-**
BASIC AND DILUTED EARNINGS/(LOSS) PER SAVINGS SHARE – CONTINUING OPERATIONS	(11)	**0.217**	**0.086**

(*) In accordance with IFRS 5, as a result of the Demerger, which took effect from 1 January 2011 the figures for the first quarter 2010 have been reclassified.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€ million)	Note	1st Quarter 2011	1st Quarter 2010
PROFIT/(LOSS) FOR THE PERIOD (A)		**37**	**(21)**
Gains/(losses) on cash flow hedges	(21)	76	25
Gains/(losses) on fair value of available-for-sale financial assets	(21)	19	(1)
Gains/(losses) on exchange differences on translating foreign operations	(21)	(138)	486
Share of Other comprehensive income of entities accounted for using the equity method	(21)	(36)	69
Income tax relating to components of Other comprehensive income	(21)	(15)	14
TOTAL OTHER COMPREHENSIVE INCOME, NET OF TAX (B)		**(94)**	**593**
TOTAL COMPREHENSIVE INCOME (A)+(B)		**(57)**	**572**
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of the parent		(67)	531
Non-controlling interests		10	41

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€ million)	Note	At 31 March 2011	At 31 December 2010
ASSETS			
Intangible assets	(12)	4,350	4,350
Property, plant and equipment	(13)	9,374	9,601
Investments and other financial assets:	(14)	2,004	1,653
Investments accounted for using the equity method		1,441	1,465
Other investments and financial assets		563	188
Defined benefit plan assets		19	20
Deferred tax assets	(10)	1,660	1,678
Total Non-current assets		**17,407**	**17,302**
Inventories	(15)	4,811	4,443
Trade receivables	(16)	2,719	2,259
Receivables from financing activities	(16)	3,004	2,866
Financial receivables from Discontinued Operations		-	5,626
Current tax receivables	(16)	349	353
Other current assets	(16)	1,398	1,528
Current financial assets:		767	735
Current investments		39	34
Current securities	(17)	185	185
Other financial assets	(18)	543	516
Cash and cash equivalents	(19)	12,872	11,967
Total Current assets		**25,920**	**29,777**
Assets held for sale and Discontinued operations	(20)	72	34,854
Elimination of financial receivables and debt due/ from/payable to Discontinued Operations		-	(8,491)
TOTAL ASSETS		**43,399**	**73,442**
Total assets adjusted for asset-backed financing transactions		**42,702**	**64,588**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(CONTINUED)

(€ million)	Note	At 31 March 2011	At 31 December 2010
EQUITY AND LIABILITIES			
Equity:	(21)	7,718	12,461
Issued capital and reserves attributable to owners of the parent		7,538	11,544
Non-controlling interest		180	917
Provisions:	(22)	5,055	4,924
Employee benefits		1,905	1,704
Other provisions		3,150	3,220
Debt:	(23)	16,398	20,804
Asset-backed financing		697	533
Debt payable to the Discontinued Operations		-	2,865
Other debt		15,701	17,406
Other financial liabilities	(18)	105	255
Trade payables	(24)	9,379	9,345
Current tax payables		288	181
Deferred tax liabilities	(10)	149	135
Other current liabilities	(25)	4,307	3,908
Liabilities held for sale and Discontinued Operations	(20)	-	29,920
Elimination of financial receivables and debt due from/payable to Discontinued Operations		-	(8,491)
TOTAL EQUITY AND LIABILITIES		**43,399**	**73,442**
Total equity and liabilities adjusted for asset-backed financing transactions		**42,702**	**64,588**

CONSOLIDATED STATEMENT OF CASH FLOWS

(€ million)	Note	1st Quarter 2011	1st Quarter 2010(*)
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD AS REPORTED	(19)	**11,967**	**12,226**
B) CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES DURING THE PERIOD:			
Profit/(loss) for the period		37	13
Amortisation and depreciation		550	516
(Gains) losses from disposal of non-current assets		(8)	(3)
Other non-cash items	(a)	(18)	(21)
Dividends received		76	54
Change in provisions		(20)	(155)
Change in deferred income taxes		3	(15)
Change in items due to buy-back commitments	(b)	15	14
Change in working capital		(227)	(330)
Cash flows from (used in) the operating activities of Discontinued operations		-	341
TOTAL		**408**	**414**
C) CASH FLOWS FROM (USED IN) INVESTMENT ACTIVITIES:			
Investments in:			
Property plant and equipment and intangible assets		(503)	(577)
Investments in consolidated subsidiaries and other investments		(31)	(30)
Proceeds from the sale of non-current assets		93	24
Net change in receivables from financing activities		(220)	(129)
Change in other current securities		(7)	3
Other changes		(54)	128
Cash flows from (used in) the investing activities of Discontinued operations		-	(145)
TOTAL		**(722)**	**(726)**
D) CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:			
Issuance of bonds		-	-
Repayment of bonds		-	(1,000)
Issuance of other medium-term borrowings		556	328
Repayment of other medium-term borrowings		(1,880)	(279)
Changes in net financial receivables from the Fiat Industrial Group		2,761	-
Net change in other financial payables and other financial assets/liabilities		(113)	(23)
Capital increase		3	-
(Buy-back) sale of treasury shares		-	-
Dividends paid		(2)	-
Cash flows from (used in) the financing activities of Discontinued operations		-	(156)
TOTAL		**1,325**	**(1,130)**
Translation exchange differences		(106)	185
E) TOTAL CHANGE IN CASH AND CASH EQUIVALENTS		**905**	**(1,257)**
F) CASH AND CASH EQUIVALENTS AT END OF PERIOD AS REPORTED	(19)	**12,872**	**10,969**

(*) In accordance with IFRS 5, as a result of the Demerger, which took effect from 1 January 2011, the figures for the first quarter 2010 have been reclassified.

(a) In the first quarter 2011, this item includes the reversal of the positive €23 million arising from the fair value measurement of the equity swaps on a basket consisting of the Fiat S.p.A. share and the Fiat Industrial S.p.A. share (negative for an amount of €13 million in the first quarter of 2010).

(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.

STATEMENT OF CHANGES IN EQUITY

(€ million)	Share capital	Treasury shares	Capital reserves	Earnings reserves	Cash flow hedge reserve	Cumulative translation adjustment reserve	Available for sale financial assets reserve	Cumulative share of OCI of entities consolidated under the equity method	Non-controlling interests	Total
AT 1 JANUARY 2010	**6,377**	**(657)**	**682**	**3,804**	**(219)**	**393**	**2**	**(81)**	**814**	**11,115**
Changes in equity for Q1 2010										
Dividends accrued or 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**
AT 31 MARCH 2010	**6,377**	**(657)**	**678**	**3,546**	**(176)**	**841**	**1**	**(15)**	**862**	**11,457**

(€ million)	Share capital	Treasury shares	Capital reserves	Earnings reserves	Cash flow hedge reserve	Cumulative translation adjustment reserve	Available for sale financial assets reserve	Cumulative share of OCI of entities consolidated under the equity method	Non-controlling interests	Total
AT 1 JANUARY 2011	**6,377**	**(657)**	**601**	**4,145**	**(45)**	**1,111**	**(2)**	**14**	**917**	**12,461**
Changes in equity for Q1 2010										
Effects of the Demerger										
Direct effects of the Demerger	(1,913)	-	(457)	(1,216)	23	(398)	-	(31)	(724)	**(4,716)**
Effects of the demerger on Treasury shares and on the Reserve for Share based payments	-	368	-	(185)	-	-	-	-	-	**183**
Increase in share capital due to the exercising of stock options	1	-	2	-	-	-	-	-	-	**3**
Dividends accrued or/and distributed	-	-	-	(152)	-	-	-	-	(22)	**(174)**
Increase (Decrease) in the Reserve for share-based payments	-	-	-	1	-	-	-	-	-	**1**
Total comprehensive income for the year	-	-	-	29	57	(137)	20	(36)	10	**(57)**
Other changes	-	-	-	18	-	-	-	-	(1)	**17**
AT 31 MARCH 2011	**4,465**	**(289)**	**146**	**2,640**	**35**	**576**	**18**	**(53)**	**180**	**7,718**

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 has been prepared in accordance with IAS 34 - *Interim Financial Reporting* applying the same accounting principles and policies used in the preparation of the Consolidated financial statements at 31 December 2010, other than as discussed in the following paragraph Accounting principles, amendments and interpretations adopted from 1 January 2011.

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, certain 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 2011

The Group adopted the following standard from 1 January 2011.

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 1 January 2011. The application of this amendment did not have any significant effect on the measurement of items in the Group's financial statements, and will only have limited effects on the disclosures for related party transactions provided in the 2011 half-year financial report.

Standards, amendments and interpretations effective from 1 January 2011 but not applicable to the Group

The following amendments, improvements and interpretations have also been issued and are effective from 1 January 2011; 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:

- Amendments to IAS 32 – *Financial Instruments: Presentation, Classification of Rights Issues;*
- Amendment to IFRIC 14 - *Prepayments of a Minimum Funding Requirement;*
- IFRIC 19 – *Extinguishing Financial Liabilities with Equity Instruments;*
- Improvements to IAS/IFRS (2010).

Accounting principles, and amendments not yet effective and not early adopted by the Group

On 12 November 2009, the IASB issued a new standard IFRS 9 – *Financial Instruments* that was amended on 28 October 2010. The standard, having an effective date for mandatory adoption of 1 January 2013, represents the completion of the first part of a project to replace IAS 39 and introduces new requirements for the classification and measurement of financial assets and financial liabilities and for the derecognition of financial assets. 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. The most significant effect of the standard regarding the classification and measurement of financial liabilities relates to the accounting for changes in fair value attributable to changes in the credit risk of financial liabilities designated as at fair value through profit or loss. Under the new standard these changes are recognised in Other comprehensive income and are not subsequently reclassified to the Income statement.

On 7 October 2010, the IASB issued amendments to IFRS 7 – Financial Instruments: Disclosures. Entities are required to apply the amendments for annual periods beginning on or after 1 July 2011.The amendments will allow users of financial statements to improve their understanding of transfers of financial assets, including an understanding of the possible effects of any risks that may remain with the entity that transferred the assets. The amendments also require additional disclosures if a disproportionate amount of a transfer transaction is undertaken at the end of a reporting period.

On 20 December 2010, the IASB issued amendments to IFRS 1 – *First-time Adoption of International Financial Reporting Standards*. The first amendment replaces references to a fixed date of "1 January 2004" with the date of transition to IFRSs. The second amendment provides guidance on how an entity should resume presenting financial statements in accordance with IFRSs after a period when the entity was unable to comply with IFRSs because its functional currency was subject to severe hyperinflation. These amendments are effective from 1 July 2011.

On 20 December 2010, the IASB issued amendments to IAS 12 – *Income Taxes* that require an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. As a result of the amendments, SIC-21 *Income Taxes – Recovery of Revalued Non-Depreciable Assets* no longer applies. These amendments are effective from 1 January 2012.

The above standards and amendments had not yet been endorsed by the European Union at the date of this Quarterly report.

SCOPE OF CONSOLIDATION

There were no significant changes in the scope of consolidation during the first quarter of 2011 other than those relating to the Demerger discussed below, it should be noted, however that:

- the subsidiary of the Fiat Group Automobiles sector TCA Tecnologia en Componentes Automotivos SA, a company located in the Brazilian state of Pernambuco, was consolidated on a line-by-line basis from 1 January 2011;
- the subsidiary of the Comau sector, Comau (Kunshan) Automation Co. Ltd, was established during the first quarter of 2011and consolidated on a line-by-line basis.

FIAT DEMERGER AND DISCONTINUED OPERATIONS

During 2010, the Group initiated and completed a strategic project to separate the Agricultural and Construction Equipment (CNH – Case New Holland sector) and Trucks and Commercial Vehicles (Iveco sector) activities, as well as the "Industrial & Marine" business line of FPT Powertrain Technologies (FPT Industrial sector), from the Automobile and Automobile-related Components and Production Systems activities, which include the sectors Fiat Group Automobiles, Maserati, Ferrari, Magneti Marelli, Teksid, Comau and the "Passenger & Commercial Vehicles" business line of FPT Powertrain Technologies ("Fiat Powertrain"). The separation of those businesses, in the form of their demerger from Fiat S.p.A. and transfer to Fiat Industrial S.p.A. (the "Demerger" – a S*cissione Parziale Proporzionale* pursuant to Article 2506-bis of the Italian Civil Code), resulted in the creation of the Fiat Industrial Group (consisting of CNH, Iveco and FPT Industrial) on 1 January 2011. From the same date, Fiat Group is comprised of Fiat Group Automobiles, Maserati, Ferrari, Magneti Marelli, Fiat Powertrain, Teksid and Comau.

Since the Demerger became highly probable in December 2010, in accordance with IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations* the businesses transferred to Fiat Industrial were qualified and presented as Discontinued Operations in the Consolidated Financial Statements at 31 December 2010. As a consequence, the Consolidated Income Statement and Consolidated Cash Flow Statement for the first quarter of 2010 presented here for comparative purposes have been reclassified in respect to those previously published as follows:

- All revenues and costs relating to Discontinued Operations are reported in the Income Statement as Profit/(Loss) from Discontinued Operations.
- All cash flows arising from Discontinued Operations have been presented in the Statement of Cash Flows as separate line items under cash flows from operating, investing and financing activities.

No change has been made to the figures included in the Statement of Financial Position at 31 December 2010 presented here for comparative purposes. Details of the methods used to prepare that statement may be found in the paragraph "Fiat Demerger and Discontinued Operations" in the consolidated financial statements at 31 December 2010.

Further, as the Demerger is considered a "business combination involving entities or businesses under common control", it is outside the scope of application of IFRS 3 and IFRIC 17. It has accordingly been accounted for in the consolidated financial statements of Fiat Group in this Quarterly report without adjusting the carrying amounts of assets and liabilities.

Key income statement data for Discontinued Operation for the first quarter 2010 were as follows:

(€ million)	1st Quarter 2010
Net revenues	4,474
Operating profit/(loss)	**121**
Profit/(loss) before taxes	**18**
Income taxes	52
Profit/(loss) for the period	**(34)**

As a result of the Demerger, following the inclusion of the Industrial & Marine operations of the FPT Powertrain Technologies sector in Discontinued Operations, starting from the Consolidated financial statements at 31 December 2010 this sector was no longer reported as a whole, in accordance with IFRS 8 - *Operating Segments*, while the Fiat Powertrain sector, which includes the Passengers & Commercial Vehicles line of business, and the FPT Industrial sector, which includes the Industrial & Marine line of business, are presented separately in Continuing Operations and Discontinued Operations, respectively. Comparative data for the first quarter 2010 presented in this Quarterly report have been restated consistent with this.

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 of the Fiat Group (excluding intra-Group transactions) for the first quarter 2011 and of the Continuing Operations for the first quarter 2010 by business sector is as follows:

(€ million)	1st Quarter 2011	1st Quarter 2010(*)
Fiat Group Automobiles	6,964	6,796
Maserati	113	109
Ferrari	476	401
Components	923	784
Fiat Powertrain	196	79
Metallurgical Products	166	123
Production Systems	201	170
Other operating segments	171	141
Total Net revenues	**9,210**	**8,603**

(*) In accordance with IFRS 5 the figures for the first quarter of 2010 have been reclassified and no longer include amounts relating to business transferred to the Fiat Industrial Group and classified within the Post-tax profit (loss) from Discontinued operations.

2. Cost of sales

Cost of sales of the Fiat Group for the first quarter 2011 and of the Continuing Operations for the first quarter 2010 comprises the following:

(€ million)	1st Quarter 2011	1st Quarter 2010(*)
Interest cost and other financial charges from financial services companies	36	19
Other cost of sales	7,873	7,398
Cost of sales	**7,909**	**7,417**

(*) In accordance with IFRS 5 the figures for the first quarter of 2010 have been reclassified and no longer include amounts relating to business transferred to the Fiat Industrial Group and classified within the Post-tax profit (loss) from Discontinued operations.

3. Selling, general and administrative costs

Selling costs amount to €500 million in the first quarter of 2011 (€435 million in the first quarter of 2010) and comprise mainly marketing, advertising and sales personnel costs.

General and administrative costs amount to €288 million in the first quarter of 2011 (€273 million in the first quarter of 2010) 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 2011 research and development costs amount to €278 million (€233 million in the first quarter of 2010) comprise all research and development costs not recognised as assets amounting to €118 million (€95 million in the first quarter of 2010), the write-down of costs previously capitalised (€12 million in the first quarter of 2011 and nil million in the first quarter of 2010) and the amortisation of capitalised development costs of €148 million (€138 million in the first quarter of 2010). During the period the Group incurred new expenditure for capitalised development costs of €208 million (€183 million in the first quarter of 2010).

5. Other income (expenses)

Other income for the first quarter of 2011 amounts to €16 million (other expenses of €15 million for the first quarter of 2010) and consists of trading income which is not attributable to the typical sales and services operations of the Group, such as royalties and gains on disposal of property plant and equipments, net of miscellaneous operating costs not ascribable to specific functional areas, such as indirect taxes and duties, and accruals to miscellaneous provisions.

6. Gains (losses) on the disposal of investments

In the first quarter of 2011 this item consists of gains of €4 million (gain of €1 million in the first quarter of 2010) arising on the disposal of certain investments in other companies.

7. Restructuring costs

Restructuring costs for the first quarter of 2011 amount to €4 million (nil in the first quarter of 2010).

8. 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 €55 million (€31 million in the first quarter of 2010) 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 €36 million (€19 million in the first quarter of 2010).

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

(€ million)	1st Quarter 2011	1st Quarter 2010(*)
Financial income:		
Interest earned and other financial income	75	32
Interest income from customers and other financial income of financial services companies	55	31
Interest income receivables from Discontinued Operations	-	69
Gains on disposal of securities	1	5
Total financial income	**131**	**137**
of which:		
Financial income, excluding financial services companies (a)	76	104
Interest and other financial expenses:		
Interest expenses payable to Discontinued Operations	-	7
Interest expenses and other financial expenses	263	263
Write-downs of financial assets	12	7
Losses on disposal of securities	3	4
Interest costs on employee benefits	10	12
Total interest and other financial expenses	288	293
Net (income) expenses from derivative financial instruments and exchange losses	(38)	(28)
Total interest and other financial expenses, net (income) expenses from derivative financial instruments and exchange losses	**250**	**265**
of which:		
Interest and other financial expenses, net income (expenses) from derivative financial instruments and exchange differences, excluding financial services companies (b)	214	246
Net financial income (expenses) excluding financial services companies (a) – (b)	**(138)**	**(142)**

(*) In accordance with IFRS 5 the figures for the first quarter of 2010 have been reclassified and no longer include amounts relating to business transferred to the Fiat Industrial Group and classified within the Post-tax profit (loss) from Discontinued operations.

Net financial expenses for the first quarter of 2011, excluding the financial services companies, amounted to €138 million, and include a net financial income of €23 million arising from the equity swaps that make reference to the performance of the stock market value of the basket of shares made up of the Fiat S.p.A. share and the Fiat Industrial S.p.A. share, relating to certain stock options plans. Net financial expenses of €142 million for the first quarter of 2010 included a net financial expense of €13 million arising from the above mentioned equity swap.

9. Result from investments

In the first quarter of 2011 this item consists of: a net gain of €38 million arising from the Group's interest in companies accounted for using the equity method (net gain of €47 million in the first quarter of 2010), the write-downs connected with the loss in value of financial assets, any reversal of losses in value, and dividend income.

The Result from investments in the first quarter of 2011 is a gain amounting to €40 million (€49 million in the first quarter of 2010) and mainly relates to the Fiat Group Automobiles sector.

10. Income taxes

Income taxes consist of the following:

(€ million)	1st Quarter 2011	1st Quarter 2010(*)
Current taxes:		
IRAP	18	17
Other taxes	115	122
Total current taxes	**133**	**139**
Deferred taxes for the period	3	(14)
Taxes relating to prior periods	(20)	1
Total Income taxes	**116**	**126**

(*) In accordance with IFRS 5 the figures for the first quarter of 2010 have been reclassified and no longer include amounts relating to business transferred to the Fiat Industrial Group and classified within the Post-tax profit (loss) from Discontinued operations.

The decrease in the total income taxes in the first quarter of 2011 is due mainly the recovery of taxes relating to prior years.

Net deferred tax assets at 31 March 2011 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 2011	At 31 December 2010
Deferred tax assets	1,660	1,678
Deferred tax liabilities	149	135
Net deferred tax assets	**1,511**	**1,543**

11. Earnings/(loss) per share

As discussed in Note 21, the share capital of Fiat S.p.A. is represented by three classes of shares (ordinary shares, preference shares and Savings shares) each of which has different dividend rights. In the first quarter of 2011 the Profit of the period attributable to each class of share has been determined in accordance with the share's contractual dividend rights. For this purpose, the net result attributable to the equity holders of the parent company has been adjusted by the amount of the dividends that would be contractually due to each class of shares in the theoretical event of a total distribution of profits. In the first quarter 2010, the loss for the period attributable to the equity holders of the parent was allocated equally to all three classes of shares. In order to calculate earnings per share, the amount allocated to each class of shares was then divided by the weighted average number of shares for the period.

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:

					1st Quarter 2011				1st Quarter 2010
		Ordinary shares	Preference shares	Savings shares	Total	Ordinary shares	Preference shares	Savings shares	Total
Profit/(loss) attributable to owners of the parent	€ million				29				(25)
Theoretical preference right	€ million	-	12	17	29	-	-	-	-
Profit/(loss) attributable to all classes of shares	€ million	-	-	-	-	(21)	(2)	(2)	(25)
Profit/(loss) attributable to each class of shares	€ million	**-**	**12**	**17**	**29**	**(21)**	**(2)**	**(2)**	**(25)**
Weighted average number of shares	thousand	**1,053,754**	**103,292**	**79,913**	**1,236,959**	**1,053,679**	**103,292**	**79,913**	**1,236,884**
Basic earnings/(loss) per share	€	**-**	**0.111**	**0.217**		**(0.020)**	**(0.020)**	**(0.020)**	

For the first quarter 2010 the following tables show the same amounts used in the determination of the earnings per share for Continuing Operations. These figures have been calculated by taking into account the dividend rights established for Fiat S.p.A. shares after the Demerger.

					1st Quarter 2010
		Ordinary shares	Preference shares	Savings shares	Total
Profit/(loss) from Continuing Operations attributable to owners of the parent	€ million				7
Preferred dividends attributable for the period	€ million	-	-	7	7
Profit/(loss) attributable to all classes of shares	€ million	-	-		-
Profit/(loss) attributable to each class of shares	€ million	**-**	**-**	**7**	**7**
Weighted average number of shares	thousand	**1,053,679**	**103,292**	**79,913**	**1,236,884**
Basic Earnings/(loss) per share – Continuing Operations	€	**-**	**-**	**0.086**	

For the purpose of calculating diluted earnings per share for the first quarter of 2011, the weighted average number of ordinary shares has been increased so as also to take into consideration the theoretical effect that would arise if the stock options and stock grants on Fiat S.p.A. shares were respectively to be exercised or fully vest. The stock option plans of Fiat S.p.A. were not taken into consideration in the calculation of diluted earnings per share in the first quarter of 2010 as this would have had an antidilutive effect.

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 for the first quarter 2011 and 2010.

					1st Quarter 2011				1st Quarter 2010
		Ordinary shares	Preference shares	Savings shares	Total	Ordinary shares	Preference shares	Savings shares	Total
Profit/(loss) attributable to each class of shares	€ million	**-**	**12**	**17**	**29**	**(21)**	**(2)**	**(2)**	**(25)**
Weighted average number of shares considered in the diluted earnings per share	thousand	**1,065,292**	**103,292**	**79,913**	**1.248.497**	**1,053,679**	**103,292**	**79,913**	**1,236,884**
Diluted earnings/(loss) per share	€	**-**	**0.111**	**0.217**		**(0.020)**	**(0.020)**	**(0.020)**	

12. Intangible assets

(€ million)	Net of amortisation at 31 December 2010	Additions	Amortisation	Foreign exchange effects and other changes	Net of amortisation at 31 March 2011
Goodwill	1,080	-	-	(1)	**1,079**
Development costs	2,909	208	(148)	(32)	**2,937**
Other	361	14	(27)	(14)	**334**
Total Intangible assets	**4,350**	**222**	**(175)**	**(47)**	**4,350**

Goodwill consists principally of net goodwill resulting from the purchase of certain interests in Ferrari S.p.A. for €786 million (€786 million at 31 December 2010), in the Comau sector (the Pico group and other minor companies) for €127 million (€135 million at 31 December 2010), in companies in the Components sector for €120 million (€121 million at 31 December 2010), in the Fiat Group Automobiles sector for €26 million (€18 million at 31 December 2010) and in companies in the Metallurgical Products sector for €18 million (€18 million at 31 December 2010).

13. Property, plant and equipment

(€ million)	Net of depreciation at 31 December 2010	Additions	Depreciation	Foreign exchange effects	Disposals and other changes	Net of depreciation at 31 March 2011
Property, plant and equipment	**9,601**	281	(375)	(106)	(27)	**9,374**

Additions of €281 million in the first quarter of 2011 mainly refer to the sectors Fiat Group Automobiles, Components, Ferrari, Fiat Powertrain. Foreign exchange losses of €106 million in the first quarter of 2011 arise principally from changes in the exchange rate of the Brazilian Real with the Euro.

14. Investments and other financial assets

(€ million)	At 31 March 2011	At 31 December 2010
Investments accounted for using the equity method	1,441	1,465
Investments measured at fair value:		
Investments at fair value with changes directly in Other comprehensive income	177	17
Investments at fair value with changes in profit or loss	230	-
Investments at cost	52	62
Total Investments	1,900	1,544
Non-current financial receivables	62	62
Other securities	42	47
Total Investments and other financial assets	**2,004**	**1,653**

Investments accounted for using the equity method

At 31 March 2011 Investments accounted for using the equity method totals €1,441 million (€1,465 million at 31 December 2010) and includes, amongst others, the following (€ million): FGA Capital S.p.A. 693 (700 at 31 December 2010), Tofas Turk Otomobil Fabrikasi A.S. 257 (304 at 31 December 2010), Sevelnord Société Anonyme 97 (95 at 31 December 2010), Sevel S.p.A. 98 (99 at 31 December 2010), GAC Fiat Automobiles Co. Ltd. 72 (50 at 31 December 2010), Rizzoli Corriere della Sera MediaGroup S.p.A. 102 (101 at 31 December 2010).

Investment in Chrysler

Having achieved one of the predetermined Performance Events envisaged in the Chrysler-Fiat strategic alliance agreements, on 10 January 2011 the Fiat Group received without consideration an additional interest of 5% in Chrysler, and therefore its total holding in Chrysler is equal to 25%.

As disclosed in the notes to the consolidated financial statements at 31 December 2010, the investment in the associate Chrysler Group LLC ("Chrysler") is classified as an investment accounted for using the equity method, in accordance with IAS 28. As the Members interest in the investee is a deficit, this investment continues to be carried at nil at 31 March 2011 in accordance with paragraphs 29 and 30 of the standard. The Fiat Group is not required to recognise the share of any losses of the associate for as long as Chrysler remains an associate that is carried at nil in the financial statements as it has no obligation in respect of those losses. If Chrysler subsequently reports profits, the Fiat Group may only recognise these once its share of the profits equals the share of losses not recognised in prior periods.

For this purpose it should be noted that the Members interest of the Chrysler Group at 31 December 2010 in accordance with IFRS (which is calculated by referring to the latest published financial statements) was a deficit of €526 million (a deficit of €410 million at 31 December 2009), while the net loss for 2010 determined in accordance with IFRS amounted to €1 million (a net loss of €1,062 million for the period 10 June – 31 December 2009).

As discussed in Subsequent events, on 12 April 2011, having reached a second Performance Event the Fiat Group increased its interest in Chrysler by a further 5%, which thus rose to 30%. Further details about the Fiat Group's rights relating to the investment in Chrysler may be found in Note 29 of the Consolidated financial Statement at 31 December 2010.

Investments measured at fair value

At 31 March 2011, Investments at fair value with changes recognised directly in Other comprehensive income, includes the investment in Fiat Industrial S.p.A. for €159 million, the investment in Fin. Priv. S.r.l. for €15 million (€14 million at 31 December 2010), the investment in Assicurazioni Generali S.p.A. of €3 million (€3 million at 31 December 2010).

Concerning the investment in Fiat Industrial S.p.A., on the Demerger Fiat S.p.A. was allotted 38,568,458 ordinary shares in Fiat Industrial S.p.A. without consideration, corresponding to the number of Treasury shares it held. Following this allotment, the portion of the cost of Treasury shares recognised in equity and attributable to the Fiat Industrial S.p.A. shares, amounting to €368 million, was reclassified as an asset in the Statement of financial position. This allocation was calculated on the basis of the weighting of the stock market prices of Fiat and Fiat Industrial shares on the first day of quotation of the Fiat Industrial S.p.A. shares. At the same time, in accordance with IAS 39 and its interpretations, the investment was measured at fair value (€347 million) with a corresponding entry made to Earnings Reserves. After initial recognition, the investment is measured at fair value.

In addition, as described in Note 23 to the Consolidated Financial Statements at December 31, 2010, with the changes made to stock option and stock grant plans outstanding at 31 December 2010 following the Demerger there were 23,021,250 Fiat Industrial ordinary shares allotted to Fiat S.p.A. that will service the above mentioned plans and that therefore were considered linked to the Liability for share-based payments recognised in the Statement of Financial Position as the result of changes to the plans (see Note 22). As a consequence, the portion of the fair value measurement of the Fiat Industrial S.p.A. shares attributable to the shares that will service the stock option and stock grant plans has been recognised in profit or loss, together with the effects of the re-measurement of the related liability. The remaining Fiat Industrial shares outstanding (15,627,208 shares at 1 January 2011) are measured at fair value with changes recognised directly in equity.

At 31 March 2011, the investment in Fiat Industrial S.p.A. consists of 38,366,583 ordinary shares (corresponding to the 3.01% in the share capital of the company), for an amount of €389 million, of which 22,739,375 shares of Fiat Industrial S.p.A. will serve the stock option and stock grant plans and are therefore measured at fair value through profit and loss for an amount of €230 million, and 15,627,208 shares are classified as available-for-sale and measured at fair value through equity, for an amount of €159 million.

Changes in Investments during the first quarter 2011 are as follows:

(€ million)	At 31 December 2010	Revaluations (write-downs)	Changes in the scope of consolidation	Other Changes	At 31 March 2011
Investments	1,544	33	14	309	**1,900**

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.

Other changes consisting of a net increase of €309 million are made up as follows: a reclassification of €368 million representing the proportion of the carrying amount of Treasury shares recognised as a reduction of Equity in order to recognise the Fiat Industrial S.p.A. shares arising from the Demerger, foreign exchange losses of €27 million; purchases and capitalisations for €30 million (of which €25 million mainly relating to the capital increase made by the equally held jointly controlled entity GAC Fiat Automobiles Co. Ltd.); dividends of €76 million distributed by companies accounted for using the equity method (of which €26 million received from FGA Capital and €44 million received form Tofas-Turk Otomobil Fabrikasi Tofas A.S.), and other increases of €14 million (including mainly the positive fair value adjustment of €19 million relating to the investment classifies as available-for-sale, and the negative changes in the cash flow hedge reserve of Tofas-Turk Otomobil Fabrikasi Tofas A.S. for €8 million).

15. Inventories

(€ million)	At 31 March 2011	At 31 December 2010
Raw materials, supplies and finished goods	4,617	4,308
Gross amount due from customers for contract works	194	135
Total Inventories	**4,811**	**4,443**

Inventories at 31 March 2011 include assets sold with a buy-back commitment by Fiat Group Automobiles for a total amount of €704 million (€637 million at 31 December 2010). Excluding these amounts, Inventories rose by €301 million during the first quarter of 2011 in line with the trend in production and sales volumes for the period.

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 2011	At 31 December 2010
Aggregate amount of costs incurred and recognised profits (less recognised losses) to date	1,276	1,233
Less: Progress billings	(1,201)	(1,203)
Construction contracts, net of advances on contract work	**75**	**30**
Gross amount due from customers for contract work as an asset	194	135
Less: Gross amount due to customers for contract work as a liability included in Other current liabilities	(119)	(105)
Construction contracts, net of advances on contract work	**75**	**30**

At 31 March 2011 and at 31 December 2010, the amount of retentions by customers on contract work in progress was not significant.

16. Current receivables and Other current assets

(€ million)	At 31 March 2011	At 31 December 2010
Trade receivables	2,719	2,259
Receivables from financing activities	3,004	2,866
Current tax receivables	349	353
Other current assets:		
Other current receivables	1,286	1,410
Accrued income and prepaid expenses	112	118
Total other current assets	1,398	1,528
Total Current receivables and Other current assets	**7,470**	**7,006**

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 2011	At 31 December 2010
Dealer financing	1,787	1,724
Retail financing	751	731
Finance leases	269	243
Supplier financing	52	48
Financial receivables from companies under joint control and unconsolidated subsidiaries	41	49
Current financial receivables from jointly controlled financial services entities	14	12
Other	90	59
Total Receivables from financing activities	**3,004**	**2,866**

Receivables from financing activities increased by €138 million over the period. Excluding translation exchange losses arising mainly from trends in the Euro/Brazilian Real rates, the item increased by €220 million due to the increase in financing activities of non-European financial service companies of the Fiat Group Automobiles sector, mainly as a result of the good sales performance in South America.

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

17. Current securities

At 31 March 2011 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.

18. Other financial assets and Other financial liabilities

These items include the measurement at fair value of derivative financial instruments at 31 March 2011.

In particular, the overall change in other financial assets (from €516 million at 31 December 2010 to €543 million at 31 March 2011), and in other financial liabilities (from €255 million at 31 December 2010 to €105 million at 31 March 2011), is mainly due to changes in exchange rates and interest rates during the period, and the change in the fair value of the equity swaps on Fiat S.p.A. ordinary shares (positive for €23 million in the first quarter of 2011).

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.

19. 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 2011, this item includes approximately €2 million (€10 million at 31 December 2010) of restricted cash.

20. Assets and liabilities held for sale and Discontinued Operations

Assets held for sale at 31 March 2011 include the investment in a minor company in Brazil, which was classified as held for sale on acquisition and certain buildings and factories of the Comau and Fiat Group Automobiles sectors.

In addition to including certain buildings and factories of the Fiat Group Automobiles sector, and to the above mentioned investment, at 31 December 2010 the item Assets and liabilities held for sale and Discontinued Operations included the assets and liabilities of businesses transferred to the Fiat Industrial Group through the Demerger. Further details about amounts shown as Discontinued Operations may be found in the note on Assets and liabilities held for sale and Discontinued Operations in the Consolidated Financial Statements at 31 December 2010.

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

(€ million)	At 31 March 2011	At 31 December 2010
Property, plant and equipment	9	3
Investments and other financial assets	63	65
Total Assets held for sale	**72**	**68**
Total Assets classified as Discontinued Operations	**-**	**34,786**
Total Liabilities held for sale	**-**	**-**
Total Liabilities classified as Discontinued Operations	**-**	**29,920**

21. Equity

Consolidated shareholders' equity at 31 March 2011 decreased by €4,743 million over 31 December 2010, mainly due to the Demerger for €4,533 million, foreign exchange losses of €170 million arising from the translation into euros of the financial statements of subsidiaries denominated in currencies other than the euro and a decrease of €152 million resulting from the recognition of the liability for dividends of Fiat S.p.A., partially offset by an increase of €57 million in the cash flow hedge reserve and the profit for the period of €37 million.

Share capital

At 31 March 2011 fully paid-up share capital amounts to €4,465 million (€6,377 million at 31 December 2010) and consists of 1,275,734,470 shares (1,275,452,595 shares at 31 December 2010) as follows:

- 1,092,529,360 ordinary shares;
- 103,292,310 preference shares;
- 79,912,800 savings shares;

All with a par value of €3.5 each (€5.00 each at 31 December 2010).

During the quarter the number of shares issued by Fiat S.p.A. increased by 281,875 and the amount of the share capital increased by €1 million as certain managers exercised the options granted to them under the November 2006 stock option plan. The decrease in the share capital of Fiat S.p.A. arising as a consequence of the Demerger, (which was carried out by reducing par value for all share classes from €5.00 per share to €3.5 per share) amounted to €1,913 million.

As a result of the reduction in par value per share for all share classes pursuant to the Demerger, the distribution entitlement for each class of shares was adjusted on a pro rata basis The allocation of annual profit for Fiat S.p.A. will be as follows:

- to the legal reserve, 5% of net profit until the amount of the reserve is equal to one-fifth of share capital;
- to savings shares, a dividend of up to €0.217 per share;
- further allocations to the legal reserve, allocations to the extraordinary reserve and/or to retained profit reserve as may be resolved by Shareholders;
- to preference shares, a dividend of up to €0.217 per share;
- to ordinary shares, a dividend of up to €0.1085 per share;
- to savings shares and ordinary shares, in equal amounts, an additional dividend of up to €0.1085 per share;
- to each ordinary, preference and savings share, in equal amounts, any remaining profit, which Shareholders may resolve to distribute.

When the dividend paid to savings shares in any year amounts to less than €0.217, the difference shall be added to the preferred dividend to which they are entitled in the following two years.

In the event that savings shares are delisted, any bearer shares shall be converted into registered shares with entitlement to a dividend that is €0.1225, rather than €0.1085, higher than the dividend paid on ordinary and preference shares.

In the event that the ordinary shares are delisted, holders of savings shares shall be entitled to a dividend that is €0.140 higher than the dividend paid on ordinary and preference shares.

In the event of a winding-up, the Company's assets shall be distributed in the following order of priority: repayment of savings shares up to their par value, repayment of preference shares up to their par value, repayment of ordinary shares up to their par value; any balance remaining, in an equal pro rata amount to shares of all three classes.

Treasury shares

Treasury shares consist of 38,568,458 Fiat S.p.A. ordinary shares for an amount of €289 million (€657 million at 31 December 2010).

The reduction in the carrying amount of Treasury shares over 31 December 2010 is a consequence of the Demerger and the Fiat S.p.A. allotment of 38,568,458 ordinary shares in Fiat Industrial S.p.A., recognised as an asset in the Statement of Financial Position at an initial amount of €368 million as discussed in Note 14.

These Treasury shares were purchased under an original authorisation for the purchase and disposal of treasury shares (the "Programme") renewed by Shareholders in general meeting on 27 March 2009 and already granted by the general meeting on 31 March 2008. The authorisation provided 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 already restricted reserves of €657 million.

In order, amongst other things, to maintain the necessary operating flexibility over an adequate time period and given that their authorisation expired on 27 September 2010, on 26 March 2010 Shareholders in general meeting extended the term permitted for the purchase and disposal of treasury shares, including transactions carried out through subsidiary companies, by a further 18 months period, 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 authorisation provided 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 €657 million in Fiat shares already held by the Company.

At the extraordinary general meeting of 16 September 2010, in consideration of the reduction in the par value of Fiat S.p.A. shares from €5.00 to €3.5 per share, Shareholders approved a reduction in the authorisation for the purchase of treasury shares to a maximum value of €1.2 billion, without altering the condition that the total number of shares, in all three classes, may not exceed 10% of share capital or any of the other provisions approved by Shareholders on 26 March 2010, and without amending the authorisation expiry date of 26 September 2011. Reaffirming that the share buy-back programme has been placed on hold, the Board of Directors, in order to maintain the necessary operating flexibility for an adequate period, made a proposal to Shareholders at the Annual General Meeting on 30 march 2011, which was approved, for the authorisation for the purchase be renewed for a period of 18 months and for the maximum amount of shares for the three classes not to exceed the legally established percentage of share capital, or €1.2 billion including the existing restricted reserve for treasury shares, which after the effects of the Demerger discussed earlier amounts to €289 million.

Capital reserves

At 31 March 2011, Capital reserves amounting to €146 million (€601 million at 31 December 2010) were reduced by €457 million as a consequence of the Demerger.

Earnings reserves

The main earnings reserves are as follows:

- the legal reserve of Fiat S.p.A. of €523 million at 31 March 2011 (€716 million at 31 December 2010) which was reduced by €215 million as a consequence of the Demerger;
- retained earnings of €2,039 million at 31 March 2011 (retained earnings of €2,796 million at 31 December 2010);
- the income attributable to owners of the parent of €29 million at 31 March 2011 (income of €520 million for the year ended 31 December 2010);
- the share-based payments reserve of €49 million at 31 March 2011 (€113 million at 31 December 2010).

  As discussed in Note 23 to the Consolidated Financial Statements at December 31, 2010, on the Demerger the underlying of the stock option and the stock grant plans outstanding at 31 December 2010 was changed by allowing the beneficiaries of the options or stock grants to receive one ordinary Fiat share and one ordinary Fiat Industrial share for each right held, with the option exercise price (for stock option plans) and the free grant of shares (for the stock grant plan) remaining unchanged. In accordance with IFRS 2 – *Share based payments*, this change required that the stock option and stock grant plans be accounted for as compound financial instruments and in particular that the Reserve for share-based payments at that date be separated into a liability component (the counterparty's right to receive one Fiat Industrial S.p.A. share) and an equity component (the counterparty's right to receive one Fiat S.p.A. share). All stock option and stock grant plans, with the exception of the portion of the 2006 Plan relating to managers for which a capital increase was approved, will be serviced with Treasury shares already held by Fiat S.p.A. and Fiat Industrial ordinary shares that were allotted as a result of the Demerger. The alignment of the underlying of the plans described above led to the reclassification of a portion of this reserve (amounting to €62 million) to Liabilities for share-based payments (Note 22). On the day on which the Fiat Industrial S.p.A. shares were first quoted this amount represented the portion of the book value of the Reserve for share-based payments attributable to each plan and relating to the component of the plans which will be serviced by Fiat Industrial S.p.A. shares, calculated on the basis of the weighting of the quotations of the two shares at that date.

Other comprehensive income

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

(€ million)	1st Quarter 2011	1st Quarter 2010
Gains/(Losses) on cash flow hedges arising during the period	101	(57)
Reclassification adjustment for gains/(losses) on cash flow hedges included in income statement	(25)	82
Gains/(Losses) on cash flow hedges	**76**	**25**
Gains/(Losses) on fair value of available-for-sale financial assets arising during the period	19	(1)
Reclassification adjustment for gains/(losses) on fair value of available-for-sale financial assets included in income statement	-	-
Gains/(Losses) on fair value of available-for-sale financial assets	**19**	(1)
Gains/(Losses) on exchange differences on translating foreign operations	**(138)**	**486**
Share of Other comprehensive income of entities consolidated by using the equity method arising during the period	(28)	61
Reclassification adjustment for the share of Other comprehensive income of entities consolidated by using the equity method	(8)	8
Share of Other comprehensive income of entities consolidated by using the equity method	**(36)**	**69**
Income tax relating to components of Other comprehensive income	**(15)**	**14**
Total Other comprehensive income for the year, net of tax	**(94)**	**593**

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

	1st Quarter 2011			1st Quarter 2010		
(€ million)	Before tax amount	Tax (expense) benefit	Net-of-tax amount	Before tax amount	Tax (expense) benefit	Net-of-tax amount
Gains/(Losses) on cash flow hedges	76	(16)	60	25	14	39
Gains/(Losses) on fair value of available-for-sale financial assets	19	1	20	(1)	-	(1)
Gains/(Losses) on exchange differences on translating foreign operations	(138)	-	(138)	486	-	486
Share of Other comprehensive income of entities consolidated by using the equity method	(36)	-	(36)	69	-	69
Total Other comprehensive income	**(79)**	**(15)**	**(94)**	**579**	**14**	**593**

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

22. Provisions

(€ million)	At 31 March 2011	At 31 December 2010
Employee benefits	1,905	1,704
Other provisions:		
Warranty provision	969	970
Restructuring provision	182	202
Investment provision	25	26
Other risks	1,974	2,022
Total Other provisions	3,150	3,220
Total Provisions	**5,055**	**4,924**

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

At 31 March 2011 "Employee benefits" include €190 million relating to Liabilities for share-based payment plans arising on the alignment of the underlying of the stock option and stock grant plans due to the Demerger and discussed in Note 21. As discussed in this note, in accordance with IFRS 2 and IAS 39 the component of the plans which will be serviced by Fiat Industrial S.p.A. shares was initially reclassified from the equity account Reserve for share-based payments and measured on the basis of the proportion of the book value of the Reserve for share-based payments, calculated by taking into account the weighting of the stock market prices of Fiat and Fiat Industrial shares on the day on which the Fiat Industrial S.p.A. shares were first quoted. At the same time the liability was aligned to fair value (€164 million) with a corresponding entry being made to Earnings reserves. For the stock grant plan the fair value of the liability is equal to the market price (stock market price) of the Fiat Industrial shares. For the stock option plans it was considered appropriate to calculate this amount by allocating a strike price to the options equal to the nominal value of the Fiat Industrial shares. After initial recognition any changes in the fair value of this liability and the notional charge yet to vest for the stock grants are recognised in profit or loss.

Reserves for risks and charges and other reserves amount to €3,150 million 31 March 2011 (€3,220 million at 31 December 2010) and include provisions for contractual, commercial and legal risks.

23. Debt

(€ million)	At 31 March 2011	At 31 December 2010
Asset-backed financing	697	533
Other debt:		
Bonds	8,967	9,019
Borrowings from banks	5,177	6,657
Payables represented by securities	169	247
Other	1,388	1,483
Total Other debt	15,701	17,406
Debt payable to the Discontinued Operations	-	2,865
Total Debt	**16,398**	**20,804**

Debt decreased by €1,541 million over the quarter to 31 March 2011 excluding that payable to Discontinued Operations. This is mainly due to the repayment certain credit facilities, which reached expiry or were transferred to the Fiat Industrial treasuries as a result of the Demerger.

The principal bond issues outstanding at 31 March 2011 are as follows:

	Currency	Face value of outstanding bonds (in million)	Coupon	Maturity	Outstanding amount (€ million)
Global Medium Term Notes:					
Fiat Finance and Trade Ltd S.A.(1)	EUR	1,300	6.750%	25 May 2011	1,300
Fiat Finance and Trade Ltd S.A.(1)	EUR	123	(2)	(2)	123
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)					33
Total Global Medium Term Notes					**7,656**
Other bonds:					
Fiat Finance and Trade Ltd S.A. (3)	EUR	1,000	6.625%	15 February 2013	1,000
Total Other bonds					**1,000**
Hedging effect and amortised cost valuation					**311**
Total Bonds					**8,967**

(1) Bonds listed on the Mercato Obbligazionario Telematico of the Italian stock exchange (EuroMot). In addition, the majority of the bonds issued by the Fiat Group are also listed on the Luxembourg stock exchange.
(2) "Fiat Step-Up Amortizing 2001-2011" bonds repayable at face value in five equal annual instalments each for 20% of the total issued (€617 million) due beginning from the sixth year (7 November 2007) by reducing the face value of each bond outstanding by one-fifth. The last instalment will be repaid on 7 November 2011. The bonds pay coupon interest equal to: 4.40% in the first year (7 November 2002), 4.60% in the second year (7 November 2003), 4.80% in the third year (7 November 2004), 5.00% in the fourth year (7 November 2005), 5.20% in the fifth year (7 November 2006), 5.40% in the sixth year (7 November 2007), 5.90% in the seventh year (7 November 2008), 6.40% in the eighth year (7 November 2009), 6.90% in the ninth year (7 November 2010), 7.40% in the tenth year (7 November 2011).
(3) Bond listed on the Irish Stock Exchange.
(4) Bonds with amounts outstanding equal to or less than the equivalent of €50 million.

As discussed in Subsequent events, on 1 April 2011, Fiat Finance and Trade Ltd. completed the issue of a €1 billion bond having a fixed coupon of 6.375% and due date in April 2016. The notes were issued at par under the Global Medium Term Notes programme.

Further information about these bonds is included in Note 26 to the Consolidated Financial Statements at 31 December 2010. The unaudited prospectuses and offering circulars, or their abstracts, relating to the principal bond issues are available on the Group's website at www.fiatspa.com under "Investor Relations – Financial Reports".

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

Committed credit lines expiring after twelve months amount to over €1 billion and were fully utilised at 31 March 2011.

Finally, financial payables secured with mortgages and other liens on assets of the Group amount to €314 million at 31 March 2011 (€324 million at 31 December 2010); this amount includes balances of €277 million (€286 million at 31 December 2010) due to creditors for assets acquired under finance leases.

24. Trade payables

Trade payables of €9,379 million at 31 March 2011 increased by €34 million from the amount at 31 December 2010.

25. Other current liabilities

At 31 March 2011 Other payables include €903 million of amounts payable to customers relating to buy-back agreements (€822 million at 31 December 2010), accrued expenses and deferred income of €859 million (€806 million at 31 December 2010) dividends of €152 million payable to Fiat S.p.A. shareholders as resolved in their General Meeting on 30 March 2011.

26. Guarantees granted, commitments and contingent liabilities

Guarantees granted

At 31 March 2011 the Group had outstanding guarantees granted on the debt or commitments of third parties or unconsolidated subsidiaries jointly controlled and associated entities totalling €49 million (€51 million at 31 December 2010).

In addition, at 31 March 2011 the transfer was in the process of being formalised of certain guarantees issued by Fiat S.p.A. on behalf of Banco CNH Capital S.A. in Brazil, for loans made by Banco Nacional de Desenvolvimento Econômico e Social (BNDES) and by Agência Especial de Financiamento Industrial (FINAME) to Banco CNH Capital S.A. for a total of €737 million. Against these guarantees agreements have been reached with creditors concerning the transfer of those guarantee obligations to Fiat Industrial S.p.A. and Fiat S.p.A. has also obtained an indemnity from Fiat Industrial S.p.A. in respect of the commitments relating to the guarantees given.

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 29 of the Consolidated Financial Statements at 31 December 2010, to which reference should be made, insofar as no changes occurred in the first quarter of 2011. In particular, these involve commitments and rights regarding:

- 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 2011 amounting to €3,350 million (€3,524 million at 31 December 2010, with due dates beyond that date), which refer to trade receivables and other receivables for €2,698 million (€2,761 million at 31 December 2010) and financial receivables for €652 million (€763 million at 31 December 2010). The amount includes receivables, mostly due from the sales network, of €2,284 million (€2,376 million at 31 December 2010) sold to jointly controlled financial services companies (FGA Capital).

27. Information by business sector

The Income statement by business sector for the Fiat Group for the first quarter of 2011 and for Continuing Operations for the first quarter of 2010 is as follows:

(€ million)	Fiat Group Automobiles	Maserati	Ferrari	Magneti Marelli	Fiat powertrain	Teksid	Comau	Other Operating Segments	Unallocated items & adjustments	FIAT Group
1st Quarter 2011										
Segment revenues	7,015	135	491	1,486	1,196	227	277	262	(1,879)	**9,210**
Revenues from transactions with other operating segments (**)	(51)	(22)	(15)	(563)	(1,000)	(61)	(76)	(91)	1,879	**-**
Revenues from external customers	**6,964**	**113**	**476**	**923**	**196**	**166**	**201**	**171**	**-**	**9,210**
Trading profit/(loss)	**130**	**9**	**53**	**34**	**23**	**3**	**1**	**(13)**	**11**	**251**
Unusual income/(expense)	(1)	-	-	-	-	-	-	1	-	**-**
Operating profit/(loss)	**129**	**9**	**53**	**34**	**23**	**3**	**1**	**(12)**	**11**	**251**
Financial income/(expense)									(138)	**(138)**
Interest in profit/(loss) of joint ventures and associates accounted for by the equity method	40	-	-	(1)	(3)	1	-	-	1	**38**
Other profit/(loss) from investments	-	-	-	(2)	-	-	-	4	-	**2**
Result from investments	**40**	**-**	**-**	**(3)**	**(3)**	**1**	**-**	**4**	**1**	**40**
Profit/(loss) before taxes										**153**
Income taxes									116	**116**
Profit/(loss) from Continuing operations										**37**

(€ million)	Fiat Group Automobiles	Maserati	Ferrari	Magneti Marelli	Fiat Powertrain	Teksid	Comau	Other Operating Segments	Unallocated items & adjustments	FIAT Group
1st Quarter 2010(*)										
Segment revenues	6,840	127	414	1,273	886	171	228	218	(1,554)	**8,603**
Revenues from transactions with other operating segments (**)	(44)	(18)	(13)	(489)	(807)	(48)	(58)	(77)	1,554	**-**
Revenues from external customers	**6,796**	**109**	**401**	**784**	**79**	**123**	**170**	**141**	**-**	**8,603**
Trading profit/(loss)	**153**	**4**	**39**	**19**	**23**	**-**	**-**	**(11)**	**3**	**230**
Unusual income/(expense)	-	-	-	-	-	-	-	1	1	**2**
Operating profit/(loss)	**153**	**4**	**39**	**19**	**23**	**-**	**-**	**(10)**	**4**	**232**
Financial income/(expense)									(142)	**(142)**
Interest in profit/(loss) of joint ventures and associates accounted for by the equity method	50	-	-	-	3	-	-	(6)	-	**47**
Other profit/(loss) from investments	(1)	-	-	(2)	-	-	-	5	-	**2**
Result from investments	**49**	**-**	**-**	**(2)**	**3**	**-**	**-**	**(1)**	**-**	**49**
Profit/(loss) before taxes										**139**
Income taxes									**126**	**126**
Profit/(loss) from Continuing operations										**13**

(*) In accordance with IFRS 5 the figures for the first quarter 2010 have been reclassified and no longer include amounts referring to businesses transferred to the Fiat Industrial Group which are classified in Post-tax profit (loss) from Discontinued operations.

(**) 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 2011 and at 31 December 2010 is as follows:

(€ million)	Fiat Group Automobiles	Maserati	Ferrari	Magneti Marelli	Fiat Powertrain	Teksid	Comau	Other Operating Segments	Unallocated items & adjustments	FIAT Group
At 31 March 2011										
Segment assets	17,229	404	1,750	3,483	3,536	579	763	9,919	(9,957)	27,706
Tax assets									2,009	2,009
Receivables from financing activities, Non-current Other receivables and Securities of industrial companies									271	271
Cash and cash equivalents, Current securities and Other financial assets of industrial companies									13,413	13,413
Total Treasury assets									13,684	13,684
Total unallocated assets									15,693	15,693
Total Assets included in Discontinued Operations										-
Total Assets										43,399

(€ million)	Fiat Group Automobiles	Maserati	Ferrari	Magneti Marelli	Fiat Powertrain	Teksid	Comau	Other Operating Segments	Unallocated items & adjustments	FIAT Group
At 31 December 2010										
Segment assets	17,027	382	1,667	3,395	3,419	581	697	17,102	(17,501)	26,769
Tax assets									2,031	2,031
Receivables from financing activities, Non-current Other receivables and Securities of industrial companies									273	273
Cash and cash equivalents, Current securities and Other financial assets of industrial companies									12,380	12,380
Total Treasury assets									12,653	12,653
Total unallocated assets									14,684	14,684
Total Assets included in Discontinued Operations										31,989
Total Assets										73,442

28. 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:

	1st Quarter 2011		At 31 December 2010	1st Quarter 2010	
	Average	At 31 March	At 31 December	Average	At 31 March
Brazilian real	2.280	2.306	2.218	2.492	2.404
Polish zloty	3.946	4.011	3.975	3.987	3.867
Argentine peso	5.487	5.750	5.303	5.306	5.216
US dollar	1.368	1.421	1.336	1.383	1.348
Pound sterling	0.854	0.884	0.861	0.888	0.890
Swiss franc	1.287	1.301	1.250	1.463	1.428

29. Other information

During the first quarter of 2011, the Fiat Group had an average number of employees of 138,362 compared to an average of 132,148 employees for the Continuing operations during the first quarter of 2010.

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The managers responsible for preparing the Company's financial reports, Alessandro Baldi and Antonio Picca Piccon, declare, pursuant to Article 154-bis (2) of Legislative Decree 58/98, that the accounting information contained in this document corresponds to the results documented in the books, accounting and other records of the company.