

## **FIAT BOARD OF DIRECTORS MEETING: 2009 ANNUAL REPORT AND CALLING OF THE ANNUAL GENERAL MEETING**

The Board of Directors of Fiat S.p.A. met in Turin today, under the chairmanship of Luca Cordero di Montezemolo, to:

- approve the Group's 2009 consolidated financial statements which confirm trading profit of €1,058 million and a net loss of €848 million as announced on 25 January 2010;
- approve the Statutory accounts of Fiat S.p.A., which report net profit of €340 million for 2009 and, as already announced, the proposal to Shareholders for payment of a dividend of €0.17 per ordinary share, €0.31 per preference share and €0.325 per savings share;
- call a General Meeting of Shareholders in Turin for the 25<sup>th</sup> or 26<sup>th</sup> of March 2010 (first call and second call, respectively) to vote on the following:
  - motion for approval of the Statutory accounts for the year ended 31 December 2009 and allocation of profit for the year;
  - renewal of Shareholder approval for the purchase and disposal of Fiat shares which expires on 27 September 2010;
  - modification of the 2009-2010 Incentive Plan.

Given the Company's shareholder composition, it is expected that the General Meeting will be regularly convened on March 26<sup>th</sup>.

The consolidated financial statements, as announced on January 25<sup>th</sup>, report a trading profit of €1,058 million and a net loss (including non-controlling interests) of €848 million. For 2008, trading profit was €3,362 million and net profit was €1,721 million. Excluding the impact of unusual items, there would have been a net loss for 2009 of €267 million. At 31 December 2009, consolidated equity (including non-controlling interests) totalled €11,115 million (€11,101 million at 31 December 2008).

Fiat S.p.A.'s Statutory accounts for the year ended 31 December 2009 report a net profit of €340 million. Dividends received, totalling €1,260 million, were partially offset by an €858 million impairment loss on investments, in addition to financial charges and net operating costs. At 31 December 2009, equity (including non-controlling interests) totalled €12,487 million (€12,170 million at 31 December 2008).

As a consequence of the normalisation of capital markets as sources of funding for the Group, and in the conviction in the Group's ability to continue to generate earnings, albeit in a significantly different trading market context, the Board, taking into due consideration the requirements of law and the Company By-laws, voted to propose to Shareholders at the Annual General Meeting that they approve a dividend of €0.17 per ordinary share, €0.31 per preference share and €0.325 per savings share, representing a total €244 million pay-out (€237 million excluding own shares currently held by the Group). This amount represents approximately 30% of the combined 2008 consolidated net income and the 2009 consolidated net loss. The dividend will be payable from April 22<sup>nd</sup>, with the coupon date being April 19<sup>th</sup>.

Although the share buy-back programme was placed on hold at the beginning of 2009, the Board of Directors, in consideration of the fact that the current authorisation expires on 27 September 2010 and to maintain the necessary operating flexibility for an adequate period, has decided to propose to Shareholders at the Annual General Meeting that the Programme be renewed for a period of 18 months and for a maximum amount of shares for the three share classes not to exceed 10% of share capital or approximately €1.1 billion. Should renewal of the Programme be approved, the Company would, however, have no obligation to buyback shares.

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

Turin , 16 February 2010

# INCOME STATEMENT of FIAT S.p.A.

## Unaudited

(figures in €)	2009	2008
Dividends and other income from investments	1,259,831,240	874,279,556
Impairment (losses)/reversals on investments	(858,000,000)	(7,000,000)
Gains/(losses) on disposals	-	181,180
Other operating income	75,431,036	70,049,180
Personnel costs	(31,587,673)	(37,697,392)
Other operating costs	(85,905,353)	(114,432,580)
Gains/(losses) from non-recurring transactions	-	879,482,850
Financial income/(expense)	(13,690,556)	(421,675,462)
<b>PROFIT/(LOSS) BEFORE TAXES</b>	<b>346,078,694</b>	<b>1,243,187,332</b>
Income taxes	(6,115,156)	(44,041,611)
<b>PROFIT/(LOSS) FROM CONTINUING OPERATIONS</b>	<b>339,963,538</b>	<b>1,199,145,721</b>
Profit/(loss) from discontinued operations	-	-
<b>PROFIT/(LOSS)</b>	<b>339,963,538</b>	<b>1,199,145,721</b>

# STATEMENT OF COMPREHENSIVE INCOME of FIAT S.p.A.

## Unaudited

(€ thousand)	2009	2008
<b>PROFIT/(LOSS) (A)</b>	<b>339,964</b>	<b>1,199,146</b>
Gains/(losses) recognised directly in fair value reserve (investments in other companies)	3,071	(15,553)
Difference arising from the partial spin-off of Fiat Partecipazioni S.p.A. in favour of Fiat S.p.A.	-	39,194
Income tax relating to components of other comprehensive income	-	-
<b>TOTAL OTHER COMPREHENSIVE INCOME, NET OF TAX (B)</b>	<b>3,071</b>	<b>23,641</b>
<b>TOTAL COMPREHENSIVE INCOME (A)+(B)</b>	<b>343,035</b>	<b>1,222,787</b>

(\*) Statement presented beginning 2009 in application of the revision to IAS 1. In addition to profit or loss for the period (sub-total A), this statement also includes profit or loss recognised directly in equity (sub-total B).

# STATEMENT OF FINANCIAL POSITION of FIAT S.p.A.

*Unaudited*

(figures in €)	Note	At 31 December 2009	At 31 December 2008
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	(10)	312,952	375,027
Property, plant and equipment	(11)	31,444,524	33,023,620
Investments	(12)	13,990,570,445	14,444,736,795
Other financial assets	(13)	26,887,235	20,637,109
Other non-current assets	(14)	203,339	244,404
Deferred tax assets	(9)	-	-
<b>Total Non-current Assets</b>		<b>14,049,418,495</b>	<b>14,499,016,955</b>
<b>CURRENT ASSETS</b>			
Inventory	(26)	-	-
Trade receivables	(15)	60,015,344	185,291,742
Current financial receivables	(16)	646,074,366	-
Other current receivables	(17)	198,923,165	905,058,254
Cash and cash equivalents	(18)	473,678	494,707
<b>Total Current Assets</b>		<b>905,486,553</b>	<b>1,090,844,703</b>
Assets held for sale		-	-
<b>TOTAL ASSETS</b>		<b>14,954,905,048</b>	<b>15,589,861,658</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	(19)	6,377,262,975	6,377,262,975
Additional paid-in capital		1,540,884,892	1,540,884,892
Legal reserve		699,460,149	639,502,863
Other reserves and retained profit		4,185,828,196	3,069,500,046
Treasury shares		(656,553,154)	(656,553,154)
Profit/(loss) for the period		339,963,538	1,199,145,721
<b>Total Equity</b>		<b>12,486,846,596</b>	<b>12,169,743,343</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions for employee benefits and other non-current provisions	(20)	25,441,360	26,418,516
Non-current financial liabilities	(21)	1,816,781,700	1,810,531,500
Other non-current liabilities	(22)	14,351,219	15,114,836
Deferred tax liabilities	(9)	-	5,858,282
<b>Total Non-current Liabilities</b>		<b>1,856,574,279</b>	<b>1,857,923,134</b>
<b>Current liabilities</b>			
Provisions for employee benefits and other current provisions	(23)	8,464,485	6,345,608
Trade payables	(24)	156,249,422	218,235,215
Current financial liabilities	(25)	156,711,975	553,132,702
Other payables	(26)	290,058,291	784,481,656
<b>Total Current Liabilities</b>		<b>611,484,173</b>	<b>1,562,195,181</b>
Liabilities held for sale		-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>14,954,905,048</b>	<b>15,589,861,658</b>

# STATEMENT OF CASH FLOWS of FIAT S.p.A.

*Unaudited*

(€ thousand)	2009	2008
<b>A) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	<b>495</b>	<b>524</b>
<b>B) CASH FROM/(USED IN) OPERATING ACTIVITIES DURING THE YEAR:</b>		
Profit/(loss) for the period	339,964	1,199,146
Amortisation and depreciation	1,706	1,862
Non-cash cost of stock option plans	4,659	9,123
Impairment losses/(reversals) on investments	858,000	7,000
Fair value adjustment to equity swaps on Fiat shares (a)	(116,992)	270,880
Losses/(gains) on disposals	-	(879,884)
Change in provisions for employee benefits and other provisions	1,141	11,334
Change in deferred taxes	(5,858)	1,601
Change in working capital	274,280	184,605
<b>TOTAL</b>	<b>1,356,900</b>	<b>805,667</b>
<b>C) CASH FROM/(USED IN) INVESTING ACTIVITIES:</b>		
Investments relating to:		
Recapitalisation of subsidiaries	(406,467)	(350,000)
Reduction of investments relating to:		
Capital reductions and distribution of reserves by subsidiaries	-	-
Proceeds from disposals	-	611
Other (investments) disposals, net (b)	(6,429)	878,773
<b>TOTAL</b>	<b>(412,896)</b>	<b>529,384</b>
<b>D) CASH FROM/(USED IN) FINANCING ACTIVITIES:</b>		
Change in current financial assets	(606,947)	1,077,528
Change in non-current financial liabilities	6,251	(998,857)
Change in current financial liabilities	(318,556)	(666,539)
Increase in share capital	-	-
Purchase of own shares	-	(238,531)
Sale of own shares	-	738
Dividends paid	(24,773)	(509,419)
<b>TOTAL</b>	<b>(944,025)</b>	<b>(1,335,080)</b>
<b>E) TOTAL CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(21)</b>	<b>(29)</b>
<b>F) CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>474</b>	<b>495</b>

(\*) Amounts in the Statement of Cash Flows for 2008 are stated net of the effects of the Partial Spin-off of Fiat Partecipazioni S.p.A. in favour of Fiat S.p.A., which was cash neutral.

(a) To provide a clearer presentation, beginning in 2009 the fair value adjustment to equity swaps on Fiat shares has been shown separately as a non-cash component of profit and loss. For consistency, amounts for 2008 have been restated and changes in current financial assets and liabilities adjusted accordingly.

(b) For 2008, the amount included €880,000 thousand relating to the sale of the FIAT brand to the indirect subsidiary Fiat Group Marketing & Corporate Communication S.p.A.

# CONSOLIDATED INCOME STATEMENT

## Unaudited

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

(in €)

<b>BASIC EARNINGS PER ORDINARY AND PREFERENCE SHARE</b>	<b>(0.677)</b>	<b>1.290</b>
<b>BASIC EARNINGS PER SAVINGS SHARE</b>	<b>(0.677)</b>	<b>1.445</b>
<b>DILUTED EARNINGS PER ORDINARY AND PREFERENCE SHARE</b>	<b>(0.677)</b>	<b>1.285</b>
<b>DILUTED EARNINGS PER SAVINGS SHARE</b>	<b>(0.677)</b>	<b>1.440</b>

(\*) Following adoption of the improvement to IAS 16 in 2009, amounts published in the Consolidated Financial Statements at 31 December 2008 have been adjusted as follows: a €184 million increase in net revenues, a €189 million increase in cost of sales and a €5 million decrease in other income (net of other expense). These adjustments have no effect on profit or loss for the period.

# STATEMENT OF COMPREHENSIVE INCOME <sup>(\*)</sup>

*Unaudited*

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

(\*) Statement presented beginning 2009 in application of the revision to IAS 1. In addition to profit or loss for the period (sub-total A), this statement also includes profit or loss recognised directly in equity (sub-total B).

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION <sup>(\*)</sup>

## Unaudited

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

(\*) The Group adopted the amendment to IAS 16 retrospectively on 1 January 2009. As the method of measuring leased assets and assets sold under buy-back agreements was the same as that used for measuring inventory, the application of the new accounting treatment did not lead to any effect on equity at 1 January 2008 or 31 December 2008, and on the profit of 2008. Applying the amendment did however require certain items in the Statement of financial positions at 1 January 2008 and 31 December 2008 to be reclassified and certain items in the Income statement for 2008 and the Statement of cash flows for 2008 presented as comparative to be recalculated.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

*Unaudited*

(€ million)

At 31 December 2009 At 31 December 2008 At 1 January 2008

## SHAREHOLDERS' EQUITY AND LIABILITIES

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

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

(\*) Some figures for 2008 differ marginally from those published in Annual Report at 31 December 2008 as they have been restated to reflect the improvement to IAS 16, as described in the Notes to the Consolidated Financial Statements and notes to preceding tables.