



# **Interim Report**

**for the quarter ended 31 March 2012**

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*In this document, the terms “Chrysler Group” or “Chrysler” are used to identify Chrysler Group LLC, together with its direct and indirect subsidiaries. The terms “Fiat”, “Fiat Group” or simply “Group” are used to identify Fiat S.p.A., together with its direct and indirect subsidiaries which include, beginning 1 June 2011, Chrysler Group LLC and its direct and indirect subsidiaries.*

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

This report is also available at [www.fiatspa.com](http://www.fiatspa.com)

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

Registered Office: Via Nizza 250, Turin, ITALY

Share Capital: €4,465,600,020

Turin Companies Register/Tax Code: 00469580013

# BOARD OF DIRECTORS AND AUDITORS

## BOARD OF DIRECTORS

### Chairman

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

### Chief Executive Officer

Sergio Marchionne

### Directors

Andrea Agnelli

Joyce Victoria Bigio <sup>(1) (2)</sup>

Tiberto Brandolini d'Adda

René Carron <sup>(2) (3)</sup>

Luca Cordero di Montezemolo

Gian Maria Gros-Pietro <sup>(2) (3)</sup>

Patience Wheatcroft <sup>(1) (3)</sup>

## BOARD OF STATUTORY AUDITORS

### Regular Auditors

Ignazio Carbone – Chairman

Lionello Jona Celesia

Piero Locatelli

### Alternate Auditors

Lucio Pasquini

Fabrizio Mosca

Corrado Gatti

### INDEPENDENT AUDITORS

Reconta Ernst & Young S.p.A.

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

(2) Member of the Internal Control and Risk Committee

(3) Member of the Compensation Committee

# FIAT GROUP INTERIM REPORT

## INTRODUCTION

The Interim Report for the quarter ended 31 March 2012 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 2011, except as otherwise stated under “Accounting principles, amendments and interpretations adopted from 1 January 2012” in the Notes to the Interim Consolidated Financial Statements.

The Interim Report is unaudited.

## OPERATING PERFORMANCE

### HIGHLIGHTS

(€ million)	1 <sup>st</sup> Quarter 2012		1 <sup>st</sup> Quarter 2011
	Fiat with Chrysler	Fiat excluding Chrysler	Fiat
Net revenues	20,221	8,685	9,210
Trading profit/(loss)	866	(6)	251
EBIT <sup>(1)</sup>	895	12	291
EBITDA <sup>(2)</sup>	1,929	550	841
Profit/(loss) before taxes	520	(154)	153
Profit/(loss) for the period	379	(273)	37
Profit/(loss) attributable to owners of the Parent	104	(278)	29
(per share data in €)			
Basic and diluted earnings per ordinary share <sup>(3)</sup>	0.061	-	-
Basic and diluted earnings per preference share <sup>(3)</sup>	0.217	-	0.111
Basic and diluted earnings per savings share <sup>(3)</sup>	0.217	-	0.217
Pro-forma basic earnings per ordinary share <sup>(4)</sup>	0.090	-	0.024

(1) Trading profit/(loss) plus unusuals and result from investments

(2) EBIT plus depreciation and amortization

(3) Note 9 to the financial statements provides additional information on the calculation of basic and diluted earnings per share

(4) Assuming conversion of all preference and savings shares into ordinary shares

(€ million)	31.03.2012		31.12.2011	
	Fiat with Chrysler	Fiat excluding Chrysler	Fiat with Chrysler	Fiat excluding Chrysler
Net debt	8,969	7,043	8,898	5,818
<i>of which: Net industrial debt</i>	5,772	3,846	5,529	2,449
Total equity	12,246	-	12,260	-
Equity attributable to owners of the Parent	8,929	-	8,727	-
No. of employees at period end	200,582	-	197,021	-

## Disclaimer

This report, and in particular the section entitled "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, including further worsening of the Eurozone sovereign debt crisis, 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)	1 <sup>st</sup> Quarter 2012			1 <sup>st</sup> Quarter 2011
	Fiat with Chrysler	Chrysler	Fiat excluding Chrysler	Fiat
Net revenues	20,221	12,480	8,685	9,210
Cost of sales	17,232	10,533	7,643	7,909
Selling, general and administrative	1,666	865	801	788
Research and development	461	198	263	278
Other income/(expense)	4	(12)	16	16
<b>TRADING PROFIT/(LOSS)</b>	<b>866</b>	<b>872</b>	<b>(6)</b>	<b>251</b>
Gains/(losses) on disposals of investments	-	-	-	4
Restructuring costs	(11)	(11)	-	4
Other unusual income/(expense)	-	-	-	-
<b>OPERATING PROFIT/(LOSS)</b>	<b>877</b>	<b>883</b>	<b>(6)</b>	<b>251</b>
Financial income/(expense)	(375)	(209)	(166)	(138)
Result from investments	18	-	18	40
Share of profit/(loss) of investees accounted for using the equity method	15	-	15	38
Other income/(expense) from investments	3	-	3	2
<b>PROFIT/(LOSS) BEFORE TAXES</b>	<b>520</b>	<b>674</b>	<b>(154)</b>	<b>153</b>
Income taxes	141	22	119	116
<b>PROFIT/(LOSS)</b>	<b>379</b>	<b>652</b>	<b>(273)</b>	<b>37</b>
<b>PROFIT/(LOSS) ATTRIBUTABLE TO:</b>				
Owners of the Parent	104	382	(278)	29
Non-controlling interests	275	270	5	8

Group **revenues** were €20.2 billion for the quarter. Excluding Chrysler, net revenues were €8.7 billion, a 5.7% decrease compared to Q1 2011, mainly reflecting volume declines in Europe, where trading conditions continued to remain weak for both passenger cars and light commercial vehicles, and in Italy in particular, where production and shipments for Fiat were also affected by protracted car hauler strikes. For Luxury and Performance Brands, revenues increased 11.5% to €0.7 billion and for Components they were stable at €2.0 billion.

**Trading profit** for Q1 2012 was €866 million. Excluding Chrysler, trading result was break-even, compared to a profit of €251 million in Q1 2011. The decline mainly reflects the volume reduction in Europe and increased pricing pressure in Latin America together with launch costs for the new Grand Siena and Chrysler products. Those impacts were only partially compensated for by industrial efficiencies, further realization of group synergies and cost containment actions. For Luxury and Performance Brands, trading profit increased 14.5% to €71 million and for Components it was in line with the prior year.

**EBIT** (Earnings Before Interest and Taxes, defined as trading result plus unusuals and net result from investments) was €895 million. Excluding Chrysler, EBIT was €12 million. For mass-market brands, North America (NAFTA) earnings increased over 80% (on a pro-forma basis) to €681 million, driven by strong volume growth, and Asia Pacific (APAC) earnings grew 143% to €85 million, with both volume and margin improvements. These improvements more than offset a worsening of losses in Europe, Middle East and Africa from -€66 million (on a pro-forma basis) to -€170 million – driven by volume declines resulting from the continuing market contraction and from the car hauler strike in Italy – and a reduction in Latin America earnings from €306 million (on a pro-forma basis) to €235 million – driven by pricing pressure from imports by other carmakers, as pre-IPI tax rate increase vehicle stocks were sold-down, and launch costs for the Grand Siena and Chrysler products.

**Net financial expense** totaled €375 million. Excluding Chrysler, net financial expense was €166 million. Net of the result from the marking-to-market of the Fiat stock option-related equity swaps (gain of €38 million in Q1 2012 and €23 million in Q1 2011), net financial expense for Fiat excluding Chrysler increased by €43 million over Q1 2011 (from €161 million to €204 million), reflecting higher debt levels.

**Profit before taxes** was €520 million. Excluding Chrysler, the result before taxes was a loss of €154 million, with a worsening of €307 million over Q1 2011 due to a €279 million reduction in EBIT and a €28 million increase in net financial charges.

**Income taxes** totaled €141 million. Excluding Chrysler, income taxes were €119 million and related primarily to taxable income of companies operating outside Italy and employment-related taxes in Italy.

**Net profit** was €379 million for the quarter, with Fiat excluding Chrysler reporting a loss of €273 million.

**Net industrial debt** at 31 March 2012 was €5.8 billion. For Fiat excluding Chrysler, the total was €3.8 billion, with the €1.4 billion increase over year-end 2011 (€2.4 billion) reflecting the impact on working capital of trading conditions in Europe and increased capital expenditure. Capex totaled €1.6 billion for the quarter, €0.6 billion of which relates to Fiat excluding Chrysler.

**Total available liquidity**, inclusive of undrawn committed credit lines of €2.9 billion, improved to €21.4 billion (€20.7 billion at year-end 2011), of which €12 billion related to Fiat excluding Chrysler and €9.4 billion to Chrysler. The €1.2 billion in bonds issued during the quarter represent more than 80% coverage of bond maturities in 2012, which relate to Fiat excluding Chrysler.

### **New segment information**

As a result of the acquisition of the majority ownership of Chrysler Group and consistent with the objective of enhancing the operational integration of Fiat and Chrysler, as already announced, Fiat implemented significant organizational changes that became effective 1 September 2011. The new organization for the Mass-market Brands is based on four Operating Regions (the “Regions”) that deal with the development, production and sale of “mass-market brand” passenger cars, light commercial vehicles and related parts and services in specific geographical areas: NAFTA (U.S., Canada and Mexico), LATAM (South and Central America, excluding Mexico), APAC (Asia and Pacific countries) and EMEA (Europe, the Middle East and Africa). In addition, there are two further Operating Segments, one which designs, manufactures and sells luxury and performance cars (Ferrari and Maserati) and the other that produces and sells components and production systems for the automotive industry (Magneti Marelli, Teksid and Comau). Both segments operate on a worldwide basis.

Under the Group’s new organization, these Regions and Operating segments reflect the elements of the Group that are regularly reviewed by the Group’s Chief Executive Officer together with the Group Executive Council for making strategic decisions, allocating resources and assessing performance. The Group Executive Council was formed on 1 September 2011 and includes the senior operating and corporate leadership of Fiat and Chrysler.

Based on the new Group structure, beginning with the first quarter of 2012, activities of the mass-market brands, previously reported under the sectors Fiat Group Automobiles, Fiat Powertrain and Chrysler, are now attributed to the four Regions described above. The Luxury and Performance Brands, as well as the Components and Production Systems sectors are reported under two groupings based on their similarities and relative size. The figures for Q1 2011, presented for comparative purposes, have been restated accordingly. In addition, in order to give the reader of the financial statements additional information to understand the operating performance of the four Regions of the mass-market car brand operations, the Company has decided to also present the comparative period for 2011 on a pro-forma basis, including operating results for the business related to Chrysler as if it had been consolidated from 1 January 2011.

Results by Segment – Q1 2012

Net revenues				EBIT <sup>(1)</sup>		
1 <sup>st</sup> Quarter 2012	1 <sup>st</sup> Quarter 2011	Change	(€ million)	1 <sup>st</sup> Quarter 2012	1 <sup>st</sup> Quarter 2011	Change
10,375	10	10,365	<b>NAFTA</b> (mass-market brands)	681	-	681
2,587	2,273	314	<b>LATAM</b> (mass-market brands)	235	285	-50
714	108	606	<b>APAC</b> (mass-market brands)	85	(12)	97
4,508	4,923	-415	<b>EMEA</b> (mass-market brands)	(170)	(87)	-83
660	592	68	<b>Luxury and Performance cars</b> (Ferrari, Maserati)	71	62	9
2,015	1,975	40	<b>Components</b> (Magnetit Marelli, Teksid, Comau)	36	36	-
217	248	-31	<b>Other</b>	(36)	(6)	-30
(855)	(919)	64	<b>Eliminations</b>	(7)	13	-20
<b>20,221</b>	<b>9,210</b>	<b>11,011</b>	<b>Total</b>	<b>895</b>	<b>291</b>	<b>604</b>

<sup>(1)</sup> Trading profit plus unusuals and result from investments

Net revenues				EBIT <sup>(2)</sup>		
1 <sup>st</sup> Quarter 2012	1 <sup>st</sup> Quarter 2011 pro-forma <sup>(1)</sup>	Change	(€ million)	1 <sup>st</sup> Quarter 2012	1 <sup>st</sup> Quarter 2011 pro-forma <sup>(1)</sup>	Change
10,375	8,509	1,866	<b>NAFTA</b> (mass-market brands)	681	377	304
2,587	2,556	31	<b>LATAM</b> (mass-market brands)	235	306	-71
714	499	215	<b>APAC</b> (mass-market brands)	85	35	50
4,508	5,186	-678	<b>EMEA</b> (mass-market brands)	(170)	(66)	-104
660	592	68	<b>Luxury and Performance cars</b> (Ferrari, Maserati)	71	62	9
2,015	1,975	40	<b>Components</b> (Magnetit Marelli, Teksid, Comau)	36	36	-
217	248	-31	<b>Other</b>	(36)	(6)	-30
(855)	(984)	129	<b>Eliminations</b>	(7)	12	-19
<b>20,221</b>	<b>18,581</b>	<b>1,640</b>	<b>Total</b>	<b>895</b>	<b>756</b>	<b>139</b>

<sup>(1)</sup> Pro-forma constructed by including Chrysler results as if consolidated from 1 January 2011

<sup>(2)</sup> Trading profit plus unusuals and result from investments



## Mass-market brands

### North America (NAFTA)

(€ million)	1 <sup>st</sup> Quarter 2012	1 <sup>st</sup> Quarter 2011	Change	1 <sup>st</sup> Quarter 2011 pro-forma <sup>(1)</sup>	Change
Net revenues	10,375	10	10,365	8,509	1,866
Trading profit	670	-	670	383	287
EBIT <sup>(2)</sup>	681	-	681	377	304
Shipments (000's)	519	1	518	448	71

<sup>(1)</sup> Pro-forma constructed by including Chrysler results as if consolidated from 1 January 2011

<sup>(2)</sup> Trading profit plus unusuals and result from investments

For Q1 2012, vehicle shipments in NAFTA totaled 519,000 units, representing a 16% increase over Q1 2011. In the U.S., vehicle shipments were 418,000 (up 19% over Q1 2011), in Canada 75,000 (up 12%) and in other markets (mainly Mexico) 26,000.

Vehicle sales<sup>1</sup> in the NAFTA region totaled 475,000 for the quarter, an increase of 33% over Q1 2011. Sales increased 39% in the U.S. to 398,000 and 12% in Canada to 56,000, significantly outpacing market growth in both countries. In the U.S., the Group has recorded 24 consecutive months of year-over-year sales gains. In Canada, for the first time in its history, Chrysler Group was the quarterly market leader with a share of 15.0%.

The **U.S. vehicle market** closed Q1 2012 up 14% to 3.5 million vehicles. Overall market share was 11.2% in Q1 2012, compared to 9.2% in Q1 2011. Jeep vehicle sales totaled 114,000 for the quarter, up 35% year-over-year, with all models contributing to the increase. Dodge, the Group's number one selling brand, posted vehicle sales of 126,000 during Q1 2012, up 24% from the prior year driven mainly by the Charger (+57%), the Journey (+28%) and the Durango (+33%). The Ram truck brand posted a sales increase of 22% to 70,000 vehicles, reflecting share gains across the Ram pickup range (light-duty, heavy-duty and cab-chassis). Chrysler brand sales totaled 79,000 vehicles during Q1 2012, increasing 85% over the prior year with strong performance from the Chrysler 300 and 200.

The **Canadian vehicle market** grew 9% year-over-year to 371,000 vehicles. Chrysler Group's total market share was up 0.3 percentage points over Q1 2011 to 15.0%. Key performers included the Chrysler 200 and 300, the Dodge Charger, the Jeep Wrangler and the Ram Pickup.

Fiat branded U.S. and Canada sales, consisting of the Fiat 500 and Fiat 500 Cabrio, totaled 11,000 vehicles for the quarter compared to 1,000 vehicles for Q1 2011.

The NAFTA region reported **revenues** of €10.4 billion, up 22% (+17% in USD terms) over the prior year on a pro-forma basis on the back of higher volumes.

**Trading profit** for Q1 2012 was up 75% over the prior year to €670 million, with volume increases being partially offset by higher R&D expenditure and product content enhancements. **EBIT** was €681 million, reflecting the strong trading profit performance for the period.

The Group announced the addition of a third crew at both the Jefferson North (Michigan) and Belvidere (Illinois) assembly plants, where the Jeep Grand Cherokee/Dodge Durango and new Dodge Dart are built, respectively. The Dart was included in *Kelley Blue Book's* list of "Top 10 Cars" of the 2012 Detroit Auto Show and also won the *Autoweek* "Editors' Choice Award" as the "Most Significant Vehicle" of the show. The U.S. National Highway Traffic Safety Administration awarded the 2012 Chrysler 300 and Dodge Charger 5-star vehicle safety scores and the Chrysler 300 was one of *kbb.com's* "10 Best Family Cars of 2012".

<sup>1</sup> For the U.S. and Canada, "Sales" represents sales to end customers as reported by the Chrysler dealer network.

## Latin America (LATAM)

(€ million)	1 <sup>st</sup> Quarter 2012	1 <sup>st</sup> Quarter 2011	Change	1 <sup>st</sup> Quarter 2011 pro-forma <sup>(1)</sup>	Change
Net revenues	2,587	2,273	314	2,556	31
Trading profit	235	285	-50	306	-71
EBIT <sup>(2)</sup>	235	285	-50	306	-71
Shipments (000's)	215	202	13	213	2

<sup>(1)</sup> Pro-forma constructed by including Chrysler results as if consolidated from 1 January 2011

<sup>(2)</sup> Trading profit plus unusuals and result from investments

In Q1 2012, shipments in the region increased slightly over the prior year (on a pro-forma basis) to a total of 215,000 vehicles.

In **Brazil**, the passenger car and light commercial vehicle market was down 0.7% over the prior year to 773,000 units.

The Group strengthened its leadership of the Brazilian market, with an overall share of 22.7%, up 0.4 p.p. over Q1 2011 and 2.0 p.p. above the nearest competitor. The Group's best-selling products continued to perform well with a 58% share of the A/B segment, driven by the continuing success of the Novo Uno, the segment leader, and a 3.6 p.p. share gain for the recently launched Palio. The 500 gained 1.3 p.p. in the segment. In addition, the Freemont was the third best-selling vehicle in the SUV segment.

In Q1 2012, the Group shipped a total of 177,000 passenger cars and light commercial vehicles in Brazil, representing a 2.1% decline over Q1 2011 (on a pro-forma basis). Shipments in Brazil for Chrysler brands more than doubled in Q1 2012 to 2,300 units, driven by new product launches such as: the new Jeep Wrangler 3.6, the Chrysler 300C, RAM and Jeep Compass. Fiat launched the new Grand Siena in Brazil, which was received favorably by the automotive press and customers.

In **Argentina**, where the market was up 9.4% to 243,000 units, the Group increased sales by approximately 5,000 units, gaining nearly 1.1 p.p. in share to 12.1% on the back of robust performance in the LCV segment. In the A/B segment, share was 14.1%, with the Novo Uno recording significant quarter-over-quarter growth since launch (+67% vs. Q1 2011). The Fiat Strada consolidated leadership in its segment, with share up 19.2 p.p. to 59.3%. Shipments in Argentina totaled 25,000, up 17.4% over the prior year on a pro-forma basis, while the total for other LATAM countries was more than 12,000 units (+24.1%).

The LATAM region reported **revenues** of €2.6 billion, in line with Q1 2011 on a pro-forma basis, reflecting the volume trend.

**Trading profit** for the region was in line with internal expectations at €235 million, compared to €306 million for Q1 2011 (on a pro-forma basis). Reduction in trading profit was driven by price pressure from imports from other carmakers, as pre-IPI tax stocks were sold-down, and increased advertising spend for launch of the Grand Siena and Chrysler products. **EBIT** reflected the trading profit performance for the period.

## Asia Pacific (APAC)

(€ million)	1 <sup>st</sup> Quarter 2012	1 <sup>st</sup> Quarter 2011	Change	1 <sup>st</sup> Quarter 2011 pro-forma <sup>(1)</sup>	Change
Net revenues	714	108	606	499	215
Trading profit	77	(6)	83	41	36
EBIT <sup>(2)</sup>	85	(12)	97	35	50
Shipments (000's)	25	3	22	17	8

<sup>(1)</sup> Pro-forma constructed by including Chrysler results as if consolidated from 1 January 2011

<sup>(2)</sup> Trading profit plus unusuals and result from investments

Vehicle shipments in the region totaled approximately 25,000 units for Q1 2012, up 47% from a year ago (on a pro-forma basis).

Regional demand rose over the prior year largely led by the recovery in Japan and growth in the Indian and Australian markets. China and South Korea slowed versus the prior year.

Group retail sales, including JVs, totaled 27,000 units for the quarter, up 29% over Q1 2011, driven by strong performance in China (+28%), Australia (+48%) and Japan (54%). Top-selling nameplates were the Jeep Compass, Grand Cherokee, Wrangler, Patriot and Fiat Punto. The Jeep brand accounted for 63% of APAC sales, more than doubling in volume compared to Q1 2011.

APAC had **revenues** of €714 million, up 43% over Q1 2011 (€499 million for Q1 2011 on a pro-forma basis).

**Trading profit** was €77 million, up nearly 90% compared to €41 million for Q1 2011 (pro-forma) and **EBIT**, which also reflects the contribution from joint ventures, was €85 million for the quarter, up more than 140% over the prior year.

The GAC-Fiat JV is poised to begin production of a C-segment sedan, the Fiat Viaggio, at the end of the second quarter and commercial launch is planned for the second half of 2012. The Viaggio was presented at the Beijing Auto Show in April and is based on the all-new Dodge Dart, which will soon be launched in NAFTA. The Beijing Auto Show also saw the re-launch of the Chrysler brand, as well as presentation of the Jeep Wrangler Dragon concept vehicle and the Imperial 300C.

## Europe, Middle East and Africa (EMEA)

(€ million)	1 <sup>st</sup> Quarter 2012	1 <sup>st</sup> Quarter 2011	Change	1 <sup>st</sup> Quarter 2011 pro-forma <sup>(1)</sup>	Change
Net revenues	4,508	4,923	-415	5,186	-678
Trading profit	(207)	(129)	-78	(106)	-101
EBIT <sup>(2)</sup>	(170)	(87)	-83	(66)	-104
Shipments (000's)	260	314	-54	320	-60

<sup>(1)</sup> Pro-forma constructed by including Chrysler results as if consolidated from 1 January 2011

<sup>(2)</sup> Trading profit plus unusuals and result from investments

Shipments<sup>2</sup> of **passenger cars** and **light commercial vehicles** (LCV) in the region totaled 260,000 for the quarter, representing a decrease of approximately 60,000 units (-18.7%) over Q1 2011 (pro-forma). Passenger car shipments totaled 212,000, down 18.8% year-over-year, while a total of 48,100 LCVs were shipped, down 19.0% year-over-year. The reduction in both segments was primarily attributable to performance in Italy.

In **Europe** (EU27+EFTA), the **passenger car market** was down 7.3% overall to 3.4 million vehicles, with performance varying significantly by market. The overall trend for the quarter was substantially attributable to the decline in demand in the French market (-21.6%), in comparison to Q1 2011 which still benefited from the tail of eco-incentives, and in Italy (-21.0%), where sales dropped to the lowest March level since 1980. In Italy, in particular,

<sup>2</sup> "Shipments": new cars & LCVs invoiced to external customers (i.e., dealer network, importers and other customers such as rental companies, corporate fleets, government agencies and local authorities, etc.)

adverse impacts from economic recession and increased fuel prices (which, however, benefited the alternative fuel segment) were further aggravated by the effects of a car hauler strike which lasted up to the final days of the quarter. In Germany and the UK, demand was substantially in line with the prior year, while Spain registered a modest decline (-1.9%). For the rest of Europe, demand was down 3.3% overall with particularly significant declines in the Netherlands (-7.5%) and Belgium (-12.7%). Depressed economic conditions also continued to drive demand down sharply in markets such as Portugal (-48.4%) and Greece (-32.0%).

Fiat and Chrysler brands recorded a 6.3% market share in Europe for the quarter, a 1 percentage point decline over Q1 2011, but in line with Q4 2011. Around half that decline was attributable to the unfavorable market mix, with Italy's weighting in the European total down about 2 percentage points. The car hauler strike also had an impact, reducing sales by an estimated 12,000 units or 0.3 percentage points. In Italy, share was down 1.4 percentage points to 27.9%, although there was significant growth in the alternative fuel car segment (CNG and LPG), where Fiat increased its leadership position. By major market, share was higher in the UK (3.1%), flat in Germany (2.9%) and Spain (3.4%), and down in France (3.5%), although up slightly over Q4 2011.

For passenger cars, Group shipments in Germany, the UK and Spain were essentially in line with the prior year. The general decline in demand coupled with the car hauler strikes in March resulted in sharp volume declines in Italy (-34,000 units or 24.3%) and France (-7,300 units or 33.7%), with the strikes accounting for a decrease of around 17,500 units across Europe.

The European **light commercial vehicle market** was down 9.1% over Q1 2011 to 417,000 units, with performance for this segment also heavily affected by the sharp decline in demand in Italy (-36.4%).

Fiat Professional closed the quarter with an 11.2% share<sup>3</sup>, representing a 1.5 percentage point decline over Q1 2011 that was attributable in large part (-1.2 p.p.) to the unfavorable market mix. Excluding Italy, share of the European LCV market was 8.7%, representing a 0.1 percentage point increase over the prior year. In Italy, share was at 42.3% compared to 46.9% in Q1 2011 which benefited from significant fleet contracts.

In Europe, the Group shipped a total of 45,400 LCVs during the quarter, a 20.1% decrease over the same period in 2011. The overall reduction was attributable to the decline in Italy (-10,000 units or 43.9%, of which 2,500 units due to the car hauler strike), which was only partially offset by growth in Germany (+6.1%) and the UK (+9.2%). Of note for the quarter was the Fiat Ducato, which was one of the best performers in its segment with 26,000 units sold and share stable at 17.8%.

EMEA closed the first quarter with **revenues** of €4,508 million, down 13.1% over the same period in 2011 on a pro-forma basis. The decrease attributable to volume declines was only partially compensated for by the success of the rejuvenated Jeep range and the Fiat Freemont.

In Q1 2012, there was a **trading loss** of €207 million (loss of €106 million in Q1 2011, on a pro-forma basis), with the impact of volume declines only partially offset by industrial efficiencies, further enhanced by group synergies in purchasing and WCM, in addition to cost containment actions. **EBIT** was negative at €170 million (negative €66 million for Q1 2011, on a pro-forma basis), with the result from investments contributing €36 million (in line with Q1 2011).

During the quarter, Fiat presented the 2012 style refresh for the Punto, which is now also offered with TwinAir Turbo and MultiJet II engines. In addition, the AWD version of the Fiat Freemont and the new Fiat Strada were also introduced.

At the Geneva Motor Show in March, Fiat premiered the new 500L, which – following on from the release of the Abarth and Cabrio versions – further expands the 500 range. The model will be introduced in European markets in the third quarter of 2012, with a selection of gasoline and diesel engines and equipped with Fiat's most advanced technological content.

In March, as further confirmation of Fiat's strong commitment to the environment, JATO (the global leader in automotive intelligence) recognized the Fiat brand, for the fifth consecutive year, for the lowest CO<sub>2</sub> emissions of cars sold in Europe in 2011, with an average of 118.2 g/km. Fiat was also first in the Group ranking, with average emissions down 2.6 g/km over the previous year to 123.3 g/km.

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<sup>3</sup> Due to the unavailability of data since January 2011, figures for Italy are an extrapolation and, as a result, the EU total is subject to a margin of error

## Luxury and Performance brands (Ferrari, Maserati)

(€ million)	1 <sup>st</sup> Quarter 2012	1 <sup>st</sup> Quarter 2011	Change
<b>Ferrari</b>			
Net revenues	556	491	65
Trading profit	60	53	7
EBIT <sup>(1)</sup>	60	53	7
<b>Maserati</b>			
Net revenues	153	135	18
Trading profit	12	9	3
EBIT <sup>(1)</sup>	12	9	3
<b>LUXURY AND PERFORMANCE BRANDS</b>			
Net revenues <sup>(*)</sup>	660	592	68
Trading profit	71	62	9
EBIT <sup>(1)</sup>	71	62	9

<sup>(1)</sup> Trading profit plus unusuals and result from investments

<sup>(\*)</sup> Net of eliminations

### Ferrari

During the first quarter, Ferrari shipped a total of 1,733 street cars, an 11.5% increase over Q1 2011. The growth was primarily driven by sales of 12-cylinder models, which were up 74% year-over-year on the back of the strong performance of the new FF. For 8-cylinder models, volumes were in line with Q1 2011.

North America remained Ferrari's no. 1 market with shipments up 14.4% over the prior year to 452 street cars. Volumes were also higher in Europe, with 964 cars shipped (+15.6% over Q1 2011). Strong performance in the UK, Germany, Switzerland, France and Middle East (+23% over Q1 2011) more than offset the substantial decline recorded in Italy. Further growth was achieved in China, with 154 vehicles shipped (+3% over 2011). In other markets, performance was substantially in line with the prior year.

For the first quarter of 2012, Ferrari reported €556 million in **revenues**, a 13.2% increase over the same period in 2011 driven primarily by higher sales volumes.

Ferrari closed the quarter with a **trading profit** and **EBIT** of €60 million (€53 million for Q1 2011). The 13.2% increase was attributable to higher sales volumes and good results from the personalization program.

During the first quarter, Ferrari presented the F12 Berlinetta, the first of a new generation of 12-cylinder models. The most powerful vehicle to ever wear the Ferrari badge, the F12 was the star of the Geneva Motor Show for both its design and engineering characteristics. In Geneva, Ferrari also premiered the new 490 hp California which is 30 kilos lighter than its predecessor and 30 hp more powerful.

### Maserati

Maserati shipped 1,560 cars during the first quarter, a 6.3% increase over the 1,467 units shipped in Q1 2011. The significant reduction in volumes experienced in Europe (-59%) was more than offset by increases in other markets. In particular, growth was registered in the United States (+19%), China (+42%), Japan (nearly triple) and Rest-of-World markets (+30%).

Maserati posted **revenues** of €153 million for the quarter, up 13.3% over the same period in 2011.

The quarter closed with **trading profit** and **EBIT** of €12 million (trading margin at 7.8%), an increase of approximately 33% over Q1 2011 on the strength of higher volumes and industrial efficiencies.

At the Geneva Motor Show – five years after launch of the original model, of which 15,000 units have been sold – Maserati presented the new GranTurismo Sport. Restyled both inside and out, performance has also been enhanced with a more powerful and efficient 4.7 V8 engine that delivers 460 hp.

Maserati also launched a full-scale development program, aimed at expanding the sales network by more than 50% in preparation for launch of the new product range.

## Components and Production Systems (Magneti Marelli, Teksid, Comau)

(€ million)	1 <sup>st</sup> Quarter 2012	1 <sup>st</sup> Quarter 2011	Change
<b>Magneti Marelli</b>			
Net revenues	1,451	1,486	-35
Trading profit	29	34	-5
EBIT <sup>(1)</sup>	28	31	-3
<b>Teksid</b>			
Net revenues	223	227	-4
Trading profit	3	3	-
EBIT <sup>(1)</sup>	4	4	-
<b>Comau</b>			
Net revenues	357	277	80
Trading profit	4	1	3
EBIT <sup>(1)</sup>	4	1	3
<b>COMPONENTS AND PRODUCTION SYSTEMS</b>			
Net revenues <sup>(*)</sup>	2,015	1,975	40
Trading profit	36	38	-2
EBIT <sup>(1)</sup>	36	36	-

<sup>(1)</sup> Trading profit plus unusuals and result from investments

<sup>(\*)</sup> Net of eliminations

### Magneti Marelli

Magneti Marelli businesses reflected the general trend in their respective markets. Increased levels of activity were recorded for *Lighting*, primarily due to strong demand from German customers and new technological content of products launched during the second half of 2011. *Electronic Systems* recorded an increase in sales for both telematic and body products to external customers, compensating for the contraction in volumes in all product lines in Italy. The *After Market* business line also recorded higher revenues on the back of performance in Poland and Latin America, as well as the contribution of new product lines launched in the U.S. beginning in April 2011. Volumes decreased for the other business lines mainly due to reduced demand in Italy.

Magneti Marelli reported **revenues** of €1,451 million for the quarter, a 2.4% decline over the same period in 2011 (-1.4% at constant exchange rates) in line with the volume trend. **Trading profit** for the quarter totaled €29 million, compared to €34 million for Q1 2011. The decrease was attributable to lower sales volumes, partially offset by cost containment measures and efficiency gains achieved during the period. **EBIT** totaled €28 million (€31 million for Q1 2011).

### Teksid

Teksid reported revenues of €223 million for the quarter, a 1.8% decline over the first three months of 2011, attributable to lower volumes for the Cast Iron business unit (-5.2%) in Europe and the Americas (with the exception of Mexico) and for the Aluminum business unit overall (-10.3%).

Teksid closed the quarter with **trading profit** of €3 million and **EBIT** €4 million, both in line with Q1 2011.

### Comau

Comau reported **revenues** of €357 million for Q1 2012, up 28.9% year-over-year. The increase was principally attributable to the Powertrain Systems operations.

**Trading profit** and **EBIT** were €4 million, compared to €1 million for the corresponding period in 2011. The increase was mainly attributable to the Powertrain Systems operations.

Order intake for the period, totaling €635 million, represented a 6% decrease over the first quarter of 2011. The reduction was primarily attributable to a decrease for the Powertrain Systems operations, following particularly high order volumes in 2011. At 31 March 2012, the order backlog totaled €950 million, a 13% increase over year-end 2011.

## CONSOLIDATED STATEMENT OF CASH FLOWS

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

(€ million)	1 <sup>st</sup> Quarter 2012	1 <sup>st</sup> Quarter 2011
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	17,526	11,967
B) CASH FROM/(USED IN) OPERATING ACTIVITIES	1,206	408
C) CASH FROM/(USED IN) INVESTING ACTIVITIES	(1,487)	(722)
D) CASH FROM/(USED IN) FINANCING ACTIVITIES	1,333	1,325
Currency translation differences	(285)	(106)
E) NET CHANGE IN CASH AND CASH EQUIVALENTS	767	905
F) CASH AND CASH EQUIVALENTS AT END OF PERIOD	18,293	12,872

For Q1 2012, **operating activities** generated cash totaling €1,206 million. Income-related cash inflows of €1,411 million (i.e., net profit plus amortization and depreciation, dividends, changes in provisions and various items related to sales with buy-back commitments, gains/losses on disposals and other non-cash items) were partially absorbed by an increase in working capital of €205 million (calculated at constant exchange rates).

**Investing activities** absorbed €1,487 million in cash. Expenditure on tangible and intangible fixed assets totaling €1,581 million (including €490 million in capitalized development costs) was only partially offset by €47 million in cash inflows from disposals of non-current assets (primarily tangible and intangible fixed assets) and an €86 million decrease in receivables from financing activities.

**Financing activities** generated approximately €1.3 billion in cash, of which €1.2 billion related to the proceeds of two bonds issued by Fiat Finance and Trade Ltd. S.A. during the quarter (one for SFR 425 million due September 2015 and the other for €850 million due March 2017).

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2012

**Total assets** amounted to €81,027 million at 31 March 2012, increasing €996 million over the €80,031 million figure at 31 December 2011.

**Non-current assets** totaled €42,791 million. The approximate €700 million decrease for the quarter was almost entirely attributable to currency translation differences relating to intangible assets (approximately €400 million) and property, plant and equipment (approximately €300 million).

**Current assets** totaled €38,169 million, an increase of approximately €1.7 billion (approximately €2.1 billion excluding negative currency effects), primarily attributable to higher cash and cash equivalents (+€0.8 billion) and increases in inventories and trade receivables, at constant exchange rates, of approximately €0.7 billion and €0.5 billion, respectively.

**Working capital** (net of items relating to vehicles sold under buy-back commitments) was a negative €9,143 million, an increase of €550 million for the period (negative €9,693 million at 31 December 2011).

(€ million)		31.03.2012	31.12.2011	Change
Inventory	(a)	8,392	7,729	663
Trade receivables		3,041	2,625	416
Trade payables		(16,806)	(16,418)	(388)
Current taxes receivable/(payable) & Other current receivables/(payables)	(b)	(3,770)	(3,629)	(141)
<b>Working capital</b>		<b>(9,143)</b>	<b>(9,693)</b>	<b>550</b>

(a) Inventory is reported net of the value of vehicles sold under buy-back commitments, both vehicles in use by customers and those that have been repurchased and are held for sale

(b) Other current payables, included under current taxes receivable/(payable) & other current receivables/(payables), are stated net of amounts due to customers in relation to vehicles sold under buy-back commitments, which consist of the repurchase amount payable at the end of the lease period, together with the value of future lease installments and any advances received. That value is recognized on a straight-line basis over the contract period

At 31 March 2012, 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 €3,861 million (€3,858 million at 31 December 2011). That amount includes €2,350 million in receivables from financing activities (€2,495 million at 31 December 2011), mostly relating to the sales network, that were sold to jointly-controlled financial services companies (FGA Capital group).

At constant exchange rates, working capital increased €205 million. The increase of approximately €1 billion for Fiat excluding Chrysler reflects low volumes – particularly in Italy where production and distribution were also affected by the recent car hauler strikes – and payment of capital expenditures. By contrast, Chrysler reported an €800 million decrease in working capital on the strength of the increase in volumes produced and sold in North America.



At 31 March 2012, consolidated **net debt** totaled €8,969 million, substantially in line (+€71 million) with the level reported at 31 December 2011. For Fiat excluding Chrysler, net debt was €1.2 billion higher, essentially due to working capital absorption of approximately €1 billion.

Net debt for Chrysler was €1.2 billion lower as a result of €2.1 billion in positive operating cash flow, which was only partially offset by €1 billion in capital expenditure for the period.

(€ million)	31.03.2012			31.12.2011		
	Fiat with Chrysler	Chrysler	Fiat excluding Chrysler	Fiat with Chrysler	Chrysler	Fiat excluding Chrysler
Debt:	(27,808)	(10,373)	(17,444)	(26,772)	(10,537)	(16,245)
Asset-backed financing	(459)	(16)	(443)	(710)	(31)	(679)
Other debt	(27,349)	(10,357)	(17,001)	(26,062)	(10,506)	(15,566)
Current financial receivables from jointly-controlled financial services companies (a)	23	-	23	21	-	21
Intersegment financial receivables (b)	-	9	-	-	10	-
<b>Debt, net of current financial receivables from jointly-controlled financial services companies</b>	<b>(27,785)</b>	<b>(10,364)</b>	<b>(17,421)</b>	<b>(26,751)</b>	<b>(10,527)</b>	<b>(16,224)</b>
Other financial assets (c)	573	91	482	557	127	430
Other financial liabilities (c)	(262)	(81)	(181)	(429)	(100)	(329)
Current securities	212	-	212	199	-	199
Cash and cash equivalents	18,293	8,428	9,865	17,526	7,420	10,106
<b>Net debt</b>	<b>(8,969)</b>	<b>(1,926)</b>	<b>(7,043)</b>	<b>(8,898)</b>	<b>(3,080)</b>	<b>(5,818)</b>
<b>Industrial Activities</b>	<b>(5,772)</b>	<b>(1,926)</b>	<b>(3,846)</b>	<b>(5,529)</b>	<b>(3,080)</b>	<b>(2,449)</b>
<b>Financial Services</b>	<b>(3,197)</b>	<b>-</b>	<b>(3,197)</b>	<b>(3,369)</b>	<b>-</b>	<b>(3,369)</b>
Cash, cash equivalents and current securities	18,505	8,428	10,077	17,725	7,420	10,305
Undrawn committed credit lines	2,923	973	1,950	2,955	1,005	1,950
<b>Total available liquidity</b>	<b>21,428</b>	<b>9,401</b>	<b>12,027</b>	<b>20,680</b>	<b>8,425</b>	<b>12,255</b>

(a) Includes current financial receivables from FGA Capital group

(b) Includes the value of intercompany agreements recognized as finance leases (IFRIC 4)

(c) Includes fair value of derivative financial instruments

**Other debt** increased €1.3 billion during the first three months of 2012. Excluding Chrysler (for which other debt was approximately €150 million lower), other debt was €1.4 billion higher, primarily due to €1.2 billion in proceeds from two bonds issued by Fiat Finance and Trade Ltd. S.A., a wholly-owned subsidiary of Fiat S.p.A., under its GMTN program.

At 31 March 2012, **cash, cash equivalents and current securities** totaled €18.5 billion, of which €8.4 billion related to Chrysler. For Fiat excluding Chrysler, cash, cash equivalents and current securities totaled €10.1 billion, decreasing approximately €230 million over 31 December 2011.

**Total available liquidity**, inclusive of undrawn committed credit lines (€1.95 billion for Fiat excluding Chrysler and around €1 billion for Chrysler), totaled €21.4 billion, of which €12.0 billion related to Fiat excluding Chrysler (€12.3 billion at 31 December 2011) and €9.4 billion related to Chrysler.

## 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. Financial Services includes companies that provide retail and dealer finance, leasing and rental services in LATAM, APAC, EMEA and for Ferrari worldwide.

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 activities of each Group company.

Investments held by companies belonging to one segment in companies included in the other 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., Fiat Gestione Partecipazioni S.p.A., Fiat North America LLC and Fiat Partecipazioni S.p.A.) are classified under Industrial Activities.

The sub-consolidation of Industrial Activities also includes companies that provide centralized treasury services for Fiat excluding Chrysler (i.e., raising funds in the market and financing Group companies, with the exception of Chrysler Group LLC and subsidiaries). These activities do not, however, include offering financing to third parties.

N.B.: All Chrysler Group activities are included under Industrial Activities and Chrysler Group's treasury activities (including funding and cash management) are managed separately from the rest of Fiat Group.

### Operating Performance by Activity

(€ million)	1 <sup>st</sup> Quarter 2012			1 <sup>st</sup> Quarter 2011		
	Consolidated	Industrial Activities	Financial Services	Consolidated	Industrial Activities	Financial Services
Net revenues	20,221	20,147	100	9,210	9,151	78
Cost of sales	17,232	17,187	71	7,909	7,866	62
Selling, general and administrative	1,666	1,655	11	788	778	10
Research and development	461	461	-	278	278	-
Other income/(expense)	4	(1)	5	16	10	6
<b>TRADING PROFIT/(LOSS)</b>	<b>866</b>	<b>843</b>	<b>23</b>	<b>251</b>	<b>239</b>	<b>12</b>
Gains/(losses) on disposals of investments	-	-	-	4	4	-
Restructuring costs	(11)	(11)	-	4	4	-
Other unusual income/(expense)	-	-	-	-	-	-
<b>OPERATING PROFIT/(LOSS)</b>	<b>877</b>	<b>854</b>	<b>23</b>	<b>251</b>	<b>239</b>	<b>12</b>
Financial income/(expense)	(375)	(375)	-	(138)	(138)	-
Result from investments <sup>(*)</sup>	18	(1)	19	40	21	19
<b>PROFIT/(LOSS) BEFORE TAXES</b>	<b>520</b>	<b>478</b>	<b>42</b>	<b>153</b>	<b>122</b>	<b>31</b>
Income taxes	141	136	5	116	113	3
<b>PROFIT/(LOSS)</b>	<b>379</b>	<b>342</b>	<b>37</b>	<b>37</b>	<b>9</b>	<b>28</b>
Result from intersegment investments	-	37	-	-	28	-
<b>PROFIT/(LOSS)</b>	<b>379</b>	<b>379</b>	<b>37</b>	<b>37</b>	<b>37</b>	<b>28</b>

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

### Industrial Activities

**Net revenues** for Industrial Activities totaled approximately €20.1 billion for the first quarter of 2012. Excluding Chrysler, revenues were approximately €8.6 billion, down 5.9% over Q1 2011, reflecting continued weak trading conditions in both the passenger car and LCV markets, particularly in Italy where Fiat also suffered the effects of the protracted car hauler strikes that continued right up to the end of the first quarter.

**Trading profit** for Industrial Activities totaled €843 million for the quarter – with Chrysler contributing a profit of €872 million and the rest of the Group a loss of €29 million – compared to a €239 million profit for Q1 2011. The decrease, excluding Chrysler, was primarily attributable to volume declines in Europe, increased pricing pressures in Latin America, and costs associated with new product launches. Those factors were only partially compensated for by industrial efficiencies and cost containment actions.

### Financial Services

For Financial Services, **net revenues** totaled €100 million, up 28.2% over Q1 2011.

(€ million)	1 <sup>st</sup> Quarter 2012	1 <sup>st</sup> Quarter 2011	% change
<b>Mass-market brands</b> (LATAM, APAC, EMEA)	91	72	26.4
<b>Luxury and performance brands</b> (Ferrari)	9	6	50.0
<b>Total</b>	<b>100</b>	<b>78</b>	<b>28.2</b>

Revenues for the Financial Services companies that support the activities of the mass-market brands were €91 million, up 26.4% over the €72 million for Q1 2011, primarily on the back of increased business volumes in Latin America.

**Trading profit** for Financial Services totaled €23 million, improving €11 million over Q1 2011. The increase was almost entirely attributable to the higher level of volumes financed in Latin America.

(€ million)	1 <sup>st</sup> Quarter 2012	1 <sup>st</sup> Quarter 2011	Change
<b>Mass-market brands</b> (LATAM, APAC, EMEA)	21	11	10
<b>Luxury and performance brands</b> (Ferrari)	2	1	1
<b>Total</b>	<b>23</b>	<b>12</b>	<b>11</b>

## Statement of Financial Position by Activity

(€ million)	31.03.2012			31.12.2011		
	Consolidated	Industrial Activities	Financial Services	Consolidated	Industrial Activities	Financial Services
Intangible assets	18,068	18,064	4	18,200	18,196	4
Property, plant and equipment	20,625	20,621	4	20,785	20,781	4
Investments and other financial assets	2,289	2,725	755	2,660	3,097	755
Leased assets	25	25	-	45	45	-
Defined benefit plan assets	97	96	1	97	96	1
Deferred tax assets	1,687	1,618	69	1,690	1,622	68
<b>Total non-current assets</b>	<b>42,791</b>	<b>43,149</b>	<b>833</b>	<b>43,477</b>	<b>43,837</b>	<b>832</b>
Inventory	9,687	9,682	5	9,123	9,116	7
Trade receivables	3,041	3,036	17	2,625	2,619	17
Receivables from financing activities	3,839	1,495	3,764	3,968	1,681	3,906
Current taxes receivables	281	281	4	369	367	4
Other current receivables	2,214	2,156	57	2,088	2,068	22
Current financial assets:	814	762	53	789	739	52
Current investments	29	29	-	33	33	-
Current securities	212	159	53	199	147	52
Other financial assets	573	574	-	557	559	-
Cash and cash equivalents	18,293	18,121	172	17,526	17,429	97
<b>Total current assets</b>	<b>38,169</b>	<b>35,533</b>	<b>4,072</b>	<b>36,488</b>	<b>34,019</b>	<b>4,105</b>
Assets held for sale	67	67	-	66	66	-
<b>TOTAL ASSETS</b>	<b>81,027</b>	<b>78,749</b>	<b>4,905</b>	<b>80,031</b>	<b>77,922</b>	<b>4,937</b>
<b>Total assets adjusted for asset-backed financing transactions</b>	<b>80,568</b>	<b>78,660</b>	<b>4,532</b>	<b>79,321</b>	<b>77,709</b>	<b>4,440</b>
Equity	12,246	12,246	1,193	12,260	12,258	1,192
Provisions:	15,372	15,342	30	15,624	15,587	37
Employee benefits	6,781	6,777	4	7,026	7,022	4
Other provisions	8,591	8,565	26	8,598	8,565	33
Debt:	27,808	25,720	3,508	26,772	24,796	3,595
Asset-backed financing	459	89	373	710	213	497
Other debt	27,349	25,631	3,135	26,062	24,583	3,098
Other financial liabilities	262	261	2	429	428	3
Trade payables	16,806	16,778	37	16,418	16,399	32
Current taxes payable	327	320	10	230	228	5
Deferred tax liabilities	738	731	7	760	753	7
Other current liabilities	7,468	7,351	118	7,538	7,473	66
Liabilities held for sale	-	-	-	-	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>81,027</b>	<b>78,749</b>	<b>4,905</b>	<b>80,031</b>	<b>77,922</b>	<b>4,937</b>
<b>Total equity and liabilities adjusted for asset-backed financing transactions</b>	<b>80,568</b>	<b>78,660</b>	<b>4,532</b>	<b>79,321</b>	<b>77,709</b>	<b>4,440</b>

*Net Debt by Activity (at 31 March 2012 and 31 December 2011)*

(€ million)	31.03.2012			31.12.2011		
	Consolidated	Industrial Activities	Financial Services	Consolidated	Industrial Activities	Financial Services
Debt:	(27,808)	(25,720)	(3,508)	(26,772)	(24,796)	(3,595)
Asset-backed financing	(459)	(89)	(373)	(710)	(213)	(497)
Other debt	(27,349)	(25,631)	(3,135)	(26,062)	(24,583)	(3,098)
Current financial receivables from jointly-controlled financial services companies (a)	23	23	-	21	21	-
Intersegment financial receivables	-	1,332	88	-	1,539	80
<b>Debt, net of intersegment and current financial receivables from jointly-controlled financial services companies</b>	<b>(27,785)</b>	<b>(24,365)</b>	<b>(3,420)</b>	<b>(26,751)</b>	<b>(23,236)</b>	<b>(3,515)</b>
Other financial assets (b)	573	574	-	557	559	-
Other financial liabilities (b)	(262)	(261)	(2)	(429)	(428)	(3)
Current securities	212	159	53	199	147	52
Cash and cash equivalents	18,293	18,121	172	17,526	17,429	97
<b>Net debt</b>	<b>(8,969)</b>	<b>(5,772)</b>	<b>(3,197)</b>	<b>(8,898)</b>	<b>(5,529)</b>	<b>(3,369)</b>

(a) Includes debt payable by FGA Capital to other Fiat Group companies

(b) Includes fair value of derivative financial instruments

*Net Debt by Activity for Fiat excluding Chrysler (at 31 March 2012 and 31 December 2011)*

(€ million)	31.03.2012			31.12.2011		
	Fiat excluding Chrysler	Industrial Activities excluding Chrysler	Financial Services	Fiat excluding Chrysler	Industrial Activities excluding Chrysler	Financial Services
Debt:	(17,444)	(15,356)	(3,508)	(16,245)	(14,269)	(3,595)
Asset-backed financing	(443)	(73)	(373)	(679)	(182)	(497)
Other debt	(17,001)	(15,283)	(3,135)	(15,566)	(14,087)	(3,098)
Current financial receivables from jointly-controlled financial services companies (a)	23	23	-	21	21	-
Intersegment financial receivables	-	1,332	88	-	1,539	80
<b>Debt, net of intersegment and current financial receivables from jointly-controlled financial services companies</b>	<b>(17,421)</b>	<b>(14,001)</b>	<b>(3,420)</b>	<b>(16,224)</b>	<b>(12,709)</b>	<b>(3,515)</b>
Other financial assets (b)	482	483	-	430	432	-
Other financial liabilities (b)	(181)	(180)	(2)	(329)	(328)	(3)
Current securities	212	159	53	199	147	52
Cash and cash equivalents	9,865	9,693	172	10,106	10,009	97
<b>Net debt</b>	<b>(7,043)</b>	<b>(3,846)</b>	<b>(3,197)</b>	<b>(5,818)</b>	<b>(2,449)</b>	<b>(3,369)</b>

(a) Includes debt payable by FGA Capital to other Fiat Group companies

(b) Includes fair value of derivative financial instruments

Due to the role of the centralized treasury services companies, debt for Industrial Activities (Fiat excluding Chrysler) also includes funding raised by the central treasury on behalf of consolidated Financial Services companies (included under intersegment financial receivables).

Intersegment financial receivables for Financial Services companies, on the other hand, 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 2012 was down €172 million over year-end 2011, due to cash from operating activities for the period (€49 million), a decrease in the managed portfolio (€100 million) and currency translation differences (€33 million), the effects of which were partially offset by dividends paid to industrial companies (€11 million).

#### *Change in Net Industrial Debt*

(€ million)	1 <sup>st</sup> Quarter 2012			1 <sup>st</sup> Quarter 2011
	Consolidated	Chrysler	Fiat excluding Chrysler	Fiat excluding Chrysler
<b>Net industrial debt at beginning of period</b>	<b>(5,529)</b>	<b>(3,080)</b>	<b>(2,449)</b>	<b>(542)</b>
Profit/(loss)	379	652	(273)	37
Amortization and depreciation	1,034	496	538	550
Changes in provisions and other changes	(9)	155	(164)	72
<b>Cash from/(used in) operating activities before change in working capital</b>	<b>1,404</b>	<b>1,303</b>	<b>101</b>	<b>659</b>
Change in working capital	(236)	832	(1,068)	(230)
<b>Cash from/(used in) operating activities</b>	<b>1,168</b>	<b>2,135</b>	<b>(967)</b>	<b>429</b>
Investments in property, plant and equipment and intangible assets	(1,581)	(963)	(618)	(502)
<b>Cash from/(used in) operating activities, net of capital expenditure</b>	<b>(413)</b>	<b>1,172</b>	<b>(1,585)</b>	<b>(73)</b>
Change in consolidation scope and other changes	151	(37)	188	172
<b>Net industrial cash flow</b>	<b>(262)</b>	<b>1,135</b>	<b>(1,397)</b>	<b>99</b>
Capital increases and dividends	1	-	1	1
Currency translation differences	18	19	(1)	(47)
<b>Change in net industrial debt</b>	<b>(243)</b>	<b>1,154</b>	<b>(1,397)</b>	<b>53</b>
<b>Net industrial debt at end of period</b>	<b>(5,772)</b>	<b>(1,926)</b>	<b>(3,846)</b>	<b>(489)</b>

During the first quarter of 2012, net industrial debt increased €243 million.

Net industrial debt for Chrysler decreased €1,154 million, with positive operating cash flow of €2,135 million only partially offset by capital expenditure of €963 million during the period.

Net industrial debt for Fiat excluding Chrysler increased €1,397 million. Operating activities absorbed approximately €1 billion in cash, almost entirely attributable to the increase in working capital, and capital expenditure totaled approximately €0.6 billion. The positive difference for change in consolidation scope and other changes (approximately €0.2 billion) was primarily attributable to changes in the mark-to-market value of hedging instruments.

## Statement of Cash Flows by Activity

(€ million)	1 <sup>st</sup> Quarter 2012			1 <sup>st</sup> Quarter 2011		
	Consolidated	Industrial Activities	Financial Services	Consolidated	Industrial Activities	Financial Services
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	17,526	17,429	97	11,967	11,705	262
<b>B) CASH FROM/(USED IN) OPERATING ACTIVITIES:</b>						
Profit/(loss)	379	379	37	37	37	28
Amortization and depreciation (net of vehicles leased out)	1,034	1,034	-	550	550	-
(Gains)/losses on disposal of non-current assets and other non-cash items (a)	(40)	(66)	(11)	(26)	(46)	(8)
Dividends received	64	75	-	76	120	-
Change in provisions	45	51	(6)	(20)	(19)	(1)
Changes in deferred taxes	(13)	(11)	(2)	3	2	1
Changes relating to buy-back commitments (b)	(56)	(56)	-	15	15	-
Changes related to operating leases	(2)	(2)	-	-	-	-
Change in working capital	(205)	(236)	31	(227)	(230)	3
<b>TOTAL</b>	<b>1,206</b>	<b>1,168</b>	<b>49</b>	<b>408</b>	<b>429</b>	<b>23</b>
<b>C) CASH FROM/(USED IN) INVESTING ACTIVITIES:</b>						
Investments in:						
Property, plant and equipment and intangible assets (net of vehicles leased out)	(1,581)	(1,581)	-	(503)	(502)	(1)
Subsidiaries and other equity investments	(3)	(3)	-	(31)	(31)	-
Proceeds from the sale of non-current assets	47	47	-	93	93	-
Net change in receivables from financing activities	86	(14)	100	(220)	17	(237)
Change in other current securities	(12)	(10)	(2)	(7)	(6)	(1)
Other changes	(24)	186	(210)	(54)	62	(116)
<b>TOTAL</b>	<b>(1,487)</b>	<b>(1,375)</b>	<b>(112)</b>	<b>(722)</b>	<b>(367)</b>	<b>(355)</b>
<b>D) CASH FROM/(USED IN) FINANCING ACTIVITIES:</b>						
Net change in debt and other financial assets/liabilities	1,332	1,178	154	(1,437)	(1,723)	286
Change in net financial receivables from Fiat Industrial	-	-	-	2,761	2,759	2
Increase in share capital	1	1	-	3	3	-
Dividends paid	-	-	(11)	(2)	(2)	(44)
<b>TOTAL</b>	<b>1,333</b>	<b>1,179</b>	<b>143</b>	<b>1,325</b>	<b>1,037</b>	<b>244</b>
Currency translation differences	(285)	(280)	(5)	(106)	(96)	(10)
<b>E) NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>767</b>	<b>692</b>	<b>75</b>	<b>905</b>	<b>1,003</b>	<b>(98)</b>
<b>F) CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>18,293</b>	<b>18,121</b>	<b>172</b>	<b>12,872</b>	<b>12,708</b>	<b>164</b>

(a) Includes reversal of gains (€38 million for Q1 2012 and €23 million for Q1 2011) in the fair value of certain equity swaps on a basket of Fiat S.p.A. and Fiat Industrial S.p.A. ordinary shares

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

## Industrial Activities

During the first quarter of 2012, Industrial Activities generated cash and cash equivalents of €692 million. Excluding Chrysler (which generated cash and cash equivalents of €1,008 million), Industrial Activities absorbed a total of €316 million in cash.

- **Operating activities** generated €1,168 million in cash, of which €2,135 million was attributable to Chrysler, more than compensating for the €929 million absorbed by Fiat excluding Chrysler, including an increase in working capital of €1,037 million.
- **Investing activities** absorbed a total of €1,375 million in cash primarily related to investments in tangible and intangible assets and equity investments (€1,584 million, of which €963 million related to Chrysler), which was only partly offset by the decrease in funding provided to the Financial Services companies by central treasury companies (included under other changes).
- **Financing activities** generated €1,179 million in cash primarily relating to proceeds from the bonds issued in March.

## Financial Services

Cash and cash equivalents for Financial Services totaled €172 million at 31 March 2012, increasing €75 million over the beginning of the year.

Changes in cash were attributable to:

- **Operating activities**, which generated €49 million in cash (principally net profit plus amortization and depreciation).
- **Investing activities** (including changes in financial receivables from/debt payable to industrial companies) absorbed €112 million in cash, primarily related to repayment of funding received from treasury companies (included under other changes), net of the decrease in the financed portfolio.
- **Financing activities** generated a total of €143 million in cash, with a €154 million net increase in financing partially offset by dividends paid to companies included under Industrial Activities.

\* \* \* \* \*

## GROUP EMPLOYEES

At 31 March 2012, the Group had 200,582 employees, an increase of 3,561 over the 197,021 figure at 31 December 2011.

This increase mainly reflects net new hires, mostly associated with increased production levels in North America.



#### SIGNIFICANT EVENTS IN THE FIRST QUARTER

In January 2012, Fiat announced that the “Ecological Event” (3rd Performance Event established in the Amended and Restated LLC Operating Agreement) had been achieved, leading to a further 5% increase of its interest in Chrysler. Fiat currently has a 58.5% ownership interest in Chrysler. The VEBA Trust owns the remaining 41.5%.

On January 18th, Fiat and Suzuki Motor Corporation reached an agreement for the supply of a 75 hp 1.3 Multijet BS-IV Small Diesel Engine – to be produced under license by Fiat India Automobiles Limited, a joint venture between Fiat and Tata Motors – to Suzuki’s affiliate company Maruti Suzuki India Limited (MSIL).

On February 1<sup>st</sup>, during a meeting with the trade unions that signed the company specific collective labor agreement, Fiat’s CEO confirmed that investments for the Mirafiori plant in Turin would go ahead. Plans call for production of at least two new models for the export market, with production to reach 280,000 vehicles per year. Investment is to commence in the second quarter of 2012 and retooling of the plant will be completed during 2013. Production of the first model (Fiat brand) is scheduled to begin in December 2013 and the second model (Jeep brand) is slated for production beginning in the second quarter of 2014. Fiat also confirmed that Mirafiori would continue production of the Alfa Romeo MiTo, for which a refresh is planned, as well as the Lancia Musa for a limited time, on the basis of market demand.

At the end of February, Fiat signed a Letter of Intent with Sberbank in relation to a new project for the production and distribution of passenger and commercial vehicles in Russia. The Russian bank intends to finance the project and also take a minority equity interest of up to 20% in the joint venture. The product range is expected to be based on Jeep vehicles and could subsequently be expanded to include other models and engines which will be produced and assembled locally.

Fiat completed two bond issues during the quarter, one on March 7th for CHF 425 million (fixed coupon 5.00%, due September 2015) and another on March 23rd for €850 million (fixed coupon 7.00%, due March 2017). The notes, issued by Fiat Finance and Trade Ltd. S.A. – a wholly-owned Group subsidiary – and guaranteed by Fiat S.p.A. under the Global Medium Term Note program, have been rated Ba3 by Moody’s, BB by Standard & Poor’s and BB by Fitch.

#### SUBSEQUENT EVENTS

On April 4th, Fiat S.p.A. Shareholders approved the 2011 Financial Statements and a gross dividend of €0.217 per preference and savings share. Shareholders also elected the 2012-2014 Boards of Directors and Statutory Auditors, approved the Compensation Policy and Incentive Plan and renewed share buy-back authorization for €1.2 billion, including the €259 million in own shares already held. The mandatory conversion of preference and savings shares into ordinary shares was approved at the extraordinary session of the General Meeting.

In April, Chrysler Group gave notice to Ally Financial Inc. (Ally) that it will not renew its current “Auto Finance Operating Agreement” following the 30 April 2013 expiration. Under the agreement, Chrysler Group was obliged to give Ally at least twelve months advance notice that it did not intend to renew the agreement. Chrysler Group is in discussions with Ally and other financial institutions regarding various options to meet the financing needs of Chrysler Group dealers and customers.

## OUTLOOK

Fiat remains fully committed to the strategic direction laid out in the 5-year plans that were outlined in November 2009 for Chrysler and April 2010 for Fiat.

Having reviewed economic and trading conditions in the Group's four operating regions, Fiat confirms the expectations of performance in North America, Latin America and Asia-Pacific.

Events of the past 12 months, and more particularly the last half of 2011, have cast doubt on the volume assumptions governing the overall market and the Group's own development plans for Europe up to the end of 2014. The level of uncertainty regarding economic activity in the Euro zone for the foreseeable future has made specific projections of financial performance unreliable. As a result, the Group has provided guidance for 2012 in terms of ranges, from continuing depressed trading conditions in Europe to a gradual stabilization and recovery at the very end of 2012.

As a consequence, Fiat's 2012 full year guidance is as follows:

- Revenues > €77 billion;
- Trading profit between €3.8 to €4.5 billion;
- Net profit between €1.2 to €1.5 billion;
- Net industrial debt between €5.5 to €6.0 billion.

As events unfold in the next two quarters, the Group expects to fully articulate the effect of the Euro zone economic climate on its 2014 plan when releasing Q3 2012 results.

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 2012

# CONSOLIDATED INCOME STATEMENT

(€ million)	Note	1 <sup>st</sup> Quarter 2012	1 <sup>st</sup> Quarter 2011 (*)
Net revenues	(1)	20,221	9,210
Cost of sales	(2)	17,232	7,909
Selling, general and administrative costs	(3)	1,666	788
Research and development costs	(4)	461	278
Other income (expenses)		4	16
<b>TRADING PROFIT/(LOSS)</b>		<b>866</b>	<b>251</b>
Gains (losses) on the disposal of investments		-	4
Restructuring costs	(5)	(11)	4
Other unusual income (expenses)		-	-
<b>OPERATING PROFIT/(LOSS)</b>		<b>877</b>	<b>251</b>
Financial income (expenses)	(6)	(375)	(138)
Result from investments:	(7)	18	40
Share of the profit/(loss) of investees accounted for using the equity method		15	38
Other income (expenses) from investments		3	2
<b>PROFIT/(LOSS) BEFORE TAXES</b>		<b>520</b>	<b>153</b>
Income taxes	(8)	141	116
<b>PROFIT/(LOSS) FROM CONTINUING OPERATIONS</b>		<b>379</b>	<b>37</b>
Post-tax profit/(loss) from Discontinued operations		-	-
<b>PROFIT/(LOSS) FOR THE PERIOD</b>		<b>379</b>	<b>37</b>
<b>PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO:</b>			
Owners of the parent		104	29
Non-controlling interests		275	8
<b>(in €)</b>			
<b>BASIC AND DILUTED EARNINGS/(LOSS) PER ORDINARY SHARE</b>	(9)	<b>0.061</b>	-
<b>BASIC AND DILUTED EARNINGS/(LOSS) PER PREFERENCE</b>	(9)	<b>0.217</b>	<b>0.111</b>
<b>BASIC AND DILUTED EARNINGS/(LOSS) PER SAVINGS SHARE</b>	(9)	<b>0.217</b>	<b>0.217</b>

(\*) The figures for the 1st quarter of 2011 do not include Chrysler, which has been consolidated from 1 June 2011.

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€ million)	Note	1 <sup>st</sup> Quarter 2012	1 <sup>st</sup> Quarter 2011 (*)
<b>PROFIT/(LOSS) FOR THE PERIOD (A)</b>		<b>379</b>	<b>37</b>
Gains/(losses) on cash flow hedging instruments	(19)	89	76
Gains/(losses) on fair value of available-for-sale financial assets	(19)	22	19
Gains/(losses) on exchange differences on translating foreign operations	(19)	(175)	(138)
Share of Other comprehensive income of entities accounted for using the equity method	(19)	3	(36)
Income tax relating to components of Other comprehensive income	(19)	(14)	(15)
<b>TOTAL OTHER COMPREHENSIVE INCOME, NET OF TAX (B)</b>		<b>(75)</b>	<b>(94)</b>
<b>TOTAL COMPREHENSIVE INCOME (A)+(B)</b>		<b>304</b>	<b>(57)</b>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>			
Owners of the parent		159	(67)
Non-controlling interests		145	10

(\*) The figures for the 1st quarter of 2011 do not include Chrysler, which has been consolidated from 1 June 2011.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€ million)	Note	At 31 March 2012	At 31 December 2011
<b>ASSETS</b>			
Intangible assets	(10)	18,068	18,200
Property, plant and equipment	(11)	20,625	20,785
Investments and other financial assets:	(12)	2,289	2,660
Investments accounted for using the equity method		1,526	1,579
Other investments and financial assets		763	1,081
Leased assets		25	45
Defined benefit plan assets		97	97
Deferred tax assets	(8)	1,687	1,690
<b>Total Non-current assets</b>		<b>42,791</b>	<b>43,477</b>
Inventories	(13)	9,687	9,123
Trade receivables	(14)	3,041	2,625
Receivables from financing activities	(14)	3,839	3,968
Current tax receivables	(14)	281	369
Other current assets	(14)	2,214	2,088
Current financial assets:		814	789
Current investments		29	33
Current securities	(15)	212	199
Other financial assets	(16)	573	557
Cash and cash equivalents	(17)	18,293	17,526
<b>Total Current assets</b>		<b>38,169</b>	<b>36,488</b>
Assets held for sale	(18)	67	66
<b>TOTAL ASSETS</b>		<b>81,027</b>	<b>80,031</b>
<b>Total assets adjusted for asset-backed financing transactions</b>		<b>80,568</b>	<b>79,321</b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(CONTINUED)

(€million)	Note	At 31 March 2012	At 31 December 2011
<b>EQUITY AND LIABILITIES</b>			
Equity:	(19)	12,246	12,260
Equity attributable to owners of the parent		8,929	8,727
Non-controlling interest		3,317	3,533
Provisions:	(20)	15,372	15,624
Employee benefits		6,781	7,026
Other provisions		8,591	8,598
Debt:	(21)	27,808	26,772
Asset-backed financing		459	710
Other debt		27,349	26,062
Other financial liabilities	(16)	262	429
Trade payables	(22)	16,806	16,418
Current tax payables		327	230
Deferred tax liabilities	(8)	738	760
Other current liabilities	(23)	7,468	7,538
Liabilities held for sale		-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>81,027</b>	<b>80,031</b>
<b>Total equity and liabilities adjusted for asset-backed financing transactions</b>		<b>80,568</b>	<b>79,321</b>

# CONSOLIDATED STATEMENT OF CASH FLOWS

(€ million)	Note	1 <sup>st</sup> Quarter 2012	1 <sup>st</sup> Quarter 2011 (*)
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	(17)	17,526	11,967
<b>B) CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES DURING THE PERIOD:</b>			
Profit/(loss) for the period		379	37
Amortisation and depreciation		1,034	550
(Gains) losses from disposal of non-current assets		-	(8)
Other non-cash items	(a)	(40)	(18)
Dividends received		64	76
Change in provisions		45	(20)
Change in deferred income taxes		(13)	3
Change in items due to buy-back commitments	(b)	(56)	15
Change in operating lease items		(2)	-
Change in working capital		(205)	(227)
<b>TOTAL</b>		<b>1,206</b>	<b>408</b>
<b>C) CASH FLOWS FROM (USED IN) INVESTMENT ACTIVITIES:</b>			
Investments in:			
Property plant and equipment and intangible assets		(1,581)	(503)
Investments in consolidated subsidiaries and other investments		(3)	(31)
Proceeds from the sale of non-current assets		47	93
Net change in receivables from financing activities		86	(220)
Change in other current securities		(12)	(7)
Other changes		(24)	(54)
<b>TOTAL</b>		<b>(1,487)</b>	<b>(722)</b>
<b>D) CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:</b>			
Issuance of bonds		1,202	-
Repayment of bonds		-	-
Issuance of other medium-term borrowings		337	556
Repayment of other medium-term borrowings		(243)	(1,880)
Changes in net financial receivables from the Fiat Industrial Group		-	2,761
Net change in other financial payables and other financial assets/liabilities		36	(113)
Capital increase		1	3
Dividends paid		-	(2)
<b>TOTAL</b>		<b>1,333</b>	<b>1,325</b>
Translation exchange differences		(285)	(106)
<b>E) TOTAL CHANGE IN CASH AND CASH EQUIVALENTS</b>		<b>767</b>	<b>905</b>
<b>F) CASH AND CASH EQUIVALENTS AT END OF PERIOD AS REPORTED</b>	(17)	<b>18,293</b>	<b>12,872</b>

(\*) Cash flows for the 1st quarter of 2011 do not include Chrysler, which has been consolidated from 1 June 2011.

(a) In the first quarter 2012, this item includes the reversal of the positive €38 million arising from the fair value measurement of the equity swaps on the Fiat S.p.A. and the Fiat Industrial S.p.A. share (positive for an amount of €23 million in the first quarter of 2011).

(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
<b>AT 1 JANUARY 2011</b>	<b>6,377</b>	<b>(657)</b>	<b>601</b>	<b>4,145</b>	<b>(45)</b>	<b>1,111</b>	<b>(2)</b>	<b>14</b>	<b>917</b>	<b>12,461</b>
<b>Changes for Q1 2011</b>										
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
<b>AT 31 MARCH 2011</b>	<b>4,465</b>	<b>(289)</b>	<b>146</b>	<b>2,640</b>	<b>35</b>	<b>576</b>	<b>18</b>	<b>(53)</b>	<b>180</b>	<b>7,718</b>
<b>Changes for Q1 2012</b>										
Capital increase	-	-	-	-	-	-	-	-	1	1
Share based payments	-	30	-	(30)	-	-	-	-	-	-
Purchase and sale of shares in subsidiaries from/to non-controlling interests	-	-	-	35	1	3	-	-	(359)	(320)
Total comprehensive income	-	-	-	104	103	(72)	21	3	145	304
Other changes	-	-	-	4	-	-	-	-	(3)	1
<b>AT 31 MARCH 2012</b>	<b>4,466</b>	<b>(259)</b>	<b>147</b>	<b>3,975</b>	<b>(66)</b>	<b>765</b>	<b>(22)</b>	<b>(77)</b>	<b>3,317</b>	<b>12,246</b>

# NOTES

## SIGNIFICANT ACCOUNTING POLICIES

### Accounting policies

This Quarterly report has been prepared in accordance with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) endorsed by the European Union. The designation “IFRS” also includes all valid International Accounting Standards (“IAS”), as well as all interpretations of the IFRS Interpretations Committee, formerly the Standing Interpretations Committee (“SIC”) and then the International Financial Reporting Interpretations Committee (“IFRIC”).

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 2011, other than as discussed in the following paragraph – Accounting principles, amendments and interpretations adopted from 1 January 2012.

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 2012

On 7 October 2010, the IASB issued amendments to IFRS 7 – *Financial Instruments: Disclosures*. The amendments will allow users of financial statements to improve their understanding of transfers (“derecognition”) 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. The Group is required to apply the amendments from 1 January 2012. Application of this amendment had no significant effects on the disclosures provided in this Quarterly report.

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

The European Union had not yet completed its endorsement process for these standards and amendments at the date of this Quarterly report:

- On 12 November 2009, the IASB issued a new standard IFRS 9 – *Financial Instruments* that was subsequently amended. The standard, having an effective date for mandatory adoption of 1 January 2015 retrospectively, 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. 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 20 December 2010, the IASB issued amendments to IAS 12 – *Income Taxes* which clarify the accounting for deferred tax relating to investment properties measured at fair value. The amendments introduce the presumption that the carrying amount of deferred taxes relating to investment properties measured at fair value under IAS 40 will be recovered through sale. As a result of the amendments, SIC-21 *Income Taxes – Recovery of Revalued Non-Depreciable Assets* no longer applies. These amendments are effective retrospectively for annual periods beginning on or after 1 January 2012.
- On 12 May 2011, the IASB issued IFRS 10 – *Consolidated Financial Statements* replacing SIC-12 – *Consolidation-Special Purpose Entities* and parts of IAS 27 – *Consolidated and Separate Financial Statements* (which has been renamed *Separate Financial Statements* and addresses the accounting treatment of investments in separate financial statements). The new standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The standard is effective retrospectively from 1 January 2013.
- On 12 May 2011, the IASB issued IFRS 11 – *Joint Arrangements* superseding IAS 31 – *Interests in Joint Ventures* and SIC-13 – *Jointly-controlled Entities-Non-monetary Contributions by Venturers*. The new standard provides the criteria for identifying joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form and requires a single method to account for interests in jointly-controlled entities, the equity method. The standard is effective retrospectively from 1 January 2013. Following the issue of the new standard, IAS 28 – *Investments in Associates* has been amended to include accounting for investments in jointly-controlled entities in its scope of application (from the effective date of the standard).
- On 12 May 2011, the IASB issued IFRS 12 – *Disclosure of Interests in Other Entities*, a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates, special purpose vehicles and other unconsolidated vehicles. The standard is effective for annual periods beginning after 1 January 2013.
- On 12 May 2011, the IASB issued IFRS 13 – *Fair Value Measurement*, clarifying the determination of the fair value for the purpose of the financial statements and applying to all IFRSs permitting or requiring a fair value measurement or the presentation of disclosures based on fair value. The standard is effective prospectively from 1 January 2013.
- On 16 June 2011, the IASB issued an amendment to IAS 1 – *Presentation of Financial Statements* requiring companies to group together items within Other comprehensive income that may be reclassified to the profit or loss section of the income statement. The amendment is applicable for periods beginning on or after 1 July 2012.
- On 16 June 2011, the IASB issued an amended version of IAS 19 – *Employee Benefits*. The amendments make improvements to the previous version by eliminating the option to defer the recognition of gains and losses, known as the “corridor method”, and by requiring the fund’s deficit or surplus to be presented in the statement of financial position, the components of cost relating to service and net interest to be recognised in profit or loss and actuarial gains and losses arising from the remeasurement of assets and liabilities to be recognised in Other comprehensive income. In addition, the return on assets included in net interest costs must now be calculated using the discount rate applicable to liabilities and no longer the expected return on the assets. The amendments also introduce the requirement for additional disclosures to be provided in the notes. The amended version of IAS 19 is applicable on a retrospective basis from 1 January 2013.
- On 16 December 2011, the IASB issued certain amendments to IAS 32 – *Financial Instruments: Presentation* to clarify the application of certain offsetting criteria for financial assets and financial liabilities in IAS 32. The

amendments are effective for annual periods beginning on or after 1 January 2014 and are required to be applied retrospectively.

- On 16 December 2011, the IASB issued certain amendments to IFRS 7 – *Financial Instruments: Disclosures*. The amendments require information about the effect or potential effect of netting arrangements for financial assets and liabilities on an entity's financial position. Entities are required to apply the amendments for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods. The required disclosures should be provided retrospectively.

#### SCOPE OF CONSOLIDATION

There were no significant changes in the scope of consolidation during the first quarter of 2012. In early January 2012, however, Fiat announced that the "Ecological Event" (3rd performance event established in the Amended and Restated LLC Operating Agreement) had been achieved, leading to a further 5% increase of its holding in Chrysler. Fiat now has a 58.5% ownership interest in Chrysler.

#### 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 for the first quarter 2012 by Regions and Operating Segments is as follows:

(€ million)	1 <sup>st</sup> Quarter 2012	1 <sup>st</sup> Quarter 2011 (*)
NAFTA	10,361	10
LATAM	2,564	2,259
APAC	714	108
EMEA	4,400	4,786
Luxury and Performance Brands	659	589
Components and Production Systems	1,408	1,291
Other Activities	115	167
<b>Total Net revenues</b>	<b>20,221</b>	<b>9,210</b>

(\*) The figures for the 1<sup>st</sup> quarter of 2011 do not include Chrysler, which has been consolidated from 1 June 2011.

### 2. Cost of sales

Cost of sales of the Fiat Group for the first quarter of 2012 amounts to €17,232 million (€7,909 million in the first quarter of 2011) and includes €42 million (€36 million in the first quarter of 2011) of interest cost and other financial expenses from financial services companies. Figures for the first quarter of 2011 do not include Chrysler, which has been consolidated from 1 June 2011.

### 3. Selling, general and administrative costs

Selling costs amount to €1,105 million in the first quarter of 2012 (€500 million in the first quarter of 2011) and comprise mainly marketing, advertising and sales personnel costs.

General and administrative costs amount to €561 million in the first quarter of 2012 (€288 million in the first quarter of 2011) and comprise mainly expenses for administration which are not attributable to sales, production and research and development functions.

### 4. Research and development costs

The breakdown of Research and development costs is as follows:

(€ million)	1 <sup>st</sup> Quarter 2012	1 <sup>st</sup> Quarter 2011 (*)
Research and development costs not recognised as assets	309	118
Amortisation of capitalised development costs	150	148
Write-down of costs previously capitalised	2	12
<b>Total Research and development costs</b>	<b>461</b>	<b>278</b>

(\*) The figures for the 1st quarter of 2011 do not include Chrysler, which has been consolidated from 1 June 2011.

During the period, the Group capitalised development costs of €490 million (€208 million in the first quarter of 2011).

### 5. Restructuring costs

Restructuring costs (income of €11 million) in the first quarter of 2012 relate to the release of a restructuring provision made previously by the NAFTA Region.

## 6. 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 €69 million (€55 million in the first quarter of 2011) and the costs incurred by financial services companies included in Interest cost and other financial charges from financial services companies comprised in Cost of sales for €42 million (€36 million in the first quarter of 2011).

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

(€ million)	1 <sup>st</sup> Quarter 2012	1 <sup>st</sup> Quarter 2011 (*)
Financial income:		
Interest income and other financial income	61	75
Interest income from customers and other financial income of financial services companies	69	55
Gains on disposal of securities	1	1
<b>Total financial income</b>	<b>131</b>	<b>131</b>
of which:		
Financial income, excluding financial services companies (a)	63	76
Interest expenses and other financial expenses:		
Interest expenses and other financial expenses	484	263
Write-downs of financial assets	9	12
Losses on disposal of securities	6	3
Interest costs on employee benefits provisions	34	10
<b>Total interest and other financial expenses</b>	<b>533</b>	<b>288</b>
Net (income) expenses from derivative financial instruments and exchange rate differences	(53)	(38)
<b>Total interest and other financial expenses, net (income) expenses from derivative financial instruments and exchange rate differences</b>	<b>480</b>	<b>250</b>
of which:		
Interest cost and other financial expenses, effects resulting from derivative financial instruments and exchange rate differences, excluding financial services companies (b)	438	214
<b>Net financial income (expenses) excluding financial services companies (a) – (b)</b>	<b>(375)</b>	<b>(138)</b>

(\*) The figures for the 1st quarter of 2011 do not include Chrysler, which has been consolidated from 1 June 2011.

Net financial expenses in the first quarter of 2012 (excluding the financial services companies) total €375 million. This amount includes the net financial expenses of Chrysler of €209 million (of which interest costs on employee benefit provisions of €25 million), and financial income of €38 million (€23 million in the first quarter of 2011) arising from the equity swaps on Fiat S.p.A. and Fiat Industrial S.p.A. ordinary shares relating to certain stock option plans.

## 7. Result from investments

In the first quarter of 2012 this item consists of: a net gain of €15 million arising from the Group's interest in companies accounted for using the equity method (net gain of €38 million in the first quarter of 2011), the write-downs connected with the loss in value of financial assets, any reversal of losses in value, and dividend income.

## 8. Income taxes

Income taxes consist of the following:

(€ million)	1 <sup>st</sup> Quarter 2012	1 <sup>st</sup> Quarter 2011 (*)
Current taxes:		
IRAP	18	18
Other taxes	134	115
<b>Total current taxes</b>	<b>152</b>	<b>133</b>
Deferred taxes for the period	(11)	3
Taxes relating to prior periods	-	(20)
<b>Total Income taxes</b>	<b>141</b>	<b>116</b>

(\*) The figures for the 1st quarter of 2011 do not include Chrysler, which has been consolidated from 1 June 2011.

The increase in total income taxes in the first quarter of 2012 over the same period of 2011 is mainly due to the consolidation of Chrysler, partially offset by the decrease in income taxes arising from the lower taxable profits of certain non-Italian companies. In the first quarter of 2011 Total income taxes also included non-recurring income relating to benefits arising from the recovery of prior year income taxes.

Net deferred tax assets at 31 March 2012 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 2012	At 31 December 2011
Deferred tax assets	1,687	1,690
Deferred tax liabilities	(738)	(760)
<b>Net deferred tax assets</b>	<b>949</b>	<b>930</b>

## 9. Earnings/(loss) per share

At the Special Meeting held 2 April 2012, holders of preference shares and holders of savings shares approved the mandatory conversion of 103,292,310 preference shares and of 79,912,800 savings shares into ordinary shares having the same features as those already in issue and with distribution rights accruing from 1 January 2012. The approved conversion ratio is 0.850 ordinary shares per preference share and 0.875 ordinary shares per savings share. The conversion was submitted to shareholders for approval at the extraordinary session of the General Meeting of 4 April 2012. As holders of preference and savings shares not voting in favor of the conversion may exercise their right of withdrawal for a period of 15 days after the resolution approving the conversion has been filed with the Companies' Registrar, which occurred on 13 April 2012, the conversion of the shares is subject to the maximum amount payable by the Company as a result of holders of shares exercising the right of withdrawal not exceeding an aggregate of €56 million for preference shares and of €44 million for savings shares. Until these conditions are satisfied, in order to calculate the earnings/(loss) per share, the three classes of shares outstanding at 31 December 2011 (ordinary, preference and savings shares), each with different dividend rights have been taken theoretically into consideration. For this purpose, the net result attributable to the equity holders of the parent company had 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 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 provides amounts used in calculation of earnings/(loss) per share for the two period:

		1st Quarter 2012				1st Quarter 2011			
		Ordinary shares	Preference shares	Savings shares	Total	Ordinary shares	Preference shares	Savings shares	Total
Profit attributable to owners of the parent	€ million				104				29
Theoretical preference right	€ million	-	23	17	40	-	12	17	29
Profit attributable to ordinary shares	€ million	64	-	-	64	-	-	-	-
<b>Profit attributable to each class of shares</b>	€ million	<b>64</b>	<b>23</b>	<b>17</b>	<b>104</b>	<b>-</b>	<b>12</b>	<b>17</b>	<b>29</b>
<b>Weighted average number of shares</b>	thousand	<b>1,058,112</b>	<b>103,292</b>	<b>79,913</b>	<b>1,241,317</b>	<b>1,053,754</b>	<b>103,292</b>	<b>79,913</b>	<b>1,236,959</b>
<b>Basic earnings/(loss) per share</b>	€	<b>0.061</b>	<b>0.217</b>	<b>0.217</b>		<b>-</b>	<b>0.111</b>	<b>0.217</b>	

If the above conditions relating to the conversion of preference shares and savings shares of Fiat S.p.A. into ordinary shares had been satisfied within 31 March 2012, earnings/(loss) per share for the first quarter of 2012 would have been 0.09 per ordinary share, calculated using a weighted average number of shares outstanding of 1,215,834,315 which takes into account the conversion of all the preference shares (103,292,310) and all the savings shares (79,912,800) into ordinary shares on the basis of the above conversion ratios.

For the purpose of calculating diluted earnings per share for the first quarter of 2012 and 2011, the weighted average number of ordinary shares had been increased so as also to take into consideration the theoretical effect that would arise if the stock options plans outstanding were to be exercised.

The following table provides amounts used in calculation of diluted earnings/(loss) per share for the two period:

		1 <sup>st</sup> Quarter 2012				1 <sup>st</sup> Quarter 2011			
		Ordinary shares	Preference shares	Savings shares	Total	Ordinary shares	Preference shares	Savings shares	Total
<b>Profit attributable to each class of shares</b>	€ million	<b>64</b>	<b>23</b>	<b>17</b>	<b>104</b>	<b>-</b>	<b>12</b>	<b>17</b>	<b>29</b>
<b>Weighted average number of shares</b>	thousand	<b>1,063,053</b>	<b>103,292</b>	<b>79,913</b>	<b>1,246,258</b>	<b>1,065,292</b>	<b>103,292</b>	<b>79,913</b>	<b>1,248,497</b>
<b>Diluted earnings/(loss) per share</b>	€	<b>0.061</b>	<b>0.217</b>	<b>0.217</b>		<b>-</b>	<b>0.111</b>	<b>0.217</b>	

## 10. Intangible assets

(€ million)	Net of amortisation at 31 December 2011	Additions	Amortisation	Foreign exchange effects and other changes	Net of amortisation at 31 March 2012
Goodwill	10,443	-	-	(299)	<b>10,144</b>
Development costs	3,520	490	(150)	(8)	<b>3,852</b>
Brands and Other intangible assets	4,237	30	(76)	(119)	<b>4,072</b>
<b>Total Intangible assets</b>	<b>18,200</b>	<b>520</b>	<b>(226)</b>	<b>(426)</b>	<b>18,068</b>

Goodwill consists principally of goodwill resulting from the acquisition of the control of Chrysler for €9,286 million (€9,585 million at 31 December 2011) and the purchase of certain interests in Ferrari S.p.A. for €786 million (€786 million at 31 December 2011).

Foreign exchange losses of €424 million in the first quarter of 2012 arose mainly from the devaluation of the US Dollar against the Euro.



## 11. Property, plant and equipment

(€ million)	Net of depreciation at 31 December 2011	Additions	Depreciation	Foreign exchange effects	Disposals and other changes	Net of depreciation at 31 March 2012
<b>Property, plant and equipment</b>	<b>20,785</b>	1,061	(808)	(283)	(130)	<b>20,625</b>

Additions of €1,061 million in the first quarter of 2012 mainly refer to the car mass-market operations. Foreign exchange losses of €283 million in the first quarter of 2012 arose principally from the devaluation of the US Dollar against the Euro, partially offset by the appreciation of the Polish Zloty against the Euro.

## 12. Investments and other financial assets

(€ million)	At 31 March 2012	At 31 December 2011
Investments accounted for using the equity method	1,526	1,579
Investments measured at fair value:		
Investments at fair value with changes directly in Other comprehensive income	137	116
Investments at fair value with changes in profit or loss	149	149
Investments at cost	50	55
<b>Total Investments</b>	<b>1,862</b>	<b>1,899</b>
Non-current financial receivables	317	334
Other securities	110	427
<b>Total Investments and other financial assets</b>	<b>2,289</b>	<b>2,660</b>

### *Investments accounted for using the equity method*

At 31 March 2012 Investments accounted for using the equity method total €1,526 million (€1,579 million at 31 December 2011) and include, amongst others, the following (in € million): FGA Capital S.p.A. 726 (725 at 31 December 2011), Tofas Turk Otomobil Fabrikasi A.S. 263 (272 at 31 December 2011), GAC Fiat Automobiles Co. Ltd. 105 (108 at 31 December 2011), Sevel S.p.A. 100 (100 at 31 December 2011), Sevelnord Société Anonyme 90 (89 at 31 December 2011), Rizzoli Corriere della Sera MediaGroup S.p.A. 68 (99 at 31 December 2011), VM Motori S.p.A. 38 (38 at 31 December 2011) and Fiat India Automobiles Ltd. 31 (23 at 31 December 2011).

### *Investments measured at fair value*

At 31 March 2012, Investments at fair value with changes recognised directly in Other comprehensive income, include the investment in Fiat Industrial S.p.A. for €125 million (€104 million at 31 December 2011), the investment in Fin. Priv. S.r.l. for €10 million (€10 million at 31 December 2011), the investment in Assicurazioni Generali S.p.A. of €2 million (€2 million at 31 December 2011).

Overall, at 31 March 2012 the investment in Fiat Industrial S.p.A. consists of 34,215,333 ordinary shares, corresponding to the 2.7% in the share capital of the company, (38,215,333 ordinary shares, corresponding to 3.00% of the share capital of the company at 31 December 2011) for an amount of €274 million (€253 million at 31 December 2011), of which 18,556,875 shares of Fiat Industrial S.p.A. will serve the stock option plans and are therefore measured at fair value through profit and loss for an amount of €149 million, and 15,658,458 shares are classified as available-for-sale and measured at fair value through equity, for an amount of €125 million. The decrease in the investment in Fiat Industrial S.p.A. is due to the granting to the Chief Executive Officer of the shares vested under the 2009 Stock Grant Plan.

Changes in Investments during the first quarter 2012 are as follows:

(€ million)	At 31 December 2011	Revaluations (write-downs)	Changes in the scope of consolidation	Other Changes	At 31 March 2012
<b>Investments</b>	<b>1,899</b>	15	(1)	(51)	<b>1,862</b>

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 decrease of €51 million mainly relate to dividends of €64 million distributed by companies accounted for using the equity method (of which €20 million received from FGA Capital and €40 million received from Tofas-Turk Otomobil Fabrikasi A.S.), a decrease of €27 million in the investment in Fiat Industrial S.p.A. due to the granting to the Chief Executive Officer of the shares vested under the 2009 Stock Grant Plan and the decrease of €20 million arising from the liquidation of certain minor investments, partially offset by the positive fair value adjustment of €47 million relating to the investment classified as available-for-sale, the positive changes in the cash flow hedge reserve of Tofas-Turk Otomobil Fabrikasi A.S. of €7 million, foreign exchange gains of €4 million and purchases and capitalisations of €3 million.

#### *Other securities and other financial assets*

Other securities and other financial assets include €56 million at 31 March 2012 (€58 million at 31 December 2011) relating to the value of the contractual rights arising from the acquisition of the Equity Recapture Agreement. At 31 December 2011 Other securities and other financial assets also included €320 million relating to the value of Fiat's contractual right to receive an additional 5% ownership interest in Chrysler upon the occurrence of the Ecological Event, which took place in early January 2012. As a consequence this financial asset was derecognised and Non-controlling interests were reduced by €359 million, with the Equity attributable to owners of the parent increased for the difference.

### **13. Inventories**

(€ million)	At 31 March 2012	At 31 December 2011
Raw materials, supplies and finished goods	8,238	7,555
Assets sold with a buy-back commitment	1,295	1,394
Gross amount due from customers for contract work	154	174
<b>Total Inventories</b>	<b>9,687</b>	<b>9,123</b>

Inventories rose by €564 million during the first quarter of 2012 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 Components and Production Systems Operating Segment and can be analysed as follows:

(€ million)	At 31 March 2012	At 31 December 2011
Aggregate amount of costs incurred and recognised profits (less recognised losses) to date	1,358	1,294
Less: Progress billings	(1,311)	(1,230)
<b>Construction contracts, net of advances on contract work</b>	<b>47</b>	<b>64</b>
Gross amount due from customers for contract work as an asset	154	174
Less: Gross amount due to customers for contract work as a liability included in Other current liabilities	(107)	(110)
<b>Construction contracts, net of advances on contract work</b>	<b>47</b>	<b>64</b>

#### 14. Current receivables and Other current assets

(€ million)	At 31 March 2012	At 31 December 2011
Trade receivables	3,041	2,625
Receivables from financing activities	3,839	3,968
Current tax receivables	281	369
Other current assets:		
Other current receivables	1,830	1,710
Accrued income and prepaid expenses	384	378
Total other current assets	2,214	2,088
<b>Total Current receivables and Other current assets</b>	<b>9,375</b>	<b>9,050</b>

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

Receivables from financing activities include the following:

(€ million)	At 31 March 2012	At 31 December 2011
Dealer financing	2,214	2,360
Retail financing	1,126	1,107
Finance leases	324	310
Financial receivables from companies under joint control and unconsolidated subsidiaries	49	61
Current financial receivables from jointly controlled financial services entities	23	21
Supplier financing	4	51
Other	99	58
<b>Total Receivables from financing activities</b>	<b>3,839</b>	<b>3,968</b>

Receivables from financing activities at 31 March 2012 decreased by €129 million over the period. Excluding translation exchange losses arising mainly from trends in the Euro/Brazilian Real rates, the item decreased by €86 million.

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

#### 15. Current securities

At 31 March 2012 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.

#### 16. Other financial assets and Other financial liabilities

These items include the measurement at fair value of derivative financial instruments at 31 March 2012.

In particular, the overall change in other financial assets (from €557 million at 31 December 2011 to €573 million at 31 March 2012), and in other financial liabilities (from €429 million at 31 December 2011 to €262 million at 31 March 2012), 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. and Fiat Industrial S.p.A. ordinary shares (positive for €38 million in the first quarter of 2012).

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.

At 31 March 2012 this item includes Other financial assets and Other financial liabilities of Chrysler for €91 million (€127 million at 31 December 2011) and €81 million (€100 million at 31 December 2011) respectively.

### 17. Cash and cash equivalents

At 31 March 2012, 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, and amount to €18,293 million (€17,526 million at 31 December 2011), of which €8,428 million (€7,420 million at 31 December 2011) related to cash and cash equivalents of Chrysler.

### 18. Assets held for sale

Assets held for sale, at 31 March 2012 and at 31 December 2011, include the investment in a minor company in Brazil, which was classified as held for sale on acquisition, together with certain properties allocated to the Other activities.

### 19. Equity

Consolidated shareholders' equity at 31 March 2012 decreased by €14 million from 31 December 2011, mainly due to the decrease of €320 million arising from the 5% increase of Fiat's interest in Chrysler following the occurrence of the Third Performance Event and foreign exchange losses of €176 million recognised in the cumulative translation adjustment reserve, partially offset by the profit for the period of €379 million and by an increase of €82 million in the cash flow hedge reserve.

#### *Share capital*

At 31 March 2012 fully paid-up share capital amounts to €4,465.6 million (unchanged with respect to 31 December 2011) and consists of 1,275,885,720 shares as follows:

- 1,092,680,610 ordinary shares;
- 103,292,310 preference shares;
- 79,912,800 savings shares;

All with a par value of €3.5 each.

As discussed in Note 9, at a general meeting held 2 April 2012 holders of preference shares and holders of savings shares approved the mandatory conversion of 103,292,310 preference shares and of 79,912,800 savings shares into ordinary shares having the same features as those already in issue and with distribution rights accruing from 1 January 2012. The approved conversion ratio is 0.850 ordinary shares per preference share and 0.875 ordinary shares per savings share. The conversion was submitted to shareholders for approval at the extraordinary session of the general meeting of 4 April 2012. As holders of preference and savings shares not voting in favour of the conversion may exercise their right of withdrawal for a period of 15 days after the resolution approving the conversion has been filed with the Companies' Registrar, which occurred on 13 April 2012, the conversion of the shares is subject to the maximum amount payable by the Company as a result of holders of shares exercising the right of withdrawal not exceeding an aggregate of €56 million for preference shares and of €44 million for savings shares. Fiat S.p.A. will communicate the number of shares for which the right of withdrawal has been exercised and on that basis confirm whether or not the conversion will proceed by means of a public announcement made within 10 business days of the expiry date of the withdrawal period. Following the conversion of the preference and savings shares the par value per share of ordinary shares will increase to €3.58 through the utilisation of €10.8 million from the share premium reserve, resulting in total share capital increasing to €4,476.4 million.

### Treasury shares

Treasury shares consist of 34,568,458 Fiat S.p.A. ordinary shares for an amount of €259 million (38,568,458 ordinary shares for an amount of €289 million at 31 December 2011).

The number of Treasury shares has decreased by 4,000,000 over 31 December 2011 due the granting to the Chief Executive Officer of the shares vested under the 2009 Stock Grant Plan (see Note 25 of the Consolidated Financial Statements at 31 December 2011).

In addition at their annual general meeting of 4 April 2012 shareholders renewed their authorisation for the purchase and sale of treasury shares, including through subsidiaries. The previous authorisation provided on 30 March 2011 was revoked. The authorisation provides 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 value of €1.2 billion, inclusive of the €259 million in Fiat shares already held. Under that authorisation, Fiat may also purchase, as it deems appropriate, preference and savings shares from special shareholders exercising their right of withdrawal in relation to the conversion. As announced, the buy-back program is currently on hold and Fiat has no obligation to buy back shares under the authorisation. The buy-back authorisation is valid for a period of 18 months and any buy-backs must be carried out in the manner established by law and at a price which is within 10% of the reference price published by Borsa Italiana on the date prior to the purchase, with the exception of shares purchased from shareholders exercising their right of withdrawal in relation to which the price established under article 2437-ter of the Italian civil code shall apply.

### Other comprehensive income

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

(€ million)	1st Quarter 2012	1st Quarter 2011
Gains/(Losses) on cash flow hedging instruments arising during the period	107	101
Gains/(Losses) on cash flow hedging instruments reclassified to profit or loss	(18)	(25)
<b>Gains/(Losses) on cash flow hedging instruments</b>	<b>89</b>	<b>76</b>
Gains/(losses) on available-for-sale financial assets arising during the period	22	19
Gains/(losses) on available-for-sale financial assets reclassified to profit or loss	-	-
<b>Gains/(Losses) on the remeasurement of available-for-sale financial assets</b>	<b>22</b>	<b>19</b>
Exchange gains/(losses) on translating foreign operations arising during the period	(175)	(138)
Exchange gains/(losses) on translating foreign operations reclassified to profit or loss	-	-
<b>Exchange gains/(losses) on translating foreign operations</b>	<b>(175)</b>	<b>(138)</b>
Share of Other comprehensive income of entities accounted for using the equity method arising during the period	(5)	(28)
Share of Other comprehensive income of entities accounted for using the equity method reclassified to profit or loss	8	(8)
<b>Share of Other comprehensive income of entities accounted for using the equity method</b>	<b>3</b>	<b>(36)</b>
<b>Tax effect of the other components of Other comprehensive income</b>	<b>(14)</b>	<b>(15)</b>
<b>Total Other comprehensive income, net of tax</b>	<b>(75)</b>	<b>(94)</b>

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.

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

(€ million)	1st Quarter 2012			1st Quarter 2011		
	Pre-tax balance	Tax income (expense)	Net balance	Pre-tax balance	Tax income (expense)	Net balance
Gains/(losses) on cash flow hedging instruments	89	(14)	75	76	(16)	60
Gains/(losses) on the remeasurement of available-for-sale financial assets	22	-	22	19	1	20
Exchange gains/(losses) on translating foreign operations	(175)	-	(175)	(138)	-	(138)
Share of Other comprehensive income of entities accounted for using the equity method	3	-	3	(36)	-	(36)
<b>Total Other comprehensive income</b>	<b>(61)</b>	<b>(14)</b>	<b>(75)</b>	<b>(79)</b>	<b>(15)</b>	<b>(94)</b>

## 20. Provisions

(€ million)	At 31 March 2012	At 31 December 2011
Employee benefits	6,781	7,026
Other provisions:		
Warranty provision	3,549	3,530
Restructuring provision	303	340
Investment provision	24	24
Other risks	4,715	4,704
Total Other provisions	8,591	8,598
<b>Total Provisions</b>	<b>15,372</b>	<b>15,624</b>

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

Reserves for risks and charges and other reserves amount to €8,591 million at 31 March 2012 (€8,598 million at 31 December 2011) and include provisions for contractual, commercial and legal risks.

## 21. Debt

(€ million)	At 31 March 2012	At 31 December 2011
Asset-backed financing	459	710
Other debt:		
Bonds	12,859	11,684
Borrowings from banks	7,688	7,583
Payables represented by securities	4,954	4,957
Other	1,848	1,838
Total Other debt	27,349	26,062
<b>Total Debt</b>	<b>27,808</b>	<b>26,772</b>

Debt increased by €1,036 million over the quarter to 31 March 2012 mainly due to the issue of bonds for €1,202 million. At 31 March 2012 Debt includes €10,373 million (€10,537 million at 31 December 2011) of Chrysler debt.

At 31 March 2012 debt secured by assets of the Fiat Group excluding Chrysler amounts to €365 million (€372 million at 31 December 2011), of which €279 million (€281 million at 31 December 2011) due to creditors for assets acquired under finance leases.

At 31 March 2012 debt secured by assets of Chrysler amounts to €5,579 million (€5,751 million at 31 December 2011), and includes €4,626 million (€4,780 million at 31 December 2011) relating to the principal amount of the Secured

Senior Notes and the Senior Secured Credit Facility (Tranche B Term Loan and the Revolving Credit Facility, which at 31 March 2012 was undrawn), €196 million (€205 million at 31 December 2011) was due to creditors for assets acquired under finance leases and other debt and financial commitments, principally government loans, for €757 million (€766 million at 31 December 2011).

### Bonds

The principal bond issues outstanding at 31 March 2012 are as follows:

	Currency	Face value of outstanding bonds (in million)	Coupon	Maturity	Outstanding amount (€ million)
<b>Global Medium Term Notes:</b>					
Fiat Finance and Trade Ltd S.A. (1)	EUR	1,250	9.000%	30 July 2012	1,250
Fiat Finance and Trade Ltd S.A. (1)	EUR	200	5.750%	18 December 2012	200
Fiat Finance and Trade Ltd S.A. (1)	EUR	900	6.125%	8 July 2014	900
Fiat Finance and Trade Ltd S.A. (1)	EUR	1,250	7.625%	15 September 2014	1,250
Fiat Finance and Trade Ltd S.A. (1)	EUR	1,500	6.875%	13 February 2015	1,500
Fiat Finance and Trade Ltd S.A. (2)	CHF	425	5.000%	7 September 2015	353
Fiat Finance and Trade Ltd S.A. (1)	EUR	1,000	6.375%	1 April 2016	1,000
Fiat Finance and Trade Ltd S.A. (1)	EUR	850	7.000%	23 March 2017	850
Fiat Finance North America Inc. (1)	EUR	1,000	5.625%	12 June 2017	1,000
Fiat Finance and Trade Ltd S.A. (1)	EUR	600	7.375%	9 July 2018	600
Other (3)					7
<b>Total Global Medium Term Notes</b>					<b>8,910</b>
<b>Other bonds:</b>					
Fiat Finance and Trade Ltd S.A. (1)	EUR	1,000	6.625%	15 February 2013	1,000
Chrysler Group LLC (Senior Secured Notes) (4)	USD	1,500	8.000%	15 June 2019	1,123
Chrysler Group LLC (Senior Secured Notes) (4)	USD	1,700	8.250%	15 June 2021	1,273
<b>Total Other bonds</b>					<b>3,396</b>
<b>Hedging effect and amortised cost valuation</b>					<b>553</b>
<b>Total Bonds</b>					<b>12,859</b>

(1) Bond for which a listing on the Irish Stock Exchange was obtained.

(2) Bond for which a listing on the SIX Swiss Exchange was obtained.

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

(4) The Secured Senior Notes were issued at par on 24 May 2011 and initially sold in a private placement to qualified institutional buyers and non-US persons as defined by US Securities Act. On 29 December 2011, in accordance with the indenture, Chrysler commenced an offer to exchange the New Secured Senior Notes outstanding for notes having substantially identical terms as those originally issued and the same principal amount but will not contain restrictions on transfer. The offer to exchange the Secured Senior Notes expired on 1 February 2012. Substantially all of the Notes were tendered for New Secured Senior Notes.

Changes in bonds during the first quarter of 2012 are mainly due to:

- the issue by Fiat Finance and Trade Ltd S.A. as part of the Global Medium Term Notes Programme of guaranteed 5.00% notes at par having a principal of CHF 425 million and due September 2015;
- the issue by Fiat Finance and Trade Ltd S.A. as part of the Global Medium Term Notes Programme of guaranteed 7.00% notes at par having a principal of € 850 million and due March 2017.

The bonds issued by Fiat Group are subject to different terms and conditions, which vary by issuer and, in some cases, by individual issuance. Further information about these bonds is included in Note 28 to the Consolidated Financial Statements at 31 December 2011. The prospectuses and offering circulars, or their abstracts, relating to the principal bond issues are available on the Group's website at [www.fiatspa.com](http://www.fiatspa.com) under "Investor Relations – Financial Reports" and at [www.chryslergroupllc.com](http://www.chryslergroupllc.com) under "Investor Relations – SEC filings". These documents are unaudited.

The Fiat Group intends to repay the bonds issued by Fiat Finance and Trade Ltd S.A. and by Fiat Finance North America Inc. in cash at maturity by utilising 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. Chrysler may at any time redeem all or any portion of the Secured Senior Notes on not less than 30 and not more than 60 days' prior notice mailed to the holders of the Notes to be redeemed at conditions indicated in Note 28 to the Consolidated Financial Statements at 31 December 2011.

#### *Borrowing from banks*

At 31 March 2012, the item Borrowings from banks includes for €2,254 million (€2,333 million at 31 December 2011) a \$3 billion term loan ("Tranche B Term Loan") that is repayable in quarterly instalments of principal amount of \$7.5 million, with the remaining balance of \$2,827.5 million due in May 2017.

Medium/Long term committed credit lines (expiring after twelve months) currently available to Fiat Group excluding Chrysler amount to approximately €3 billion at 31 March 2012, of which €2 billion were undrawn. This amount does not include credit lines to fund scheduled investments of the Group's operating entities with residual expiry after twelve months, of which €0.5 billion was still undrawn at 31 March 2012. Further information on the Medium/Long term committed credit lines is included in Note 28 to the Consolidated Financial Statements at 31 December 2011.

At 31 March 2012, Chrysler has secured a revolving credit facility ("Revolving Credit Facility") amounting approximately to €1 billion (\$1.3 billion), undrawn at that date and maturing in May 2016.

#### *Payables represented by securities*

At 31 March 2012, the Payables represented by securities includes the VEBA Trust Note of €3,868 million (€3,908 million at 31 December 2011), and the Canadian Health Care Trust Notes totalling €821 million (€820 million at 31 December 2011). Further information on this debt is included in Note 28 to the Consolidated Financial Statements at 31 December 2011.

## **22. Trade payables**

Trade payables of €16,806 million at 31 March 2012 increased by €388 million from the amount at 31 December 2011.

## **23. Other current liabilities**

At 31 March 2012 Other payables include €1,530 million of amounts payable to customers relating to buy-back agreements (€1,681 million at 31 December 2011) and accrued expenses and deferred income of €1,859 million (€1,737 million at 31 December 2011).

## **24. Guarantees granted, commitments and contingent liabilities**

#### *Guarantees granted*

At 31 March 2012 the Group had outstanding guarantees granted on the debt or commitments of third parties or unconsolidated subsidiaries jointly controlled and associated entities totalling €60 million (€70 million at 31 December 2011).

#### *Other commitments and important contractual rights*

The Fiat Group has important commitments and rights derived from outstanding agreements. These commitments and rights are described in Note 32 of the Consolidated Financial Statements at 31 December 2011, to which reference should be made, insofar as no changes occurred in the first quarter of 2012. In particular, these involve commitments and rights regarding:

- relations of Fiat with Renault concerning the subsidiary Teksid;
- investment of Fiat in Chrysler Group LLC;



- relations of Fiat with General Motors concerning the joint venture VM Motori S.p.A.

#### *Lawsuits and controversies*

The Parent Company and certain subsidiaries are party to various lawsuits and disputes. Nevertheless, it is believed that the resolution of these disputes 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 2012 amounting to €3,861 million (€3,858 million at 31 December 2011, with due dates beyond that date), which refer to trade receivables and other receivables for €2,931 million (€3,031 million at 31 December 2011) and financial receivables for €930 million (€827 million at 31 December 2011). The amount includes receivables, mostly due from the sales network, of €2,350 million (€2,495 million at 31 December 2011) sold to jointly controlled financial services companies (FGA Capital).

## **25. Information by business sector**

As a result of the acquisition of the majority ownership of Chrysler Group and consistent with the objective of enhancing the operational integration of Fiat and Chrysler, and as already announced, Fiat has undertaken significant organizational changes that became effective from 1 September 2011. The new organization of the Mass-market Brands is based on four Operating Regions (the “Regions”) that deal with the development, production and sale of “mass-market brand” passenger cars, light commercial vehicles and related parts and services in specific geographical areas: NAFTA (U.S., Canada and Mexico), LATAM (South and Central America, excluding Mexico) APAC (Asia and Pacific countries) and EMEA (Europe, Middle East and Africa). In addition, there are two further Operating Segments, the first which designs, manufactures and sells luxury and performance cars (Ferrari and Maserati) and the other that produces and sells components and production systems for the automotive industry (Magneti Marelli, Teksid and Comau). Both segments operate on a worldwide basis.

Under the Group’s new organization, these Regions and Operating segments reflect the elements of the Group that are regularly reviewed by the Group’s Chief Executive Officer together with the Group Executive Council for making strategic decisions, allocating resources and assessing performance. The Group Executive Council was formed on September 1, 2011 and includes the senior operating and corporate leadership of Fiat and Chrysler.

Based on the new structure of the Group, beginning with the first quarter of 2012, the operations of the mass-market brands, which were previously reported under the sectors Fiat Group Automobiles, Fiat Powertrain and Chrysler, are now attributed to the four Regions as described above. The Luxury and Performance Brands, as well as the Components and Production Systems sectors are reported under two groupings based on their similarities and relative size. The figures for the first quarter of 2011 presented for comparative purposes have been restated accordingly.

In more details, the Regions and the Operating segments identified by the Group are the following:

- NAFTA earns its revenues from the design, development, production, distribution and sale of automobiles under the Dodge, Jeep, Ram and Chrysler and Fiat brand names, and from sales of the related parts and accessories (under the Mopar brand name) in the United States, Canada and Mexico.
- LATAM mainly earns its revenues from the production and sale of passenger cars and light commercial vehicles and related spare parts under the Fiat and Fiat Professional brand names in South and Central America, excluding Mexico, and from the distribution of Chrysler Group brand cars in the same region; in addition, it provides financial services to the dealer network in Brazil and Argentina, and to the dealer network and end customers of Fiat Industrial Group for the sale of trucks and commercial vehicles in the same countries.
- APAC mainly earns its revenues from the sale of cars, engines and transmissions and related spare parts under the Chrysler Group and Fiat brands mostly in China, Japan, Australia and India. These activities are carried out by the Region through both subsidiaries and joint ventures.

- EMEA earns its revenues from the design, development, production and sale of passenger cars and light commercial vehicles under the Fiat, Alfa Romeo, Lancia/Chrysler, Abarth and Fiat Professional brand names and the sale of the related spare parts in Europe, Middle East and Africa, and from the distribution of Chrysler Group vehicles in the same areas. In addition, the Region provides financial services related to the sale of cars and light commercial vehicles in Europe, primarily through the 50/50 joint venture FGA Capital set up with the Crédit Agricole group.
- The Luxury and Performance Brands grouping (Ferrari and Maserati sectors) earns its revenues from the production and sale of luxury sport cars under the Ferrari and Maserati brands, from managing the Ferrari racing team and from providing financial services offered in conjunction with the sale of Ferrari brand cars.
- The Components and Production Systems (Magnetit Marelli, Teksid and Comau) grouping earns its revenues from the production and sale of lighting components, engine control units, suspensions, shock absorbers, electronic systems, and exhaust systems and from activities in the plastic moulding components and in the after-market carried out under the Magnetit Marelli brand name, cast iron components for engines, gearboxes, transmissions and suspension systems, and aluminium cylinder heads (Teksid), in addition to the design and production of industrial automation systems and related products for the automotive sector (Comau).

The measure used to assess profit and loss for each Region and Operating Segments is Operating profit/(loss). Trading profit/(loss) is reported as a specific part of Operating profit/(loss) to separate out from the operating profit or loss attributable to the segments the income and expense that is non-recurring in the ordinary course of business, such as gains and losses on the disposals of investments or restructuring costs. From the first quarter of 2012 the Group started to measure the performance of its Regions and Operating Segments based also on “EBIT” which is defined as the Operating Profit/(loss) plus the Result from investments.

Transactions among Region generally are presented on a “where-sold” basis, which reflects the profit/(loss) on the ultimate sale to the external customer sale within the Region. This presentation generally eliminates the effect of the legal entity transfer price within the Regions. For the Regions which also provide financial services activities, revenues and costs also include interest income and expense and other financial income and expense arising from those activities.

Revenues, Trading profit/(loss), Operating profit/(loss) and EBIT of the other Operating Segments are those directly generated by or attributable to the segment as the result of its usual business activities and include revenues from transactions with third parties as well as those arising from transactions with Regions and other Operating Segments, recognised at normal market prices. For Luxury and Performance Brands segment which also provides financial services activities, revenues and costs include interest income and expense, and other financial income and expense arising from those activities.

Other activities include the result of the activities and businesses that are not an Operating Segment under IFRS 8, the Unallocated items and adjustments include consolidation adjustments and eliminations in addition to financial income and expense and income taxes that are not attributable to the performance of the segments and are subject to separate assessment by the Chief Executive Officer. However Chrysler Group currently has, and is expected to continue to have, separate fiscal and treasury management, including funding and cash management.

Starting from the first quarter of 2012, operating assets are no longer included in the data reviewed by the Chief Executive Officer, consequently, as permitted by IFRS 8, the related information is not provided.

Details of the income statement by segments in the first quarter of 2012 and 2011 are as follows:

(€ million)	Car Mass-Market brands								Fiat Group	Of which: Fiat Group excluding Chrysler
	NAFTA	LATAM	APAC	EMEA	Performance and Luxury Brands	Components and Production Systems	Other activities	Unallocated items & adjustments		
<b>1st Quarter 2012</b>										
<b>Segment revenues</b>	10,375	2,587	714	4,508	660	2,015	217	(855)	<b>20,221</b>	<b>8,685</b>
Revenues from transactions with Regions and other Operating segments	(14)	(23)	-	(108)	(1)	(607)	(102)	855	-	(157)
<b>Revenues from external customers</b>	<b>10,361</b>	<b>2,564</b>	<b>714</b>	<b>4,400</b>	<b>659</b>	<b>1,408</b>	<b>115</b>	-	<b>20,221</b>	<b>8,528</b>
<b>Trading profit/(loss)</b>	<b>670</b>	<b>235</b>	<b>77</b>	<b>(207)</b>	<b>71</b>	<b>36</b>	<b>(10)</b>	<b>(6)</b>	<b>866</b>	<b>(6)</b>
Unusual income/(expense)	11	-	-	1	-	-	-	(1)	11	-
<b>Operating profit/(loss)</b>	<b>681</b>	<b>235</b>	<b>77</b>	<b>(206)</b>	<b>71</b>	<b>36</b>	<b>(10)</b>	<b>(7)</b>	<b>877</b>	<b>(6)</b>
Profit/(loss) from investments	-	-	8	36	-	-	(26)	-	18	18
<b>EBIT</b>	<b>681</b>	<b>235</b>	<b>85</b>	<b>(170)</b>	<b>71</b>	<b>36</b>	<b>(36)</b>	<b>(7)</b>	<b>895</b>	<b>12</b>
Financial income/(expense)								(375)	(375)	(166)
<b>Profit/(loss) before taxes</b>								-	<b>520</b>	<b>(154)</b>
Income taxes								141	141	119
<b>Profit/(loss) for the period</b>								-	<b>379</b>	<b>(273)</b>

(€ million)	Car Mass-Market brands								Fiat Group	Of which: Fiat Group excluding Chrysler
	NAFTA	LATAM	APAC	EMEA	Performance and Luxury Brands	Components and Production Systems	Other activities	Unallocated items & adjustments		
<b>1st Quarter 2011</b>										
<b>Segment revenues</b>	<b>10</b>	2,273	108	4,923	592	1,975	248	(919)	<b>9,210</b>	<b>9,210</b>
Revenues from transactions with Regions and other Operating segments	-	(14)	-	(137)	(3)	(684)	(81)	919	-	-
<b>Revenues from external customers</b>	<b>10</b>	<b>2,259</b>	<b>108</b>	<b>4,786</b>	<b>589</b>	<b>1,291</b>	<b>167</b>	-	<b>9,210</b>	<b>9,210</b>
<b>Trading profit/(loss)</b>	<b>-</b>	<b>285</b>	<b>(6)</b>	<b>(129)</b>	<b>62</b>	<b>38</b>	<b>(11)</b>	<b>12</b>	<b>251</b>	<b>251</b>
Unusual income/(expense)	-	-	-	(1)	-	-	1	-	-	-
<b>Operating profit/(loss)</b>	<b>-</b>	<b>285</b>	<b>(6)</b>	<b>(130)</b>	<b>62</b>	<b>38</b>	<b>(10)</b>	<b>12</b>	<b>251</b>	<b>251</b>
Profit/(loss) from investments	-	-	(6)	43	-	(2)	4	1	40	40
<b>EBIT</b>	<b>-</b>	<b>285</b>	<b>(12)</b>	<b>(87)</b>	<b>62</b>	<b>36</b>	<b>(6)</b>	<b>13</b>	<b>291</b>	<b>291</b>
Financial income/(expense)								(138)	(138)	(138)
<b>Profit/(loss) before taxes</b>								-	<b>153</b>	<b>153</b>
Income taxes								116	116	116
<b>Profit/(loss) for the period</b>								-	<b>37</b>	<b>37</b>

(\*) The figures for the 1st quarter of 2011 do not include Chrysler, which has been consolidated from 1 June 2011.

Unallocated items, and in particular financial income /(expenses), are not attributed to the Regions and Operating Segments as they do not fall under the scope of their operational responsibilities and are therefore assessed separately. These items arise from the management of treasury assets and liabilities by the treasuries of the Fiat Group and of the Chrysler Group, which work independently and separately within the Group. The Group's treasury assets and liabilities are as follows, as also reported in the section Operating Performance:

(€ million)	Notes	31.03.2012			31.12.2011		
		Fiat Group with Chrysler	Chrysler	Fiat Group excluding Chrysler	Fiat Group with Chrysler	Chrysler	Fiat Group excluding Chrysler
Debt:	(21)	(27,808)	(10,373)	(17,444)	(26,772)	(10,537)	(16,245)
Asset-backed financing	(21)	(459)	(16)	(443)	(710)	(31)	(679)
Other debt	(21)	(27,349)	(10,357)	(17,001)	(26,062)	(10,506)	(15,566)
Current financial receivables from jointly-controlled financial services companies (a)		23	-	23	21	-	21
Intersegment financial receivables (b)		-	9	-	-	10	-
<b>Debt, net of current financial receivables from jointly-controlled financial services companies</b>		<b>(27,785)</b>	<b>(10,364)</b>	<b>(17,421)</b>	<b>(26,751)</b>	<b>(10,527)</b>	<b>(16,224)</b>
Other financial assets (c)	(16)	573	91	482	557	127	430
Other financial liabilities (c)	(16)	(262)	(81)	(181)	(429)	(100)	(329)
Current securities	(15)	212	-	212	199	-	199
Cash and cash equivalents	(17)	18,293	8,428	9,865	17,526	7,420	10,106
<b>Net debt</b>		<b>(8,969)</b>	<b>(1,926)</b>	<b>(7,043)</b>	<b>(8,898)</b>	<b>(3,080)</b>	<b>(5,818)</b>
<b>Industrial Activities</b>		<b>(5,772)</b>	<b>(1,926)</b>	<b>(3,846)</b>	<b>(5,529)</b>	<b>(3,080)</b>	<b>(2,449)</b>
<b>Financial Services</b>		<b>(3,197)</b>	<b>-</b>	<b>(3,197)</b>	<b>(3,369)</b>	<b>-</b>	<b>(3,369)</b>
Cash, cash equivalents and current securities		18,505	8,428	10,077	17,725	7,420	10,305
Undrawn committed credit lines		2,923	973	1,950	2,955	1,005	1,950
<b>Total available liquidity</b>		<b>21,428</b>	<b>9,401</b>	<b>12,027</b>	<b>20,680</b>	<b>8,425</b>	<b>12,255</b>

(a) Includes current financial receivables from FGA Capital

(b) Includes the value of intercompany agreements recognized as finance leases (IFRIC 4)

(c) Includes fair value of derivative financial instruments

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

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

	1 <sup>st</sup> Quarter 2012		At 31 December 2011 <sup>i</sup>	1 <sup>st</sup> Quarter 2011	
	Average	At 31 March	At 31 December	Average	At 31 March
Brazilian Real	2.317	2.432	2.416	2.280	2.306
Polish Zloty	4.233	4.152	4.458	3.946	4.011
Argentine Peso	5.687	5.839	5.561	5.487	5.750
US Dollar	1.311	1.336	1.294	1.368	1.421
Pound Sterling	0.834	0.834	0.835	0.854	0.884
Swiss Franc	1.208	1.205	1.216	1.287	1.301

## **27. Other information**

During the first quarter of 2012, the Fiat Group excluding Chrysler had an average number of employees of 141,601 compared to an average of 138,362 employees during the first quarter of 2011. Chrysler had an average of 57,506 employees during the first quarter of 2012.

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*The manager responsible for preparing the Company's financial reports, Richard Palmer, declares, 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.*