



## **Communication to shareholders trading on the Paris bourse in relation to the demerger of Fiat Industrial**

As previously announced on September 16, 2010, the shareholders of Fiat S.p.A ("Fiat") approved the partial and proportional demerger plan of Fiat to Fiat Industrial S.p.A. ("Fiat Industrial") pursuant to art. 2506 and ff. of the Italian Civil Code. Such demerger plan is described in the press release of July 21, 2010, available on the website [www.fiatgroup.com](http://www.fiatgroup.com).

As a result of the demerger, Fiat will transfer to Fiat Industrial its shareholdings in the agricultural and construction equipment (CNH), trucks and commercial vehicles (Iveco), industrial & marine powertrain (FPT Industrial) businesses, as well as liabilities (financial debt). As a result of the Demerger, such businesses will be separated from the car business and relating components, which include Fiat Group Automobiles, Ferrari, Maserati, Magneti Marelli, Teksid, Comau and FPT Powertrain Technologies (passenger & commercial vehicles powertrain business).

Subject to the necessary approvals from Consob and Borsa Italiana S.p.A., the demerger will take effect on 1 January 2011 and shares in Fiat Industrial will begin trading on the Mercato Telematico Azionario managed by Borsa Italiana S.p.A. on 3 January 2011.

As of the demerger effective date the shareholders of Fiat will be entitled to receive shares of Fiat Industrial without charge, on a one to one ratio. The shares of Fiat Industrial are not expected to be listed on the Paris or Frankfurt stock Exchanges.

After the demerger Fiat and Fiat Industrial will operate as independent separately listed companies with their own management teams and boards of directors. Fiat will remain listed on the Milan, Paris and Frankfurt stock exchanges.

As a result of the demerger, the equity of Fiat, as resulting from separate statutory financial statements, will be reduced by Euro 3,750,346,053; such reduction will result in a proportional decrease of the nominal value of each class of shares which, after the demerger date, will be equal to Euro 3.50. Following the demerger, the share capital of Fiat and Fiat Industrial will be respectively Euro 4,464,084,083 and Euro 1.913.298.892

The number and classes of shares – and their rights - of Fiat Industrial will mirror exactly the number and classes and rights of shares of Fiat. The nominal value of each class of shares of Fiat Industrial will be euro 1.50.



As Fiat owns treasury shares representing approximately 3% of Fiat capital stock and such shares will not be transferred to Fiat Industrial, after the demerger Fiat will also hold approximately 3% of Fiat Industrial capital stock.

The attention of the holders of Fiat shares outside Italy is drawn on the fact that the shares of Fiat Industrial will be admitted to listing in Milan (Mercato Telematico Azionario managed by Borsa Italiana) only, but not in Paris or Frankfurt. Holders outside Italy wishing to dispose of their Fiat Industrial shares may incur transaction costs associated with Fiat Industrial being listed on the Italian stock exchange only, and such costs will not be reimbursed by Fiat or Fiat Industrial. Accordingly such holders should seek information from their financial intermediary prior to the demerger effective date if they wish to give instructions regarding the shares of Fiat they currently hold or the shares of Fiat Industrial they will receive after the effective date of the demerger.

Holders outside Italy are advised to consult with their tax advisers as to the tax consequences of the distribution of Fiat Industrial shares.

A document for the listing of the shares of Fiat Industrial is expected to be approved by Consob during December 2010 and will be made available at the Company's headquarters and at the office of the Borsa Italiana S.p.A., as well as through publication on the website of Fiat ([www.fiatgroup.com](http://www.fiatgroup.com)).

A further press release detailing the timetable of the distribution of the Fiat Industrial shares to the holders of Fiat shares will be published upon obtaining the approvals of Consob and Borsa Italiana S.p.A.

Turin, 13 December 2010