



# **Interim Report**

for the period ended 30 September 2010

**Third Quarter**

# CONTENTS

## Contents

### Board of Directors and Auditors

### Operating Performance

- 2 - Group Highlights
- 3 - Group Results
- 7 - Operating Performance by Business
- 15 - Consolidated Statement of Cash Flows
- 16 - Consolidated Statement of Financial Position at 30 September 2010
- 18 - Industrial and Financial Services Activities
- 26 - Group Employees
- 27 - Significant Events in the Third Quarter
- 27 - Subsequent Events and Business Outlook

### Interim Consolidated Financial Statements and Notes at 30 September 2010

- 30 - Consolidated Income Statement
- 31 - Consolidated Statement of Comprehensive Income
- 32 - Consolidated Statement of Financial Position
- 34 - Consolidated Statement of Cash Flows
- 35 - Statement of Changes in Equity
- 36 - Notes

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

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

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

Registered Office: 250 Via Nizza, Turin, ITALY

Share Capital: €6,377,262,975

Turin Companies Register/Tax Code: 00469580013

# BOARD OF DIRECTORS AND AUDITORS

## BOARD OF DIRECTORS

### Chairman

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

### Chief Executive Officer

Sergio Marchionne

### Directors

Andrea Agnelli

Carlo Barel di Sant'Albano

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

Tiberto Brandolini d'Adda

René Carron

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

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

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

Virgilio Marrone

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

Pasquale Pistorio

Ratan Tata

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

### Secretary of the Board

Franzo Grande Stevens

## BOARD OF STATUTORY AUDITORS

### Regular Auditors

Riccardo Perotta – Chairman

Giuseppe Camosci

Piero Locatelli

### Alternate Auditors

Lucio Pasquini

Fabrizio Mosca

Stefano Orlando

### INDEPENDENT AUDITORS

Deloitte & Touche S.p.A.

(\*) Appointed Chairman on 21 April 2010

(\*\*) Resigned as Chairman on 21 April 2010, but remains on the Board

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

(2) Member of the Internal Control Committee

(3) Member of the Compensation Committee

# FIAT GROUP INTERIM REPORT

## INTRODUCTION

The Interim Report for the period ended 30 September 2010 has been prepared in accordance with Legislative Decree 58/1998, as amended, and the "Regolamento Emittenti" issued by Consob.

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

The Interim Report is unaudited.

## OPERATING PERFORMANCE

### GROUP HIGHLIGHTS

1.01-30.09 2010	1.01-30.09 2009	(€ million)	3rd Quarter 2010	3rd Quarter 2009
41,241	36,501	Net revenues	13,479	12,049
1,589	570	Trading profit/(loss)	586	308
1,566	296	Operating profit/(loss)	586	267
966	(248)	Profit/(loss) before taxes	435	128
282	(565)	Profit/(loss) for the period	190	25
235	(557)	Profit/(loss) attributable to owners of the parent	170	21
(per share data in €)				
0.168	(0.450)	Basic earnings per ordinary share	0.160	0.017
0.310	(0.450)	Basic earnings per preference share	0	0.017
0.323	(0.450)	Basic earnings per savings share	0.013	0.017
0.167	(0.450)	Diluted earnings per ordinary share	0.159	0.017
0.310	(0.450)	Diluted earnings per preference share	0	0.017
0.322	(0.450)	Diluted earnings per savings share	0.012	0.017

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

(€ million)	At 30.09.2010	At 31.12.2009
Total assets	70,403	67,235
Net (debt)/cash	(16,664)	(15,898)
- of which: Net industrial (debt)/cash	(3,966)	(4,418)
Total equity	11,839	11,115
Equity attributable to owners of the parent	10,971	10,301
No. of employees at period end	198,203	190,014

### Disclaimer

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

## GROUP RESULTS

1.01-30.09			3rd Quarter	
2010	2009	(€ million)	2010	2009
41,241	36,501	<b>Net revenues</b>	13,479	12,049
1,589	570	<b>Trading profit/(loss)</b>	586	308
1,566	296	<b>Operating profit/(loss)</b>	586	267
966	(248)	<b>Profit/(loss) before taxes</b>	435	128
282	(565)	<b>Profit/(loss) for the period</b>	190	25

### Group results for the third quarter of 2010

#### Net revenues

(€ million)	3rd Quarter		
	2010	2009	% change
<b>Automobiles</b> (Fiat Group Automobiles, Maserati, Ferrari)	7,090	6,996	1.3
<b>Agricultural and Construction Equipment</b> (CNH-Case New Holland)	2,991	2,268	31.9
<b>Trucks and Commercial Vehicles</b> (Iveco)	1,978	1,715	15.3
<b>Components and Production Systems</b> (FPT, Magneti Marelli, Teksid, Comau)	3,165	2,577	22.8
<b>Other Businesses</b>	259	250	3.6
<b>Eliminations</b>	(2,004)	(1,757)	-
<b>Total for the Group</b>	<b>13,479</b>	<b>12,049</b>	<b>11.9</b>

Group **revenues** for the third quarter totaled €13.5 billion, an 11.9% increase (+5.2% at constant exchange rates) over the same period in 2009, when overall trading conditions were weak. The increase was driven by particularly positive performance for CNH, Iveco and the Components and Production Systems business. The Automobiles business achieved a slight increase despite the fall in passenger car volumes for Fiat Group Automobiles, reflecting the phase-out of eco-incentives in the major European markets, which was compensated for by increased volumes for light commercial vehicles, Maserati and Ferrari, in addition to positive currency effects.

**Fiat Group Automobiles** (FGA) reported revenues of €6.6 billion, in line with Q3 2009, on a total of 481,300 deliveries of passenger cars and light commercial vehicles (down 10.7%). Higher LCV deliveries (+20.6% y.o.y) and favorable currency impacts offset the decline in passenger car revenues. FGA recorded a 29.2% share in Italy (-3.5 percentage points) and a 7.0% share for Europe overall (-1.2 percentage points), with demand for both smaller and CNG/LPG vehicles, where FGA is market leader, down against the exceptionally strong levels experienced in 2009. In Brazil, Fiat maintained leadership with an overall share of 23.7%.

**Agricultural and Construction Equipment** (CNH) revenues were €3.0 billion, up 31.9% (+17.6% in USD), with solid performances in the Americas and Rest-of-World markets helped by a stabilization of trading conditions in Europe. Construction equipment demand recovered considerably across all regions.

**Trucks and Commercial Vehicles** (Iveco) reported a 15.3% increase in revenues to €2.0 billion. Demand increased in all regions and segments, but remains below pre-crisis levels. Total deliveries were up 17.7% to 30,453 units.

**Components and Production Systems** continued to record significant top-line growth (€3.2 billion; +22.8% vs. Q3 2009) on the back of increased demand from both Fiat Group and external customers.

### Trading profit/(loss)

(€ million)	3rd Quarter		
	2010	2009	Change
<b>Automobiles</b> (Fiat Group Automobiles, Maserati, Ferrari)	210	208	2
<b>Agricultural and Construction Equipment</b> (CNH-Case New Holland)	215	66	149
<b>Trucks and Commercial Vehicles</b> (Iveco)	80	22	58
<b>Components and Production Systems</b> (FPT, Magneti Marelli, Teksid, Comau)	102	37	65
<b>Other Businesses and Eliminations</b>	(21)	(25)	4
<b>Total for the Group</b>	<b>586</b>	<b>308</b>	<b>278</b>
<b>Trading margin (%)</b>	<b>4.3</b>	<b>2.6</b>	

The Group reported **trading profit** of €586 million for the quarter (trading margin: 4.3%), compared with €308 million (trading margin: 2.6%) for the same period in 2009. The improvement in trading performance was driven by higher volumes and continued focus on costs and industrial efficiencies.

**FGA** reported a trading profit of €130 million (€155 million for Q3 2009). Positive performance for Brazil and the LCV segment, increased purchasing and manufacturing efficiencies, in addition to favorable currency impacts largely compensated for the impact of volume declines, with trading margin holding at 2.0% (Q3 2009: 2.4%).

**CNH** posted a trading profit of €215 million (€66 million in Q3 2009). Strong margin improvement continued (7.2% vs 2.9% in Q3 2009) on the back of higher volumes, reduced industrial costs and a more favorable product mix.

**Iveco** achieved €80 million in trading profit (€22 million in Q3 2009), with leverage from increased volumes further supported by production efficiencies improving trading margin to 4.0% (Q3 2009: 1.3%).

**Components and Production Systems** continued to achieve volume growth, in addition to purchasing and manufacturing efficiencies, delivering a trading profit of €102 million (€37 million for Q3 2009).

### Operating profit/(loss)

The third quarter closed with an **operating profit** of €586 million (€267 million for the third quarter of 2009). The €319 million increase reflects the significant improvement in trading profit (+€278 million) and a reduction in net unusual expense (zero for Q3 2010 compared with a €41 million charge for Q3 2009, consisting primarily of restructuring costs).

### Profit/(loss) for the period

**Net financial expense** totaled €181 million for the quarter (€164 million for Q3 2009) and included a €58 million gain on the marking-to-market of two stock option-related equity swaps (€34 million gain for Q3 2009). Net of this item, financial expense increased €41 million over the prior year, reflecting the cost associated with maintaining high liquidity levels in excess of €12 billion.

**Investment income** was €30 million for the third quarter (€25 million for Q3 2009).

**Profit before taxes** was €435 million (€128 million in Q3 2009), with the increase due to a significant improvement in operating result (+€319 million) slightly reduced by a €17 million increase in net financial expense.

**Income taxes** totaled €245 million (€103 million for the third quarter of 2009) and mainly related to taxable income of companies operating outside Italy and employment-related taxes (IRAP) in Italy (€28 million).

**Net profit** for the quarter was €190 million, up €165 million over the €25 million figure for the same period in 2009.

**Profit attributable to owners of the parent** was €170 million for the third quarter, compared with €21 million for the same period in 2009.

## Group results for the first nine months of 2010

### Net revenues

	1.01-30.09		
(€ million)	2010	2009	% change
<b>Automobiles</b> (Fiat Group Automobiles, Maserati, Ferrari)	<b>22,351</b>	20,536	8.8
<b>Agricultural and Construction Equipment</b> (CNH-Case New Holland)	<b>8,883</b>	7,726	15.0
<b>Trucks and Commercial Vehicles</b> (Iveco)	<b>5,769</b>	5,011	15.1
<b>Components and Production Systems</b> (FPT, Magneti Marelli, Teksid, Comau)	<b>9,589</b>	7,455	28.6
<b>Other Businesses</b>	<b>801</b>	800	0.1
<b>Eliminations</b>	<b>(6,152)</b>	(5,027)	-
<b>Total for the Group</b>	<b>41,241</b>	<b>36,501</b>	<b>13.0</b>

For the first nine months of 2010, Group **revenues** totaled €41.2 billion, an increase of 13% over the prior year (+7.7% at constant exchange rates).

**Fiat Group Automobiles** closed the first nine months with revenues of €20.7 billion, up 8.9% over the first nine months of 2009, driven by an improved sales mix and favorable currency effects (+2.8% at constant exchange rates).

**CNH** had revenues of €8.9 billion for the first nine months of 2010, up 15.0% (+10.6% in USD) over the same period in 2009. Revenues increased as a result of solid performances in the Americas and Rest-of-World regions, which more than offset weak, but stabilizing, trading conditions for agricultural equipment in European markets.

**Trucks and Commercial Vehicles** (Iveco) posted revenues of €5.8 billion, up 15.1% over the first nine months of 2009 due to higher sales volumes.

The **Components and Production Systems** businesses reported revenues of €9.6 billion, representing a 28.6% increase over the first nine months of 2009. Sales volumes increased for all Sectors.

### Trading profit/(loss)

	1.01-30.09		
(€ million)	2010	2009	Change
<b>Automobiles</b> (Fiat Group Automobiles, Maserati, Ferrari)	<b>676</b>	462	214
<b>Agricultural and Construction Equipment</b> (CNH-Case New Holland)	<b>605</b>	238	367
<b>Trucks and Commercial Vehicles</b> (Iveco)	<b>133</b>	28	105
<b>Components and Production Systems</b> (FPT, Magneti Marelli, Teksid, Comau)	<b>220</b>	(117)	337
<b>Other Businesses and Eliminations</b>	<b>(45)</b>	(41)	-4
<b>Total for the Group</b>	<b>1,589</b>	<b>570</b>	<b>1,019</b>
<b>Trading margin (%)</b>	<b>3.9</b>	1.6	

The Group reported **trading profit** of €1,589 million (trading margin: 3.9%), up from €570 million for the first nine months of 2009 (trading margin: 1.6%). The improvement in trading performance was mainly driven by higher volumes and continued focus on costs and industrial efficiencies.

**Fiat Group Automobiles** posted a €468 million trading profit for the first nine months. The increase over the €280 million figure for the first nine months of 2009 was attributable to an improved product mix, on the back of higher demand for light commercial vehicles, purchasing and manufacturing efficiencies, in addition to favorable currency effects, which were partially offset by higher advertising spending linked to new product launches.

**CNH** trading profit was €605 million, up €367 million from the €238 million for the comparable period a year ago, due to the general improvement in equipment demand in most markets, increased production capacity utilization and an improved cost base in the construction equipment segment, in addition to favorable environment for agricultural commodity prices.

**Iveco** closed the first nine months with a trading profit of €133 million, compared to the €28 million figure for the first nine months of 2009. This improvement was primarily driven by higher sales volumes and production efficiencies.

Trading profit for the **Components and Production Systems** business totaled €220 million, compared with a €117 million loss for the first nine months of 2009. All Sectors reported improvements driven principally by higher volumes and efficiency gains.

#### *Operating profit/(loss)*

**Operating profit** for the first nine months was €1,566 million, compared to €296 million for the same period in 2009, as a result of a significant increase in trading profit (+€1,019 million) and a €251 million decrease in net unusual expense.

**Gains/(losses) on disposals** was a positive €6 million (€2 million gain for the first nine months of 2009) and primarily consisted of a gain on disposal of the interest in the joint venture LBX Company LLC by the Agricultural and Construction Equipment Sector.

For the first nine months, **restructuring costs** totaled €25 million and related primarily to Fiat Group Automobiles. Restructuring costs were €165 million for the first nine months of 2009.

For the first nine months of 2010, there was **other net unusual expense** of €4 million. For the same period in 2009, there was other net unusual expense of €111 million, which primarily related to provisions for residual values on leased vehicles for both FGA and Iveco.

#### *Profit/(loss) for the period*

**Net financial expense** totaled €732 million (€535 million for the first nine months of 2009) and included a €26 million gain on the mark-to-market value of two stock option-related equity swaps (€87 million for the first nine months of 2009). Net of this item, financial expense for the first nine months was up €136 million, primarily due to the cost of maintaining higher levels of liquidity.

**Investment income** totaled €132 million, a sharp increase over the €9 million loss for the first nine months of 2009, principally due to improved results for joint venture companies.

**Profit before taxes** was €966 million for the first nine months (€248 million loss for the first nine months of 2009), reflecting a significant improvement in operating result (+€1,270 million) and an increase in investment income (+€141 million), partially offset by a €197 million increase in net financial expense.

**Income taxes** totaled €684 million (€317 million for the first nine months of 2009) and related to taxable income of companies operating outside Italy and employment-related taxes (IRAP) in Italy (€72 million).

**Net profit** was €282 million for the first nine months, compared to a €565 million loss for the same period in 2009.

**Profit attributable to owners of the parent** was €235 million for the first nine months, compared with a loss of €557 million for the same period in 2009.

## OPERATING PERFORMANCE BY BUSINESS

### Automobiles

#### Net revenues

1.01-30.09				3rd Quarter		
2010	2009	% change	(€ million)	2010	2009	% change
<b>20,740</b>	19,046	8.9	<b>Fiat Group Automobiles</b>	<b>6,550</b>	6,541	0.1
<b>435</b>	319	36.4	<b>Maserati</b>	<b>134</b>	93	44.1
<b>1,349</b>	1,287	4.8	<b>Ferrari</b>	<b>446</b>	396	12.6
<b>(173)</b>	(116)	-	<b>Eliminations</b>	<b>(40)</b>	(34)	-
<b>22,351</b>	<b>20,536</b>	<b>8.8</b>	<b>Total</b>	<b>7,090</b>	<b>6,996</b>	<b>1.3</b>

#### Trading profit/(loss)

1.01-30.09				3rd Quarter		
2010	2009	Change	(€ million)	2010	2009	Change
<b>468</b>	280	188	<b>Fiat Group Automobiles</b>	<b>130</b>	155	-25
<b>16</b>	6	10	<b>Maserati</b>	<b>4</b>	1	3
<b>192</b>	176	16	<b>Ferrari</b>	<b>76</b>	52	24
<b>676</b>	<b>462</b>	<b>214</b>	<b>Total</b>	<b>210</b>	<b>208</b>	<b>2</b>
<b>3.0</b>	<b>2.2</b>		<b>Trading margin (%)</b>	<b>3.0</b>	<b>3.0</b>	

#### Fiat Group Automobiles

Fiat Group Automobiles closed the **third quarter** with **revenues** of €6.6 billion, in line with Q3 2009. The contraction in passenger car volumes mainly in Europe was offset by strong performance for light commercial vehicles and favorable currency effects. At constant exchange rates, revenues were down 6.3%.

Fiat Group Automobiles delivered a total of 481,300 passenger cars and light commercial vehicles during the quarter, down 10.7% over the same period in 2009.

For passenger cars, Fiat Group Automobiles delivered a total of 391,400 vehicles during the third quarter, a 15.7% decrease over Q3 2009. In Europe (EU 27 + EFTA), deliveries were down 25.4% to 197,800 vehicles. Volume declines in Italy (-33.6%) and Germany (-38.2%) were due to the disproportionate reduction for both smaller and LPG/CNG vehicles, where FGA is market leader, following the phase-out of eco-incentives. Deliveries also fell in the UK (-32.5%) and Spain (-14.7%), but were stable in France.

The European passenger vehicle market experienced an overall decrease of 13.0% year-on-year, with significant declines in all major countries. In the third quarter, there was a reversal in trend in the UK (-11.0%) and Spain, which as widely anticipated, was down sharply (-25.1%) following the introduction of VAT increases in July. France was also down 9.9%, as the positive effect of government incentives tailed off. And in both Italy and Germany, the dramatic fall off in demand continued, with registrations down 21.7% and 25.0%, respectively. In Brazil, the year's record growth continued with demand up 2.3%.

In Italy, Fiat Group Automobiles recorded a 29.2% share, down 3.5 percentage points over the corresponding period in 2009, due to the steep decline (-66%) in demand for CNG and LPG vehicles. By contrast, share for conventionally-powered vehicles was up 1.4 percentage points. Market share was 7.0% for Europe overall (-1.2 percentage points). FGA achieved gains in Spain (+0.5 percentage points to 2.9%) and France (+0.2 percentage points to 4.2%), while share was down in the UK (-0.8 percentage points to 3.1%) and Germany (-1.2 percentage points to 3.1%). The Fiat Panda retained the top position in its segment in Europe, followed by the Fiat 500, for which the number of registrations remained at 2009 levels despite a significant decline for the segment overall (-24%).

For light commercial vehicles, a total of 89,900 units were delivered during the quarter, a 20.6% increase over the same period in 2009. For Europe, deliveries were up 9.1% to 41,200 units. With the European market experiencing overall growth of 8.8%, Fiat Professional achieved an 11.6% share (-0.6 percentage points). In Italy, market share increased to 41.4% (+0.3 percentage points) driven by the performance of the Ducato.

In Brazil, passenger car and light commercial vehicle deliveries decreased 2.9% compared with the third quarter of 2009. Share was 23.7%, down 0.8 percentage points year-over-year, but with quarter-by-quarter gains during 2010 (+0.4 percentage points vs Q2, +1.4 percentage points vs Q1). Since launch, 63,400 units of the new Fiat Uno have been delivered. FGA maintained its leadership in the Brazilian market in both segments.

Fiat Group Automobiles closed Q3 2010 with a **trading profit** of €130 million, compared to €155 million for Q3 2009. Positive performance for Brazil and the LCV segment, increased purchasing and manufacturing efficiencies, in addition to favorable currency impacts largely compensated for the impact of volume declines.

Expansion of sales and service activities in Europe for Chrysler, Dodge and Jeep® branded products proceeded with the inclusion of the UK, Spain, Switzerland and Poland during the quarter.

In July, Fiat launched the 2011 "model year" Fiat Panda with a choice of two Euro 5 engines: the 75 hp 1.3 diesel 16v MultiJet, with DPF as standard, and the 69 hp gasoline 1.2 8v.

Also in July, the 2011 "model year" Fiat Qubo, which features a number of enhancements, was presented along with the special edition Blackjack version of the 500. The Paris Motor Show saw the appearance of the original "500 thousandth", the show car created to celebrate the 500,000 units of this model produced in just 31 months, and the LPG Panda equipped with a 69 hp 1.2 bifuel engine (LPG/gasoline).

Lancia presented the limited edition bifuel (LPG/gasoline) Ypsilon "ELLE" at the Paris Motor Show. Alongside this was the Musa "5th Avenue", notable for its elegant trim and interior styling.

Alfa Romeo was present with two versions of the Giulietta: one powered by the 140 hp 2.0 JTDM turbo-diesel, which offers particularly low fuel consumption and emissions levels, and the other with 170 hp 1.4 MultiAir combined with the innovative Alfa TCT (Twin Clutch Transmission), available from the beginning of 2011. Since its launch in May, 36,000 orders have been received for the Giulietta.

In July, Abarth launched the numbered, limited edition Abarth 695 Tributo Ferrari, the fastest ever on-road version of the 500. Two other Abarth products made their appearance at the Paris Motor Show: the "esseesse" kits for the Abarth 500C and the Abarth Punto Evo.

Fiat was again named as the most eco-performing brand in Europe for the first six months of the year. Of the top 10 selling brands, Fiat cars sold during the period had the lowest average CO2 emissions: 123.5 g/km. This recognition was received from JATO, the world's leading provider of automotive research. Added to this achievement were two other records for the Group and its models: the Fiat 500, with CO2 emissions of 116.0 g/km, was ranked best among the top 20 selling cars and Fiat Group Automobiles retained its position as the leading group.

In September, the new Fiat Doblò Cargo was named "International Van of the Year 2011" at the Hannover International Motor Show by a panel of automotive sector journalists from 24 countries. The jury was particularly impressed with the wide range of engines, which include a turbo-charged CNG engine and a prototype electric version. The driving qualities and the high level of comfort offered by the various versions were also particularly appreciated.

Fiat Group Automobiles closed the **first nine months** with **revenues** of €20.7 billion, up 8.9% over the first nine months of 2009, driven by an improved sales mix and favorable currency effects (+2.8% at constant exchange rates).

A total of 1,568,100 passenger cars and light commercial vehicles were delivered during the period, a 1.7% decrease over the same period in 2009 (-6.8% for passenger cars only). In Europe, deliveries were down 7.7% to 894,800 units (-12.3% for passenger cars only). Fiat Group Automobiles achieved significant gains in France (+9.8%) and Spain (where volumes almost doubled). In the UK, sales were substantially flat (-1.1%). The significant reductions experienced in Germany (-45.3%) and Italy (-9.3%) were in line with performance for the market overall and FGA's core segments in particular.

Year-to-date, the European passenger car market contracted 3.7% over the first nine months of 2009, with data for the third quarter evidencing a downward trend. Demand fell considerably in Germany (-27.5%), but was partially offset by increases in other key markets including the UK (+7.8%) and Spain (+16.2%). The French market recorded a flat year-over-year performance, while Italy was down 4.4%.

In Europe, Fiat Group Automobiles recorded a 7.7% market share, down 1 percentage point over the first nine months of 2009, primarily due to performance in Germany and Italy, where share was 3.2% (-1.9 percentage points over 2009) and 30.5% (-2.7 percentage points), respectively.

A total of 283,800 light commercial vehicles were delivered in the first nine months, an increase of 30.9% over the same period in 2009. In Europe, where overall market demand increased 8.8%, deliveries were up 25.8% to 147,400 vehicles. Fiat Professional grew market share to 44.6% in Italy (+3.3 percentage points) and 13.1% for Europe overall (+0.1 percentage points).

In Brazil, deliveries for passenger cars and light commercial vehicles increased 0.8%. Fiat Group Automobiles maintained its market leadership, achieving a share of 23.1% with the market increasing 7.1% overall.

Fiat Group Automobiles posted a €468 million **trading profit** for the first nine months. The increase over the €280 million figure for the first nine months of 2009 was attributable to an improved product mix, on the back of higher demand for light commercial vehicles, purchasing and manufacturing efficiencies, in addition to favorable currency effects, which were partially offset by higher advertising spending linked to new product launches.

#### *Maserati*

For **Q3 2010**, Maserati reported €134 million in **revenues**, an increase of 44.1% over the same period in 2009 attributable to sales performance for the new GranCabrio. A total of 1,368 cars were delivered to the network during the quarter, a 48.7% increase over the same period in 2009.

With strong sales performance and continued cost optimization, Q3 **trading profit** came in at €4 million, compared to €1 million for Q3 2009.

At the Paris Motor Show, Maserati presented the GranTurismo MC Stradale – the fastest (300 km/h), lightest and most powerful vehicle in the range – and the automaker's experience on the racetrack is reflected in the handling and aerodynamics of this top-of-the-range coupé.

Maserati reported €435 million in **revenues** for the **first nine months** of 2010, up 36.4% over the same period for the prior year.

Deliveries to the network totaled 4,270 units for the period, increasing 31.5% over the first nine months of 2009, primarily due to the significant contribution from the GranCabrio. Maserati increased volumes in almost all markets, with particularly notable performances in the UK (+90%) and China (+200%). In the United States, Maserati's principal market, a 48% increase was recorded.

For the first nine months of 2010, Maserati reported **trading profit** of €16 million, more than double the €6 million in trading profit for the corresponding period in 2009.

#### *Ferrari*

For **Q3 2010**, Ferrari reported €446 million in **revenues**, up 12.6% over the corresponding period in 2009, reflecting the positive contribution of the new F458 Italia and 599 GTO, as well as the customization program. A total of 1,398 cars were delivered to the network during the quarter, representing a 3.9% increase over Q3 2009.

Ferrari closed the third quarter with a **trading profit** of €76 million (trading margin: 17%) compared with €52 million (trading margin: 13.1%) for Q3 2009. This improvement was primarily attributable to higher sales volumes, strong performance of the customization program and industrial efficiencies.

At the Paris Motor Show, Ferrari presented the Ferrari SA Aperta: a limited edition of 80 vehicles which have already been sold. The SA Aperta is a true roadster with a front-mounted V12 engine. Boasting 670 hp, the SA Aperta embodies the sporting spirit of the 599 and the very latest in Ferrari technology.

For the **first nine months** of 2010, Ferrari recorded **revenues** of €1,349 million, up 4.8% over the same period for the prior year. Deliveries to the network were up 2.4% to 4,598 units. Sales performance was particularly positive for 8-cylinder models with the California enjoying continued success and the 458 Italia making an excellent contribution since commercial launch earlier in the year.

**Trading profit** totaled €192 million for the first nine months of 2010, compared with €176 million for the same period in 2009. The increase was attributable to higher sales volumes, excellent results from the customization program and efficiency gains.

### **Agricultural and Construction Equipment**

<u>1.01-30.09</u>			<u>3rd Quarter</u>	
<u>2010</u>	<u>2009</u>	<u>(€ million)</u>	<u>2010</u>	<u>2009</u>
<b>8,883</b>	<b>7,726</b>	<b>Net revenues</b>	<b>2,991</b>	<b>2,268</b>
15.0		% change	31.9	
<b>605</b>	<b>238</b>	<b>Trading profit/(loss)</b>	<b>215</b>	<b>66</b>
367		Change	149	
<b>6.8</b>	<b>3.1</b>	<b>Trading margin (%)</b>	<b>7.2</b>	<b>2.9</b>

CNH-Case New Holland had **revenues** of €3.0 billion for the **third quarter**, a 31.9% improvement over Q3 2009 (17.6% in US dollar terms) due to solid performances delivered in the Americas and Rest-of-World regions augmented by a stabilization of trading conditions in Europe. Revenues for agricultural equipment were up 26% (+13% in USD) on

the back of growth in demand in the Americas that more than offset the difficult, but stabilizing, trading conditions in Europe and Rest-of-World markets. Construction equipment revenues grew considerably (+71%, +52% in USD) driven by robust recovery in demand in all regions, compared with the low Q3 2009 base.

Worldwide agricultural industry retail unit sales decreased 1% compared to the third quarter of 2009. Global tractor sales fell 1%, while global combine sales grew 6% for the quarter. North American markets rose 2%, with tractors up 2% and combines up 7% on continued strong demand from the large cash crop segments. Sustained commodity prices and the continuation of government support programs drove demand in Latin America, where tractor sales rose 21% and combines were up 16%. The decline in equipment demand moderated in Western European markets, which were down 5% for the quarter, with tractor sales falling 4% and combines down 13%. Rest-of-World markets were down 6%, with a 6% drop in tractor sales and a 7% rise in combine sales.

CNH gained global market share for tractors during the quarter, leveraging its brands and global presence to increase share in Western Europe and Rest-of-World markets, where the tractor industry faced a challenging environment. Share in North America was down slightly for the quarter, mainly in the mid-sized utility tractors where CNH is in the midst of a substantial portfolio rejuvenation. Tractor share in Latin America was stable. CNH global market share for combines was down in the third quarter. Strong market share performance in Rest-of-World markets such as Turkey and China, as well as stable market share in Europe, were not enough to offset declines in the Americas, where market share for the full year is nonetheless expected to remain stable.

Global industry unit volumes for construction equipment rose 47% in the third quarter compared to the prior year, with light equipment up 34% and heavy equipment up 59%. North American demand was up 34%, with light equipment volumes up 34% and heavy equipment rising 33%. Western European markets rose 27% as the industry began to rebuild from the prior year's low levels. In Latin America, the market was up 85%, driven by strong demand from projects in the public and private sectors. Industry sales in Rest-of-World markets rose 54% with continued strong demand in the Asia-Pacific region, primarily in the heavy equipment segment in China.

CNH gained global market share for light construction equipment picking up share in Rest-of-World markets and maintaining its position in all other regions. For heavy equipment, CNH share remained stable globally as the Sector stayed on pace with strong market growth. However, Latin America share was down as a result of capacity constraints in domestic production, which are being addressed, and a large influx of imported whole goods into the market.

CNH posted a **trading profit** of €215 million for the third quarter compared to €66 million in Q3 2009, when performance was severely impacted by difficult trading conditions in the construction equipment segment. Trading margin rose to 7.2% (2.9% in Q3 2009). The improvement was attributable to higher volumes, reduced industrial costs and a more favorable product mix.

CNH continued to invest in its agricultural equipment product portfolio and industrial capacity during the quarter. Significant effort continued to be invested in the launch of Tier 4/Stage IIIA product introductions with dealer and customer training programs completed during the period for the first products in the line-up, 4-wheel drive tractors. Investments in the Sector's industrial footprint for both whole goods manufacturing and components supply continued in conjunction with the product plan announced in April 2010.

New product launches announced in April 2010 in both light and heavy construction equipment remain on track with performance, safety, styling, and emissions compliance features incorporated in the new designs. The first global launch of the new Tier 4 compliant backhoe, produced in three different regions, is on schedule with product deliveries commencing in October.

CNH had **revenues** of €8.9 billion for the **first nine months** of 2010, up 15.0% (10.6% in USD) over the same period in 2009. Revenues increased as a result of solid performances in the Americas and Rest-of-World regions, which more than offset weak, but stabilizing, trading conditions for agricultural equipment in European markets.

**Trading profit** was €605 million, up €367 million from the €238 million for the comparable period a year ago, due to the general improvement in equipment demand in most markets, increased production capacity utilization and an improved cost base in the construction equipment segment, in addition to favorable environment for agricultural commodity prices.

## Trucks and Commercial Vehicles

1.01-30.09			3rd Quarter	
2010	2009	(€ million)	2010	2009
<b>5,769</b>	<b>5,011</b>	<b>Net revenues</b>	<b>1,978</b>	<b>1,715</b>
15.1		% change	15.3	
<b>133</b>	<b>28</b>	<b>Trading profit/(loss)</b>	<b>80</b>	<b>22</b>
105		Change	58	
<b>2.3</b>	<b>0.6</b>	<b>Trading margin (%)</b>	<b>4.0</b>	<b>1.3</b>

Iveco reported **revenues** of €2 billion for **Q3 2010**, up 15.3% over the same period for the prior year. The increase was primarily attributable to higher sales volumes, confirming a recovery in demand, although still at modest levels in Western Europe.

A total of 30,453 vehicles were delivered worldwide, including buses and special vehicles, representing an increase of 17.7% over the same period in 2009. Growth was recorded in all segments with light vehicles up 12.9%, medium up 59.3% and heavy up 10.5%. Total volumes for the third quarter were, however, still considerably below the average for 2007/08. A total of 17,324 vehicles were delivered in Western Europe (+7.0%), with increases in France (+18.3%), Germany (+28.1%), Spain (+22.5%) and the UK (+82.6%). In Italy, where market demand continues to decrease against 2009 levels, deliveries were down 28.8%, in contrast to the more positive order and delivery levels experienced during the first half. Increases were strong for Eastern Europe (+55.0%) and Latin America (+60.5%).

In Western Europe, registrations for ≥3.5 ton trucks and commercial vehicles rose 10.6% over Q3 2009, confirming the recovery signaled by order intake levels experienced in the first half of 2010. By segment, registrations increased 10.1% for light vehicles, 4.6% for medium vehicles and 13.7% for heavy vehicles. By country, registrations were up in France (+13.1%), Germany (+22.6%), the UK (+5.0%) and Spain (+7.1%), with the only decrease registered being Italy (-1.9%).

Iveco's market share in Western Europe was 12.8% for the quarter, down 0.3 percentage points over the same period in 2009, improving in Italy (+0.5 percentage points) and Germany (+0.6 percentage points), but declining for the Spanish market (-0.3 percentage points). For Q3 2010, share decreased 0.2 percentage points in the light segment and 0.8 percentage points in the heavy segment, whereas an increase of 0.5 percentage points was recorded for the medium segment.

Iveco closed the third quarter with a **trading profit** of €80 million, compared to €22 million for Q3 2009. The improvement was primarily attributable to volume increases and manufacturing efficiencies achieved.

During the quarter, Iveco participated at the Hannover Motor Show, where it presented the EcoStralis whose enhanced powerplant, aerodynamics and electronics make it the most efficient, eco-performing vehicle in the heavy segment. Also on display was the Iveco Glider, a concept truck that proposes innovative productivity solutions for long-haul use, focusing on two principal aspects: energy efficiency and on-board comfort. Iveco also released the integrated Blue&Me™ – TomTom® infotainment system on the EcoDaily and the first of 10 EcoDaily Electrics was delivered to a major international freight and logistics operator. Finally, sale of the Genlyon (the on-road heavy vehicle produced by the joint venture between Iveco and SAIC) began to the first export market, Vietnam.

Iveco posted **revenues** of €5.8 billion for the **first nine months** of 2010, up 15.1% over the low levels experienced during the same period in 2009.

A total of 91,690 vehicles were delivered worldwide, including buses and special vehicles, representing an increase of 25.1% year-over-year. All segments contributed to the growth, with light up 27.8%, medium up 52.5% and heavy up 23.7%. A total of 56,353 vehicles were delivered in Western Europe (+18.1%), with increases in all markets: Italy +6.4%, France +22.4%, Germany +34.1%, Spain +45.0% and the UK +30.8%. The trend in deliveries was also positive in Eastern Europe (+31.1%), and very strong in Latin America (+54.4%).

In Western Europe, the market for ≥3.5 ton trucks and commercial vehicles grew 0.9% over the first nine months of 2009. Iveco had an overall market share of 13.4%, an improvement of 0.1 percentage points. Iveco's share increased in the light segment (+0.1 percentage points), decreased in the medium segment (-0.1 percentage points) and was stable in the heavy segment.

Iveco closed the first nine months with a **trading profit** of €133 million, compared to the €28 million figure for the first nine months of 2009. This improvement was primarily driven by higher sales volumes and production efficiencies.

## Components and Production Systems

### Net revenues

1.01-30.09			3rd Quarter			
2010	2009	% change	(€million)	2010	2009	% change
<b>4,782</b>	3,610	32.5	<b>FPT Powertrain Technologies</b>	<b>1,563</b>	1,250	25.0
<b>3,956</b>	3,248	21.8	<b>Components</b> (Magneti Marelli)	<b>1,283</b>	1,120	14.6
<b>569</b>	406	40.1	<b>Metallurgical Products</b> (Teksid)	<b>197</b>	147	34.0
<b>738</b>	523	41.1	<b>Production Systems</b> (Comau)	<b>254</b>	168	51.2
<b>(456)</b>	(332)	-	<b>Eliminations</b>	<b>(132)</b>	(108)	-
<b>9,589</b>	<b>7,455</b>	<b>28.6</b>	<b>Total</b>	<b>3,165</b>	<b>2,577</b>	<b>22.8</b>

### Trading profit/(loss)

1.01-30.09			3rd Quarter			
2010	2009	Change	(€million)	2010	2009	Change
<b>135</b>	(65)	200	<b>FPT Powertrain Technologies</b>	<b>69</b>	19	50
<b>69</b>	(18)	87	<b>Components</b> (Magneti Marelli)	<b>24</b>	21	3
<b>15</b>	(10)	25	<b>Metallurgical Products</b> (Teksid)	<b>9</b>	2	7
<b>1</b>	(24)	25	<b>Production Systems</b> (Comau)	<b>-</b>	(5)	5
<b>220</b>	<b>(117)</b>	<b>337</b>	<b>Total</b>	<b>102</b>	<b>37</b>	<b>65</b>
<b>2.3</b>	<b>(1.6)</b>		<b>Trading margin (%)</b>	<b>3.2</b>	<b>1.4</b>	

### FPT Powertrain Technologies

FPT Powertrain Technologies reported €1,563 million in **revenues** for **Q3 2010**, representing a 25% increase year-over-year. This includes the effect of full consolidation of Fiat-GM Powertrain Polska following acquisition of the JV partner's 50% stake earlier in the year. On a like-for-like basis, the increase in revenues is 16.7%. Sales to external customers and joint ventures accounted for 19% of total revenues (15% for 2009).

The Passenger & Commercial Vehicles product line closed the quarter with revenues of €1,014 million, up 17.9% (+5.6% on a comparable basis), with sales to Fiat Group companies accounting for 88%. A total of 561,000 engines (-1.8% on a like-for-like basis) and 527,000 transmissions (-6.8%) were sold during the quarter.

Industrial & Marine reported revenues of €558 million, up 43.3% over the third quarter of 2009. A total of 97,000 engines (+45.2%) were sold, primarily to Iveco (37%), CNH (21%) and Sevel (23%), JV for the production of light commercial vehicles. In addition, 16,000 transmissions (+6.6%) and 30,000 axles (+9.6%) were delivered.

FPT closed Q3 2010 with a **trading profit** of €69 million, a €50 million increase over the €19 million figure for Q3 2009. The improvement was primarily attributable to a recovery in volumes, for Industrial & Marine in particular, as well as purchasing and manufacturing efficiencies.

In relation to diesel engines for passenger cars, FPT launched production of a new version of the eco-efficient 1.3 Small Diesel Engine. This 85 hp engine (Euro 5), with significantly reduced fuel consumption, has been developed for the Punto Evo. The 75 and 95 hp versions of this MultiJet II engine, already available on the Punto Evo, have been developed for application on the Fiorino and Qubo together with the Start&Stop system.

For gasoline engines, developments included launch of the 1.4 16v T-Jet (Euro 5) with power output of 120 hp on the Natural Power version of the new Doblò ("International Van of the Year 2011").

At the beginning of October, FPT Powertrain Technologies received the prestigious international "Technobest 2010" award for the innovative two-cylinder TwinAir engine.

For transmissions, Q3 saw application of the automatic dry dual clutch Alfa TCT (Twin Clutch Technology) to the Giulietta, (already available on the Alfa MiTo). On both cars, this transmission is combined with the Start&Stop system.

Also during the quarter, the 1.4 T-Jet with robotized C510 MTA transmission was introduced on the sedan and cabriolet models of the 500 Abarth in three versions: 140 hp, 160 hp (with "esseesse" kit) and 180 hp (limited edition 695 Tributo Ferrari).

For Industrial & Marine, production began on 81 to 129 kW versions of the F1C diesel, under the supply agreement with Daimler-Fuso.

FPT reported €4,782 million in **revenues** for the **first nine months** of 2010, representing a 32.5% increase over the same period in 2009 (+23.2% on a comparable basis). Sales to external customers and joint ventures accounted for 19% of total revenues (16% for 2009). The Passenger & Commercial Vehicles product line closed the first nine months with revenues of €3,120 million (13.2% on a comparable basis) and sold 1,766,000 engines (+4.3% on a like-for-like basis) and 1,702,000 transmissions (+5.5%). Industrial & Marine delivered a total of 297,000 engines (+53.2%) to post revenues of €1,690 million (+48.2%).

For the first nine months of 2010, FPT reported **trading profit** of €135 million, compared to a €65 million loss for the same period in 2009. The first nine months benefited from a significant recovery in sales volumes, in addition to purchasing and manufacturing efficiencies.

#### *Magneti Marelli*

For **Q3 2010**, Magneti Marelli reported **revenues** of €1,283 million, up 14.6% over Q3 2009. All business lines recorded year-over-year improvements, continuing the positive trend achieved in the first half of the year.

In Europe, revenues increased driven by demand in the light commercial vehicles segment and strong performance for the Lighting business in Germany and the Czech Republic. Revenues in Italy and Poland reflected the market-wide decline in the A and B passenger car segments. Of note was the strong performance in Brazil, China and the NAFTA region, where volume growth was driven by products launched during the first half.

Magneti Marelli reported Q3 **trading profit** of €24 million, compared to €21 million for Q3 2009. The Sector continued to benefit from increased sales volumes, cost containment actions and manufacturing efficiencies, but was faced with supply constraints for electronic components resulting from excess demand.

In Brazil, the Sector began production of new shock absorbers for the Punto and Siena, as well as for models of other manufacturers. Numerous lighting components were also launched for several other major European automakers. In addition, hydraulic components for the Freechoice™ transmission were launched in China.

For the **first nine months**, Magneti Marelli reported **revenues** of €3,956 million, up 21.8% over the same period in 2009.

Magneti Marelli closed the first nine months with a **trading profit** of €69 million, compared to an €18 million loss for the first nine months of 2009. Higher sales volumes, combined with cost containment measures and manufacturing efficiencies, contributed to the positive result achieved for the period.

#### *Teksid*

Teksid reported **revenues** of €197 million for **Q3 2010**, up 34% due to the increase over Q3 2009 volumes, which were severely impacted by the market crisis. Volumes for the Cast Iron business unit increased 14.4%, with positive performance in Mercosur, NAFTA and Europe. The Aluminum business unit saw a slight increase in volumes of 2% year-over-year.

Teksid closed the third quarter with a **trading profit** of €9 million, compared to €2 million for Q3 2009.

**Revenues** for the **first nine months** of 2010 were €569 million, up 40.1% over the same period in 2009, reflecting higher sales volumes for both the Cast Iron business unit (+26.5%) and the Aluminum business unit (+27.8%).

**Trading profit** was €15 million, compared to a €10 million loss for the same period in 2009.

#### *Comau*

Comau reported **revenues** of €254 million for **Q3 2010**, up 51.2% over the same period in 2009. The increase was mainly attributable to the Body Welding operations in North America and Latin America.

Order intake of €243 million for the period represented a 3% year-over-year increase and was principally attributable to the Powertrain Systems operations in North America.

Comau closed the quarter with **trading profit** at break even, compared with a trading loss of €5 million for the corresponding period in 2009. The improvement was primarily attributable to the increase recorded for the Body Welding operations.

Comau **revenues** for the **first nine months** of 2010 were €738 million, up 41.1% year-over-year, mainly due to positive performance for the Body Welding operations in North America and Latin America.

Order intake of €893 million for the period represented a 48% increase over the first nine months of 2009. At 30 September 2010, the order backlog totaled €593 million, up 25% over year-end 2009.

Comau closed the first nine months with **trading profit** of €1 million, compared to a trading loss of €24 million for the corresponding period in 2009. The improvement was mainly attributable to the Body Welding operations.

#### **Other Businesses**

Other Businesses includes the contribution from the Group's publishing businesses, service companies and holding companies. In **Q3 2010**, Other Businesses had **revenues** of €259 million, representing a 3.6% increase over the same period in 2009.

Other Businesses reported a €21 million **trading loss** for the quarter, including eliminations and consolidation adjustments, compared with a €25 million loss for the same period in 2009.

For the **first nine months** of 2010, Other Businesses reported **revenues** of €801 million, in line with the prior year, and a **trading loss** of €45 million compared with a loss of €41 million for the corresponding period in 2009.

## CONSOLIDATED STATEMENT OF CASH FLOWS

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

(€ million)	1.01-30.09 2010	1.01-30.09 2009
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	12,226	3,683
B) CASH FROM/(USED IN) OPERATING ACTIVITIES DURING THE PERIOD	3,244	1,976
C) CASH FROM/(USED IN) INVESTING ACTIVITIES	(3,133)	(1,649)
D) CASH FROM/(USED IN) FINANCING ACTIVITIES	127	3,999
Currency translation differences	186	107
E) NET CHANGE IN CASH AND CASH EQUIVALENTS	424	4,433
F) CASH AND CASH EQUIVALENTS AT END OF PERIOD	12,650	8,116

During the first nine months of 2010, **operating activities** generated €3,244 million in cash, consisting of a €448 million decrease in working capital (calculated on a comparable scope of operations and at constant exchange rates) and €2,796 million in income-related cash inflows (calculated as net profit plus amortization and depreciation, dividends, changes in provisions and various items related to sales with buy-back commitments and operating leases, net of gains/losses on disposals and other non-cash items).

Cash used in **investing activities** totaled €3,133 million.

Expenditure on tangible and intangible assets (including €885 million in capitalized development costs) totaled €2,311 million.

Investments in subsidiaries and associates, totaling €249 million, mainly related to a recapitalization of the 50/50 Chinese joint venture GAC Fiat Automobiles Co. Ltd, the acquisition of 50% of Fiat-GM Powertrain Polska and exercise of the call option held by Fiat on 5% of the share capital of Ferrari, in relation to which a financial payable of an equivalent amount was recognized.

For the first nine months of 2010, proceeds from the sale of non-current assets totaled €74 million and related primarily to tangible and intangible assets and the shareholding in LBX Company LLC, jointly controlled by CNH.

The €756 million increase in receivables from financing activities was principally attributable to higher sales volumes for CNH and the increase in financing provided (primarily to dealers) by FGA's financial services companies in Brazil.

Cash generated by **financing activities** totaled €127 million, with cash proceeds from the bond issued by Case New Holland Inc. at the end of June for USD 1.5 billion (equivalent to approximately €1.1 billion) and net new medium-term financing, substantially offsetting the repayment at maturity of a €1 billion bond, prepayment of a USD 500 million bond (originally scheduled for 1 March 2014) and dividend payments of €238 million.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 SEPTEMBER 2010

At 30 September 2010, **total assets** amounted to €70,403 million, increasing €3,168 million from the €67,235 million figure at 31 December 2009.

**Non-current assets** totaled €26,415 million, an increase of €931 million from 31 December 2009, of which approximately €0.6 billion was attributable to currency translation differences, mainly on intangible assets (approximately €160 million, primarily related to CNH goodwill) and property, plant and equipment (approximately €270 million).

**Current assets** totaled €43,905 million. The €2,236 million increase related primarily to currency translation differences of approximately €1.2 billion and changes in receivables from financing activities, which increased €1,237 million over 31 December 2009 to €13,932 million (€756 million net of currency translation differences and write-downs).

**Working capital** (net of items related to vehicles sold under buy-back commitments and vehicles no longer subject to lease agreements that are held in inventory) was a negative €1,893 million, representing a €229 million decrease over the beginning of the period.

(€ million)		At 30.09.2010	At 31.12.2009	Change
Inventory	(a)	8,081	7,887	194
Trade receivables		3,912	3,649	263
Trade payables		(11,856)	(12,295)	439
Net current taxes receivable/(payable) & Other current receivables/(payables)	(b)	(2,030)	(905)	-1,125
<b>Working capital</b>		<b>(1,893)</b>	<b>(1,664)</b>	<b>-229</b>

(a) Inventory is reported net of the value of vehicles sold under buy-back commitments by Fiat Group Automobiles and includes vehicles of other Sectors no longer subject to buy-back commitments or lease agreements that are held for sale.

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

At 30 September 2010, trade receivables, other receivables and receivables from financing activities falling due after that date and sold without recourse – and, therefore, eliminated from the statement of financial position pursuant to the derecognition requirements of IAS 39 – totaled €3,856 million (€4,611 million at 31 December 2009). This amount includes financial receivables, mostly relating to the sales network, of €2,098 million (€2,530 million at 31 December 2009) sold to jointly-controlled financial services companies (FGA Capital group) and of €324 million (€440 million at 31 December 2009) sold to associate financial services companies (Iveco Finance Holdings Limited).

For the first nine months of 2010, working capital decreased €448 million (on a comparable scope of operations and at constant exchange rates). The increase in Net current taxes payable and Other current payables, relating primarily to the increase in current taxes payable, was only partially compensated by the decrease in trade payables resulting from a reduction in business volumes in Italy during the summer period.

At 30 September 2010, consolidated **net debt** totaled €16,664 million, up €766 million over the €15,898 million figure at 31 December 2009. Excluding the impact of currency translation differences, net debt increased €207 million. For the first nine months, cash used for investing activities (mainly capital expenditure for the period and increases in the portfolios of the financial services companies) and dividend payments was almost completely offset by cash generated by operating activities.

(€ million)		At 30.09.2010	At 31.12.2009
Financial payables		(29,692)	(28,527)
Asset-backed financing		(7,650)	(7,086)
Other		(22,042)	(21,441)
Current financial receivables from jointly-controlled financial services entities	(a)	12	14
<b>Financial payables, net of intersegment balances and current financial receivables from jointly-controlled financial services entities</b>		<b>(29,680)</b>	<b>(28,513)</b>
Other financial assets	(b)	663	636
Other financial liabilities	(b)	(511)	(464)
Liquidity		12,864	12,443
Current securities		214	217
Cash and cash equivalents		12,650	12,226
<b>Net (debt)/cash</b>		<b>(16,664)</b>	<b>(15,898)</b>
Industrial Activities		(3,966)	(4,418)
Financial Services		(12,698)	(11,480)

(a) Includes current financial receivables from FGA Capital.

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

**Financial payables** increased €1,165 million for the period (approximately €314 million net of currency translation differences). At the end of June, Case New Holland Inc. completed the placement of a USD 1.5 billion bond, maturing 2017, at 99.32% of par value and with a fixed coupon of 7.785%.

In February, a €1 billion bond was repaid at maturity and in July CNH prepaid a USD 500 million bond (original maturity on 1 March 2014).

At 30 September 2010, **Liquidity** (cash, cash equivalents and current securities) totaled €12.9 billion, an increase of €0.5 billion over the €12.4 billion figure at year-end 2009.

Cash and cash equivalents included Cash with a pre-determined use of €571 million (€530 million at 31 December 2009), relating primarily to the Financial Services companies and allocated to servicing securitization vehicles (included under Asset-backed financing).

## **INDUSTRIAL AND FINANCIAL SERVICES ACTIVITIES**

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

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

### **Basis of analysis**

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

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

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

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

## Operating Performance by Activity

Third Quarter	3rd Quarter 2010			3rd Quarter 2009		
	Consolidated	Industrial Activities	Financial Services	Consolidated	Industrial Activities	Financial Services
(€ million)						
Net revenues	13,479	13,149	422	12,049	11,760	357
Cost of sales	11,387	11,151	328	10,367	10,153	282
Selling, general and administrative	1,154	1,110	44	1,039	999	40
Research and development	349	349	-	308	308	-
Other income/(expense)	(3)	(2)	(1)	(27)	(25)	(2)
<b>TRADING PROFIT/(LOSS)</b>	<b>586</b>	<b>537</b>	<b>49</b>	<b>308</b>	<b>275</b>	<b>33</b>
Gains/(losses) on disposal of investments	-	-	-	2	2	-
Restructuring costs	-	-	-	31	31	-
Other unusual income/(expense)	-	-	-	(12)	(12)	-
<b>OPERATING PROFIT/(LOSS)</b>	<b>586</b>	<b>537</b>	<b>49</b>	<b>267</b>	<b>234</b>	<b>33</b>
Financial income/(expense)	(181)	(181)	-	(164)	(164)	-
Result from investments (*)	30	6	24	25	17	8
<b>PROFIT/(LOSS) BEFORE TAXES</b>	<b>435</b>	<b>362</b>	<b>73</b>	<b>128</b>	<b>87</b>	<b>41</b>
Income taxes	245	231	14	103	90	13
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>190</b>	<b>131</b>	<b>59</b>	<b>25</b>	<b>(3)</b>	<b>28</b>
Result from intersegment investments	-	59	(2)	-	28	(2)
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>190</b>	<b>190</b>	<b>57</b>	<b>25</b>	<b>25</b>	<b>26</b>

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

First 9 months	1.01-30.09.2010			1.01-30.09.2009		
	Consolidated	Industrial Activities	Financial Services	Consolidated	Industrial Activities	Financial Services
(€ million)						
Net revenues	41,241	40,317	1,196	36,501	35,594	1,098
Cost of sales	35,013	34,339	946	31,651	30,994	848
Selling, general and administrative	3,519	3,402	117	3,230	3,108	122
Research and development	1,052	1,052	-	969	969	-
Other income/(expense)	(68)	(75)	7	(81)	(78)	(3)
<b>TRADING PROFIT/(LOSS)</b>	<b>1,589</b>	<b>1,449</b>	<b>140</b>	<b>570</b>	<b>445</b>	<b>125</b>
Gains/(losses) on disposal of investments	6	6	-	2	2	-
Restructuring costs	25	25	-	165	163	2
Other unusual income/(expense)	(4)	(4)	-	(111)	(111)	-
<b>OPERATING PROFIT/(LOSS)</b>	<b>1,566</b>	<b>1,426</b>	<b>140</b>	<b>296</b>	<b>173</b>	<b>123</b>
Financial income/(expense)	(732)	(732)	-	(535)	(535)	-
Result from investments (*)	132	82	50	(9)	(30)	21
<b>PROFIT/(LOSS) BEFORE TAXES</b>	<b>966</b>	<b>776</b>	<b>190</b>	<b>(248)</b>	<b>(392)</b>	<b>144</b>
Income taxes	684	638	46	317	274	43
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>282</b>	<b>138</b>	<b>144</b>	<b>(565)</b>	<b>(666)</b>	<b>101</b>
Result from intersegment investments	-	144	1	-	101	(7)
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>282</b>	<b>282</b>	<b>145</b>	<b>(565)</b>	<b>(565)</b>	<b>94</b>

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

### Industrial Activities

**Net revenues** for Industrial Activities totaled €13,149 million for the third quarter of 2010, up 11.8% over the same period in 2009, which was impacted by extremely weak trading conditions. For FGA, revenues were in line with Q3 2009, but were up 34.3% for CNH (+19.6% in USD) and 15.3% for Iveco. Revenues also increased for Components & Production Systems (+22.8%) on the back of a recovery in demand from both Fiat Group and external customers.

For the first nine months of 2010, net revenues increased 13.3% to €40,317 million.

Industrial Activities reported a **trading profit** of €537 million for the third quarter (€275 million for the third quarter of 2009). The improvement in trading performance was driven by higher volumes and continued benefits associated with the focus on costs and efficiencies.

For the first nine months, trading profit was €1,449 million, compared with €445 million for the same period in 2009.

**Operating profit** for Industrial Activities was €537 million for the third quarter, compared to €234 million for Q3 2009. The €303 million improvement was attributable to a €262 million increase in trading profit and a €41 million decrease in net unusual expense.

For the first nine months, operating profit was €1,426 million, compared with €173 million for the same period the prior year.

### Financial Services

For the third quarter of 2010, **net revenues** for Financial Services totaled €422 million, up 18.2% over the same period in 2009.

1.01-30.09				3rd Quarter		
2010	2009	% change	(€ million)	2010	2009	% change
162	125	29.6	<b>Fiat Group Automobiles</b>	66	41	61.0
16	16	-	<b>Ferrari</b>	5	5	-
906	862	5.1	<b>Agricultural and Construction Equipment</b> (CNH-Case New Holland)	310	276	12.3
112	98	14.3	<b>Trucks and Commercial Vehicles (Iveco)</b>	41	35	17.1
-	(3)	n.a.	<b>Eliminations</b>	-	-	-
<b>1,196</b>	<b>1,098</b>	<b>8.9</b>	<b>Total</b>	<b>422</b>	<b>357</b>	<b>18.2</b>

Financial Services for Fiat Group Automobiles reported revenues of €66 million for Q3 2010, a 61% increase over the €41 million figure for the third quarter of 2009 attributable to positive performance in Brazil and favorable currency effects (principally related to the Brazilian Real). On a comparable scope of operations (Targarent activities were deconsolidated effective 1 February 2010), there was an 88.6% increase in revenues.

Financial Services for the Agricultural and Construction Equipment Sector reported revenues of €310 million, up 12.3% over the third quarter of 2009. In US dollar terms, revenues were substantially in line (+1%) with the corresponding period in 2009.

For the third quarter of 2010, Iveco Financial Services had revenues of €41 million, a 17.1% increase over the same period in 2009. The increase was primarily attributable to sales finance activities for CNH in Eastern Europe, where CNH itself has no financial services companies.

For the first nine months of 2010, Financial Services reported net revenues of €1,196 million, representing an 8.9% increase over the €1,098 million figure for the first nine months of the prior year.

Trading profit totaled €49 million for the third quarter, increasing €16 million over the same period in 2009.

<u>1.01-30.09</u>				<u>3rd Quarter</u>		
<u>2010</u>	<u>2009</u>	<u>Change</u>	<u>(€ million)</u>	<u>2010</u>	<u>2009</u>	<u>Change</u>
<b>42</b>	25	17	<b>Fiat Group Automobiles</b>	<b>17</b>	7	10
<b>4</b>	4	-	<b>Ferrari</b>	<b>1</b>	2	-1
<b>118</b>	114	4	<b>Agricultural and Construction Equipment</b> (CNH-Case New Holland)	<b>39</b>	33	6
<b>(24)</b>	(17)	-7	<b>Trucks and Commercial Vehicles (Iveco)</b>	<b>(8)</b>	(9)	1
<b>-</b>	(1)	1	<b>Eliminations</b>	<b>-</b>	-	-
<b>140</b>	125	15	<b>Total</b>	<b>49</b>	33	16

Trading profit for the Financial Services businesses of Fiat Group Automobiles totaled €17 million for the third quarter of 2010, a €10 million increase over the €7 million figure for 2009 which was mainly attributable to higher business volumes in Brazil.

Trading profit for CNH-Case New Holland's Financial Services totaled €39 million, compared with €33 million for the third quarter of 2009. In US dollar terms, trading profit was in line with the third quarter of 2009.

Iveco's Financial Services businesses reported a trading loss of €8 million (€9 million loss in 2009) which was primarily due to provisions recognized on the credit portfolio.

For the first nine months, the Financial Services companies reported total trading profit of €140 million, up €15 million over the corresponding period for the prior year.

## Statement of Financial Position by Activity

(€ million)	At 30.09.2010			At 31.12.2009		
	Consolidated	Industrial Activities	Financial Services	Consolidated	Industrial Activities	Financial Services
Intangible assets	7,634	7,532	102	7,199	7,103	96
Property, plant and equipment	13,089	13,083	6	12,945	12,939	6
Investments and other financial assets	2,330	4,050	961	2,159	3,968	944
Leased assets	473	9	464	457	7	450
Defined benefit plan assets	186	180	6	144	140	4
Deferred tax assets	2,703	2,521	182	2,580	2,433	147
<b>Total non-current assets</b>	<b>26,415</b>	<b>27,375</b>	<b>1,721</b>	<b>25,484</b>	<b>26,590</b>	<b>1,647</b>
Inventory	8,979	8,875	104	8,748	8,614	134
Trade receivables	3,912	3,847	96	3,649	3,590	121
Receivables from financing activities	13,932	6,024	14,553	12,695	5,506	13,368
Current taxes receivable	1,081	1,004	80	674	650	24
Other current assets	2,439	2,194	269	2,778	2,514	296
Current financial assets	912	847	69	899	827	76
Current investments	35	35	-	46	46	-
Current securities	214	162	52	217	164	53
Other financial assets	663	650	17	636	617	23
Cash and cash equivalents	12,650	11,211	1,439	12,226	10,819	1,407
<b>Total current assets</b>	<b>43,905</b>	<b>34,002</b>	<b>16,610</b>	<b>41,669</b>	<b>32,520</b>	<b>15,426</b>
Assets held for sale	83	81	2	82	79	10
<b>TOTAL ASSETS</b>	<b>70,403</b>	<b>61,458</b>	<b>18,333</b>	<b>67,235</b>	<b>59,189</b>	<b>17,083</b>
<b>Total assets adjusted for asset-backed financing transactions</b>	<b>62,753</b>	<b>60,999</b>	<b>11,111</b>	<b>60,149</b>	<b>58,725</b>	<b>10,428</b>
Equity	11,839	11,839	2,683	11,115	11,115	2,756
Provisions	8,814	8,723	91	8,432	8,333	99
Employee benefits	3,605	3,587	18	3,447	3,431	16
Other provisions	5,209	5,136	73	4,985	4,902	83
Financial payables	29,692	21,290	15,047	28,527	20,898	13,812
Asset-backed financing	7,650	459	7,222	7,086	464	6,655
Other	22,042	20,831	7,825	21,441	20,434	7,157
Other financial liabilities	511	483	32	464	420	48
Trade payables	11,856	11,766	123	12,295	12,253	108
Current taxes payable	1,031	926	108	377	347	32
Deferred tax liabilities	150	144	6	152	148	4
Other current liabilities	6,510	6,287	243	5,865	5,675	216
Liabilities held for sale	-	-	-	8	-	8
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>70,403</b>	<b>61,458</b>	<b>18,333</b>	<b>67,235</b>	<b>59,189</b>	<b>17,083</b>
<b>Total equity and liabilities adjusted for asset-backed financing transactions</b>	<b>62,753</b>	<b>60,999</b>	<b>11,111</b>	<b>60,149</b>	<b>58,725</b>	<b>10,428</b>

### Net Debt by Activity

(€ million)	At 30.09.2010			At 31.12.2009		
	Consolidated	Industrial Activities	Financial Services	Consolidated	Industrial Activities	Financial Services
Financial payables	(29,692)	(21,290)	(15,047)	(28,527)	(20,898)	(13,812)
Asset-backed financing	(7,650)	(459)	(7,222)	(7,086)	(464)	(6,655)
Other	(22,042)	(20,831)	(7,825)	(21,441)	(20,434)	(7,157)
Current financial receivables from jointly-controlled financial services entities	(a) 12	12	-	14	14	-
Intersegment financial receivables	-	5,772	873	-	5,286	893
Intersegment financial receivables included under Assets held for sale	-	-	-	-	-	4
<b>Financial payables, net of intersegment balances and current financial receivables from jointly-controlled financial services entities</b>	<b>(29,680)</b>	<b>(15,506)</b>	<b>(14,174)</b>	<b>(28,513)</b>	<b>(15,598)</b>	<b>(12,915)</b>
Other financial assets	(b) 663	650	17	636	617	23
Other financial liabilities	(b) (511)	(483)	(32)	(464)	(420)	(48)
Liquidity	12,864	11,373	1,491	12,443	10,983	1,460
Current securities	214	162	52	217	164	53
Cash and cash equivalents	12,650	11,211	1,439	12,226	10,819	1,407
<b>Net (debt)/cash</b>	<b>(16,664)</b>	<b>(3,966)</b>	<b>(12,698)</b>	<b>(15,898)</b>	<b>(4,418)</b>	<b>(11,480)</b>

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

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

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

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

Cash and cash equivalents included Cash with a pre-determined use of €571 million (€530 million at 31 December 2009), relating primarily to Financial Services companies and allocated to servicing securitization vehicles (included under Asset-backed financing).

**Net debt for Financial Services** companies at 30 September 2010 was up €1,218 million over 31 December 2009, primarily due to currency translation differences (€584 million), an increase in the lending portfolio (€727 million) and dividend payments (€223 million), which were partly offset by cash generated by operating activities (€409 million).

### Change in Net Industrial Debt

(€ million)	1.01-30.09 2010	1.01-30.09 2009
<b>Net industrial (debt)/cash at beginning of period</b>	<b>(4,418)</b>	<b>(5,949)</b>
Profit/(loss) for the period	282	(565)
Amortization and depreciation (net of vehicles sold under buy-back commitments or leased)	2,112	2,060
Change in provisions for risks and charges and similar	331	(470)
<b>Cash from/(used in) operating activities during the period before change in working capital</b>	<b>2,725</b>	<b>1,025</b>
Change in working capital	333	864
<b>Cash from/(used in) operating activities during the period</b>	<b>3,058</b>	<b>1,889</b>
Investments in property, plant and equipment and intangible assets (net of vehicles sold under buy-back commitments or leased)	(2,308)	(2,147)
<b>Cash from/(used in) operating activities, net of capital expenditures</b>	<b>750</b>	<b>(258)</b>
Change in consolidation scope and other changes	(86)	479
<b>Net industrial cash flow</b>	<b>664</b>	<b>221</b>
Capital increases, (purchase)/disposal of own shares and dividends	(237)	(20)
Currency translation differences	25	(84)
<b>Change in net industrial debt</b>	<b>452</b>	<b>117</b>
<b>Net industrial (debt)/cash at end of period</b>	<b>(3,966)</b>	<b>(5,832)</b>

During the first nine months of 2010, net industrial debt decreased €452 million to €3,966 million.

Operating activities generated €3,058 million in cash for the period, while there was a positive variation of €25 million for currency translation differences. These positive items more than offset capital expenditure (€2,308 million) and dividend payments (€237 million).

## Statement of Cash Flows by Activity

(€ million)	1.01-30.09.2010			1.01-30.09.2009		
	Consolidated	Industrial Activities	Financial Services	Consolidated	Industrial Activities	Financial Services
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	12,226	10,819	1,407	3,683	2,604	1,079
B) CASH FROM/(USED IN) OPERATING ACTIVITIES:						
Profit/(loss) for the period	282	282	145	(565)	(565)	94
Amortization and depreciation (net of vehicles sold under buy-back commitments or leased)	2,115	2,112	3	2,064	2,060	4
(Gains)/losses on disposal of non-current assets and other non-cash items (a)	145	(142)	142	88	(138)	132
Dividends received	94	312	5	26	154	14
Change in provisions	127	142	(15)	(182)	(165)	(17)
Change in deferred taxes	(76)	(48)	(28)	(282)	(289)	7
Changes relating to buy-back commitments (b)	77	70	7	(43)	(34)	(9)
Changes relating to operating leases (c)	32	(3)	35	(18)	2	(20)
Change in working capital	448	333	115	888	864	24
<b>TOTAL</b>	<b>3,244</b>	<b>3,058</b>	<b>409</b>	<b>1,976</b>	<b>1,889</b>	<b>229</b>
C) CASH FROM/(USED IN) INVESTING ACTIVITIES:						
Investments in:						
Property, plant and equipment and intangible assets (net of vehicles sold under buy-back commitments or leased)	(2,311)	(2,308)	(3)	(2,149)	(2,147)	(2)
Unconsolidated subsidiaries and other investments	(249)	(284)	-	(46)	(46)	-
Proceeds from the sale of non-current assets (net of vehicles sold under buy-back commitments)	74	73	1	73	71	2
Net change in receivables from financing activities	(756)	(29)	(727)	586	46	540
Change in other current securities	26	21	5	(100)	(32)	(68)
Other changes	83	(103)	186	(13)	698	(711)
<b>TOTAL</b>	<b>(3,133)</b>	<b>(2,630)</b>	<b>(538)</b>	<b>(1,649)</b>	<b>(1,410)</b>	<b>(239)</b>
D) CASH FROM/(USED IN) FINANCING ACTIVITIES:						
Net change in financial payables and other financial assets/liabilities	364	119	245	4,013	4,015	(2)
Increase in share capital	1	1	35	12	12	-
Dividends paid	(238)	(238)	(223)	(26)	(32)	(136)
<b>TOTAL</b>	<b>127</b>	<b>(118)</b>	<b>57</b>	<b>3,999</b>	<b>3,995</b>	<b>(138)</b>
Currency translation differences	186	82	104	107	31	76
E) NET CHANGE IN CASH AND CASH EQUIVALENTS	424	392	32	4,433	4,505	(72)
F) CASH AND CASH EQUIVALENTS AT END OF PERIOD	12,650	11,211	1,439	8,116	7,109	1,007

(a) For the first nine months of 2010, this item includes a €149 million reversal of impairment losses on assets during the period (€172 million for the first nine months of 2009). It also includes the reversal of a €22 million gain (€87 million gain for the first nine months of 2009) in the fair value of two stock-option related equity swaps on Fiat S.p.A. shares.

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

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

### Industrial Activities

For the first nine months of 2010, Industrial Activities generated cash and cash equivalents totaling €392 million. In particular:

- **Operating activities** generated cash of €3,058 million attributable to income-related cash inflows (net profit plus amortization and depreciation), net of gains/(losses) on disposal and other non-cash items, changes in provisions, deferred taxes, items relating to vehicles sold under buy-back commitments or leased, and dividends received, which generated a total of €2,725 million, and the decrease in working capital which, on a comparable scope of operations and at constant exchange rates, amounted to €333 million.
- **Investing activities** absorbed a total of €2,630 million in cash, primarily relating to investments in tangible and intangible assets and equity investments (€2,592 million).
- Cash used in **financing activities** totaled €118 million, with €238 million in dividend distributions partially compensated by increased use of external funding, which provided additional net cash of €119 million.

### Financial Services

Cash and cash equivalents for Financial Services activities totaled €1,439 million at 30 September 2010, substantially in line (+€32 million) with the figure for 31 December 2009.

Changes in cash during the period were attributable to:

- Operating activities, which generated €409 million in cash, principally from income-related cash inflows.
- Investing activities (including changes in financial receivables from/payables to industrial companies), which absorbed €538 million in cash due to an increase in the lending portfolio.
- Financing activities, which generated a total of €57 million in cash. New borrowing and capital increases more than offset the amount of dividends paid to industrial companies.

### GROUP EMPLOYEES

At 30 September 2010, the Group had 198,203 employees, 554 higher than the 197,649 figure at 30 June 2010. This increase was due to new hirings, predominantly in Latin America.

The 8,189 increase in headcount over the 190,014 figure at year-end 2009 was partially attributable to changes in the scope of operations (accounting for approximately 4,100 employees) which mainly included the insourcing of material handling activities in Italy, production start-up for FGA in Serbia, and full consolidation of Fiat-GM Powertrain Polska following acquisition of the 50% held by the JV partner. The remaining change was attributable to an increase in the workforce, mostly blue-collar workers in Latin America, linked to increased production levels.

### SIGNIFICANT EVENTS IN THE THIRD QUARTER

The plan for the partial and proportional demerger of Fiat S.p.A. to Fiat Industrial S.p.A. was approved by the Board of Directors on July 21st and by Shareholders on September 16th. The activities of CNH and Iveco, together with the "Industrial & Marine" business of FPT Powertrain Technologies are to be transferred to Fiat Industrial S.p.A., a newly-constituted company, while the automobile-related activities – which include Fiat Group Automobiles, Ferrari, Maserati, Magneti Marelli, Teksid, Comau and the "Passenger & Commercial Vehicles" business of FPT Powertrain Technologies – will remain with Fiat S.p.A.

The share structure of Fiat Industrial S.p.A., parent company of the new group created by the demerger, will exactly mirror the current structure of Fiat S.p.A. and all 3 classes of its shares (ordinary, preference and savings) will be listed on the Mercato Telematico Azionario in Milan concurrent with completion of the demerger (expected 1 January 2011). Upon completion, shareholders will receive, for no consideration, one share in Fiat Industrial for each share of the same class already held in Fiat.

The objective of the demerger is to provide strategic and financial clarity for the two groups, enabling both Fiat and Fiat Industrial to develop independently from each other, with improved strategic flexibility and greater focus on their respective core businesses.

For the second consecutive year, Fiat S.p.A. has been recognized as a sustainability leader with its place being confirmed in the Dow Jones Sustainability World and Sustainability Europe indexes. The score assigned to Fiat by SAM, specialists in sustainability investing, was 93/100 compared to an average of 70/100 for the "Automobiles" sector companies analyzed.

### SUBSEQUENT EVENTS AND BUSINESS OUTLOOK

There have been no significant events since 30 September 2010.

\* \* \* \* \*

The Group's performance expectations have gradually improved throughout the first 9 months of the year, and it is now in a position to substantially upgrade guidance.

All Sectors are expected to significantly improve performance over the prior year, with the exception of the Automobiles business, the performance of which, although improving over 2009, will continue to be impacted by the reduction and/or elimination of eco-incentive programs which underpinned demand for A and B segment cars in Western Europe in 2009.

The capital expenditures programs are expected to increase marginally over the abnormally low levels of 2009, with the resumption of a normalized level of capital commitments across all Sectors beginning in 2011.

For the year, the Group now sets the following targets (all of which are above previously announced guidance):

- Revenues in excess of €55 billion (up from >€50 billion).
- Trading profit at minimum of €2 billion (up from €1.1 to €1.2 billion).
- Net profit of approximately €0.4 billion (up from breakeven).
- Net industrial debt slightly below €4 billion (down from >€5 billion).

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



# INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

at 30 September 2010

# CONSOLIDATED INCOME STATEMENT

(€ million)	(Note)	3 <sup>rd</sup> Quarter 2010	3 <sup>rd</sup> Quarter 2009	1/1-30/9 2010	1/1-30/9 2009
Net revenues	(1)	13,479	12,049	41,241	36,501
Cost of sales	(2)	11,387	10,367	35,013	31,651
Selling, general and administrative costs	(3)	1,154	1,039	3,519	3,230
Research and development costs	(4)	349	308	1,052	969
Other income (expenses)	(5)	(3)	(27)	(68)	(81)
<b>TRADING PROFIT/(LOSS)</b>		<b>586</b>	<b>308</b>	<b>1,589</b>	<b>570</b>
Gains (losses) on the disposal of investments	(6)	-	2	6	2
Restructuring costs	(7)	-	31	25	165
Other unusual income (expenses)	(8)	-	(12)	(4)	(111)
<b>OPERATING PROFIT/(LOSS)</b>		<b>586</b>	<b>267</b>	<b>1,566</b>	<b>296</b>
Financial income (expenses)	(9)	(181)	(164)	(732)	(535)
Result from investments:	(10)	30	25	132	(9)
Share of the profit/(loss) of investees accounted for using the equity method		29	15	134	(22)
Other income (expenses) from investments		1	10	(2)	13
<b>PROFIT/(LOSS) BEFORE TAXES</b>		<b>435</b>	<b>128</b>	<b>966</b>	<b>(248)</b>
Income taxes	(11)	245	103	684	317
<b>PROFIT/(LOSS) FROM CONTINUING OPERATIONS</b>		<b>190</b>	<b>25</b>	<b>282</b>	<b>(565)</b>
Profit/(loss) from discontinued operations		-	-	-	-
<b>PROFIT/(LOSS) FOR THE PERIOD</b>		<b>190</b>	<b>25</b>	<b>282</b>	<b>(565)</b>
<b>PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO:</b>					
Owners of the parent		170	21	235	(557)
Non-controlling interests		20	4	47	(8)

(in euros)

<b>BASIC EARNINGS/(LOSS) PER ORDINARY SHARE</b>	(12)	<b>0.160</b>	<b>0.017</b>	<b>0.168</b>	<b>(0.450)</b>
<b>BASIC EARNINGS/(LOSS) PER PREFERENCE SHARE</b>	(12)	<b>-</b>	<b>0.017</b>	<b>0.310</b>	<b>(0.450)</b>
<b>BASIC EARNINGS/(LOSS) PER SAVINGS SHARE</b>	(12)	<b>0.013</b>	<b>0.017</b>	<b>0.323</b>	<b>(0.450)</b>
<b>DILUTED EARNINGS/(LOSS) PER ORDINARY SHARE</b>	(12)	<b>0.159</b>	<b>0.017</b>	<b>0.167</b>	<b>(0.450)</b>
<b>DILUTED EARNINGS/(LOSS) PER PREFERENCE SHARE</b>	(12)	<b>-</b>	<b>0.017</b>	<b>0.310</b>	<b>(0.450)</b>
<b>DILUTED EARNINGS/(LOSS) PER SAVINGS SHARE</b>	(12)	<b>0.012</b>	<b>0.017</b>	<b>0.322</b>	<b>(0.450)</b>

# STATEMENT OF COMPREHENSIVE INCOME

(€ million)	Note	3 <sup>rd</sup> Quarter 2010	3 <sup>rd</sup> Quarter 2009	1/1-30/9 2010	1/1-30/9 2009
<b>PROFIT/(LOSS) FOR THE PERIOD (A)</b>		<b>190</b>	<b>25</b>	<b>282</b>	<b>(565)</b>
Gains/(Losses) on cash flow hedges	(23)	307	221	121	327
Gains/(Losses) on fair value of available-for-sale financial assets	(23)	2	2	(3)	4
Gains/(Losses) on exchange differences on translating foreign operations	(23)	(531)	63	545	291
Share of other comprehensive income of entities consolidated by using the equity method	(23)	(53)	(16)	101	(40)
Income tax relating to components of Other comprehensive income	(23)	(42)	(7)	(2)	(52)
<b>TOTAL OTHER COMPREHENSIVE INCOME, NET OF TAX (B)</b>		<b>(317)</b>	<b>263</b>	<b>762</b>	<b>530</b>
<b>TOTAL COMPREHENSIVE INCOME (A)+(B)</b>		<b>(127)</b>	<b>288</b>	<b>1,044</b>	<b>(35)</b>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>					
Owners of the parent		(99)	287	960	(34)
Non-controlling interests		(28)	1	84	(1)

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€ million)	Note	At 30 September 2010	At 31 December 2009
<b>ASSETS</b>			
Intangible assets	(13)	7,634	7,199
Property, plant and equipment	(14)	13,089	12,945
Investments and other financial assets:	(15)	2,330	2,159
Investments accounted for using the equity method		2,064	1,884
Other investments and financial assets		266	275
Leased assets	(16)	473	457
Defined benefit plan assets		186	144
Deferred tax assets	(11)	2,703	2,580
<b>Total Non-current assets</b>		<b>26,415</b>	<b>25,484</b>
Inventories	(17)	8,979	8,748
Trade receivables	(18)	3,912	3,649
Receivables from financing activities	(18)	13,932	12,695
Current tax receivables	(18)	1,081	674
Other current assets	(18)	2,439	2,778
Current financial assets:		912	899
Current investments		35	46
Current securities	(19)	214	217
Other financial assets	(20)	663	636
Cash and cash equivalents	(21)	12,650	12,226
<b>Total Current assets</b>		<b>43,905</b>	<b>41,669</b>
Assets held for sale	(22)	83	82
<b>TOTAL ASSETS</b>		<b>70,403</b>	<b>67,235</b>
<b>Total assets adjusted for asset-backed financing transactions</b>		<b>62,753</b>	<b>60,149</b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(CONTINUED)

(€ million)	Note	At 30 September 2010	At 31 December 2009
<b>EQUITY AND LIABILITIES</b>			
Equity:	(23)	11,839	11,115
Issued capital and reserves attributable to owners of the parent		10,971	10,301
Non-controlling interest		868	814
Provisions:	(24)	8,814	8,432
Employee benefits		3,605	3,447
Other provisions		5,209	4,985
Debt:	(25)	29,692	28,527
Asset-backed financing		7,650	7,086
Other debt		22,042	21,441
Other financial liabilities	(20)	511	464
Trade payables	(26)	11,856	12,295
Current tax payables		1,031	377
Deferred tax liabilities	(11)	150	152
Other current liabilities	(27)	6,510	5,865
Liabilities held for sale	(22)	-	8
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>70,403</b>	<b>67,235</b>
<b>Total equity and liabilities adjusted for asset-backed financing transactions</b>		<b>62,753</b>	<b>60,149</b>

# CONSOLIDATED STATEMENT OF CASH FLOWS

(€ million)	Note	1/1-30/9 2010	1/1-30/9 2009
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	(21)	<b>12,226</b>	<b>3,683</b>
B) CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES DURING THE PERIOD:			
Profit/(loss) for the period		282	(565)
Amortisation and depreciation (net of vehicles sold under buy-back and operating lease)		2,115	2,064
(Gains) losses from disposal of non-current assets (net of vehicles sold under buy-back)		(13)	(15)
Other non-cash items	(a)	158	103
Dividends received		94	26
Change in provisions		127	(182)
Change in deferred income taxes		(76)	(282)
Change in items due to buy-back commitments	(b)	77	(43)
Change in operating lease items	(c)	32	(18)
Change in working capital		448	888
<b>TOTAL</b>		<b>3,244</b>	<b>1,976</b>
C) CASH FLOWS FROM (USED IN) INVESTMENT ACTIVITIES:			
Investments in:			
Property, plant and equipments and intangible assets (net of vehicles sold under buy-back commitment and operating lease)		(2,311)	(2,149)
Investments in consolidated subsidiaries and other investments		(249)	(46)
Proceeds from the sale of non-current assets (net of vehicles sold under buy-back)		74	73
Net change in receivables from financing activities		(756)	586
Change in other current securities		26	(100)
Other changes		83	(13)
<b>TOTAL</b>		<b>(3,133)</b>	<b>(1,649)</b>
D) CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:			
Bonds issued		1,141	3,232
Repayment of bonds		(1,451)	(366)
Issuance of other medium-term borrowings		1,495	2,478
Repayment of other medium-term borrowings		(1,229)	(1,070)
Net change in other financial payables and other financial assets/liabilities		408	(261)
Capital increase		1	12
Dividends paid		(238)	(26)
<b>TOTAL</b>		<b>127</b>	<b>3,999</b>
Translation exchange differences		186	107
<b>E) TOTAL CHANGE IN CASH AND CASH EQUIVALENTS</b>		<b>424</b>	<b>4,433</b>
F) CASH AND CASH EQUIVALENTS AT END OF PERIOD	(21)	<b>12,650</b>	<b>8,116</b>

(a) In the first nine months of 2010, this item includes €149 million for the reversal of impairment losses on assets recognised during the period (€172 million in the first nine months of 2009). This item also includes the reversal of the positive €22 million arising from the fair value measurement of the equity swaps on Fiat S.p.A. shares (positive for an amount of €87 million in the first nine months of 2009).

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

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

# STATEMENT OF CHANGES IN EQUITY

(€ million)	Share capital	Treasury shares	Capital reserves	Earning reserves	Cash flow hedge reserve	Cumulative translation adjustment reserve	Available-for-sale financial assets reserve	Cumulative share of OCI of entities consolidated under the equity method	Non-controlling interests	Total
<b>AT 1 JANUARY 2009</b>	<b>6,377</b>	<b>(657)</b>	<b>682</b>	<b>4,661</b>	<b>(568)</b>	<b>(103)</b>	<b>(1)</b>	<b>(37)</b>	<b>747</b>	<b>11,101</b>
<b>Changes in equity 1/1-30/9/2009</b>										
Capital increase	-	-	-	-	-	-	-	-	12	12
Dividends distributed	-	-	-	(25)	-	-	-	-	(1)	(26)
Increase in the reserve for share based payments	-	-	-	12	-	-	-	-	-	12
Total comprehensive income for the year	-	-	-	(557)	265	291	4	(37)	(1)	(35)
Other changes	-	-	-	3	-	-	-	-	(3)	-
<b>AT 30 SEPTEMBER 2009</b>	<b>6,377</b>	<b>(657)</b>	<b>682</b>	<b>4,094</b>	<b>(303)</b>	<b>188</b>	<b>3</b>	<b>(74)</b>	<b>754</b>	<b>11,064</b>

(€ million)	Share capital	Treasury shares	Capital reserves	Earning reserves	Cash flow hedge reserve	Cumulative translation adjustment reserve	Available-for-sale financial assets reserve	Cumulative share of OCI of entities consolidated under the equity method	Non-controlling interests	Total
<b>AT 1 JANUARY 2010</b>	<b>6,377</b>	<b>(657)</b>	<b>682</b>	<b>3,804</b>	<b>(219)</b>	<b>393</b>	<b>2</b>	<b>(81)</b>	<b>814</b>	<b>11,115</b>
<b>Changes in equity 1/1-30/9/2010</b>										
Capital increase	-	-	-	-	-	-	-	-	1	1
Dividends distributed	-	-	-	(237)	-	-	-	-	(1)	(238)
Purchase and sale of shares in subsidiaries from/to non-controlling interests	-	-	(83)	-	-	-	-	-	(33)	(116)
Increase in the reserve for share based payments	-	-	-	15	-	-	-	-	-	15
Total comprehensive income for the year	-	-	-	235	117	515	(3)	96	84	1,044
Other changes	-	-	-	15	-	-	-	-	3	18
<b>AT 30 SEPTEMBER 2010</b>	<b>6,377</b>	<b>(657)</b>	<b>599</b>	<b>3,832</b>	<b>(102)</b>	<b>908</b>	<b>(1)</b>	<b>15</b>	<b>868</b>	<b>11,839</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 International Financial Reporting Interpretations Committee (“IFRIC”), formerly the Standing Interpretations Committee (“SIC”).

In particular, this Quarterly report has been prepared in accordance with IAS 34 - *Interim Financial Reporting* applying the same accounting principles and policies used in the preparation of the Consolidated financial statements at 31 December 2009, other than those discussed in the following paragraph Accounting principles, amendments and interpretations adopted from 1 January 2010.

The preparation of the interim financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and disclosure of contingent assets and liabilities at the date of the interim financial statements. If in the future such estimates and assumptions, which are based on management’s best judgment at the date of the interim financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change. Reference should be made to the section Use of estimates in the Consolidated Financial Statements for the year ended 31 December 2009 for a detailed description of the more significant valuation procedures used by the Group.

Moreover, these valuation procedures, in particular those of a more complex nature regarding matters such as any impairment of non-current assets, are only carried out in full during the preparation of the annual financial statements, when all the information required is available, other than in the event that there are indications of impairment, when an immediate assessment is necessary.

The actuarial valuations that are required for the determination of employee benefit provisions are also usually only carried out during the preparation of the annual financial statements.

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

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

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

#### *IFRS 3 (2008) – Business Combinations*

In accordance with the transitional provision of the Standard the Group adopted IFRS 3 (revised in 2008) – *Business Combinations*, prospectively, to business combinations for which the acquisition date is on or after 1 January 2010.

The main changes to IFRS 3 concern the accounting treatment of step acquisition, to allow a choice for the measurement of non-controlling interest in a partial acquisition either at fair value or at the non-controlling interest’s share of the fair value of the identifiable net assets of the acquiree, the recognition of acquisition-related costs as period expenses and the recognition at the acquisition date of any contingent consideration included in the arrangements.

#### **Step acquisitions of a subsidiary**

In the case of step acquisitions IFRS 3 (2008) states that a business combination occurs only in respect of the transaction that gives one entity control of another. At that time, the identifiable net assets of the acquiree are measured at fair value and any non-controlling interest is measured either at fair value or at the non-controlling interest’s proportionate share of the fair value of the acquiree’s identifiable net assets (a method already permitted under the previous version of IFRS 3).

An equity interest previously held in the acquiree and accounted for under IAS 39 – *Financial Instruments: Recognition and Measurement*, or under IAS 28 – *Investments in Associates*, or under IAS 31 – *Interests in Joint Ventures* is treated as if it were disposed of and acquired at fair value on the acquisition date. Accordingly, it is remeasured to its acquisition date fair value and any resulting gain or loss is recognised in profit or loss. Moreover, any changes in the value of the equity interest that were previously recognised in Other comprehensive income are reclassified from equity to profit or loss as if they had been disposed of. Goodwill, or the gain from a bargain purchase (in the case of negative goodwill), arising

from an acquisition is measured as the consideration transferred to obtain control, plus the amount of non-controlling interest (using either option), plus the fair value of previously held non-controlling equity interest, less the fair value of the identifiable net assets of the acquiree.

Under the previous version of the standard controlling interests achieved in stages was dealt with as a series of separate transactions with goodwill recognised as the sum of the goodwill arising on the separate transactions.

As described in the Scope of consolidation section below on 30 June 2010 the Fiat Group acquired the remaining 50% of the joint venture Fiat GM Powertrain Polska (an investment accounted for in the Fiat Group's consolidated financial statements using proportionate consolidation), thereby obtaining 100% control. Although this transaction falls within the scope of IFRS 3 and in particular the guidance regarding the step acquisition of a subsidiary it was not possible to complete the process for the fair value measurement of the acquired net assets by the date of this Quarterly report; as permitted by paragraph 45 of IFRS 3, therefore, provisional amounts have been reported for items for which the accounting is incomplete, in continuation of the amounts previously consolidated when the Group had an interest of 50%. The effects resulting from applying the new accounting standard will be recognised as the year progresses and the accounting is completed. The amounts relating to these assets and liabilities are not significant in relation to those of the Fiat Group as a whole.

#### **Acquisition related costs**

Under IFRS 3 (2008) acquisition-related costs are recognised as expenses in the periods in which the costs are incurred. Under the previous version of the Standard, these costs were included in the acquisition cost of the net assets of the acquired entity. Applying this change to the acquisition of the remaining 50% interest in Fiat GM Powertrain Polska in the first nine months of 2010 led to the recognition of acquisition related costs whose amount is not significant.

#### **Recognition of contingent consideration**

Under IFRS 3 (2008) contingent consideration is recognised as part of the consideration transferred in exchange for the acquiree net assets, measured at its acquisition date fair value. Similarly, where the purchase agreement includes a right to the return of previously-transferred consideration if specified conditions are met, that right to return is classified as an asset by the acquirer. Subsequent changes in this fair value are recognised as adjustments against original accounting for the acquisition if they are the result of the acquirer obtaining additional information and occur within 12 months from the acquisition date. All other changes in the fair value of the contingent consideration are recognised in profit or loss.

Under the previous version of the Standard contingent considerations were recognised at the acquisition date only if their payment was probable and it could be measured reliably. Any subsequent adjustments to the contingent consideration were recognised against goodwill.

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

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

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

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

Following the adoption of the above change the Group recognised a reduction of €116 million directly in equity for the first nine months of 2010 in relation to exercise of the 5% call option on Ferrari S.p.A., as well as a series of minor acquisitions and sales of non-controlling interests in subsidiaries. The adoption of the new standard did not lead to the recognition of significant effects on Total other comprehensive income or on earnings per ordinary share.

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

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

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

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

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

On 4 November 2009, the IASB issued a revised version of IAS 24 - *Related Party Disclosures* that simplifies the disclosure requirements for government-related entities and clarifies the definition of a related party. The revised standard is effective for annual periods beginning on or after 1 January 2011. Application of this amendment is not expected to have any significant effects on the Group's financial statements.

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

On 26 November 2009, the IASB issued a minor amendment to IFRIC 14 - *Prepayments of a Minimum Funding Requirement*. The amendment applies when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements. The amendment permits such an entity to treat the benefit of such an early payment as an asset. The amendment has an effective date for mandatory adoption of 1 January 2011. Application of this amendment is not expected to have any significant effects on the Group's financial statements.

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

On 6 May 2010 the IASB issued a set of amendments to IFRSs ("Improvements to IFRSs") that are applicable from 1 January 2011; set out below are those that will lead to changes in the presentation, recognition or measurement of financial statement items, excluding those that only regard changes in terminology or editorial changes having a limited accounting effect and those that affect standards or interpretations that are not applicable to the Fiat Group.

- IFRS 3 (2008) – *Business combinations*: this amendment clarifies that the components of non-controlling interests that do not entitle their holders to a proportionate share of the entity's net assets must be measured at fair value or as required by the applicable accounting standards. For example, therefore, stock options granted to employees must be measured in accordance with the requirements of IFRS 2 in the case of a business combination, while the equity

portion of a convertible debt instrument must be measured in accordance with IAS 32. In addition, the Board goes into further detail on the question of share-based payment plans that are replaced as part of a business combination by adding specific guidance to clarify the accounting treatment.

- IFRS 7 – *Financial instruments: disclosures*: this amendment emphasises the interaction between the qualitative and quantitative disclosures required by the standard concerning the nature and extent of risks arising from financial instruments. This should assist users of financial statements to link related disclosures and hence form an overall picture of the nature and extent of risks arising from financial statements. In addition, the disclosure requirement concerning financial assets that are past due or impaired but whose terms have been renegotiated, and that relating to the fair value of collateral, have been eliminated.
- IAS 1 – *Presentation of financial statements*: the amendment requires the reconciliation in the changes of each component of equity to be presented in the notes or in the primary statements.
- IAS 34 – *Interim financial reporting*: by using a series of examples certain clarifications are provided concerning the additional disclosures that must be presented in interim financial reports.

At the date of this Quarterly report, the competent bodies of the European Union had not yet completed their endorsement process for the above improvements.

On 7 October 2010, the IASB issued amendments to IFRS 7 – *Financial Instruments: Disclosures*. Entities are required to apply the amendments for annual periods beginning on or after 1 July 2011. The amendments will allow users of financial statements to improve their understanding on transfer of financial assets, including understanding 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 transfer transaction are undertaken at the end of a reporting period. The amendments had not yet been endorsed by the European Union at the date of this Quarterly report.

#### SCOPE OF CONSOLIDATION

There were no significant changes in the scope of consolidation during the first nine months of 2010, although the following changes occurred:

- On 1 February 2010 the sale of Targa Rent S.r.l., a subsidiary of the Fiat Group Automobiles sector, was completed; this investment was already classified as assets held for sale at 31 December 2009.
- The equally held joint venture GAC Fiat Automobiles Co. Ltd. was formed in the first quarter of 2010 to manufacture engines and cars for the Chinese market.
- In the second quarter of 2010 the CNH Sector acquired 50% of LLC CNH – KAMAZ Industry, an equally held joint venture set up to manufacture agricultural and construction machinery in the Russian Federation.
- In the second quarter of 2010 the Agricultural and Construction Equipment Sector completed the sale of the investment in the joint venture LBX Company LLC.
- On 30 June 2010 the Fiat Group acquired the remaining 50% of the joint venture Fiat Powertrain Polska Sp. z.o.o. (ex Fiat GM Powertrain Polska), thereby obtaining 100% control. The 50% interest acquired was consolidated on a line-by-line basis effective 1 January 2010.
- Certain subsidiaries in the Components Sector whose total assets and revenues are not material for the Group have been consolidated on a line-by-line basis during the period.
- During the third quarter of 2010, the call option on the 5% of Ferrari S.p.A. share capital held by Mubadala Development Company PJSC was exercised.

#### OTHER INFORMATION

As already stated in the section “Significant Events in the Third Quarter”, at the Extraordinary General Meeting held on 16 September 2010, the Shareholders of Fiat S.p.A. approved the partial and proportional demerger of the Company to Fiat Industrial S.p.A. An essential pre-condition for the Demerger is that, at the time of their allotment to the shareholders of Fiat S.p.A., shares in the Beneficiary Company have been admitted to listing on the Mercato Telematico Azionario (“MTA”). In addition to the applicable provisions of the Civil Code, execution of the Deed of Demerger is, therefore, conditional upon:

- admission by Borsa Italiana S.p.A. of all classes of shares in the Beneficiary Company to listing on the MTA; and
- a decision from Consob, pursuant to Article 57 (1.d) of Consob Regulation 11971/1999, as to the equivalence to a listing prospectus of the information provided in the Information Document and subsequent amendments, pursuant to

Article 57.

Subject to the above conditions being met, it is expected that the Deed of Demerger will be executed by the end December 2010 and that the transaction will take effect from 1 January 2011. Consequently, no accounting effects relating to the Demerger are reflected in this Quarterly report.

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Other sections of this Report provide information on significant events occurring since the end of the first nine months of 2010 and business outlook.

## COMPOSITION AND PRINCIPAL CHANGES

### 1. Net revenues

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

(€ million)	3 <sup>rd</sup> Quarter 2010	3 <sup>rd</sup> Quarter 2009	1/1-30/9/2010	1/1-30/9/2009
Fiat Group Automobiles	6,497	6,483	20,533	18,884
Maserati	119	86	381	290
Ferrari	433	387	1,308	1,254
Agricultural and Construction Equipment	2,989	2,267	8,872	7,718
Trucks and Commercial Vehicles	1,942	1,695	5,668	4,966
Fiat Powertrain Technologies	302	188	902	575
Components	799	649	2,369	1,858
Metallurgical Products	127	91	353	246
Production Systems	177	101	544	347
Other operating Sectors	94	102	311	363
<b>Total Net revenues</b>	<b>13,479</b>	<b>12,049</b>	<b>41,241</b>	<b>36,501</b>

### 2. Cost of sales

Cost of sales comprises the following:

(€ million)	3 <sup>rd</sup> Quarter 2010	3 <sup>rd</sup> Quarter 2009	1/1-30/9/2010	1/1-30/9/2009
Interest cost and other financial charges from financial services companies	215	202	632	609
Other cost of sales	11,172	10,165	34,381	31,042
<b>Cost of sales</b>	<b>11,387</b>	<b>10,367</b>	<b>35,013</b>	<b>31,651</b>

### 3. Selling, general and administrative costs

Selling costs amount to €651 million and €2,009 million in the third quarter of 2010 and in the first nine months of 2010, respectively (€580 million and €1,860 million in the third quarter of 2009 and in the first nine months of 2009, respectively) and comprise mainly marketing, advertising and sales personnel costs.

General and administrative costs amount to €503 million and €1,510 million in the third quarter of 2010 and in the first nine months of 2010, respectively (€459 million and €1,370 million in the third quarter of 2009 and in the first nine months of 2009, respectively) and comprise mainly expenses for administration which are not attributable to sales, production and research and development functions.

#### **4. Research and development costs**

In the third quarter of 2010, research and development costs of €349 million (€308 million in the third quarter of 2009) comprise all research and development costs not recognized as assets amounting to €163 million (€129 million in the third quarter of 2009), the write-downs of any costs previously capitalized (€5 million in the third quarter of 2010 and zero in the third quarter of 2009), and the amortization of capitalized development costs of €181 million (€179 million in the third quarter of 2009). During the period the Group incurred new expenditure for capitalized development costs of €305 million (€238 million in the third quarter of 2009).

In the first nine months of 2010, research and development costs of €1,052 million (€969 million in the first nine months of 2009) comprise all research and development costs not recognized as assets amounting to €502 million (€422 million in the first nine months of 2009), the write-downs of any costs previously capitalized for €6 million (€3 million in the first nine months of 2009) and the amortization of capitalized development costs of €544 million (€544 million in the first nine months of 2009). During the period the Group incurred new expenditure for capitalized development costs of €885 million (€717 million in the first nine months of 2009).

#### **5. Other income (expenses)**

Other expenses amounts to €3 million and €68 million in the third quarter of 2010 and in the first nine months of 2010, respectively (other expenses of €27 million and of 81 million in the third quarter 2009 and in the first nine months of 2009, respectively) and consists of trading income which is not attributable to the typical sales and services operations of the Group, such as income from the sale of licenses and know-how, net of miscellaneous operating costs not ascribable to specific functional areas, such as post employment benefits for retired former employees (health care costs), indirect taxes and duties, and accruals to miscellaneous provisions.

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

This item amounted to zero in the third quarter of 2010 (gain of €2 million in the third quarter of 2009) and the gain of €6 million in the first nine months of 2010 (gain of €2 million in the first nine months of 2009), mainly consists of the gains realised from the Agricultural and Construction Equipment Sector on the sale of the investment in the joint venture LBX Company LLC.

#### **7. Restructuring costs**

Restructuring costs amounted to zero for the third quarter of 2010; restructuring costs of €31 million in the third quarter of 2009, mainly related to the Fiat Group Automobiles, Iveco and FPT – Powertrain Technologies Sectors. The net balance on this item for the first nine months of 2010 amounts to expenses of €25 million (expenses of €165 million in the first nine months of 2009), mainly relating to the Fiat Group Automobiles Sector.

#### **8. Other unusual income (expenses)**

In the third quarter of 2010 this item amounted to zero. In the third quarter of 2009 this item resulted in a net expense of €12 million mainly relating to further exceptional additional costs incurred by Iveco as a consequence of the sudden serious crisis in the world automotive market, to provide mainly against the risks of vehicles included in stocks.

In the first nine months of 2010 this item results in a net expense of €4 million. In the first nine months of 2009 this item resulted in a net expense of €111 million, mainly from provisions for residual values on leased vehicles for FGA and Iveco.

## 9. Financial income (expenses)

In addition to the items included in the specific line of the income statement, Net financial income (expenses) also includes the income from financial services companies included in Net revenues for €243 million and €693 million in the third quarter of 2010 and in the first nine months of 2010, respectively (€221 million and €701 million in the third quarter of 2009 and in the first nine months of 2009, respectively) and the costs incurred by financial services companies included in Interest cost and other financial charges from financial services companies included in Cost of sales for €215 million and €632 million in the third quarter of 2010 and in the first nine months of 2010, respectively (€202 million and €609 million in the third quarter of 2009 and in the first nine months of 2009, respectively). Reconciliation to the income statement is provided at the foot of each column of the following table.

(€ million)	3 <sup>rd</sup> Quarter 2010	3 <sup>rd</sup> Quarter 2009	1/1-30/9/2010	1/1-30/9/2009
<b>Financial income:</b>				
Interest earned and other financial income	114	33	200	113
Interest income from customers and other financial income of financial services companies	243	221	693	701
Gains on disposal of securities	1	3	8	5
<b>Total financial income</b>	<b>358</b>	<b>257</b>	<b>901</b>	<b>819</b>
of which:				
Financial income, excluding financial services companies	115	36	208	118
<b>Interest and other financial expenses:</b>				
Interest expense and other financial expenses	465	364	1,298	1,021
Write-downs of financial assets	63	46	208	147
Losses on disposal of securities	4	2	10	11
Interest costs on employee benefits	31	40	93	121
<b>Total interest and other financial expenses</b>	<b>563</b>	<b>452</b>	<b>1,609</b>	<b>1,300</b>
<b>Net income (expenses) from derivative financial instruments and exchange losses</b>	<b>52</b>	<b>50</b>	<b>37</b>	<b>38</b>
Interest and other financial expenses, effects resulting from derivative financial instruments and exchange differences, excluding financial services companies	296	200	940	653
<b>Net financial income (expenses) excluding financial services companies</b>	<b>(181)</b>	<b>(164)</b>	<b>(732)</b>	<b>(535)</b>

Net financial expenses for the third quarter of 2010 and the first nine months of 2010, excluding those of the financial services companies, amounted to €181 million and €732 million, respectively and include net financial income of €58 million in the third quarter of 2010 and €26 million in the first nine months of 2010 arising from the equity swaps on Fiat S.p.A. ordinary shares, carried out to support certain stock options plans. In addition, in the first nine months of 2010 Net financial expenses include a charge of €17 million recognised in connection with the announced redemption of a CNH Bond whose original maturity was in 2014. Net financial expenses of €164 million for the third quarter of 2009 and of €535 million for the first nine months of 2009 included net financial income of €34 million and of €87 million, respectively, arising from these equity swaps.

## 10. Result from investments

The item includes the Group's interest in the net income or loss of the companies accounted for using the equity method for an amount equal to €29 million and €134 million in the third quarter of 2010 and in the first nine months of 2010, respectively (€15 million and €22 million in the corresponding periods of 2009); the item additionally includes the write-downs connected with the impairment loss of financial assets and any reversal, the write-downs of investments classified

as available-for-sale, accruals to provisions against investments, income and expense arising from the adjustment to fair value of investments in other entities held for trading and dividend income.

The Result from investments in the third quarter of 2010 is a profit amounting to €30 million (a profit of €25 million in the third quarter of 2009) and consists of (amounts in € million): Fiat Group Automobiles Sector entities 19 (44 in the third quarter of 2009); entities of Agricultural and Construction equipment Sector 14 (-1 in the third quarter of 2009), Trucks and Commercial Vehicles Sector Companies -1 (-8 in the third quarter of 2009) and other companies -2 (-10 in the third quarter of 2009).

The Result from investments in the first nine months of 2010 is a profit amounting to €132 million (a loss of €9 million in the first nine months of 2009) and consists of (amounts in € million): Fiat Group Automobiles Sector entities 106 (49 in the first nine months of 2009); entities of Agricultural and Construction equipment Sector 39 (-25 in the first nine months of 2009), Trucks and Commercial Vehicles Sector Companies -3 (-19 in the first nine months of 2009) and other companies -10 (-14 in the first nine months of 2009).

## 11. Income taxes

Income taxes consist of the following:

(€ million)	3 <sup>rd</sup> Quarter 2010	3 <sup>rd</sup> Quarter 2009	1/1-30/9/2010	1/1-30/9/2009
Current taxes:				
IRAP	28	14	72	89
Other taxes	148	179	688	513
<b>Total current taxes</b>	<b>176</b>	<b>193</b>	<b>760</b>	<b>602</b>
Deferred taxes for the period	72	(92)	(76)	(283)
Taxes relating to prior periods	(3)	2	-	(2)
<b>Total Income taxes</b>	<b>245</b>	<b>103</b>	<b>684</b>	<b>317</b>

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

Net deferred tax assets at 30 September 2010 consist of deferred tax assets, net of deferred tax liabilities that have been offset where permissible by the individual companies. The net balance of Deferred tax assets and Deferred tax liabilities may be analyzed as follows:

(€ million)	At 30 September 2010	At 31 December 2009
Deferred tax assets	2,703	2,580
Deferred tax liabilities	(150)	(152)
<b>Total</b>	<b>2,553</b>	<b>2,428</b>

The increase of €125 million in deferred tax assets at 30 September 2010, net of deferred tax liabilities, reflects foreign exchange gains of €52 million arising from the strengthening of the US Dollar and Brazilian Real against the Euro.

## 12. Earnings/(loss) per share

As explained in Note 24 to the Consolidated Financial Statements at 31 December 2009, the share capital of Fiat S.p.A. is represented by three classes of shares (ordinary shares, preference shares and saving shares) each of which has different dividend rights. In the third quarter of 2010 and in the first nine months of 2010 the Profit(loss) for the period attributable to each class of share has been determined in accordance with the share's contractual right to receive dividends. For this purpose the Profit (loss) for the period attributable to the owners of the parent has been adjusted by the amount of the dividends that would be contractually due to each class of shares in the theoretical event of a total distribution of profits. In the third quarter of 2009 and in the first nine months of 2009 the loss for the period attributable to owners of the parent was allocated to all three classes of shares. In order to calculate earnings per share, the amount obtained has then been divided by the average number of outstanding shares.

The following tables show for the first nine months and for the third quarter of 2010 together with the corresponding comparative periods in 2009, the reconciliation between the net result attributable to owners of the parent and the profit attributable to each class of shares, as well as, the average number of shares outstanding during the period:

		1/1-30/9/2010				1/1-30/9/2009			
		Ordinary shares	Preference shares	Saving shares	Total	Ordinary shares	Preference shares	Saving shares	Total
Profit (loss) attributable to owners of the parent	€ million				235				(557)
Theoretical preference right	€ million	-	32	25	57	-	-	-	-
Result attributable to all classes of shares	€ million	177	-	1	178	(474)	(47)	(36)	(557)
<b>Profit/(loss) attributable to each class of shares</b>	€ million	177	32	26	235	(474)	(47)	(36)	(557)
<b>Average number of shares outstanding</b>	thousands	1,053,679	103,292	79,913	1,236,884	1,053,679	103,292	79,913	1,236,884
<b>Basic earnings/(loss) per share</b>	euros	0.168	0.310	0.323		(0.450)	(0.450)	(0.450)	

		3 <sup>rd</sup> Quarter 2010				3 <sup>rd</sup> Quarter 2009			
		Ordinary shares	Preference shares	Saving shares	Total	Ordinary shares	Preference shares	Saving shares	Total
Profit attributable to equity holders of the parent	€ million				170				21
Theoretical preference right	€ million	-	-	-	-	-	-	-	-
Result attributable to all classes of shares	€ million	169	-	1	170	18	2	1	21
<b>Profit/(loss) attributable to each class of shares</b>	€ million	169	-	1	170	18	2	1	21
<b>Average number of shares outstanding</b>	thousands	1,053,679	103,292	79,913	1,236,884	1,053,679	103,292	79,913	1,236,884
<b>Basic earnings/(loss) per share</b>	euros	0.160	-	0.013		0.017	0.017	0.017	

For the third quarter of 2010 and 2009 and the first nine months of 2010 the average number of outstanding ordinary shares has been increased so as also to take into consideration the effect that would arise if the stock options plans and stock grant on Fiat S.p.A. shares were to be exercised. In the first nine months of 2009 stock option plans based on Fiat S.p.A. ordinary shares were not taken into consideration in the calculation of diluted earnings per share as this would have had an antidilutive effect. In addition for the same periods the effect that would arise if the stock options granted by the Group's subsidiaries on their equity instruments were to be exercised has not been taken into consideration because this would also be antidilutive or nil.

The following tables set out for the first nine months and the third quarter of 2010 together with the corresponding comparative periods in 2009 the weighted number of shares outstanding during the period used in the calculation of diluted earnings per share and diluted earnings per share by class of share.

		1/1-30/9/2010				1/1-30/9/2009			
		Ordinary shares	Preference shares	Saving shares	Total	Ordinary shares	Preference shares	Saving shares	Total
<b>Profit/(loss) attributable to each class of shares</b>	€ million	177	32	26	235	(474)	(47)	(36)	(557)
<b>Average number of shares outstanding</b>	thousands	1,058,597	103,292	79,913	1,241,802	1,053,679	103,292	79,913	1,236,884
<b>Diluted earnings/(loss) per share</b>	euros	0.167	0.310	0.322		(0.450)	(0.450)	(0.450)	

		3 <sup>rd</sup> Quarter 2010				3 <sup>rd</sup> Quarter 2009			
		Ordinary shares	Preference shares	Saving shares	Total	Ordinary shares	Preference shares	Saving shares	Total
<b>Profit/(loss) attributable to each class of shares</b>	€ million	169	-	1	170	18	2	1	21
<b>Average number of shares outstanding</b>	thousands	1,059,620	103,292	79,913	1,242,825	1,055,392	103,292	79,913	1,238,597
<b>Diluted earnings/(loss) per share</b>	euros	0.159	-	0.012		0.017	0.017	0.017	

### 13. Intangible assets

(€ million)	Net of amortisation at 31 December 2009	Additions	Amortisation	Foreign exchange effects and other changes	Net of amortisation at 30 September 2010
Goodwill	2,776	-	-	108	2,884
Development costs	3,593	885	(544)	17	3,951
Other	830	85	(147)	31	799
<b>Total Intangible assets</b>	<b>7,199</b>	<b>970</b>	<b>(691)</b>	<b>156</b>	<b>7,634</b>

Goodwill consists principally of net goodwill resulting from the purchase of the Case group and other companies of the Agricultural and Construction Equipment Sector for €1,754 million, the Ferrari Sector for €786 million, the Pico group and other companies in the Production Systems Sector for €132 million, companies in the Components Sector for €120 million, companies in the Trucks and Commercial Vehicles Sector for €56 million and companies in the Metallurgical Products Sector for €18 million.

The addition to Other intangible assets of €85 million in the first nine months of 2010 relates mainly to software.

Foreign exchange gains of €173 million in the first nine months of 2010 principally reflect changes in the Euro/US dollar and Euro/Real rate.

### 14. Property, plant and equipment

(€ million)	Net of depreciation at 31 December 2009	Additions	Depreciation	Foreign exchange effects	Disposals and other changes	Net of depreciation at 30 September 2010
Property, plant and equipment	12,035	1,341	(1,424)	266	(17)	12,201
Assets sold with a buy-back commitment	910	238	(98)	4	(166)	888
<b>Total Property plant and equipment</b>	<b>12,945</b>	<b>1,579</b>	<b>(1,522)</b>	<b>270</b>	<b>(183)</b>	<b>13,089</b>

Additions of €1,579 million in the first nine months of 2010 mainly refer to the Sectors Fiat Group Automobiles, Iveco, FPT Powertrain Technologies, Magneti Marelli and CNH - Case New Holland. Foreign exchange gains of €270 million in the first nine months of 2010 arise principally from the strengthening of the US Dollar and the Brazilian Real against the Euro.

## 15. Investments and other financial assets

(€ million)	At 30 September 2010	At 31 December 2009
Investments	2,146	1,981
Non-current financial receivables	139	138
Other securities	45	40
<b>Total Investments and other financial assets</b>	<b>2,330</b>	<b>2,159</b>

Changes in Investments are as follows:

(€ million)	At 31 December 2009	Revaluations (write-downs)	Changes in the scope of consolidation	Other changes	At 30 September 2010
<b>Investments</b>	<b>1,981</b>	<b>127</b>	<b>(2)</b>	<b>40</b>	<b>2,146</b>

At 30 September 2010 the item Investments totals €2,146 million (€1,981 million at 31 December 2009) and includes, amongst others, the following investments (€ million): FGA Capital S.p.A. 678 (643 at 31 December 2009), Tofas Turk Otomobil Fabrikasi A.S. 302 (241 at 31 December 2009), Naveco (Nanjing Iveco Motor Co.) Ltd. 142 (137 at 31 December 2009), Iveco Finance Holdings Limited 121 (127 at 31 December 2009), Sevelnord Société Anonyme 102 (105 at 31 December 2009), Sevel S.p.A. 96 (95 at 31 December 2009), Kobelco Construction Machinery Co. Ltd. 103 (88 at 31 December 2009), Rizzoli Corriere della Sera MediaGroup S.p.A. 101 (108 at 31 December 2009).

Other changes consisting of a net increase of €40 million are made up as follows: foreign exchange gains of €74 million; purchases and capitalisations for €85 million (of which €50 million mainly relating to the capital increase made by the equally held jointly controlled entity GAC Fiat Automobiles Co. Ltd.); dividends of €94 million distributed by companies accounted for using the equity method (of which €26 million received from FGA Capital), and other decreases of €25 million (including divestitures of €28 million, the negative fair value adjustment of €4 million relating to investments classified as available-for-sale and the positive changes of €11 million in the cash flow hedge reserve of Tofas-Turk Otomobil Fabrikasi Tofas A.S.).

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.

### *Investment in Chrysler Group*

The original investment in Chrysler Group LLC continues to be carried at nil at 30 September 2010 as an investment in an associate accounted for using the equity method. Under paragraphs 29 and 30 of IAS 28 the Fiat Group is not required to recognise the share of any losses of the associate for as long as Chrysler remains an associate that is carried at nil in the financial statements as it has no obligation in respect of those losses. If Chrysler subsequently reports profits, the Fiat Group may only recognise these once its share of the profits equals the share of losses not recognised in prior periods.

In this respect during the second quarter of 2010, Chrysler Group LLC published its consolidated financial statements for the period from 10 June 2009 (the date on which the new group commenced operations) to 31 December 2009. During the third quarter of 2010, it published a report for the first half of 2010. Both were prepared in accordance with United States accounting principles ("US GAAP"). The following table sets out the profit/(loss) and equity as published by Chrysler for the above-mentioned periods:

(in USD million)	Fiscal year 10 June – 31 December 2009	1st Half 2010
Net profit/(loss) according to US GAAP	(3,785)	(369)
Equity according to US GAAP	(4,230)	(3,609)

The corresponding balances prepared in accordance with international financial standards ("IFRS"), which are used by the Fiat Group, are currently being prepared. First drafts indicate that if the statements had been prepared under IFRS the losses reported for the above-mentioned periods would have been lower than those reported under US GAAP; in a similar manner there would have been a lower equity deficit at 31 December 2009 and 30 June 2010.

For purposes of completeness it is noted that Fiat is entitled to receive an additional interest in Chrysler of up to 15% (both by value and voting rights), on a fully diluted basis. This further interest will be granted to Fiat (with no cash consideration required) in three tranches of 5% each, subject to certain pre-established industrial and commercial targets being achieved. Should one or more of those targets not be reached, Fiat shall, in any event, have the option to purchase,

at a price determined using a pre-established market-based formula, the percentage interest corresponding to the objective(s) not reached.

In addition, the Fiat Group has the option to purchase up to an additional 16% (exercisable from 1 January 2013 to 30 June 2016). The purchase price is to be determined using a pre-established market-based formula. This option may not be exercised until total loans outstanding from the US Treasury and the Canadian government fall below US\$4 billion. In addition, Fiat's equity interest in Chrysler may in any case not exceed 49.9% until the loans from the US Treasury and Canadian government have been entirely repaid.

## 16. Leased assets

(€ million)	Net of depreciation at 31 December 2009	Additions	Depreciation	Foreign exchange effect	Disposals and other changes	Net of depreciation at 30 September 2010
<b>Leased assets</b>	457	203	(71)	28	(144)	473

## 17. Inventories

(€ million)	At 30 September 2010	At 31 December 2009
Raw materials, supplies and finished goods	8,775	8,669
Gross amount due from customers for contract works	204	79
<b>Total Inventories</b>	<b>8,979</b>	<b>8,748</b>

Inventories at 30 September 2010 include assets sold with a buy-back commitment by Fiat Group Automobiles and assets in the Trucks and Commercial Vehicles and Agricultural and Construction Equipment Sectors which are no longer subject to operating lease arrangements or buy-back commitments and are held for sale, for a total amount of €898 million (€861 million at 31 December 2009). Excluding these amounts, Inventories rose by €194 million during the first nine months of 2010 which was mainly due to exchange rate gains.

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

(€ million)	At 30 September 2010	At 31 December 2009
Aggregate amount of costs incurred and recognised profits (less recognised losses) to date	1,241	1,056
Less: Progress billings	(1,116)	(1,058)
<b>Construction contracts, net of advances on contract work</b>	<b>125</b>	<b>(2)</b>
Gross amount due from customers for contract work as an asset	204	79
Less: Gross amount due to customers for contract work as a liability included in Other current liabilities	(79)	(81)
<b>Construction contracts, net of advances on contract work</b>	<b>125</b>	<b>(2)</b>

At 30 September 2010 and at 31 December 2009, the amount of retentions by customers on contract work in progress was not significant.

## 18. Current receivables and Other current assets

(€ million)	At 30 September 2010	At 31 December 2009
Trade receivables	3,912	3,649
Receivables from financing activities	13,932	12,695
Current tax receivables	1,081	674
Other current assets:		
Other current receivables	2,179	2,529
Accrued income and prepaid expenses	260	249
Total other current assets	2,439	2,778
<b>Total Current receivables and Other current assets</b>	<b>21,364</b>	<b>19,796</b>

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

Receivables from financing activities include the following:

(€ million)	At 30 September 2010	At 31 December 2009
Retail financing	6,680	6,239
Finance leases	1,140	1,110
Dealer financing	5,926	5,108
Supplier financing	40	102
Current financial receivables from jointly controlled financial services entities	12	14
Financial receivables from companies under joint control, associates and unconsolidated subsidiaries	61	55
Other	73	67
<b>Total Receivables from financing activities</b>	<b>13,932</b>	<b>12,695</b>

Receivables from financing activities increased by €1,237 million over the period. Excluding translation exchange gains of €673 million, the item also increased by €564 million as a result of a rise in sales volumes in the CNH Sector in North America and in the financing granted by the financial services companies of the Fiat Group Automobiles Sector in Latin America.

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

## 19. Current securities

At 30 September 2010, Current securities include mainly short-term or marketable securities which represent temporary investments readily convertible into cash, but which do not satisfy the requirements for being classified as cash equivalents.

## 20. Other financial assets and Other financial liabilities

These items include, respectively, the positive and the negative measurement at fair value of derivative financial instruments at 30 September 2010.

In particular, the overall change in Other financial assets (from €636 million at 31 December 2009 to €663 million at 30 September 2010), and in Other financial liabilities (from €464 million at 31 December 2009 to €511 million at 30 September 2010), is mainly due to the changes in exchange rates and interest rates over the period, as well as to the as well as the change in the fair value (positive for €22 million in the first half of 2010) of the equity swaps on Fiat S.p.A. ordinary shares.

As this item consists principally of hedging instruments, the change in their value is compensated by the change in the value of the hedged item.

## 21. Cash and cash equivalents

Cash and cash equivalents include cash at bank, units in liquidity funds and other money market securities that are readily convertible into cash and are subject to an insignificant risk of changes in value.

At 30 September 2010, this item includes €571 million (€530 million at 31 December 2009) of restricted cash whose use is primarily limited to the repayment of the debt relating to securitisations classified as Asset-backed financing.

## 22. Assets and liabilities held for sale

Assets and liabilities held for sale at 30 September 2010 include certain buildings and factories of the Fiat Group Automobiles, Agricultural and Construction Equipment and Comau Sectors and the investment in a minor company in Brazil, which was classified as held for sale on acquisition.

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

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

(€ million)	At 30 September 2010	At 31 December 2009
Property, plant and equipment	20	20
Investments and other financial assets	63	58
Trade receivables	-	4
<b>Total Assets</b>	<b>83</b>	<b>82</b>
Provisions	-	2
Trade payables	-	5
Other current liabilities	-	1
<b>Total Liabilities</b>	<b>-</b>	<b>8</b>

## 23. Shareholders' equity

Shareholders' equity at 30 September 2010 increased by €724 million over that at 31 December 2009, mainly due to the profit for the period of €282 million, to foreign exchange rate gains of €635 million arising from the translation into euros of the financial statements of subsidiaries denominated in currencies other than Euro and the positive changes of €130 million in the cash flow hedge reserve, partially offset by €238 million from the dividends distributed and the €122 million effect resulting from exercise of the call option on the 5% of Ferrari S.p.A. share capital held by Mubadala Development Company PJSC.

### Share capital

Share capital, fully paid-in, amounts to €6,377 million at 30 June 2010 and consists of 1,275,452,595 shares as follows:

- 1,092,247,485 ordinary shares;
- 103,292,310 preference shares;
- 79,912,800 savings shares;

All with a par value of €5 each.

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

### Treasury shares

Treasury shares consist of 38,568,458 Fiat S.p.A. ordinary shares for an amount of €56.6 million (unchanged with respect of 31 December 2009).

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

- the Programme was to end on 30 September 2009, or once the maximum purchase value of €1.8 billion (including the Fiat shares already held by the Company) or a number of shares equivalent to 10% of share capital was reached;
- the maximum purchase price could not exceed the stock market reference price on the day before the purchase by more than 10%;
- the maximum number of shares purchased on any one day could not exceed 20% of the total daily trading volume for each share class.

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

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

#### *Other comprehensive income*

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

(€ million)	3 <sup>rd</sup> Quarter 2010	3 <sup>rd</sup> Quarter 2009	1/1-30/9 2010	1/1-30/9 2009
Gains/(Losses) on cash flow hedges arising during the period	272	167	(140)	37
Reclassification adjustment for gains/(losses) on cash flow hedges included in income statement	35	54	261	290
<b>Gains/(Losses) on cash flow hedges</b>	<b>307</b>	<b>221</b>	<b>121</b>	<b>327</b>
Gains/(Losses) on fair value of available-for-sale financial assets arising during the period	2	2	(3)	4
Reclassification adjustment for gains/(losses) on fair value of available-for-sale financial assets included in income statement	-	-	-	-
<b>Gains/(Losses) on fair value of available-for-sale financial assets</b>	<b>2</b>	<b>2</b>	<b>(3)</b>	<b>4</b>
Gains/(Losses) on exchange differences on translating foreign operations arising during the period	(531)	63	545	292
Gains/(Losses) on exchange differences on translating foreign operations included in income statement	-	-	-	(1)
<b>Gains/(Losses) on exchange differences on translating foreign operations</b>	<b>(531)</b>	<b>63</b>	<b>545</b>	<b>291</b>
Share of Other comprehensive income of entities consolidated by using the equity method arising during the period	(50)	(15)	85	(60)
Reclassification adjustment for the share of Other comprehensive income of entities consolidated by using the equity method	(3)	(1)	16	20
<b>Share of Other comprehensive income of entities consolidated by using the equity method</b>	<b>(53)</b>	<b>(16)</b>	<b>101</b>	<b>(40)</b>
<b>Income tax relating to components of Other comprehensive income</b>	<b>(42)</b>	<b>(7)</b>	<b>(2)</b>	<b>(52)</b>
<b>TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>	<b>(317)</b>	<b>(263)</b>	<b>762</b>	<b>530</b>

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

	3 <sup>rd</sup> Quarter 2010			3rd Quarter 2009			1/1-30/9 2010			1/1-30/9 2009		
	Before tax amount	Tax (expense) benefit	Net-of-tax amount	Before tax amount	Tax (expense) benefit	Net-of-tax amount	Before tax amount	Tax (expense) benefit	Net-of-tax amount	Before tax amount	Tax (expense) benefit	Net-of-tax amount
(€ million)												
Gains/(Losses) on cash flow hedges	307	(42)	265	221	(7)	214	121	(2)	119	327	(52)	275
Gains/(Losses) on fair value of available-for-sale financial assets	2	-	2	2	-	2	(3)	-	(3)	4	-	4
Gains/(Losses) on exchange differences on translating foreign operations	(531)	-	(531)	63	-	63	545	-	545	291	-	291
Share of other comprehensive income of entities consolidated by using the equity method	(53)	-	(53)	(16)	-	(16)	101	-	101	(40)	-	(40)
<b>Total Other comprehensive income</b>	<b>(275)</b>	<b>(42)</b>	<b>(317)</b>	<b>270</b>	<b>(7)</b>	<b>263</b>	<b>764</b>	<b>(2)</b>	<b>762</b>	<b>582</b>	<b>(52)</b>	<b>530</b>

In the first nine months of 2010, the decrease in gains recognised directly in the financial assets available-for-sale fair value adjustment reserve is due to a decrease in the fair value of the assets to which it relates.

## 24. Provisions

(€ million)	At 30 September 2010	At 31 December 2009
Employee benefits	3,605	3,447
Other provisions:		
Warranty provision	1,528	1,479
Restructuring provision	262	359
Investment provision	49	50
Other risks	3,370	3,097
Total Other provisions	5,209	4,985
<b>Total Provisions</b>	<b>8,814</b>	<b>8,432</b>

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

Reserves for risks and charges and other reserves amount to €3,370 million at 30 September 2010 (€3,097 million at 31 December 2009) and include provisions for contractual, commercial and legal risks.

The significant increase in Provisions reflects foreign exchange differences of €173 million arising from the strengthening of the US Dollar and Brazilian Real against the Euro.

## 25. Debt

(€ million)	At 30 September 2010	At 31 December 2009
Asset-backed financing	7,650	7,086
Other debt:		
Bonds	11,115	11,397
Borrowings from banks	8,889	8,394
Payables represented by securities	378	384
Other	1,660	1,266
Total Other debt	22,042	21,441
<b>Total Debt</b>	<b>29,692</b>	<b>28,527</b>

Debt increased by €1,165 million over the period to 30 September 2010. Excluding exchange differences, which led to an increase in debt of €851 million, there was a rise of €314 million.

The decrease in Bonds of €310 million, net of translation exchange differences, is mainly due to the following:

- the repayment on maturity of a bond having a nominal value of €1,000 million issued by Fiat Finance and Trade Ltd S.A. in 2000 as part of the Global Medium Term Notes programme.
- the issue by Case New Holland Inc. of a bond having a nominal value of US\$1,500 million, maturing in 2017 and paying a fixed coupon of 7.875%, at a price of 99.32% of its nominal value.
- The early repayment of a bond with nominal of USD 500 million (originally due in 2014) made by Case New Holland Inc..
- The repayment of other bonds falling due in the amount of €50 million.

Asset-backed financing increased of approximately €214 million, net of translation exchange differences; the increase in Other debt includes among other a €122 million debt arising from the exercise of the call option on the 5% of Ferrari S.p.A.

The principal bond issues outstanding at 30 September 2010 are as follows:

	Currency	Face value of outstanding bonds (in million)	Coupon	Maturity	Outstanding amount (€million)
<b>Global Medium Term Notes:</b>					
Fiat Finance and Trade Ltd S.A.(1)	EUR	1,300	6.750%	25 May 2011	1,300
Fiat Finance and Trade Ltd S.A.(1)	EUR	247	(2)	(2)	247
Fiat Finance and Trade Ltd S.A.(3)	EUR	1,000	5.625%	15 November 2011	1,000
Fiat Finance and Trade Ltd S.A. (3)	EUR	1,250	9.000%	30 July 2012	1,250
Fiat Finance and Trade Ltd S.A. (3)	EUR	200	5.750%	18 December 2012	200
Fiat Finance and Trade Ltd S.A. (3)	EUR	1,250	7.625%	15 September 2014	1,250
Fiat Finance and Trade Ltd S.A. (3)	EUR	1,500	6.875%	13 February 2015	1,500
Fiat Finance North America Inc. (3)	EUR	1,000	5.625%	12 June 2017	1,000
Others (4)		32			32
<b>Total Global Medium Term Notes</b>					<b>7,779</b>
<b>Other bonds:</b>					
Fiat Finance and Trade Ltd S.A. (3)	EUR	1,000	6.625%	15 February 2013	1,000
Case New Holland Inc.	USD	1,000	7.750%	1 September 2013	733
Case New Holland Inc.	USD	1,500	7.875%	1 December 2017	1,099
CNH America LLC	USD	254	7.250%	15 January 2016	186
<b>Total Other bonds</b>					<b>3,018</b>
<b>Hedging effect and amortised cost valuation</b>					<b>318</b>
<b>Total Bonds</b>					<b>11,115</b>

(1) Bonds listed on the Mercato Obbligazionario Telematico of the Italian stock exchange (EuroMot). In addition, the majority of the bonds issued by the Fiat Group are also listed on the Luxembourg stock exchange.

(2) "Fiat Step-Up Amortizing 2001-2011" bonds repayable at face value in five equal annual instalments each for 20% of the total issued (€617 million) due beginning from the sixth year (7 November 2007) by reducing the face value of each bond outstanding by one-fifth. The last instalment will be repaid on 7 November 2011. The bonds pay coupon interest equal to: 4.40% in the first year (7 November 2002), 4.60% in the second year (7 November 2003), 4.80% in the third year (7 November 2004), 5.00% in the fourth year (7 November 2005), 5.20% in the fifth year (7 November 2006), 5.40% in the sixth year (7 November 2007), 5.90% in the seventh year (7 November 2008), 6.40% in the eighth year (7 November 2009), 6.90% in the ninth year (7 November 2010), 7.40% in the tenth year (7 November 2011).

(3) Bond listed on the Irish Stock Exchange.

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

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

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

Committed credit lines expiring after twelve months amount to approximately €1.8 billion and were fully utilised at 30 September 2010.

In addition, the companies in the Fiat Group may from time to time buy back bonds on the market that have been issued by the Group, also for purposes of their cancellation. Such buybacks, if made, depend upon market conditions, the financial situation of the Group and other factors which could affect such decisions.

Finally, financial payables secured with mortgages and other liens on assets of the Group amount to €409 million at 30 September 2010 (€358 million at 31 December 2009); this amount includes balances of €331 million (€268 million at 31 December 2009) due to creditors for assets acquired under finance leases.

## 26. Trade payables

Trade payables of €11,856 million at 30 September 2010, decreased by €439 million from the amount at 31 December 2009.

## 27. Other current liabilities

At 30 September 2010 other payables include €1,991 million of amounts payable to customers relating to buy-back agreements (€1,885 million at 31 December 2009), accrued expenses and deferred income of €1,234 million (€1,078 million at 31 December 2009).

## 28. Guarantees granted, commitments and other contingent liabilities

### *Guarantees granted*

At 30 September 2010 the Group had outstanding guarantees granted on the debt or commitments of third parties or unconsolidated subsidiaries jointly controlled and associated entities totalling €641 million (€593 million at 31 December 2009).

### *Other commitments and important contractual rights*

The Fiat Group has significant rights and commitments deriving from certain contractual agreements that are in place. A description of the rights and commitments related to the investment in Chrysler Group LLC is provided in Note 15 of this Quarterly Report. In relation to the rights and commitments connected to Fiat's relationship with Renault in regard to the subsidiary Teksid, no changes occurred during the first nine months of 2010: for additional information, reference should be made to Note 30 of the Consolidated Financial Statements at 31 December 2009.

### *Lawsuits and controversies*

The Parent Company and certain subsidiaries are party to various lawsuits and controversies. Nevertheless, it is believed that the resolution of these controversies will not cause significant liabilities for which specific risk provisions have not already been set aside.

### *Sales of receivables*

The Group has discounted receivables and bills without recourse having due dates beyond 30 September 2010 amounting to €3,856 million (€4,611 million at 31 December 2009, with due dates beyond that date), which refer to trade receivables and other receivables for €2,887 million (€3,679 million at 31 December 2009) and receivables from financing for €969 million (€932 million at 31 December 2009). The amount includes receivables, mostly due from the sales network, of €2,098 million (€2,530 million at 31 December 2009) sold to jointly controlled financial services companies (FGA Capital) and of €324 million (€440 million at 31 December 2009) sold to associate financial services companies (Iveco Finance Holdings Limited, controlled by Barclays).

## 29. Information by business sector

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

(€ million)	Fiat Group Automobiles	Maserati	Ferrari	CNH	Iveco	FPT	Magneti Marelli	Teksid	Comau	Other Operating Segments	Unallocated items & adjustments	FIAT Group
<b>3<sup>rd</sup> Quarter 2010</b>												
<b>Segment revenues</b>	<b>6,550</b>	<b>134</b>	<b>446</b>	<b>2,991</b>	<b>1,978</b>	<b>1,563</b>	<b>1,283</b>	<b>197</b>	<b>254</b>	<b>259</b>	<b>(2,176)</b>	<b>13,479</b>
Revenues from transactions with other operating segments (*)	(53)	(15)	(13)	(2)	(36)	(1,261)	(484)	(70)	(77)	(165)	2,176	-
<b>Revenues from external customers</b>	<b>6,497</b>	<b>119</b>	<b>433</b>	<b>2,989</b>	<b>1,942</b>	<b>302</b>	<b>799</b>	<b>127</b>	<b>177</b>	<b>94</b>	<b>-</b>	<b>13,479</b>
<b>Trading profit/(loss)</b>	<b>130</b>	<b>4</b>	<b>76</b>	<b>215</b>	<b>80</b>	<b>69</b>	<b>24</b>	<b>9</b>	<b>-</b>	<b>(22)</b>	<b>1</b>	<b>586</b>
Unusual income/(expense)	(1)	-	-	-	1	-	-	-	-	1	(1)	-
<b>Operating profit/(loss)</b>	<b>129</b>	<b>4</b>	<b>76</b>	<b>215</b>	<b>81</b>	<b>69</b>	<b>24</b>	<b>9</b>	<b>-</b>	<b>(21)</b>	<b>-</b>	<b>586</b>
Financial income/(expense)											(181)	(181)
Interest in profit/(loss) of joint ventures and associates accounted for by the equity method	19	-	-	14	(1)	(8)	-	-	-	3	2	29
Other profit/(loss) from investments	-	-	-	-	-	-	(1)	-	-	2	-	1
Result from investments	19	-	-	14	(1)	(8)	(1)	-	-	5	2	30
<b>Profit/(loss) before taxes</b>												<b>435</b>
Income taxes											245	245
<b>Profit/(loss) from continuing operations</b>												<b>190</b>
<b>3<sup>rd</sup> Quarter 2009</b>												
<b>Segment revenues</b>	<b>6,541</b>	<b>93</b>	<b>396</b>	<b>2,268</b>	<b>1,715</b>	<b>1,250</b>	<b>1,120</b>	<b>147</b>	<b>168</b>	<b>250</b>	<b>(1,899)</b>	<b>12,049</b>
Revenues from transactions with other operating segments (*)	(58)	(7)	(9)	(1)	(20)	(1,062)	(471)	(56)	(67)	(148)	1,899	-
<b>Revenues from external customers</b>	<b>6,483</b>	<b>86</b>	<b>387</b>	<b>2,267</b>	<b>1,695</b>	<b>188</b>	<b>649</b>	<b>91</b>	<b>101</b>	<b>102</b>	<b>-</b>	<b>12,049</b>
<b>Trading profit/(loss)</b>	<b>155</b>	<b>1</b>	<b>52</b>	<b>66</b>	<b>22</b>	<b>19</b>	<b>21</b>	<b>2</b>	<b>(5)</b>	<b>(26)</b>	<b>1</b>	<b>308</b>
Unusual income/(expense)	(20)	-	5	7	(25)	(6)	(4)	-	-	3	(1)	(41)
<b>Operating profit/(loss)</b>	<b>135</b>	<b>1</b>	<b>57</b>	<b>73</b>	<b>(3)</b>	<b>13</b>	<b>17</b>	<b>2</b>	<b>(5)</b>	<b>(23)</b>	<b>-</b>	<b>267</b>
Financial income/(expense)											(164)	(164)
Interest in profit/(loss) of joint ventures and associates accounted for by the equity method	34	-	-	(1)	(8)	(10)	-	1	-	(1)	-	15
Other profit/(loss) from investments	10	-	-	-	-	-	(1)	-	-	(1)	2	10
Result from investments	44	-	-	(1)	(8)	(10)	(1)	1	-	(2)	2	25
<b>Profit/(loss) before taxes</b>												<b>128</b>
Income taxes											103	103
<b>Profit/(loss) from continuing operations</b>												<b>25</b>

(\*) Revenues from transactions with other operating segments include revenues between consolidated Group companies relating to different Sectors. Intersegment sales are accounted for at transfer prices that are substantially in line with market.

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

(€ million)	Fiat Group Automobiles	Maserati	Ferrari	CNH	Iveco	FPT	Magneti Marelli	Teksid	Comau	Other Operating Segments	Unallocated items & adjustments	FIAT Group
<b>1/1-30/09/2010</b>												
<b>Segment revenues</b>	<b>20,740</b>	<b>435</b>	<b>1,349</b>	<b>8,883</b>	<b>5,769</b>	<b>4,782</b>	<b>3,956</b>	<b>569</b>	<b>738</b>	<b>801</b>	<b>(6,781)</b>	<b>41,241</b>
Revenues from transactions with other operating segments (*)	(207)	(54)	(41)	(11)	(101)	(3,880)	(1,587)	(216)	(194)	(490)	6,781	-
<b>Revenues from external customers</b>	<b>20,533</b>	<b>381</b>	<b>1,308</b>	<b>8,872</b>	<b>5,668</b>	<b>902</b>	<b>2,369</b>	<b>353</b>	<b>544</b>	<b>311</b>	-	<b>41,241</b>
<b>Trading profit/(loss)</b>	<b>468</b>	<b>16</b>	<b>192</b>	<b>605</b>	<b>133</b>	<b>135</b>	<b>69</b>	<b>15</b>	<b>1</b>	<b>(54)</b>	<b>9</b>	<b>1,589</b>
Unusual income/(expense)	(26)	-	-	4	(3)	-	1	-	-	2	(1)	(23)
<b>Operating profit/(loss)</b>	<b>442</b>	<b>16</b>	<b>192</b>	<b>609</b>	<b>130</b>	<b>135</b>	<b>70</b>	<b>15</b>	<b>1</b>	<b>(52)</b>	<b>8</b>	<b>1,566</b>
Financial income/(expense)											(732)	(732)
Interest in profit/(loss) of joint ventures and associates accounted for by the equity method	107	-	-	39	(3)	(6)	(2)	-	-	(5)	4	134
Other profit/(loss) from investments	(1)	-	-	-	-	-	(3)	-	-	2	-	(2)
Result from investments	106	-	-	39	(3)	(6)	(5)	-	-	(3)	4	132
<b>Profit/(loss) before taxes</b>												<b>966</b>
Income taxes											684	684
<b>Profit/(loss) from continuing operations</b>												<b>282</b>
<b>1/1-30/9/2009</b>												
<b>Segment revenues</b>	<b>19,046</b>	<b>319</b>	<b>1,287</b>	<b>7,726</b>	<b>5,011</b>	<b>3,610</b>	<b>3,248</b>	<b>406</b>	<b>523</b>	<b>800</b>	<b>(5,475)</b>	<b>36,501</b>
Revenues from transactions with other operating segments (*)	(162)	(29)	(33)	(8)	(45)	(3,035)	(1,390)	(160)	(176)	(437)	5,475	-
<b>Revenues from external customers</b>	<b>18,884</b>	<b>290</b>	<b>1,254</b>	<b>7,718</b>	<b>4,966</b>	<b>575</b>	<b>1,858</b>	<b>246</b>	<b>347</b>	<b>363</b>	-	<b>36,501</b>
<b>Trading profit/(loss)</b>	<b>280</b>	<b>6</b>	<b>176</b>	<b>238</b>	<b>28</b>	<b>(65)</b>	<b>(18)</b>	<b>(10)</b>	<b>(24)</b>	<b>(57)</b>	<b>16</b>	<b>570</b>
Unusual income/(expense)	(58)	-	5	(87)	(109)	(13)	(9)	-	(2)	(2)	1	(274)
<b>Operating profit/(loss)</b>	<b>222</b>	<b>6</b>	<b>181</b>	<b>151</b>	<b>(81)</b>	<b>(78)</b>	<b>(27)</b>	<b>(10)</b>	<b>(26)</b>	<b>(59)</b>	<b>17</b>	<b>296</b>
Financial income/(expense)											(535)	(535)
Interest in profit/(loss) of joint ventures and associates accounted for by the equity method	41	-	-	(25)	(19)	(21)	(1)	3	-	(3)	3	(22)
Other profit/(loss) from investments	8	-	-	-	-	-	(2)	-	-	5	2	13
Result from investments	49	-	-	(25)	(19)	(21)	(3)	3	-	2	5	(9)
<b>Profit/(loss) before taxes</b>												<b>(248)</b>
Income taxes											317	317
<b>Profit/(loss) from continuing operations</b>												<b>(565)</b>

(\*) Revenues from transactions with other operating segments include revenues between consolidated Group companies relating to different Sectors. Intersegment sales are accounted for at transfer prices that are substantially in line with market.

The Total Assets by business sector at 30 September 2010 and at 31 December 2009 is as follows:

(€ million)	Fiat Group Automobiles	Maserati	Ferrari	CNH	Iveco	FPT	Magneti Marelli	Teksid	Comau	Other Operating Segments	Unallocated items & adjustments	FIAT Group
<b>At 30 September 2010</b>												
<b>Segment assets</b>	16,651	368	1,702	19,217	7,169	5,094	3,342	555	669	15,535	(16,087)	54,215
Tax assets											3,785	3,785
Receivables from financing activities, Non-current Other receivables and Securities of industrial companies											368	368
Cash and cash equivalents, Current securities and Other financial assets of industrial companies											12,035	12,035
<b>Total Treasury assets</b>											12,403	12,403
<b>Total unallocated assets</b>											16,188	16,188
<b>Total Assets</b>												70,403

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

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

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

	1/1-30/9/2010		At 31 December 2009	1/1-30/9/2009	
	Average	At September 30		Average	At September 30
US dollar	1.315	1.365	1.441	1.366	1.464
Pound sterling	0.857	0.860	0.888	0.886	0.909
Swiss franc	1.400	1.329	1.484	1.510	1.508
Polish zloty	4.004	3.985	4.105	4.380	4.230
Brazilian real	2.341	2.320	2.511	2.834	2.605
Argentine peso	5.115	5.403	5.473	5.057	5.626

### 31. Other information

During the first nine months of 2010, the Group had an average number of employees of 195,832, compared to an average of 190,886 during the first nine months of 2009.

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