

FIAT S.P.A.

STATUTORY FINANCIAL STATEMENTS

at 31 December 2009

272	Income Statement
272	Statement of Comprehensive Income
273	Statement of Financial Position
274	Statement of Cash Flows
275	Statement of Changes in Equity
276	Income Statement pursuant to Consob Resolution no. 15519 of 27 July 2006
277	Statement of Financial Position pursuant to Consob Resolution no. 15519 of 27 July 2006
278	Statement of Cash Flows pursuant to Consob Resolution no. 15519 of 27 July 2006
279	Notes to the Statutory Financial Statements
342	Appendix – Information required under Article 149- <i>duodecies</i> of the “Regolamento Emittenti” issued by Consob
343	Attestation in respect of the Statutory Financial Statements under Article 154- <i>bis</i> of Legislative Decree 58/98

INCOME STATEMENT^(*)

(figures in €)	Note	2009	2008
Dividends and other income from investments	(1)	1,259,831,240	874,279,556
Impairment (losses)/reversals on investments	(2)	(858,000,000)	(7,000,000)
Gains/(losses) on disposals	(3)	-	181,180
Other operating income	(4)	75,431,036	70,049,180
Personnel costs	(5)	(31,587,673)	(37,697,392)
Other operating costs	(6)	(85,905,353)	(114,432,580)
Gains/(losses) from non-recurring transactions	(7)	-	879,482,850
Financial income/(expense)	(8)	(13,690,556)	(421,675,462)
PROFIT/(LOSS) BEFORE TAXES		346,078,694	1,243,187,332
Income taxes	(9)	(6,115,156)	(44,041,611)
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		339,963,538	1,199,145,721
Profit/(loss) from discontinued operations		-	-
PROFIT/(LOSS)		339,963,538	1,199,145,721

(*) Pursuant to Consob Resolution 15519 of 27 July 2006, the effects of transactions with related parties on Fiat S.p.A.'s Income Statement are presented in a specific income statement provided on the following pages and commented on in the notes to individual line items and in Note 30.

STATEMENT OF COMPREHENSIVE INCOME

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

STATEMENT OF FINANCIAL POSITION^(*)

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

(*) Pursuant to Consob Resolution 15519 of 27 July 2006, the effects of transactions with related parties on the Statement of Financial Position of Fiat S.p.A. are presented in a specific statement of financial position provided on the following pages and commented on in the notes to individual line items and in Note 30.

STATEMENT OF CASH FLOWS^(*)

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

(*) Pursuant to Consob Resolution 15519 of 27 July 2006, the effects of transactions with related parties on the Statement of Cash Flows of Fiat S.p.A. are presented in a specific statement of cash flows provided on the following pages.

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

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

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

STATEMENT OF CHANGES IN EQUITY

(€ thousand)	Share capital	Additional paid-in capital	Legal reserve	Reserve available for the purchase of treasury shares	Reserve for treasury shares in portfolio	Retained profit/(loss)	Gains/(losses) recognised directly in equity	Stock option reserve	Reserve for Spin-off difference	Other reserves (2)	Treasury shares (1)	Profit/(loss) for the year	Total equity
Balances at 31 December 2007	6,377,263	1,540,885	536,060	952,579	419,310	56,535	14,922	93,267	-	50,635	(419,310)	2,068,859	11,691,005
Allocation of prior year profit:													
to the Legal reserve			103,443									(103,443)	-
distribution of dividends to shareholders												(509,419)	(509,419)
balance to retained profit						1,455,997						(1,455,997)	-
Carryforward and addition to reserve for the purchases of own shares				428,692		(428,692)							-
Purchases of own shares				(238,531)	238,531						(238,531)		(238,531)
Sales of own shares					(1,288)	738					1,288		738
Valuation of stock option plans								3,164					3,164
Total comprehensive income for the period							(15,553)		39,194			1,199,146	1,222,787
Balances at 31 December 2008	6,377,263	1,540,885	639,503	1,142,740	656,553	1,084,578	(631)	96,431	39,194	50,635	(656,553)	1,199,146	12,169,744
Allocation of prior year profit:													
to the Legal reserve			59,957									(59,957)	-
distribution of dividends to shareholders												(24,773)	(24,773)
balance to retained profit						1,114,416						(1,114,416)	-
Valuation of stock option plans								(1,159)					(1,159)
Total comprehensive income for the period							3,071					339,964	343,035
Balances at 31 December 2009	6,377,263	1,540,885	699,460	1,142,740	656,553	2,198,994	2,440	95,272	39,194	50,635	(656,553)	339,964	12,486,847

(1) At 31 December 2009, treasury shares consisted of 38,568,458 ordinary shares having a total nominal value of €192,842 thousand (at 31 December 2008: 38,568,458 ordinary shares having a total nominal value of €192,842 thousand).

(2) Other reserves includes the reserve pursuant to Law 413/1991 and extraordinary reserves.

INCOME STATEMENT

pursuant to Consob Resolution no. 15519 of 27 July 2006

(€ thousand)	Note	2009	of which related parties (Note 30)	2008	of which related parties (Note 30)
Dividends and other income from investments	(1)	1,259,831	1,259,691	874,280	872,849
Impairment (losses)/reversals on investments	(2)	(858,000)	(858,000)	(7,000)	(7,000)
Gains/(losses) on disposals	(3)	-	-	181	181
Other operating income	(4)	75,432	51,257	70,049	48,119
Personnel costs	(5)	(31,588)	(18,397)	(37,697)	(13,281)
Other operating costs	(6)	(85,905)	(47,285)	(114,433)	(57,655)
Gains/(losses) from non-recurring transactions	(7)	-	-	879,483	879,483
Financial income/(expense)	(8)	(13,691)	(5,885)	(421,675)	(410,531)
PROFIT/(LOSS) BEFORE TAXES		346,079		1,243,188	
Income taxes	(9)	(6,115)	-	(44,042)	-
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		339,964		1,199,146	
Profit/(loss) from discontinued operations		-	-	-	-
PROFIT/(LOSS)		339,964		1,199,146	

STATEMENT OF FINANCIAL POSITION

pursuant to Consob Resolution no. 15519 of 27 July 2006

(€ thousand)	Note	At 31 December 2009	of which related parties (Note 30)	At 31 December 2008	of which related parties (Note 30)
ASSETS					
Non-current assets					
Intangible assets	(10)	313		375	
Property, plant and equipment	(11)	31,445		33,024	
Investments	(12)	13,990,570	13,969,094	14,444,736	14,426,446
Other financial assets	(13)	26,887	16,782	20,637	10,531
Other non-current assets	(14)	203		244	
Deferred tax assets	(9)	-		-	
Total non-current assets		14,049,418		14,499,016	
Current assets					
Inventory	(26)	-		-	
Trade receivables	(15)	60,015	7,152	185,292	53,983
Current financial receivables	(16)	646,074	646,074	-	
Other current receivables	(17)	198,923	121,910	905,058	327,087
Cash and cash equivalents	(18)	474		495	
Total current assets		905,486		1,090,845	
Assets held for sale					
TOTAL ASSETS		14,954,904		15,589,861	
EQUITY AND LIABILITIES					
Equity					
	(19)				
Share capital		6,377,263		6,377,263	
Additional paid-in capital		1,540,885		1,540,885	
Legal reserve		699,460		639,503	
Other reserves and retained profit		4,185,828		3,069,500	
Treasury shares		(656,553)		(656,553)	
Profit/(loss) for the period		339,964		1,199,146	
Total equity		12,486,847		12,169,744	
NON-CURRENT LIABILITIES					
Provisions for employee benefits and other non-current provisions	(20)	25,441	17,444	26,418	16,848
Non-current financial liabilities	(21)	1,816,782	1,816,782	1,810,531	1,810,531
Other non-current liabilities	(22)	14,351		15,115	
Deferred tax liabilities	(9)	-		5,858	
TOTAL NON-CURRENT LIABILITIES		1,856,574		1,857,922	
Current liabilities					
Provisions for employee benefits and other current provisions	(23)	8,464	5,664	6,346	
Trade payables	(24)	156,249	3,757	218,235	2,316
Current financial liabilities	(25)	156,712	96,321	553,133	238,976
Other payables	(26)	290,058	260,806	784,481	548,611
Total current liabilities		611,483		1,562,195	
Liabilities held for sale					
TOTAL EQUITY AND LIABILITIES		14,954,904		15,589,861	

STATEMENT OF CASH FLOWS

pursuant to Consob Resolution no. 15519 of 27 July 2006

(€ thousand)	2009	of which related parties	2008	of which related parties
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	495		524	
B) CASH FROM/(USED IN) OPERATING ACTIVITIES:				
Profit/(loss) for the period	339,964		1,199,146	
Amortisation and depreciation	1,706		1,862	
Non-cash cost of stock option plans	4,659	6,385	9,123	6,517
Impairment losses/(reversals) on investments	858,000	858,000	7,000	7,000
Fair value adjustment to equity swaps on Fiat shares	(116,992)	(116,992)	270,880	270,880
Losses/(gains) on disposals	-		(879,884)	(879,483)
Change in provisions for employee benefits and other provisions	1,141	6,260	11,334	5,332
Change in deferred taxes	(5,858)		1,601	
Change in working capital	274,280	(34,356)	184,605	58,253
TOTAL	1,356,900		805,667	
C) CASH FROM/(USED IN) INVESTING ACTIVITIES:				
Investments relating to:				
Recapitalisation of subsidiaries	(406,467)	(406,467)	(350,000)	(350,000)
Reduction of investments relating to:				
Capital reductions and distribution of reserves by subsidiaries	-		-	
Proceeds from disposals	-		611	
Other (investments)/disposals, net	(6,429)		878,773	879,903
TOTAL	(412,896)		529,384	
D) CASH FROM/(USED IN) FINANCING ACTIVITIES:				
Change in current financial assets	(606,947)	(606,947)	1,077,528	1,077,528
Change in non-current financial liabilities	6,251	6,251	(998,857)	(998,857)
Change in current financial liabilities	(318,556)	(64,790)	(666,539)	(759,688)
Increase in share capital	-		-	
Purchases of own shares	-		(238,531)	
Sales of own shares	-		738	
Dividends paid	(24,773)		(509,419)	(145,679)
TOTAL	(944,025)		(1,335,080)	
E) TOTAL CHANGE IN CASH AND CASH EQUIVALENTS	(21)		(29)	
F) CASH AND CASH EQUIVALENTS AT END OF THE YEAR	474		495	

NOTES TO THE STATUTORY FINANCIAL STATEMENTS

PRINCIPAL ACTIVITIES

Fiat S.p.A. (the “Company”) is a corporation organised under the laws of the Republic of Italy and is the Parent Company of the Fiat Group, holding interests, either directly or indirectly through sub-holdings, in the parent companies of business Sectors through which the Fiat Group operates.

The Company’s head office is in Turin, Italy.

The financial statements of Fiat S.p.A. are prepared in euros which is the Company’s functional currency.

The Income Statement and Statement of Financial Position are presented in euros, while the Statement of Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity and amounts provided in the Notes are in thousands of euros, except where otherwise stated.

As the Parent Company, Fiat S.p.A. has also prepared consolidated financial statements for the Fiat Group for the year ended 31 December 2009.

SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The 2009 financial statements represent the separate financial statements of the Parent Company, Fiat S.p.A., and have been prepared in accordance with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and adopted by the European Union, and with provisions implementing Article 9 of Legislative Decree 38/2005. 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 compliance with European Regulation 1606 of 19 July 2002, beginning in 2005 the Fiat Group adopted the International Financial Reporting Standards (“IFRS”), issued by the International Accounting Standards Board (“IASB”), for the preparation of its consolidated financial statements. On the basis of national legislation implementing that Regulation, those accounting standards were also used to prepare the separate financial statements of the Parent Company, Fiat S.p.A., for the first time for the year ended 31 December 2006. The information required by IFRS 1 - *First-time Adoption of International Financial Reporting Standards* relating to the effects of the transition to IFRS was provided in an Appendix to the 2006 separate financial statements.

The financial statements are prepared under the historical cost convention, modified as required for the valuation of certain financial instruments, as well as on the going concern assumption. In this respect, despite operating in a difficult economic and financial environment, the Fiat Group’s assessment is that no material uncertainties (as defined in paragraph 25 of IAS 1) exist about its ability to continue as a going concern, in view also of the measures already taken to adapt to the changed levels of demand and Fiat Group’s industrial and financial flexibility.

Format of the financial statements

Presentation of Fiat S.p.A.’s Income Statement is based on the nature of its revenues and expenses, given the specific activities carried out. Fiat Group’s Consolidated Income Statement is classified according to function, which is considered more representative of the format used for management of the business sectors and internal reporting purposes and is in line

with international practice in the automotive sector. For the Statement of Financial Position, Fiat S.p.A. has elected the “current and non-current” classification for the presentation of assets and liabilities. A mixed presentation has been selected for the presentation of the Consolidated Statement of Financial Position, as permitted under IAS 1, with assets only being classified between current and non-current. This election was made in view of the fact that the Consolidated Statement of Financial Position includes both industrial companies and financial services companies. The investment portfolios of financial services are included in current assets in the Consolidated Statement of Financial Position, as the investments will be realised in their normal operating cycle. Financial services companies, though, obtain funds only partially from the market: the remaining are obtained from the Group’s treasury companies (included in industrial companies), which lend funds both to industrial Group companies and to financial services companies as the need arises.

Given the distribution of the financial services within the Group any distinction between current and non-current financial liabilities in the Consolidated Statement of Financial Position would not be meaningful. There is no impact, however, on the presentation of liabilities for Fiat S.p.A.

The Statement of Cash Flows is presented using the indirect method.

In connection with the requirements of Consob Resolution 15519 of 27 July 2006 as to the format of the financial statements, specific supplementary Income Statement, Statement of Financial Position and Statement of Cash Flows formats have been added for related party transactions so as not to compromise an overall reading of the statements.

Intangible assets

Purchased or internally-generated intangible assets are recognised as assets in accordance with IAS 38 - *Intangible Assets*, where it is probable that the use of the asset will generate future economic benefits and where the costs of the asset can be determined reliably.

Intangible assets with finite useful lives are measured at purchase or manufacturing cost, net of amortisation charged on a straight-line basis over their estimated useful lives and of any impairment losses.

Property, plant and equipment

Cost

Property, plant and equipment are stated at acquisition or production cost, net of accumulated depreciation and any impairment losses, and are not revalued.

Subsequent expenditures are capitalised only if they increase the future economic benefits embodied in that asset. All other expenditures are expensed as incurred.

The assets are depreciated by the method and at the rates indicated below.

Leases where the lessor retains substantially all the risks and rewards of ownership of the assets are classified as operating leases. Operating lease expenditures are expensed on a straight-line basis over the lease term.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful life of an asset as follows:

	Annual depreciation rate
Buildings	3%
Plant	10%
Furniture	12%
Fixtures	20%
Vehicles	25%

Land is not depreciated.

Impairment

The Company reviews, at least annually, the recoverability of the carrying amount of intangible assets, tangible assets and investments in subsidiaries and associate companies, in order to determine whether there is any indication that those assets have suffered an impairment loss. If indications of impairment are present, the carrying amount of the asset is reduced to its recoverable amount.

For investments in subsidiaries and associates that have distributed a dividend, the following are also considered indicators of impairment:

- if the carrying amount of the investment in the separate financial statements exceeds the book value of that company's equity (including any associated goodwill) as recognised in the consolidated financial statements;
- if the dividend exceeds the comprehensive income of the investee for the period to which the dividend relates.

The recoverable amount of an asset is the higher of fair value less disposal costs and its value in use.

In particular, in assessing whether investments in subsidiaries and associate companies are impaired, as their market value (fair value less costs to sell) cannot be reliably measured, the recoverable amount is considered to be their value in use, which is determined by estimating the present value of the estimated future cash flows based on expected profit or loss and a theoretical ultimate disposal, in line with the requirements of paragraph 33 of IAS 28.

Where an impairment loss for assets subsequently no longer exists or has decreased, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the carrying amount that would have been recorded had no impairment loss been recognised. A reversal of an impairment loss is recognised in the income statement immediately.

Financial instruments

Presentation

Financial instruments held by the Company are presented in the financial statements as described in the following paragraphs:

- Non-current assets: investments, other financial assets, other non-current assets.
- Current assets: trade receivables, current financial receivables, other current receivables, cash and cash equivalents.
- Non-current liabilities: non-current financial payables, other non-current liabilities.
- Current liabilities: trade payables, current financial payables (including asset-backed financing), other payables.

The item cash and cash equivalents includes cash at banks, 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.

Non-current financial payables includes liabilities related to financial guarantees. These financial guarantees are contracts where the company undertakes to make specific payments to a counterparty for losses incurred as a result of the failure of a specified borrower to make payment in accordance with the terms of a given debt instrument. The present value of any related fees receivable is recognised under other non-current financial assets.

Measurement

Investments in subsidiaries and associate companies are stated at cost adjusted for any impairment losses.

Any positive difference, arising on acquisition, between the purchase cost and the fair value of net assets acquired by the Company in the investee company is, accordingly, included in the carrying amount of the investment.

Investments in subsidiaries and associate companies are tested annually, or more often if necessary, for evidence of impairment. Where evidence of impairment exists, an impairment loss is recognised directly in the income statement. If the company's share of losses of the investee exceeds the carrying amount of the investment and if the company has an obligation or intends to

respond for these losses, the company's interest is reduced to zero and a liability is recognised for its share of the additional losses. If the impairment loss subsequently no longer exists it is reversed and the reversal is recognised in the income statement up to the limit of the cost of the investment.

Investments in other companies, comprising non-current financial assets that are not held for trading (available-for-sale financial assets), are initially measured at fair value. Any subsequent profits and losses resulting from changes in fair value, correlated to their market price, are recognised directly in equity until the investment is sold or is impaired; when the asset is disposed of, the cumulative gains or losses, including those previously recognised in equity, are reclassified in the income statement for the period; when the asset is impaired, accumulated losses are recognised in the income statement. Investments in other smaller companies for which a market price is not available are measured at cost, adjusted for any impairment losses.

Other financial assets which the company has the intention to hold to maturity are recognised on the basis of the settlement date and, on initial recognition, are measured at acquisition cost (being representative of fair value) on initial recognition in the statement of financial position, inclusive of transaction costs other than in respect of assets held for trading. These assets are subsequently measured at amortised cost using the effective interest method.

Other non-current assets, trade receivables, current financial receivables and other current receivables, excluding assets deriving from derivative financial instruments and all financial assets for which published price quotations in an active market are not available and whose fair value cannot be determined reliably, are measured, to the extent that they have a fixed term, at amortised cost, using the effective interest method. When the financial assets do not have a fixed term, they are measured at cost. Receivables with maturities of over one year which bear no interest or an interest rate significantly lower than market rates are discounted using market rates.

Assessments are made regularly for the purpose of verifying if there is objective evidence that a financial asset, separately or within a group of assets, may have been impaired. If any such evidence exists, an impairment loss is included in the income statement for the period.

Non-current financial payables, other non-current liabilities, trade payables, current financial payables and other payables are measured on initial recognition at fair value (normally represented by the cost of the transaction), including any additional transaction costs.

Financial liabilities are subsequently measured at amortised cost using the effective interest method, except for derivative financial instruments and liabilities for financial guarantee contracts. Financial liabilities hedged by derivative instruments are measured in accordance with hedge accounting principles applicable to fair value hedges. Gains and losses arising from measurement at fair value, caused by fluctuations in interest rates, are recognised in the income statement and are offset by the effective portion of the gain or loss arising from remeasurement at fair value of the hedging instrument.

Liabilities for financial guarantee contracts are measured at the higher of the estimate of the contingent liability (determined in accordance with IAS 37 - *Provisions, Contingent Liabilities and Contingent Assets*) and the amount initially recognised less any amount released to income over time.

Derivative financial instruments

Derivative financial instruments are used for hedging purposes, in order to reduce currency, interest rate and market price risks.

In accordance with IAS 39, derivative financial instruments qualify for hedge accounting only when at the inception of the hedge there is formal designation and documentation of the hedging relationship, the hedge is expected to be highly effective, its effectiveness can be reliably measured and it is highly effective throughout the financial reporting periods for which the hedge is designated.

All derivative financial instruments are measured in accordance with IAS 39 at fair value.

When derivative financial instruments qualify for hedge accounting, the following accounting treatment applies:

- **Fair value hedge** - Where a derivative financial instrument is designated as a hedge of the exposure to changes in fair value of a recognised asset or liability that is attributable to a particular risk and could affect the income statement, the gain or loss from remeasuring the hedging instrument at fair value is recognised in the income statement. The gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the hedged item and is recognised in the income statement.
- **Cash flow hedge** - Where a derivative financial instrument is designated as a hedge of the exposure to variability in future cash flows of a recognised asset or liability or a highly probable forecast transaction and could affect the income statement, the effective portion of the gain or loss on the derivative financial instrument is recognised directly in equity. The cumulative gain or loss is removed from equity and recognised in the income statement in the same period in which the hedged transaction is recognised. The gain or loss associated with a hedge or part of a hedge that has become ineffective is recognised in the income statement immediately. When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss realised to the point of termination remains in shareholders' equity and is recognised in the income statement at the same time as the underlying transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealised gain or loss held in shareholders' equity is recognised in the income statement immediately.

If hedge accounting cannot be applied, the gains or losses from the fair value measurement of derivative financial instruments are recognised immediately in the income statement.

Inventory

Inventory consists of work in progress on specific contracts and in particular relates to long-term construction contracts signed by Fiat S.p.A. with Treno Alta Velocità - T.A.V. S.p.A. under which Fiat S.p.A. as general contractor coordinates, organises and manages the work.

Work in progress refers to activities carried out directly and is recognised through measurement of the total contract income on a percentage completion basis, with the incremental portion of the work performed to date being recognised in the period. The cost-to-cost method is used to determine the percentage of completion of a contract (by dividing the costs incurred by the total costs forecast for the whole construction).

Any losses expected to be incurred on contracts are fully recognised in the income statement and as a reduction in contract work in progress when they become known.

Any advances received from customers for services performed are presented as a reduction in inventory. If the amount of advances exceeds inventory, the excess is recognised as advances in the item other payables.

Sales of receivables

Receivables sold in factoring transactions are derecognised if and only if the risks and rewards relating to ownership have been substantially transferred to the buyer. Receivables sold with recourse and without recourse that do not satisfy this condition remain in the statement of financial position, even if they have been legally sold; in such cases, a liability for the same amount is recognised for advances received.

Assets held for sale

This item includes non-current assets (or assets included in disposal groups) whose carrying amount will be recovered principally through a sale rather than through continuing use. Assets held for sale (or disposal groups) are measured at the lower of their carrying amount and fair value less disposal costs.

Employee benefits

Post-employment plans

The company provides pension plans and other post-employment plans to its employees. The pension plans for which the company has an obligation under Italian law are defined contribution plans, while the other post-employment plans, for which the company generally has an obligation under national collective bargaining agreements, are defined benefit plans. Payments made by the Company for defined contribution plans are recognised as a cost in the income statement when incurred. Defined benefit plans are based on the employee's working life and on the salary or wage received by the employee over a pre-determined period of service.

The scheme underlying the employee severance indemnity of the Italian Group companies (*Trattamento di Fine Rapporto* or "TFR") was classified as a defined benefit plan until 31 December 2006. Legislation relating to this scheme and leading to this classification was amended by Law 296 of 27 December 2006 (the "2007 Finance Law") and subsequent decrees and regulations issued in the first part of 2007. In view of these changes, and with specific reference to those regarding companies with at least 50 employees, this scheme only continues to be classified as a defined benefit plan in the consolidated financial statements for those benefits accruing up to 31 December 2006 (and not yet settled by the balance sheet date), while after that date the scheme is classified as a defined contribution plan.

The company's obligation to fund defined benefit plans and the annual cost recognised in the income statement is determined on an actuarial basis using the projected unit credit method. The portion of net cumulative actuarial gains and losses which exceeds the greater of 10% of the present value of the defined benefit obligation and 10% of the fair value of the plan assets at the end of the previous year is amortised over the average remaining service lives of employees (the "corridor approach"); the portion of actuarial gains and losses that does not exceed this threshold is deferred.

Upon first-time adoption of IFRS, the Company elected to recognise all cumulative actuarial gains and losses existing at 1 January 2004 (date of first-time adoption of IFRS by the Fiat Group), despite having elected the corridor approach for recognition of subsequent actuarial gains and losses.

The expense related to the reversal of discounting pension obligations for defined benefit plans are recognised under financial expense.

The post-employment benefit obligation recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses, arising from the application of the corridor method and unrecognised past service cost.

Other long-term employee benefits

The accounting treatment for other long-term benefits is the same as that for post-employment benefit plans except for the fact that actuarial gains and losses and past service costs are fully recognised in the income statement in the year in which they arise and the corridor method is not applied.

Equity-based compensation

The Company provides additional benefits to certain senior managers and employees in the form of equity participation schemes (stock options and stock grants). In accordance with IFRS 2 - *Share-based Payment*, such plans constitute a component of the recipient's compensation and the cost, based on the fair value of the instrument at the grant date, is recognised in the income statement on a straight-line basis over the period from the grant date to the vesting date, and a balancing entry recognised directly in equity. The initial measurement is not affected by any subsequent changes in fair value. In accordance with the transitional provisions of IFRS 2, the Company applied the Standard to all stock options granted after 7 November 2002 and not yet vested at 1 January 2005, the effective date of the Standard. Detailed information is provided in respect of all stock options granted on or prior to 7 November 2002.

The compensation component from stock option plans based on Fiat S.p.A. shares relating to employees of other Group companies is recognised as a capital contribution to the subsidiaries which employ beneficiaries of the stock option plans, in accordance with IFRIC 11 and, as a result, is recorded as an increase in the carrying amount of the investment, with the offsetting credit being recognized directly in equity.

Provisions

The Company recognises provisions when it has a legal or constructive obligation to third parties, when it is probable that an outflow of resources will be required to satisfy the obligation and when a reliable estimate of the amount can be made.

Changes in estimates are reflected in the income statement in the period in which the change occurs.

Treasury shares

Treasury shares are presented as a deduction from equity. The original cost of treasury shares and the proceeds of any subsequent sale are presented as movements in equity.

Dividends received and receivable

Dividends from investees are recognised in the income statement when the right to receive the dividend is established.

Revenue recognition

Revenue is recognised if it is probable that economic benefits associated with the transaction will flow to the company and the revenue can be measured reliably. Revenue is presented net of any adjusting items.

Revenue from services and revenue from construction contracts are recognised using the percentage completion method described under inventory.

Financial income and expense

Financial income and expense are recognised in the income statement in the period in which they become receivable or payable.

Finance costs attributable to investments in assets that necessarily require a substantial period of time to get ready for their intended use or sale (qualifying assets) are capitalised and amortised over the useful life of the class of assets to which they relate.

Income taxes

The tax charge for the period is determined on the basis of prevailing laws and regulations. Taxes on income are recognised in the income statement except to the extent that they relate to items directly charged or credited to equity, in which case the related income tax effect is recognised in equity.

Deferred tax assets and liabilities are determined on the basis of all the temporary differences between the carrying amount of an asset or liability in the statement of financial position and its corresponding tax basis. Deferred tax assets resulting from unused tax losses and temporary differences are recognised to the extent that it is probable that future taxable profit will be available against which they can be utilised.

Current and deferred income taxes and liabilities are offset when there is a legally enforceable right to offset. Deferred tax assets and liabilities are measured at the substantively enacted tax rates that are expected to apply to taxable income in the periods in which temporary differences will be reversed.

Fiat S.p.A. and almost all its Italian subsidiaries have elected to take part in the domestic tax consolidation programme pursuant to Articles 117/129 of the Consolidated Income Tax Act (T.U.I.R.); the election was made for a three-year period beginning in 2004. The election was renewed in 2007 for at least another three-year period.

Fiat S.p.A. acts as the consolidating company in this programme and calculates a single taxable base for the group of companies taking part, thereby enabling benefits to be realised from the offsetting of taxable income and tax losses in a single tax return. Each company participating in the consolidation transfers its taxable income or tax loss to the consolidating company. Fiat S.p.A. recognises receivables from companies contributing taxable incomes, corresponding to the amount of IRES (corporate income tax) paid on its behalf. In the case of a company bringing a tax loss into the consolidation, Fiat S.p.A. recognises a payable to that company for the amount of the loss actually set off at group level.

Dividends payable

Dividends payable are recognised as changes in shareholders' equity in the period in which they are approved by shareholders.

Earnings per share

Earnings per share are calculated exclusively with reference to the Group's net result.

Use of estimates

The preparation of financial statements and related disclosures that conform to IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results could differ from those estimates. Estimates and assumptions are reviewed periodically and the effects of any changes are recognised directly in profit and loss in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In this respect, the situation caused by the present economic and financial crisis has led to the need to make assumptions regarding future performance which are characterised by significant uncertainty; as a consequence, therefore, it cannot be excluded that results may arise during the next year which differ from estimates, and which therefore might require adjustments, even significant, to be made to the carrying amount of the items in question, which at the present moment can clearly neither be estimated nor predicted. The line item most affected by these situations of uncertainty relates to investments in subsidiaries and associates classified under non-current assets, where estimates are used for the determination of impairment losses and reversals of impairment losses.

No particular or significant issues have arisen, however, in relation to estimates used for the recognition of percentage completion of contract work in progress, employee benefits, taxes or provisions also taking into consideration their level of materiality.

The item "Investments in subsidiaries and associates" was most impacted by estimates used to determine the carrying amounts of Fiat Group Automobili S.p.A. (FGA) and Iveco S.p.A. due to their relative weighting. During 2009, these two subsidiaries distributed dividends of €700 million (FGA) and €560 million (Iveco) in relation to profit for prior years. The valuation approach applied for the preparation of the 2009 financial statements was based on the estimate of value in use of the investments. The estimates were based on expected performance for 2010, whose assumptions and results are consistent with the statements made in the Report on Operations under "Subsequent Events and Outlook". Conservative profit estimates were made for subsequent periods accordingly. For the purposes of valuation, these annual profit estimates were then reduced - using adjustment factors that increase over the projected time horizon (as estimates become more difficult) - as a further measure of prudence, given the continued uncertainty as to the duration of the current economic crisis and timing of a return to normal market conditions. A theoretical terminal value (based on an ultimate disposal) was estimated assuming a perpetual growth rate

of zero. Present values were calculated using a discount rate of 16% for FGA and 14% for Iveco - both considered prudent for the sectors and regions in which these subsidiaries operate. The estimates and underlying assumptions provided reasonable support for recognition of an impairment of €200 million for FGA and €560 million for Iveco, the latter being equivalent to the amount of the dividend paid by Iveco during the year.

Accounting principles, amendments and interpretations adopted from 1 January 2009

The Company has applied the following principles, amendments and interpretations since 1 January 2009.

IAS 1 Revised - Presentation of Financial Statements

The revised version of IAS 1 - *Presentation of Financial Statements* does not permit the presentation of components of comprehensive income (that is "non-owner changes in equity") in the statement of changes in equity, requiring these to be presented separately from owner changes in equity. Under the revised standard, all non-owner changes in equity are required to be presented in one statement showing performance for the period (a statement of comprehensive income) or in two statements (an income statement and a statement of comprehensive income). These changes are also required to be shown separately in the statement of changes in equity.

The Company has adopted the revised standard retrospectively from 1 January 2009, electing to present both the Income Statement and the Statement of Comprehensive Income and has consequently amended the presentation of the Statement of Changes in Equity.

In addition, as part of its 2008 annual improvements project, the IASB published an amendment to IAS 1 (Revised) which requires an entity to classify hedging derivative financial instruments between current and non-current assets and liabilities in the statement of financial position. Adoption of this amendment had no effect on the presentation of derivative financial instruments as the derivative contracts in place at the balance sheet close, for both 2009 and 2008, were classified as held for trading.

Amendment to IFRS 1 - First Time Adoption of International Financial Reporting Standards and IAS 27 - Consolidated and Separate Financial Statements

The amendment to IFRS 1 - *First Time Adoption of International Financial Reporting Standards* allows companies adopting IFRS for the first time from 1 January 2009 and electing to recognise investments in subsidiaries, associates and joint ventures in the separate financial statements at cost, to use one of the following methods:

- cost determined in accordance with IAS 27;
- revalued cost measured on a fair value basis at the date of transition to IFRS or the carrying value of the investment at the date of transition measured in accordance with local GAAP.

In addition, the amendment to IAS 27 - *Consolidated and Separate Financial Statements* requires that all dividends received from subsidiaries, joint ventures and associates be recognised in the parent company's income statement when the right to receive those dividends is established regardless of whether they relate to profit arising before or after the date the interest was acquired. Revisions to IAS 36 - *Impairment of Assets* require that, when evaluating whether impairment exists, if an investee company has distributed a dividend, the following must be considered:

- whether the carrying amount of the investment in the separate financial statements exceeds the book value of that company's equity (including any associated goodwill) as recognised in the consolidated financial statements;
- whether the dividend exceeds the comprehensive income of the investee for the period to which the dividend relates.

The Company adopted the amendment to IAS 27 prospectively from 1 January 2009. However, no accounting effects resulted from its application as none of the dividends recognised in profit and loss for 2009 were received from subsidiaries that had been acquired during the period. In accordance with the amendment to IAS 36, new indicators of impairment were also taken into consideration for the purposes of identifying any loss in value of investments held.

Amendment to IFRS 2 - Share-based Payment: Vesting Conditions and Cancellations

The amendment to IFRS 2 - *Share-based Payment: Vesting Conditions and Cancellations* clarifies that for the purpose of measuring share-based payments, only service conditions and performance conditions may be considered vesting conditions. Any other clauses shall be considered non-vesting conditions and included in the determination of fair value at the grant date. The amendment also specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment.

The Company adopted the amendment retrospectively from 1 January 2009. No effects arose from first-time adoption because the stock options and stock grants in place within the Group and not fully vested do not provide for vesting conditions different from performance conditions and service conditions as defined by the amendment and because no awards were cancelled during the period.

Amendment to IFRS 7 - Improving Disclosures about Financial Instruments

The amendment, effective from 1 January 2009, was issued in order to improve the disclosure requirements for fair value measurements and reinforce existing principles for disclosures concerning the liquidity risk associated with financial instruments. In particular, the amendment requires disclosures to be made that are based on a hierarchy of the inputs used in valuation techniques to measure fair value. The adoption of the amendment only affected the disclosures in the notes and had no effect on the measurement of items in the financial statements.

Principles, amendments and interpretations effective from 1 January 2009 but not applicable to the Company

The following principles, amendments and interpretations have also been issued and are effective from 1 January 2009; these relate to matters that were not applicable to the Company at the date of these financial statements but which may affect the accounting for future transactions or arrangements:

- *IAS 23 Revised - Borrowing Costs*: the revised version of the standard removes the option previously available of immediately recognising as an expense borrowing costs that relate to assets that take a substantial period of time to get ready for use or sale (qualifying assets). As part of its 2008 annual improvements project the IASB also published an amendment to IAS 23 (Revised) in order to revise the definition of the borrowing costs to be capitalised.
- *IAS/IFRS improvements (2008)*: following the 2008 annual improvement process conducted by IASB, changes were made to certain accounting standards which became effective 1 January 2009. Some of these changes are limited to terminology, while others are more substantial but, in any event, have had a limited impact on the company's financial statements.
- *Amendment to IAS 32 - Financial Instruments: Presentation* and to *IAS 1 Presentation of Financial Statements - Puttable Financial Instruments and Obligations Arising on Liquidation*. These amendments require puttable financial instruments and instruments, or components of instruments that impose on an entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation, to be classified as equity instruments.
- *Improvement to IAS 39 - Financial Instruments: Recognition and Measurement*: this amendment clarifies how to calculate the revised effective interest rate when discontinuing fair value hedge accounting and notes additionally that the prohibition on the reclassification of financial instruments into or out of the fair value through profit or loss category after initial recognition should not prevent a derivative from being accounted for at fair value through profit or loss when it does not qualify for hedge accounting and vice versa.
- *IFRIC 13 - Customer Loyalty Programmes*.
- *IFRIC 15 - Agreements for the Construction of Real Estate*.

Finally, on 12 March 2009 the IASB issued amendments to IFRIC 9 - *Reassessment of Embedded Derivatives* and to IAS 39 - *Financial Instruments: Recognition and Measurement* that allow entities to reclassify certain financial instruments out of the “fair value through profit or loss” category in specific circumstances. The amendments clarify that on the reclassification of a financial asset out of the “fair value through profit or loss” category all embedded derivatives have to be assessed and, if necessary, separately accounted for in the financial statements. The amendments are effective retrospectively from 31 December 2009, although adoption had no effect on the Company’s financial statements.

Accounting principles, amendments and interpretations not yet applicable and not early adopted

On 31 July 2008, the IASB issued an amendment to IAS 39 - *Financial Instruments: Recognition and Measurement* which is to be applied retrospectively from 1 January 2010. The amendment clarifies how existing principles determining whether a hedged risk or portion of cash flows is eligible for designation should be applied in particular situations. When applied this amendment will have no effect on the Company’s financial statements.

On 27 November 2008, the IFRIC issued interpretation IFRIC 17 - *Distributions of Non-cash Assets to Owners* that will standardise accounting treatment of the distribution of non-cash assets to owners. In particular, the interpretation clarifies that a dividend payable should be recognised when the dividend is appropriately authorised and that an entity should measure this dividend payable at the fair value of the net assets to be distributed. Finally, an entity should recognise the difference between the dividend paid and the carrying amount of the net assets used for payment in the income statement. The interpretation is effective prospectively from 1 January 2010.

On 29 January 2009, the IFRIC issued the interpretation IFRIC 18 - *Transfers of Assets from Customers* that clarifies the accounting treatment for agreements in which an entity receives from a customer an item of property, plant and equipment that the entity must then use either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services (such as a supply of electricity, gas or water). In some cases, the entity receives cash from the customer which will then be used to acquire or construct an item of property, plant and equipment for use in fulfilling the requirements of the contract. The interpretation is effective prospectively from 1 January 2010.

On 16 April 2009, the IASB issued a series of amendments to IFRS (Improvements to IFRS). The following paragraphs provide a description of those amendments identified by the IASB as resulting in accounting changes for presentation, recognition and measurement purposes. No comments are provided for amendments whose effect is a change in terminology or editorial changes which are likely to have minimal effects on accounting treatment, or amendments or interpretations not applicable to the Company or having effects on the consolidated financial statements only. As of the date of the financial statements, these improvements had not yet been endorsed by the European Union.

- IAS 1 - *Presentation of Financial Statements*: this amendment, effective from 1 January 2010, amends the definition of a current liability contained in IAS 1. The previous definition required liabilities which could be extinguished at any time by issuing equity instruments to be classified as current. That led to liabilities relating to convertible bonds which could be converted at any time into the shares of the issuer to be classified as current. Following this amendment the existence of a currently exercisable option for conversion into equity instruments becomes irrelevant for the purposes of the current/non-current classification of a liability.
- IAS 7 - *Statement of Cash Flows*: this amendment, applicable from 1 January 2010, clarifies that only expenditures that result in a recognised asset in the statement of financial position are eligible for classification as investing activities in the statement of cash flows; cash flows originating from expenditures that do not result in a recognised asset (as could be the case for advertising and promotional activities and staff training) must be classified as cash flows from operating activities.
- IAS 17 - *Leases*: following the changes, the general conditions required by IAS 17 for classifying a lease as a finance lease or an operating lease will also be applicable to the leasing of land, independent of whether the lease transfers ownership by the end of the lease term. Before these changes the standard required the lease to be classified as an operating lease if ownership of the leased land was not transferred at the end of the lease term because land has an indefinite useful life.

The amendment is effective from 1 January 2010. At the date of adoption the classification of all land elements of unexpired leases must be reassessed, with any lease newly classified as a finance lease to be recognised retrospectively.

- **IAS 38 - Intangible Assets:** IFRS 3 (as revised in 2008) states that if an intangible asset acquired in a business combination is separable or arises from contractual or other legal rights, sufficient information exists to measure its fair value reliably; amendments are made to IAS 38 to reflect that revision of IFRS 3. Moreover these amendments clarify the valuation techniques commonly used to measure intangible assets at fair value when assets are not traded in an active market; in particular, such techniques include discounting the estimated future net cash flows from an asset, and estimating the costs the entity avoids by owning an intangible asset and not having to license it from another party in an arm's length transaction or the costs to recreate or replace it (as in the cost approach). The amendment is effective prospectively from 1 January 2010.
- **IAS 39 - Financial Instruments: Recognition and Measurement:** this amendment restricts the non-applicability of IAS 39 under paragraph 2(g) of the standard to forward contracts between an acquirer and a selling shareholder to buy or sell an acquiree in a business combination at a future acquisition date when the completion of the business combination is not dependant on further actions of either party and only the passage of a normal period of time is required. Option contracts, whether or not currently exercisable, which allow one party to control the occurrence or non-occurrence of future events and on exercise will result in control of an entity are therefore included in the scope of IAS 39. The amendment also clarifies that embedded prepayment options whose exercise price compensates the lender for the loss of interest income resulting from the prepayment of the loan shall be considered closely related to the host debt contract and therefore not accounted for separately. Finally, the amendment clarifies that the gains or losses on a hedged instrument must be reclassified from equity to profit or loss during the period that the hedged forecast cash flows affect profit or loss. The amendment is effective prospectively from 1 January 2010.
- **IFRIC 9 - Reassessment of Embedded Derivatives:** this amendment excludes from the scope of IFRIC 9 embedded derivatives in contracts acquired in a business combination, a combination of entities or businesses under common control or the formation of a joint venture. The amendment is applicable prospectively from 1 January 2010.

In June 2009, the IASB issued an amendment to IFRS 2 - *Share based payment: Group Cash-settled Share-based Payment transactions*. The amendment clarifies the scope of IFRS 2 and the interactions of IFRS 2 and other standards. In particular, it clarifies that an entity that receives goods or services in a share-based payment arrangement must account for those goods or services no matter which entity in the group settles the transaction, and no matter whether the transaction is settled in shares or cash; moreover, it clarifies that a 'group' has the same meaning as in IAS 27 - *Consolidated and Separate Financial Statements*, that is, it includes only a parent and its subsidiaries. In addition, the amendment clarifies that an entity must measure the goods or services it received as either an equity-settled or a cash-settled share-based payment transaction assessed from its own perspective, which may not always be the same as the amount recognised by the consolidated group. The amendments also incorporate guidance previously included in IFRIC 8 - *Scope of IFRS 2* and IFRIC 11 - *IFRS 2 - Group and Treasury Share Transaction*. As a result, the IASB has withdrawn IFRIC 8 and IFRIC 11. The amendment is effective from 1 January 2010; the European Union had not yet endorsed the amendment at the date of these financial statements.

On 8 October 2009, the IASB issued an amendment to IAS 32, *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. No effect is expected on the company's financial statements from the adoption of this amendment.

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. The revised standard had not yet been endorsed by the European Union at the date of these financial statements.

On 12 November 2009, the IASB issued the first sections of 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 these financial statements.

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; the amendment had not yet been endorsed by the European Union at the date of these 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 entity's profit or loss for the period. The amendment has an effective date for mandatory adoption of 1 January 2011; the amendment had not yet been endorsed by the European Union at the date of these financial statements.

RISK MANAGEMENT

The risks to which Fiat S.p.A. is exposed, either directly or indirectly through its subsidiaries, are the same as those of the companies of which it is Parent. Reference should therefore be made to the note on Risk Management included in the Notes to the Consolidated Financial Statements of the Fiat Group as well as to Note 28.



1911
1912
1915
1916
1917
1918
1919
1920
1921
1922
1923
1924
1925
1926
1927
1928
1929
1930
1931
1932
1933
1934
1935
1936
1937
1938
1939
1940
1941
1942
1943
1944
1945
1946
1947
1948
1949
1950
1951
1952
1953
1954
1955
1956
1957
1958
1959
1960
1961
1962
1963
1964
1965
1966
1967
1968
1969
1970
1971
1972
1973
1974
1975
1976
1977
1978
1979
1980
1981
1982
1983
1984
1985
1986
1987
1988
1989
1990
1991
1992
1993
1994
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025

2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025



COMPOSITION AND PRINCIPAL CHANGES

1. Dividends and other income from investments

A breakdown of dividends and other income from investments is provided in the following table:

(€ thousand)	2009	2008
Dividends from subsidiaries:		
Fiat Group Automobili S.p.A.	700,000	-
Fiat Partecipazioni S.p.A.	-	500,000
Ferrari S.p.A.	-	85,003
Iveco S.p.A.	559,691	77,517
Fiat Netherlands Holding N.V.	-	60,563
Business Solution S.p.A.	-	53,810
Fiat Finance S.p.A.	-	50,000
FGI - Fiat Group International S.A.	-	44,256
Itedi-Italiana Edizioni S.p.A.	-	1,700
Total dividends from subsidiaries	1,259,691	872,849
Dividends from other companies	140	1,431
Total dividends and other income from investments	1,259,831	874,280

For 2009, dividends from other companies related to dividends received from Assicurazioni Generali S.p.A. For 2008, they included dividends of €1,268 thousand from Fin. Priv. S.r.l. and €163 thousand received from Assicurazioni Generali S.p.A.

2. Impairment (losses)/reversals on investments

The following table provides a breakdown of impairment losses and reversals on investments:

(€ thousand)	2009	2008
Impairment losses:		
Iveco S.p.A.	(560,000)	-
Fiat Group Automobili S.p.A.	(200,000)	-
Comau S.p.A.	(51,000)	(7,000)
Teksid Aluminum S.r.l.	(31,000)	-
Fiat Partecipazioni S.p.A.	(16,000)	-
Total impairment losses	(858,000)	(7,000)
Reversals of impairment losses	-	-
Total impairment (losses)/reversals on investments	(858,000)	(7,000)

The carrying value of the investment in Iveco S.p.A., that was equivalent to historic cost at 31 December 2008, after the distribution in 2009 of a €560 million dividend and before any further consideration, was higher than the value of equity reflected in the consolidated financial statements. The estimates and assumptions used for preparation of the financial statements, as described in the section "Use of Estimates", took into account the unfavourable condition of the market in which the subsidiary operates and provided reasonable support for recognising an impairment of €560 million (equivalent to the amount of the dividend distributed). The impairment could be reversed in future periods, should the appropriate conditions exist.

The carrying amount of Fiat Group Automobiles S.p.A., which distributed a dividend of €700 million in 2009, was higher than the value of equity reflected in the consolidated financial statements. The estimates and assumptions used for preparation of the financial statements, as described in the section "Use of Estimates", provided reasonable support for recognising an impairment of €200 million. This investment, which in 2005 and prior years had already been subject to writedowns that have not been fully reversed, includes total impairment losses of €2,907 million which could potentially be reversed in future periods. At 31 December 2009, the carrying amount of the investment was €4,474 million.

Impairment losses recognised on the investments in Comau S.p.A., Teksid Aluminum S.r.l. and Fiat Partecipazioni S.p.A. are substantially attributable to losses reported by those subsidiaries for the period and represent an alignment of the carrying amount of those investments with their estimated recoverable value.

For other investments having a significant book value, in particular, parent companies of the Group's industrial Sectors - Fiat Netherlands Holding N.V. (which holds a controlling interest in CNH Global N.V.), Fiat Powertrain Technologies S.p.A., Magneti Marelli S.p.A. and Ferrari S.p.A. (all recognised at historic cost) - no indications of impairment were identified. This also takes into consideration the carrying amounts of equity recognised in the Group consolidated statement of financial position, for which the recoverability of assets has already been adequately assessed.

3. Gains/(losses) on disposals

There were no gains or losses on disposals of investments in 2009. The €181 thousand gain for 2008 related to the sale of a 51% interest in Fiat Group Marketing & Corporate Communication S.p.A. to Fiat Partecipazioni S.p.A.

4. Other operating income

The following table provides a breakdown of other operating income:

(€ thousand)	2009	2008
Revenues from services rendered to Group companies	45,229	45,337
Revenues from services rendered to third parties	182,049	-
Changes in construction contract work in progress	(164,254)	19,860
Other revenues and income from Group companies	6,028	2,782
Other revenues and income from third parties	6,380	2,070
Total other operating income	75,432	70,049

Revenues from services rendered to Group companies relate to services rendered by Fiat S.p.A. and management personnel to the principal companies in the Group (see Note 30). For 2008, this item also included royalties received from Fiat Group Automobiles S.p.A. and Fiat Automoveis S.A. – FIASA for use of the FIAT trademark, which was sold to the subsidiary Fiat Group Marketing & Corporate Communication S.p.A. at the end of 2008.

Revenues from services rendered to third parties relate to fees payable to Fiat S.p.A. for activities carried out directly by the Company (management, coordination and organisation) in relation to the contract with Treno Alta Velocità – T.A.V. S.p.A. for the Turin-Novara line. These revenues were recognised following completion of the residual portion of work during the year and formal acceptance by the customer as stipulated in the contract (see Note 26).

Changes in construction contract work in progress relate to the current portion of fees payable to Fiat S.p.A. for activities carried out directly by the Company (management, coordination and organisation) in relation to contracts with Treno Alta Velocità - T.A.V. S.p.A. that were still in progress at the end of the year (the Florence-Bologna line and Novara-Milan line), net of fees relating to the Turin-Novara line that were no longer recognised under contract work in progress but instead under revenues, due to the closure of the project from an accounting perspective (see Note 26).

Other revenues and income from Group companies mostly related to the recovery of costs, rental income from real estate properties and to directors' fees paid by companies for duties performed by Fiat S.p.A. employees.

Other revenues and income from third parties relate to miscellaneous income, recovery of costs and other prior year income.

5. Personnel costs

A breakdown of personnel costs is provided in the following table:

(€ thousand)	2009	2008
Wages and salaries	20,692	20,476
Defined contribution plans and social security contributions	7,921	7,772
Employee severance indemnity and other defined benefit plans	389	546
Compensation component from stock option plans	(3,494)	1,447
Other personnel costs	6,080	7,456
Total personnel costs	31,588	37,697

The average number of employees for the year rose from 151 in 2008 (66 managers, 76 white-collars and 9 blue-collars) to 152 in 2009 (66 managers, 79 white-collars and 7 blue-collars). As described in Note 4, certain of the Company's managers (an average of 11 managers in 2009 and 9 in 2008) carried out their activities at the Group's principal subsidiaries and the related costs were recharged to those companies.

Defined contribution plans consisted of the amounts paid by the Company to the Italian State social security organisation (INPS) and other social security and assistance organisations for post-employment benefit defined contribution plans (pension plans and medical care) on behalf of all categories of employees. Following the introduction of Law 296/06, the employee severance indemnity accruing from 1 January 2007 and paid over to complementary pension funds or the treasury fund established by the Italian State social security organisation INPS is treated as a cost for a defined contribution plan, while the adjustments to the employee severance indemnity accruing before 1 January 2007 are recognized in the statement of financial position under "Employee severance indemnity and other defined benefit plans" (see Note 20).

Social security contributions consisted of the amount paid by the Company to social security agencies on behalf of employees for short-term benefits such as sickness, injury and compulsory maternity leave.

The compensation component from stock option plans relates to plans for managers employed by Fiat S.p.A. which are based on Fiat S.p.A. shares and represents the notional cost recognised against the relevant equity reserve (see Note 19). The amount reported relates specifically to the November 2006 and July 2008 plans (see Note 19). Since performance targets relating to the tranches which vest in the first quarter of 2010 were not reached, the probability of subsequent tranches vesting has been revised. At year-end 2009, Fiat S.p.A. therefore released accruals for the notional cost of those tranches which had been recognised in prior years (a similar release was recognised in 2008).

As required by the accounting standard for stock option plans (IFRS 2) and the related interpretation (IFRIC 11), the compensation component from stock option plans based on Fiat S.p.A. shares but relating to managers employed by other Group companies is not recognised in the income statement of Fiat S.p.A. but rather is treated as a capital contribution and recorded as an increase in the book value of the investee companies (see Note 12) which directly or indirectly employ plan beneficiaries. An offsetting entry is made to the relevant equity reserve (see Note 19).

Other personnel costs related mainly to accruals to provisions for employee bonuses, leaving incentives and insurance.

The aggregate charge in 2009 for compensation to executives with strategic responsibilities was €20,165 thousand (€11,822 thousand of which was charged back to Group companies where they performed their duties). This amount included the following:

- severance indemnity accrued during the year, amounting to €638 thousand;
- contributions by the Company to state and company defined contribution schemes and social security contributions for €2,960 thousand;
- costs for the year for a special defined benefit plan, amounting to €954 thousand (including the component recognized in financial expenses).

6. Other operating costs

A breakdown of other operating costs is provided in the following table:

(€ thousand)	2009	2008
Costs for services rendered by Group companies	25,352	32,017
Costs for services rendered by third parties	39,592	61,158
Compensation component from stock option plans	8,154	7,676
Leases and rentals	3,685	3,245
Purchase of goods	734	960
Depreciation of property, plant and equipment	1,644	1,752
Amortisation of intangible assets	62	110
Misc. operating costs	6,682	7,515
Total other operating costs	85,905	114,433

Costs for services rendered by Group companies primarily consisted of assistance and consultancy of an administrative and financial nature, public relations, payroll services, security services and internal audit services (see Note 30).

Costs for services rendered by third parties principally included technical (the high speed train T.A.V.) legal, administrative and financial services and IT services. The decrease over 2008 was due to cost reduction measures implemented, the absence of costs for the enhancement and management of the Fiat brand, as well as a reduction in technical advisory fees as activity related to contracts with T.A.V. S.p.A. approaches completion. Costs for services also include fees paid to the directors and statutory auditors of Fiat S.p.A. amounting to €7,220 thousand and €152 thousand respectively. The amount of directors' fees includes fees resolved by shareholders as well as compensation established by the Board of Directors for directors vested with specific responsibilities.

The compensation component from stock option plans is connected with the options granted to the Chief Executive Officer and is represented by the notional cost, with the offsetting credit recognised directly in the relevant equity reserve (see Note 19).

Miscellaneous operating costs consist of subscriptions to trade associations, indirect taxes and duties (local taxes on real estate properties, non-deductible VAT, etc.), prior year expenses and other minor costs.

7. Gains/(losses) from non-recurring transactions

There were no gains or losses from non-recurring transactions for 2009. For 2008, there was a gain of €879,483 thousand which consisted of the net gain from the transfer of the FIAT trademark to the indirect subsidiary Fiat Group Marketing & Corporate Communication S.p.A., which is responsible for brand management. Consideration for the transfer of €880 million was based on a valuation conducted by a leading independent advisor, using internationally accepted valuation methodologies.

8. Financial income/(expense)

Following is a breakdown of financial income/(expense):

(€ thousand)	2009	2008
Financial income	14,190	43,696
Financial expense	(144,873)	(202,539)
Net income/(expense) from derivative financial instruments	116,992	(262,832)
Total financial income/(expense)	(13,691)	(421,675)

Following is a breakdown of financial income:

(€ thousand)	2009	2008
Financial income from Group companies:		
Interest income from Fiat Finance S.p.A. current account	3,427	25,924
Interest income from Fiat Finance S.p.A. loans	-	7,540
Commission income from sureties and personal guarantees	5,440	3,828
Other financial income	63	48
Total financial income from Group companies	8,930	37,340
Financial income from third parties:		
Interest income on bank and other deposits	9	9
Interest income on tax credits	5,134	6,273
Total financial income from third parties	5,143	6,282
Exchange losses/(income)	117	74
Total financial income	14,190	43,696

Following is a breakdown of financial expense:

(€ thousand)	2009	2008
Financial expense to Group companies:		
Interest expense to Fiat Finance S.p.A. current account	598	1,659
Interest expense to Fiat Finance S.p.A. loans	124,590	171,593
Commissions and other charges payable to Fiat Netherlands Holding N.V.	6,255	11,369
Fiat Finance S.p.A. and Fidis S.p.A. service commissions	98	95
Interest and financial expense to other Group companies	266	323
Total financial expense to Group companies	131,807	185,039
Financial expense to third parties:		
Interest expense and charges for the sale of receivables	8,778	13,191
Financial expense for employee benefits	1,084	1,008
Other third party interest and financial expense	3,204	3,301
Total financial expense to third parties	13,066	17,500
Total financial expense	144,873	202,539

Net income from derivative financial instruments of €116,992 thousand (net expense of €262,832 thousand for 2008) related to derivative transactions with other Group companies which, in turn, are parties to agreements with major international banks. The €116,992 thousand figure for 2009 was entirely attributable to the gain arising from the change in fair value of the two equity swaps (which expire in 2010, following extension of the two contracts during the year) entered into as hedges against Fiat shares rising above the exercise price of the stock options granted to the Chief Executive Officer in 2004 and 2006 (see Note 19). At 31 December 2009, the equity swaps had a notional value, based on the contractual strike price, of €203,941 thousand. Although these equity swaps were entered into for hedging purposes, they do not qualify for hedge accounting under IFRS and accordingly are classified as held for trading.

9. Income taxes

A breakdown of taxes recognised in the income statement is provided below:

(€ thousand)	2009	2008
Current taxes:		
IRES	-	-
IRAP	-	19,012
Total current taxes		19,012
Deferred taxes for the period:		
IRAP	(5,858)	1,602
Total deferred taxes for the period	(5,858)	1,602
Taxes relating to prior periods	11,973	23,428
Total income taxes	6,115	44,042

For 2008, current IRAP payable was correlated to the estimate of the income generated during the year including the non-recurring gain from sale of the FIAT trademark.

Deferred IRAP related to profit recognised on the contract work in progress with T.A.V. S.p.A.

Taxes relating to prior periods totalled €11,973 thousand and consisted almost entirely of IRAP paid during the year in relation to the prior year's taxable income. In 2008, taxes relating to prior periods totalled €23,428 thousand and principally related to the balance payable in relation to the prior year's domestic tax consolidation.

A reconciliation between theoretical income taxes determined on the basis of the tax rates applicable in Italy and the income taxes reported in the financial statements is as follows:

(€ thousand)	2009	2008
Theoretical income taxes	95,172	341,877
Tax effect of permanent differences	(90,928)	(214,402)
Taxes relating to prior periods	(2)	23,428
Tax loss carryforwards utilised	(4,244)	(127,475)
Unrecognised net deferred tax assets	-	-
Current and deferred income tax recognised in the financial statements, excluding IRAP	(2)	23,428
IRAP (current and deferred)	6,117	20,614
Income taxes reported in the income statement (current and deferred income taxes)	6,115	44,042

Theoretical income taxes are calculated by applying the IRES tax rate (27.5% for 2008 and 2009) to the result before taxes. IRAP tax is excluded to facilitate an understanding of the reconciliation between theoretical and reported income taxes; since it is calculated on a tax basis that differs from profit before taxes, it would otherwise generate distortions between one year and another.

The permanent differences referred to above include, among other things, the tax effect of non-taxable income amounting to €329,236 thousand in 2009 (€221,820 thousand in 2008) and of non-deductible costs amounting to €238,308 thousand in 2009 (€7,418 thousand in 2008).

In particular, for 2009 the tax effect of non-taxable income is principally attributable to dividends and totals approximately €329,131 thousand (€216,844 thousand in 2008). For 2009, non-deductible costs principally included impairment losses on investments whose tax effect was €235,950 thousand (€1,925 thousand in 2008).

A breakdown of deferred tax liabilities, net of deferred tax assets, is provided in the following table.

(€ thousand)	At 31 December 2008	Recognised in income statement	Charged to equity	At December 2009
Deferred tax assets arising from:				
Taxed provisions and other minor differences	9,531	(1,231)	-	8,300
Total deferred tax assets	9,531	(1,231)	-	8,300
Deferred tax liabilities arising from:				
Measurement of construction contracts by the percentage completion method	(42,105)	42,105	-	-
Others	(654)	232	-	(422)
Total deferred tax liabilities	(42,759)	42,337	-	(422)
Theoretical tax benefit arising from tax loss carryforward	59,275	319,122	-	378,397
Adjustments for assets whose recoverability is not probable	(31,905)	(354,370)	-	(386,275)
Total deferred tax liabilities, net of deferred tax assets	(5,858)	5,858	-	-

Deferred tax assets were determined through a critical analysis of the existence of the conditions for their future realisation, using updated strategic plans and the related tax plans. As a consequence, the total theoretical future tax benefit arising from deductible temporary differences (€8,300 thousand at 31 December 2009 and €9,531 thousand at 31 December 2008) and tax loss carryforwards (€378,397 thousand at 31 December 2009 and €59,275 thousand at 31 December 2008) was reduced by €386,275 thousand at 31 December 2009 (€31,905 thousand at 31 December 2008).

Total temporary differences (deductible and taxable) and total tax losses at 31 December 2009 and the amounts for which deferred tax assets have not been recognised, broken down by year of expiry, are presented in the following table:

(€ thousand)	Total at 31 December 2009	Year of expiry					Beyond 2013
		2010	2011	2012	2013		
Temporary differences and tax losses relating to IRES:							
Deductible temporary differences	29,728	22,785	794	687	687	4,775	
Taxable temporary differences	(1,537)	-	-	-	-	(1,537)	
Tax losses	1,375,989	461,784	768,802	145,403	-	-	
Temporary differences and tax losses for which deferred tax assets have not been recognised	(1,404,180)	(484,569)	(769,596)	(146,090)	(687)	(3,238)	
Temporary differences and tax losses subject to national taxation	-	-	-	-	-	-	
Temporary differences relating to IRAP:							
Deductible temporary differences	2,606	2,505	101	-	-	-	
Taxable temporary differences	-	-	-	-	-	-	
Temporary differences and tax losses subject to local taxation	2,606	2,505	101	-	-	-	

10. Intangible assets

All intangible assets have been purchased and none of these have an indefinite useful life.

At 31 December 2009, intangible assets totalled €313 thousand and were subject to the following changes during the year:

(€ thousand)	At 31 December 2008	Additions	Amortisation	(Decreases) and Other changes	At 31 December 2009
Gross carrying amount	628			(55)	573
Accumulated amortisation	(253)		(62)	55	(260)
Net carrying amount	375		(62)	-	313

Intangible assets consist of leasehold improvements, which are amortised over the term of the lease agreement (4 and 12 years).

Amortisation on intangible assets is recognised in the income statement under other operating costs (Note 6).

During 2008, changes in intangible assets were as follows:

(€ thousand)	At 31 December 2007	Additions	Amortisation	(Decreases) and Other changes	At 31 December 2008
Concessions, licences and similar rights					
Gross carrying amount	1,050	33	-	(1,083)	-
Accumulated amortisation	(991)	-	-	991	-
Net carrying amount	59	33	-	(92)	-
Other intangible assets					
Gross carrying amount	615	13	-	-	628
Accumulated amortisation	(143)	-	(110)	-	(253)
Net carrying amount	472	13	(110)	-	375
Intangible assets under development and advances					
Gross carrying amount	280	67	-	(347)	-
Accumulated amortisation	-	-	-	-	-
Net carrying amount	280	67	-	(347)	-
Total intangible assets					
Gross carrying amount	1,945	113	-	(1,430)	628
Accumulated amortisation	(1,134)	-	(110)	991	(253)
Net carrying amount	811	113	(110)	(439)	375

Concessions, licences and similar rights included the cost of developing and registering brands and trademarks owned by the Company, while intangible assets under development and advances related to costs incurred for registrations pending. The decrease in both items was attributable to the sale of trademarks at the end of 2008.

11. Property, plant and equipment

At 31 December 2009, property, plant and equipment totalled €31,445 thousand and was subject to the following changes during the year:

(€ thousand)	At 31 December 2008	Additions	Depreciation	(Decreases) and Other changes	At 31 December 2009
Land and buildings					
Gross carrying amount	46,082	-	-	-	46,082
Accumulated depreciation	(15,524)	-	(1,353)	-	(16,877)
Net carrying amount	30,558	-	(1,353)	-	29,205
Plant and machinery					
Gross carrying amount	10,135	-	-	-	10,135
Accumulated depreciation	(9,899)	-	(122)	-	(10,021)
Net carrying amount	236	-	(122)	-	114
Other tangible assets					
Gross carrying amount	4,731	78	-	(34)	4,775
Accumulated depreciation	(2,501)	-	(169)	21	(2,649)
Net carrying amount	2,230	78	(169)	(13)	2,126
Total property, plant and equipment					
Gross carrying amount	60,948	78	-	(34)	60,992
Accumulated depreciation	(27,924)	-	(1,644)	21	(29,547)
Net carrying amount	33,024	78	(1,644)	(13)	31,445

Land and buildings include land for €610 thousand (unchanged with respect to the previous year) while buildings mainly comprise the Company's headquarters in Via Nizza 250, Turin.

Plant and machinery was principally made up of general plant used in the buildings.

Other tangible assets comprised cars, office furniture and equipment.

At 31 December 2009, there were no assets under development or contractual commitments to purchase items of property, plant and equipment of a significant amount.

No buildings were subject to liens, pledged as collateral or restricted in use.

Depreciation of property, plant and equipment is recognised under other operating costs in the income statement (Note 6).

During 2008 changes in property, plant and equipment were as follows:

(€ thousand)	At 31 December 2007	Additions	Depreciation	(Decreases) and Other changes	At 31 December 2008
Land and buildings					
Gross carrying amount	46,016	66	-	-	46,082
Accumulated depreciation	(14,171)	-	(1,353)	-	(15,524)
Net carrying amount	31,845	66	(1,353)	-	30,558
Plant and machinery					
Gross carrying amount	10,116	19	-	-	10,135
Accumulated depreciation	(9,740)	-	(159)	-	(9,899)
Net carrying amount	376	19	(159)	-	236
Other tangible assets					
Gross carrying amount	5,099	265	-	(633)	4,731
Accumulated depreciation	(2,656)	-	(240)	395	(2,501)
Net carrying amount	2,443	265	(240)	(238)	2,230
Total property, plant and equipment					
Gross carrying amount	61,231	350	-	(633)	60,948
Accumulated depreciation	(26,567)	-	(1,752)	395	(27,924)
Net carrying amount	34,664	350	(1,752)	(238)	33,024

12. Investments

At 31 December 2009, investments totalled €13,990,570 thousand and were subject to the following changes during the year:

(€ thousand)	At 31 December 2008	Additions	(Decreases)	Impairment (losses)/ reversals and Adjustments to fair value	At 31 December 2009
Investments in subsidiaries	14,294,660	406,467	(5,819)	(858,000)	13,837,308
Investments in associates	131,786	-	-	-	131,786
Investments in other companies	18,290	115	-	3,071	21,476
Total investments	14,444,736	406,582	(5,819)	(854,929)	13,990,570

Investments in subsidiaries and changes during the year are provided in the following table:

(€ thousand)	% interest	At 31 December 2008	Additions	(Decreases)	Impairment (losses)/ reversals	At 31 December 2009
Fiat Group Automobiles S.p.A.	100.00	4,676,359		(2,279)	(200,000)	4,474,080
Gross carrying amount		7,383,359		(2,279)		7,381,080
Accumulated impairment losses		(2,707,000)			(200,000)	(2,907,000)
Ferrari S.p.A.	85.00	1,055,203				1,055,203
Gross carrying amount		1,055,203				1,055,203
Accumulated impairment losses		-				-
Maserati S.p.A.	100.00	103,887		(88)		103,799
Gross carrying amount		103,887		(88)		103,799
Accumulated impairment losses		-				-
Fiat Netherlands Holding N.V.	100.00	3,827,347				3,827,347
Gross carrying amount		3,827,347				3,827,347
Accumulated impairment losses		-				-
Iveco S.p.A.	100.00	1,835,273	300,000	(1,643)	(560,000)	1,573,630
Gross carrying amount		1,835,273	300,000	(1,643)		2,133,630
Accumulated impairment losses		-			(560,000)	(560,000)
Fiat Powertrain Technologies S.p.A.	100.00	649,667		(755)		648,912
Gross carrying amount		649,667		(755)		648,912
Accumulated impairment losses		-				-
Magneti Marelli S.p.A.	99.99	612,338		(483)		611,855
Gross carrying amount		612,338		(483)		611,855
Accumulated impairment losses		-				-
Teksid S.p.A.	84.79	76,157		(73)		76,084
Gross carrying amount		129,143		(73)		129,070
Accumulated impairment losses		(52,986)				(52,986)
Teksid Aluminum S.r.l.	100.00	43,292	25,000		(31,000)	37,292
Gross carrying amount		43,292	25,000			68,292
Accumulated impairment losses		-			(31,000)	(31,000)
Comau S.p.A.	100.00	103,289	40,000	(238)	(51,000)	92,051
Gross carrying amount		543,020	40,000	(238)		582,782
Accumulated impairment losses		(439,731)			(51,000)	(490,731)
Fiat Partecipazioni S.p.A.	100.00	950,700		(250)	(16,000)	934,450
Gross carrying amount		950,700		(250)		950,450
Accumulated impairment losses		-			(16,000)	(16,000)
Fiat Finance S.p.A.	100.00	222,263				222,263
Gross carrying amount		222,263				222,263
Accumulated impairment losses		-				-
Fiat Finance North America Inc.	39.47	15,557	41,467			57,024
Gross carrying amount		17,118	41,467			58,585
Accumulated impairment losses		(1,561)				(1,561)
Other subsidiaries		123,328		(10)		123,318
Gross carrying amount		182,893		(10)		182,883
Accumulated impairment losses		(59,565)				(59,565)
Total investments in subsidiaries		14,294,660	406,467	(5,819)	(858,000)	13,837,308
Gross carrying amount		17,555,503	406,467	(5,819)		17,956,151
Accumulated impairment losses		(3,260,843)			(858,000)	(4,118,843)

Significant changes to investments in subsidiaries during the year were as follows:

- Certain subsidiaries were recapitalised during the year in order to strengthen their capital structure. Investments made were as follows: Iveco S.p.A. (€300,000 thousand); Comau S.p.A. (€40,000 thousand); Teksid Aluminum S.r.l. (€25,000 thousand); and, at the end of 2009, Fiat S.p.A. also subscribed pro rata (on the basis of the 39.47% held directly) to a capital increase of its indirect subsidiary Fiat Finance North America Inc. in the amount of USD 59,211 thousand (equivalent to €41,467 thousand).
- As discussed in Note 5 above, the compensation component from stock option plans based on Fiat S.p.A. shares but relating to managers employed by other Group companies is treated as a capital contribution and recorded as an increase in the book value of investee companies which directly or indirectly employ managers who are beneficiaries of the stock option plans. Conversely, when certain tranches of options are not vested as a result of performance objectives not being achieved, the related compensation component recognised in previous periods is reversed and the value of the capital contribution recognised in prior periods is correspondingly reduced in those companies which directly or indirectly employ managers who are beneficiaries of those stock option plans. In 2009, investments in subsidiary companies decreased by a total of €5,819 thousand as a consequence of changes in estimates for the November 2006 plan and the July 2008 plan. These decreases were offset by a corresponding adjustment to the relevant equity reserve (see Note 19).

Impairment (losses)/reversals includes impairment losses arising from application of the cost method, as described in Note 2 above.

A full list of investments with the additional disclosures required by Consob Communication DEM/6064293 of 28 July 2006 is attached.

A breakdown of investments in associates and changes during the year is provided in the following table:

(€ thousand)	% interest	At 31 December 2008	Additions	(Decreases)	Impairment (losses)/ reversals	At 31 December 2009
RCS MediaGroup S.p.A.	10.09	131,786	-	-	-	131,786
Total investments in associates		131,786	-	-	-	131,786

The carrying value of the interest in RCS MediaGroup S.p.A., a listed company, was €34 million higher than the corresponding stock market value at the balance sheet date (€57 million higher at year-end 2008). The stock market price of the Company's shares, although improved over year-end 2008, still reflects a discount to the book value of its equity. Therefore, given the relative carrying value of the investment in the Group's accounts, where it is recognised under the equity method, as well as the relative stake held, for which the current stock market price (heavily influenced by general economic conditions) is not representative, it was deemed reasonable not to adjust the existing carrying amount.

Investments in other companies and changes during the year are provided below:

(€ thousand)	% interest	At 31 December 2008	Additions	(Decreases)	Fair value adjustments	At 31 December 2009
Fin.Priv. S.r.l.	14.28	14,773	-	-	3,170	17,943
Assicurazioni Generali S.p.A.	0.01	3,517	115	-	(99)	3,533
Total investments in other companies		18,290	115	-	3,071	21,476

As they are non-current financial assets and not held for trading, investments in other companies are recognised at fair value which, for listed companies, corresponds to their market value at the balance sheet date. Similarly, the Company's investment in Fin.Priv. S.r.l. (a holding company whose assets are principally listed securities) was measured at fair value based on the market price of its portfolio. This led to a net increase of €3,071 thousand in investments in other companies for 2009 (of which €3,170 thousand for Fin.Priv. S.r.l. net of the reduction of €99 thousand for Assicurazioni Generali S.p.A.), which was recognised directly in equity (see Note 19).

The €115 thousand increase in the investment in Assicurazioni Generali S.p.A. reflects the value of bonus shares granted to shareholders during the year in addition to the cash dividend payout.

There were no investments in other companies in relation to whose obligations Fiat S.p.A. has unlimited liability (Article 2361 (2) of the Civil Code).

At 31 December 2009 and 2008, no investments held by the company had been pledged as security for financial or contingent liabilities.

During 2008, changes in investments were as follows:

(€ thousand)	At 31 December 2007	Effects of the spin-off of Fiat Partecipazioni S.p.A.	Other changes	Impairment reversal/ (loss) Fair value adjustments	At 31 December 2008
Investments in subsidiaries	13,277,641	680,408	343,611	(7,000)	14,294,660
Investments in associates	-	131,786	-	-	131,786
Investments in other companies	33,843	-	-	(15,553)	18,290
Total investments	13,311,484	812,194	343,611	(22,553)	14,444,736

With regard to changes in investments in subsidiaries and associates during 2008, on 29 December 2008 there was a partial spin-off of the wholly-owned subsidiary Fiat Partecipazioni S.p.A. in favour of Fiat S.p.A., approved by Fiat S.p.A.'s Board of Directors on 20 October 2008 and in an Extraordinary General Meeting of Shareholders of Fiat Partecipazioni S.p.A. on 14 October 2008, pursuant to the requirements of Article 2506-ter of the Civil Code (which refers to Article 2505 of the Civil Code) and Article 15 of the By-laws of Fiat S.p.A.

The transaction consisted of the transfer to Fiat S.p.A. of shares held by Fiat Partecipazioni S.p.A. in the subsidiaries Fiat Group Automobili S.p.A. (100.00%), Fiat Powertrain Technologies S.p.A. (100.00%), Magneti Marelli S.p.A. (99.99%), Maserati S.p.A. (100.00%), Teksid S.p.A. (84.79%), Teksid Aluminum S.r.l. (100.00%), Fiat Netherlands Holding N.V. (39.44%), Iveco S.p.A. (39.44%) and in the associate RCS MediaGroup S.p.A. (10.09%).

13. Other financial assets

A breakdown of other financial assets is provided in the following table:

(€ thousand)	At 31 December 2009	At 31 December 2008	Change
Call option on Ferrari S.p.A. shares	10,032	10,032	-
Fees receivables for guarantees given	16,782	10,531	6,251
Debt securities	73	74	(1)
Total other financial assets	26,887	20,637	6,250

The item call option on Ferrari S.p.A. shares includes the value of the premium paid in October 2006 for the call option on the 5% interest in Ferrari S.p.A. held by the Arab Mubadala Development Company PJSC fund. In July 2008, the expiry date of the option was extended and the option is currently exercisable from 1 January 2010 to 31 July 2010 at a price of €302.07 per share (for a total of €122,399 thousand) less any dividend that may be distributed. It has been recognised at cost since its fair value cannot be reliably measured.

Fees receivables for guarantees given are measured at the present value of the fees to be received in future years for guarantees provided by the company (mainly for guaranteeing loans obtained by Group companies).

Debt securities consist of listed Italian State securities pledged to fund scholarship grants.

A breakdown of other financial assets by maturity date is as follows:

(€ thousand)	At 31 December 2009	At 31 December 2008
Other financial assets		
due within one year	15,437	3,431
due after one year but within five years	11,145	16,710
due beyond five years	305	496
Total	26,887	20,637

14. Other non-current assets

At 31 December 2009, other non-current assets totalled €203 thousand, a net decrease of €41 thousand over 31 December 2008, and consisted of amounts receivable from tax authorities and employees beyond 12 months.

15. Trade receivables

At 31 December 2009, trade receivables amounted to €60,015 thousand, a net decrease of €125,277 thousand over 31 December 2008, and included the following:

(€ thousand)	At 31 December 2009	At 31 December 2008	Change
Third parties			
Receivables	53,091	131,537	(78,446)
Allowance for doubtful accounts	(228)	(228)	-
Total third parties	52,863	131,309	(78,446)
Intercompany trade receivables	7,152	53,983	(46,831)
Total trade receivables	60,015	185,292	(125,277)

Trade receivables from third parties mainly relate to amounts due from T.A.V. S.p.A. for the progress of works on high speed rail sections during the latter part of the year. These receivables match the trade payables resulting from the progress of the works to be paid to the consortia CAV.E.T. and CAV.TO.MI. (see Note 24). At 31 December 2009, factored receivables totalled €10,303 thousand and related to work completed on the Novara-Milan rail line. These receivables remain on-balance sheet with an offsetting entry to advances from factoring companies (see Note 25), as required under IAS 39.

Intercompany trade receivables consist almost entirely of amounts receivable from other Group companies for services provided. At 31 December 2008, this item included €52,800 thousand receivable from Fiat Group Marketing and Corporate Communication S.p.A. for the portion of the consideration for the FIAT trademark, purchased at the end of 2008, which was deferred until 2009.

The allowance for doubtful accounts has been calculated on the basis of an assessment of the risk on a number of minor receivables from others.

The carrying amount of trade receivables is deemed to approximate their fair value.

All trade receivables are due within one year and there are no significant overdue balances.

16. Current financial receivables

At 31 December 2009, current financial receivables totalled €646,074 thousand and consisted of amounts receivable from other Group companies, as detailed below (there were no current financial receivables at 31 December 2008):

(€ thousand)	At 31 December 2009	At 31 December 2008	Change
Current account with Fiat Finance S.p.A.	606,941	-	606,941
Amounts due from Fiat Netherlands Holding N.V. for derivative financial instruments	39,127	-	39,127
Other minor receivables due from Fiat Netherlands Holding N.V.	6	-	6
Total current financial receivables	646,074	-	646,074

The current account with Fiat Finance S.p.A. reflects the balance on the account held with that company as part of the Group's centralised treasury management.

Amounts due from Fiat Netherlands Holding N.V. for derivative financial instruments represents the fair value of the first of the two equity swaps on Fiat S.p.A. shares entered into with major banks by Fiat Netherlands Holding N.V., under instruction from Fiat S.p.A., to hedge against an increase in the share price above the exercise price of the stock options granted to the Company's Chief Executive Officer in 2004, as described in Note 8. The fair value of that equity swap was based on market quotations at the balance sheet date. At 31 December 2008, the fair value of both equity swaps was negative and, therefore, they were recognised as liabilities (see Note 25).

The carrying amount of financial receivables is deemed to approximate their fair value.

17. Other current receivables

At 31 December 2009, other current receivables amounted to €198,923 thousand, a net decrease of €706,135 thousand over 31 December 2008. They are broken down as follows:

(€ thousand)	At 31 December 2009	At 31 December 2008	Change
Intercompany receivables for consolidated IRES tax	120,755	285,048	(164,293)
Other intercompany receivables	1,070	42,039	(40,969)
VAT receivables	24,586	304,262	(279,676)
IRES tax receivables	49,209	269,286	(220,077)
IRAP tax receivables	1,163	-	1,163
Other	2,140	4,423	(2,283)
Total other current receivables	198,923	905,058	(706,135)

Intercompany receivables for consolidated IRES tax arise from the tax calculated on the taxable income contributed by the Italian subsidiaries participating in the domestic tax consolidation programme.

Other intercompany receivables consist of miscellaneous amounts receivable. At 31 December 2008, this item included an amount of €27,000 thousand due from Fiat Partecipazioni S.p.A. arising from the partial spin-off in 2008. The amount was paid during 2009.

IRES tax receivables includes amounts receivable that Italian subsidiaries participating in the domestic tax consolidation transferred to Fiat S.p.A. in 2009 and previous years. At 31 December 2009, refund claims which had been factored amounted to €25,214 thousand (€230,795 thousand at 31 December 2008) and were recognised on balance sheet, with the corresponding liability recorded under advances on factored receivables (see Note 25), pursuant to IAS 39.

The decrease of €279,676 thousand in VAT receivables and €220,077 thousand in IRES tax receivables were essentially attributable to refunds on consolidated VAT (for 2008) and IRES (for prior years) received during the year.

At 31 December 2009, no interest was recognised for VAT receivables subject to refund (compared to €217 thousand at 31 December 2008), while interest on IRES tax receivables (100% factored) amounted to €2,214 thousand (€26,081 thousand at 31 December 2008).

The carrying amount of other current receivables is deemed to approximate their fair value.

Other current receivables are almost entirely due by the end of 2010.

18. Cash and cash equivalents

Cash and cash equivalents consist of the following:

(€ thousand)	At 31 December 2009	At 31 December 2008	Change
Cash at banks and post offices	473	494	(21)
Cheques and cash in hand	1	1	-
Total cash and cash equivalents	474	495	(21)

The above figures related to on demand deposits in euros in the Company's current accounts. The carrying amount of cash and cash equivalents is deemed to be in line with their fair value.

The credit risk relating to cash and cash equivalents is insignificant since the counterparties are leading national and international banks.

19. Equity

At 31 December 2009, equity totalled €12,486,847 thousand, a €317,103 thousand increase over 31 December 2008, primarily attributable to profit for the year of €339,964 thousand net of dividend distributions of €24,773 thousand (€0.31 to each savings share).

Share capital

Share capital totalled €6,377,263 thousand (fully paid) at 31 December 2009 and consisted of the following:

(no. of shares)	At 31 December 2009	At 31 December 2008
Shares issued and fully paid-up		
Ordinary shares	1,092,247,485	1,092,247,485
Preference shares	103,292,310	103,292,310
Savings shares	79,912,800	79,912,800
Total shares issued	1,275,452,595	1,275,452,595

All issued shares have a nominal value of €5 each, with each category having rights as follows.

Each share confers the right to share pro rata in any earnings allocated for distribution and any surplus assets remaining upon a winding-up, subject to the right of priority of preference and savings shares as described here below.

Each ordinary share confers the right to vote without any restriction whatsoever. Each preference share confers the right to vote only on matters which are reserved for an Extraordinary Meeting of Shareholders and on resolutions concerning Procedures for General Meetings. No voting rights are attached to savings shares.

Net profit reported in the annual financial statements of Fiat S.p.A. shall be allocated as follows:

- to the legal reserve, 5% of net profit until the amount of such reserve is equivalent to one-fifth of share capital;
- to savings shares, a dividend of up to €0.31 per share;
- further allocations to the legal reserve, allocations to the extraordinary reserve and/or to retained profit reserve as may be resolved by Shareholders;
- to preference shares, a dividend of up to €0.31 per share;
- to ordinary shares, a dividend of up to €0.155 per share;
- to savings shares and ordinary shares, in equal amounts, an additional dividend of up to €0.155 per share; and,
- to each ordinary, preference and savings share, in equal amounts, any remaining profit which Shareholders may resolve to distribute.

When the dividend paid to savings shares in any year amounts to less than €0.31, the difference shall be added to the preferred dividend to which they are entitled in the following two years.

In the event that the savings shares are delisted, any bearer shares shall be converted into registered shares and shall have the right to a higher dividend increased by €0.175, rather than €0.155, with respect to the dividend received by the ordinary and preference shares.

In the event that the ordinary shares are delisted, the higher dividend received by the savings shares with respect to the dividend received by ordinary and preference shares shall be increased by €0.200 per share.

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

Following is a reconciliation between the number of shares outstanding at 31 December 2007 and at 31 December 2009:

(shares in thousands)	At 31 December 2007	Capital increase	(Purchases)/ sales of own shares	At 31 December 2008	Capital increase	(Purchases)/ sales of own shares	At 31 December 2009
Ordinary shares issued	1,092,247	-	-	1,092,247	-	-	1,092,247
Less: Treasury shares	(21,851)	-	(16,717)	(38,568)	-	-	(38,568)
Ordinary shares outstanding	1,070,396	-	(16,717)	1,053,679	-	-	1,053,679
Preference shares issued	103,292	-	-	103,292	-	-	103,292
Less: Treasury shares	-	-	-	-	-	-	-
Preference shares outstanding	103,292	-	-	103,292	-	-	103,292
Savings shares issued	79,913	-	-	79,913	-	-	79,913
Less: Treasury shares	-	-	-	-	-	-	-
Savings shares outstanding	79,913	-	-	79,913	-	-	79,913
Total shares issued by Fiat S.p.A.	1,275,452	-	-	1,275,452	-	-	1,275,452
Less: Treasury shares	(21,851)	-	(16,717)	(38,568)	-	-	(38,568)
Total Fiat S.p.A. shares outstanding	1,253,601	-	(16,717)	1,236,884	-	-	1,236,884

Treasury share sales and buybacks in 2008 are discussed in the section "Treasury shares".

Italian regulations regarding the share capital and reserves of a joint stock corporation establish the following:

- The minimum permitted share capital is €120,000.
- Any change in the amount of share capital must be approved by shareholders in general meeting who may delegate powers to the Board of Directors, having validity for a maximum period of five years, to increase share capital up to a predetermined amount; the general meeting of shareholders is also required to adopt suitable measures when share capital decreases by more than one third as the result of ascertained losses and to reduce share capital if by the end of the following year such losses have not fallen to less than one third. If as the consequence of a loss of more than one third of capital this then drops below the legal minimum, shareholders in general meeting are required to approve a decrease and simultaneous increase of capital to an amount not less than this minimum or must change a company's legal form.
- As discussed previously the share in profits due to each class of shares is determined by a company's by-laws.
- An additional paid-in capital reserve is established if a company issues shares at a price exceeding their nominal value. This reserve may not be distributed until the legal reserve has reached one-fifth of share capital.
- A company may not purchase treasury stock for an amount exceeding the distributable profits and available reserves stated in its most recently approved financial statements. Any purchase must be approved by shareholders in general meeting and in no case may the nominal value of the shares acquired exceed one-fifth of share capital.

With reference to share capital, on 3 November 2006 the Board of Directors of Fiat S.p.A. exercised its delegated powers under Article 2443 of the Italian Civil Code to institute a capital increase reserved for employees of the company and/or its subsidiaries up to a maximum of 1% of share capital, i.e. €50 million by issuance of a maximum of 10 million ordinary shares each of nominal value €5, corresponding to 0.78% of share capital and 0.92% of ordinary share capital, at a price of €13.37 each, to service the employee stock option plan described in the following paragraph. Execution of the capital increase is dependant on the conditions of the plan being satisfied.

In 2006, Fiat introduced a dividend policy under which its intention is to distribute a total dividend to shareholders of 25% of consolidated profits. Despite the fact that Group profit for 2008 was €1,721 million and that the profit for Fiat S.p.A. was sufficient to enable a dividend to be distributed in accordance with this dividend policy, at the proposal of the Board of Directors, Shareholders voted at the General Meeting on 27 March 2009 to limit the distribution of dividends to savings shares only (in the amount of €24,773 thousand, as established in the Company's By-laws), with the aim of strengthening the Group's capital structure and maintaining adequate liquidity. Following the normalisation of the capital markets as a source of funding for the Group and in the belief that the Group will be able to continue to generate earnings even in a significantly different market environment, based on Fiat S.p.A.'s distributable profit for 2009, the Board of Directors will propose to Shareholders at the Annual General Meeting that they approve payment of a total dividend of €244 million (€237 million excluding the treasury shares held by Fiat S.p.A. at the date of this publication), equal to approximately 30% of the combined 2008 consolidated profit and the 2009 consolidated loss. The proposed dividend is as follows:

- €0.17 per ordinary share;
- €0.31 per preference share;
- €0.325 per savings share.

The objectives identified by Fiat for managing capital are to create value for shareholders as a whole, to safeguard business continuity and support the growth of the Group. As a result, Fiat endeavours to maintain an adequate level of capital that enables it to obtain a satisfactory economic return for its shareholders and at the same time guarantee access to affordable external sources of funds, including through the achievement of an adequate rating.

Fiat constantly monitors the evolution of the ratio between debt and equity and in particular the level of net debt and the generation of cash from its industrial activities.

In order to reach these objectives Fiat aims at a continuous improvement in the profitability of the business in which it operates. Further, as a general rule it may sell part of its assets to reduce the level of its debt, while the Board of Directors may make proposals to Shareholders in General Meeting to reduce or increase share capital or, where the law permits, to distribute reserves. In this context, Fiat S.p.A. also makes purchases of treasury shares, without exceeding the limits authorised by Shareholders in General Meeting, under the same logic of creating value, compatible with the objectives of achieving financial equilibrium and an improvement in its rating.

Capital includes both the value brought to a company by its shareholders (share capital, additional paid-in capital reserve less treasury shares, for a total value of €7,261,595 thousand at 31 December 2008 and 2009), and the value generated by Fiat S.p.A. in terms of the results achieved (retained profit and other reserves, before allocation of profit for the year, equal in total to €5,222,812 thousand at 31 December 2009 and €4,908,780 thousand at 31 December 2008, excluding gains and losses recognised directly in equity).

Additional paid-in capital

At 31 December 2009, this reserve totalled €1,540,885 thousand and was unchanged from 31 December 2008.

Legal reserve

At 31 December 2009, this reserve totalled €699,460 thousand, an increase of €59,957 thousand over 31 December 2008 following allocation of profits from the previous year as approved by Shareholders on 27 March 2009.

Reserve available for the purchase of treasury shares

This reserve was created through a transfer from the retained profit/(loss) reserve, following Shareholders approval for share repurchases. In particular, the share buy-backs were made under a programme (the "Programme") approved by Shareholders at the General Meeting held on 5 April 2007 and subsequently renewed on 31 March 2008. Under the Programme, purchases were to be carried out on regulated markets in accordance with the following conditions:

- the Programme would end on 30 September 2009 or, in any event, once the maximum amount of €1.8 billion (including Fiat S.p.A. 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 reference price reported by the Stock Exchange on the day before the purchase is made by more than 10%;
- for each share class, the maximum number of shares purchased daily could not exceed 20% of the total daily trading volume.

In order to maintain the necessary operating flexibility over an adequate time period, Shareholders in the General Meeting of 27 March 2009 renewed their authorisation for the purchase and disposal of own shares, including transactions carried out through subsidiary companies, at the same time revoking their authorisation given in the General Meeting of 31 March 2008 to the extent not exercised. 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 16 February 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. Although the share buy-back programme has been placed on hold, the Board in consideration of the fact that the current authorisation expires on 27 September 2010 and to maintain the necessary operating flexibility for an adequate period, has decided to propose to Shareholders at the Annual General Meeting that the authorisation be renewed for a period of 18 months and for a maximum amount of shares for the three classes not to exceed 10% of share capital or €1.8 billion, including the €656.6 million in Fiat shares currently held by the Company. Should the proposal be approved, the Company would, however, have no obligation to buyback shares.

The reserve available for the purchase of treasury shares totalled €1,142,740 thousand at 31 December 2009, unchanged from 31 December 2008.

In particular, as previously mentioned, a resolution passed by Shareholders on 27 March 2009 revoked the existing authorisation for share buy-backs to the extent not already exercised, equivalent to €1,142,740 thousand, and, contemporaneously, renewed the authorisation to make share buy-backs for a maximum of €1.8 billion which, in consideration of the reserves already utilised for share buy-backs at that date (i.e., 38,568,458 shares having a carrying value of €656,553 thousand), resulted in the reserve available totalling €1,142,740 thousand, unchanged over the previous year as no purchases were made following the resolution.

Reserve for treasury shares in portfolio

This reserve amounted to €656,553 thousand at 31 December 2009, unchanged from 31 December 2008.

This reserve is subject to certain restrictions imposed by law (Article 2357-ter of the Civil Code). Changes in the reserve represent increases - through transfers from the reserve available for the purchase of treasury shares - for own shares purchased and decreases for own shares sold.

Retained profit/(loss)

At 31 December 2009, retained profit totalled €2,198,994 thousand, an increase of €1,114,416 thousand over 31 December 2008, following allocation of the prior year's profit, after dividends and allocations to the legal reserve, as approved by Shareholders on 27 March 2009.

Gains/(losses) recognised directly in equity

This reserve includes gains and losses recognised directly in equity and in particular those arising from fair value adjustments on investments in other companies, as described previously (see Note 12).

At 31 December 2009, this reserve was a positive €2,440 thousand, representing an increase of €3,071 thousand over 31 December 2008 attributable to fair value adjustments on the investments in Fin. Priv. S.r.l. and Assicurazioni Generali S.p.A.

Stock option reserve

This reserve amounted to €95,272 thousand at 31 December 2009, a net decrease of €1,159 thousand over 31 December 2008, with balancing entries to the following:

- the recognition in the income statement of the total cost of €4,660 thousand in 2009 (€9,123 thousand in 2008), attributable to the cost of €8,154 thousand arising from stock option plans based on Fiat S.p.A. shares and relating to the Chief Executive Officer (see Note 6), net of the release to income of €3,494 thousand related to stock option plans based on Fiat S.p.A. shares and relating to managers employed by Fiat S.p.A. (see Note 5);
- a decrease of €5,819 thousand in the carrying amount of investments in subsidiaries which directly or indirectly employ managers of other Group companies who are beneficiaries of stock option plans based on Fiat S.p.A. shares (see Note 12).

Reserve for Spin-off difference

This reserve amounted to €39,194 thousand at 31 December 2009 and was unchanged from 31 December 2008. It includes the positive difference arising from the partial spin-off of Fiat Partecipazioni S.p.A. during 2009.

Other reserves

At 31 December 2009, other reserves amounted to €50,635 thousand and were unchanged from 31 December 2008. The amount includes:

- Reserves pursuant to Law 413/1991: a total of €22,591 thousand corresponding to the compulsory revaluation of property (net of substitute tax) pursuant to Law 413 of 30 December 1991 and allocated to a specific reserve required under the Law.
- Extraordinary reserve: a total of €28,044 thousand corresponding to the value approved by Shareholders on 11 May 2004.

Treasury shares

At 31 December 2009, the carrying amount of treasury shares held was €656,553 thousand and related to 38,568,458 ordinary shares (average book value of €17.023 per share) representing 3.02% of share capital, and having a total nominal value of €192,842 thousand. The amount was unchanged over 31 December 2008, as no shares were purchased or sold during 2009.

In 2008, a total of 71,000 ordinary shares in the portfolio were sold (at a total price of €1,288 thousand) in relation to the exercise of stock options. Purchases of 16,788,000 ordinary shares (at a total price of €238,531 thousand) were made under the abovementioned Programme.

Share-based compensation

At 31 December 2009 and 2008, Fiat S.p.A. has various share-based payment plans for executives of Group companies, the Chief Executive Officer of Fiat S.p.A. and the former Chairman of Fiat S.p.A., Mr. Paolo Fresco.

Stock Option plans linked to Fiat S.p.A. ordinary shares

The Board of Directors of Fiat S.p.A. approved certain stock option plans prior to 2002 which provided managers of the Group with the title of *Direttore*, high management potential included in “management development programmes” and executive Directors of Fiat S.p.A. with the right to purchase a determined number of Fiat S.p.A. ordinary shares at a fixed price (strike price). These rights may be exercised over a fixed period of time from the vesting date to the expiry date of the plan. These stock option plans do not depend on any specific market conditions.

These options may generally be exercised once a three year period has passed from the grant date and for the following six years, consistent with tax law on the subject; nonetheless, the full amount granted as options is not exercisable until the end of the fourth year.

The contractual terms of these plans are as follows:

Plan	Recipient	Grant date	Expiry date	Strike price (€)	Number of options granted	Vesting date	Vesting portion
Stock Option February 2001 (expired)	Managers	27 February 2001	27 February 2009	24.853	785,000	27 February 2002	25%
						27 February 2003	25%
						27 February 2004	25%
						27 February 2005	25%
Stock Option October 2001 (expired)	Managers	31 October 2001	31 October 2009	16.526	5,417,500	31 October 2002	25%
						31 October 2003	25%
						31 October 2004	25%
						31 October 2005	25%
Stock Option May 2002	Former Chairman of Fiat S.p.A.	14 May 2002	1 January 2010	12.699	1,000,000	1 January 2005	100%
Stock Option September 2002	Managers	12 September 2002	12 September 2010	10.397	6,100,000	12 September 2003	25%
						12 September 2004	25%
						12 September 2005	25%
						12 September 2006	25%

On 26 July 2004, the Board of Directors granted Sergio Marchionne, as a part of his variable compensation as Chief Executive Officer, options to purchase 10,670,000 Fiat S.p.A. ordinary shares at a price of €6.583 per share, exercisable from 1 June 2008 to 1 January 2011. In each of the first three years following the grant date, the CEO acquired the right to purchase, beginning 1 June 2008, a maximum of 2,370,000 shares annually. As of 1 June 2008, he also acquired the right to exercise, effective from that date, the remaining options on 3,560,000 shares as a result of predetermined performance objectives for the reference period having been met. On 27 March 2009, Shareholders considered it significantly in the Group’s interest to adopt changes which would reinstate the retention capability of the Plan, in particular through approval of a new vesting period which depended solely on the CEO remaining in office, deferring exercise of these options until 1 January 2011 and extending the exercise period until 1 January 2016, with all other conditions remaining unaltered.

The current features of the stock option plan are as follows:

Plan	Recipient	Modification date	Expiry date	Strike price (€)	Number of options granted	Vesting date	Vesting portion
Stock Option July 2004 (modified)	Chief Executive Officer	27 March 2009	1 January 2016	6.583	10,670,000	31 December 2010	100%

On 3 November 2006, the Fiat S.p.A. Board of Directors approved (subject to the subsequent approval of Shareholders in General Meeting, which was given on 5 April 2007) an eight year stock option plan, which provides certain managers of the Group and the Fiat S.p.A. Chief Executive Officer with the right to purchase a determined number of Fiat S.p.A. ordinary shares at the fixed price of €13.37 per share. In particular, the 10,000,000 options granted to employees and the 5,000,000 options granted to the Chief Executive Officer have a vesting period of four years, with a quarter of the number vesting each year, are subject to achieving certain pre-determined profitability targets (Non-Market Conditions or "NMC") in the reference period and may be exercised from the date on which the 2010 Financial statements are approved. The remaining 5,000,000 options granted to the Chief Executive Officer of Fiat S.p.A. also have a vesting period of four years with a quarter of the number vesting each year and may be exercised from November 2010. The ability to exercise the options is additionally subject to specific restrictions regarding the duration of the employment relationship or the continuation of the position held. The stock option plan will become effective once all its conditions have been satisfied.

The contractual terms of the 2006 plan are as follows:

Plan	Recipient	Expiry date	Strike price (€)	Number of options granted	Vesting date	Vesting portion
Stock Option November 2006	Chief Executive Officer	3 November 2014	13.37	5,000,000	November 2007 November 2008 November 2009 November 2010	25% 25% 25% 25%
Stock Option November 2006	Chief Executive Officer	3 November 2014	13.37	5,000,000	1st Quarter 2008 (*) 1st Quarter 2009 (*) 1st Quarter 2010 (*) 1st Quarter 2011 (*)	25%*NMC 25%*NMC 25%*NMC 25%*NMC
Stock Option November 2006	Managers	3 November 2014	13.37	10,000,000	1st Quarter 2008 (*) 1st Quarter 2009 (*) 1st Quarter 2010 (*) 1st Quarter 2011 (*)	25%*NMC 25%*NMC 25%*NMC 25%*NMC

(*) On approval of the prior year's Consolidated Financial Statements, subject to the continuation of the professional relationship.

On 26 February 2008, the Board of Directors of Fiat S.p.A. passed an incentive plan which was subsequently approved by shareholders in the Annual General Meeting on 31 March 2008, by which an overall maximum of 4 million financial instruments may be assigned on a periodic basis until 2010 in the form of stock options and/or stock appreciation rights. The plan addresses the attraction and retention of managers in key roles who have been hired or promoted following the granting of the stock option plan of 3 November 2006 or who have assumed greater responsibilities since the granting of the 2006 plan and has the features of that plan in terms of performance vesting and exercise rights. Implementing the first grant under this program on 23 July 2008, the Board of Directors assigned 1,418,500 stock options which have an exercise price of €10.24 and a vesting period of three years, which are subject to achieving certain pre-determined profitability targets (Non-Market Conditions or "NMC") in the reference period and which may be exercised from the date on which the 2010 Financial Statements are approved.

The contractual terms of the 2008 plan are as follows:

Plan	Recipient	Expiry date	Strike price (€)	Number of options granted	Vesting date	Vesting portion
Stock Option July 2008	Managers	3 November 2014	10.24	1,418,500	1st Quarter 2009 (*) 1st Quarter 2010 (*) 1st Quarter 2011 (*)	18%*NMC 41%*NMC 41%*NMC

(*) On approval of the prior year's Consolidated Financial Statements, subject to the continuation of the professional relationship.

A summary of outstanding stock options at 31 December 2009 is as follows:

Exercise price (€)	Managers compensation			Compensation as member of the Board		
	Options outstanding at 31 December 2009	Options outstanding at 31 December 2008	Average remaining contractual life (in years)	Options outstanding at 31 December 2009	Options outstanding at 31 December 2008	Average remaining contractual life (in years)
6.583	-	-	-	10,670,000	10,670,000	6.0
10.24	956,530	1,414,000	4.8	-	-	-
10.397	845,000	921,500	0.7	-	-	-
12.699	-	-	-	500,000	500,000	-
13.370	6,536,875	9,497,500	4.8	8,750,000	10,000,000	4.8
16.526	-	1,044,000	-	-	-	-
24.853	-	50,000	-	-	-	-
Total	8,338,405	12,927,000		19,920,000	21,170,000	

Changes during the year were as follows:

	Managers compensation		Compensation as member of the Board	
	Number of options	Average exercise price (€)	Number of options	Average exercise price (€)
Outstanding at the beginning of the year	12,927,000	13.11	21,170,000	9.93
Granted	-	-	-	-
Forfeited	(3,494,595)	12.90	(1,250,000)	13.37
Exercised	-	-	-	-
Expired	(1,094,000)	16.91	-	-
Outstanding at 31 December 2009	8,338,405	12.71	19,920,000	9.72
Exercisable at 31 December 2009	845,000	10.397	500,000	12.699
Exercisable at 31 December 2008	2,015,500	13.93	11,170,000	6.86

The options forfeited during the year consist of unvested options for employees who left the Group and options not vesting during the year due to the fact that certain non-market conditions were not reached for the November 2006 and July 2008 plans.

As discussed under significant accounting policies, the Group applies IFRS 2 to all stock options granted after 7 November 2002 which were not yet vested at 1 January 2005, namely the July 2004 Revised, November 2006 and July 2008 stock option plans.

Granting of Fiat S.p.A. shares

On 23 February 2009, the Board of Directors of Fiat S.p.A. passed an incentive plan which was subsequently approved by Shareholders in the Annual General Meeting on 27 March 2009, based on the granting of rights that, subject to achievement of predetermined performance targets (Non-Market Conditions or "NMC") for 2009 and 2010 and continuation of a professional relationship with the Group, entitles the CEO of Fiat S.p.A. to receive a total of 2 million ordinary shares. A maximum of 6 million ordinary shares would also be available for granting, on one or more occasions, to certain managers of the Group selected by the CEO of Fiat S.p.A.

The contractual terms of the plan are as follows:

Plan	Recipient	Number of shares	Vesting date	Vesting portion
Stock Grant 2009	Chief Executive Officer	2,000,000	1st Quarter 2010 (*) 1st Quarter 2011 (*)	25%*NMC 75%*NMC

(*) On approval of the prior year's Consolidated Financial Statements, subject to the continuation of the position held.

For this incentive plan, the fair value used to determine the notional cost at the grant date was based on the price of Fiat S.p.A. ordinary shares at that date of €5.26 per share.

The total cost recognised in the 2009 income statement for this plan amounted to €5,634 thousand.

Finally, the following shows availability of share capital and reserves:

Availability for use of main equity items

(€ thousand)	At 31 December 2009	Possible use	Available amount
Share capital	6,377,263	-	
Reserves:			
Additional paid-in capital	1,540,885	A, B, C (*)	1,540,885
Legal reserve	699,460	B	-
Reserve available for the purchase of treasury shares	1,142,740	A, B, C	1,142,740
Reserve for treasury shares in portfolio	656,553	-	-
Reserve for Spin-off difference	39,194	A, B, C	39,194
Reserve under law 413/1991	22,591	A, B, C	22,591
Extraordinary reserve	28,044	A, B, C	28,044
Retained profit/(loss)	2,198,994	A, B, C	2,198,994

Key:

- A: capital increase
- B: coverage of losses
- C: dividend

(*) Fully available to increase capital and cover losses. Any other use requires an increase of the legal reserve up to 20% of share capital (this may also be carried out by making a transfer from additional paid-in capital itself). The increase required at 31 December 2009 would be €575,993 thousand.

20. Provisions for employee benefits and other non-current provisions

At 31 December 2009, provisions for employee benefits and other non-current provisions amounted to €25,441 thousand, a net decrease of €977 thousand over 31 December 2008, and consisted of:

(€ thousand)	At 31 December 2008	Accruals	Utilisations	Other changes	At 31 December 2009
Provisions for employee benefits and similar provisions	25,163	2,256	(2,459)	(764)	24,196
Other non-current provisions	1,255	-	(10)	-	1,245
Total provisions for employee benefits and other non-current provisions	26,418	2,256	(2,469)	(764)	25,441

Provisions for employee benefits and similar provisions

The Company provides post-employment benefits for its employees, either directly or by contributing to independently administered funds.

The benefits are generally based on the employees' remuneration and years of service. The obligations relate both to active employees and to retirees.

The Company provides post-employment benefits under defined contribution and/or defined benefit plans.

In the case of defined contribution plans, the company pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. Once the contributions have been paid the company has no further payment obligations. Liabilities for contributions accrued but not yet paid at the balance sheet date are included in the item other payables (see Note 26). The company recognises the contribution cost for the year on the basis of the service rendered by the employee in the item personnel costs (see Note 5).

In the case of post-employment benefits the company's obligation is determined on an actuarial basis, using the Projected Unit Credit Method. Any resulting actuarial gains and losses are accounted for using the corridor approach.

Finally, the Company grants certain other long-term benefits to its employees; these benefits include those generally paid when the employee attains a specific seniority. In this case, the measurement of the obligation reflects the probability that payment will be made and the period over which the payment is expected to be made. The amount of this obligation is calculated on an actuarial basis using the Projected Unit Credit Method. The corridor approach is not used for the actuarial gains and losses arising from this obligation.

Changes in provisions for employee benefits during the year are as follows:

(€ thousand)	At 31 December 2008	Accruals	Utilisations	Other changes	At 31 December 2009
Post-employment benefits:					
Employee severance Indemnity	7,019	341	(273)	(99)	6,988
Other	16,803	1,915	(2,142)	(272)	16,304
Total post-employment benefits	23,822	2,256	(2,415)	(371)	23,292
Other long-term employee benefits	1,341	-	(44)	(393)	904
Total provisions for employee benefits and similar provisions	25,163	2,256	(2,459)	(764)	24,196

Post-employment benefits and other long-term employee benefits are calculated on the basis of the following actuarial assumptions:

	At 31 December 2009	At 31 December 2008
Discount rate	4.62%	5.23%
Future salary increase rate	4.31%	2.97%
Inflation rate	2.00%	2.00%
Theoretical retirement age	Years: 60 (F) - 65 (M)	Years: 60 (F) - 65 (M)
Mortality rate	SI02	SI02
Average annual departure rate	9.58%	8.95%

The provisions for employee benefits and similar may be summarised as follows:

Employee severance indemnity

The employee severance indemnity represents the obligation to employees under Italian law (amended by Law 296/06) that has accrued up to 31 December 2006 and that will be settled when the employee leaves the company. In certain circumstances, a portion of the accrued liability may be given to an employee during his working life as an advance. This is an unfunded defined benefit plan, under which the benefits are almost fully accrued, with the sole exception of future revaluations.

Other

The item other includes post-employment benefits accrued by employees, former employees and the Chief Executive Officer following additional or individual labour agreements. These schemes are unfunded.

Other long-term employee benefits

This item mainly includes benefits which are due to employees who reach a specified seniority.

Post-employment benefits at 31 December 2009 and 2008 are made up as follows:

(€ thousand)	Employee severance indemnity		Other		Total	
	At 31 December 2009	At 31 December 2008	At 31 December 2009	At 31 December 2008	At 31 December 2009	At 31 December 2008
Present value of unfunded defined benefit plan obligations	6,280	6,334	17,486	18,679	23,766	25,013
Unrecognised actuarial gains/(losses)	708	685	(1,182)	(1,876)	(474)	(1,191)
Net liability	6,988	7,019	16,304	16,803	23,292	23,822

The amounts recognised in the income statement for post-employment benefits are as follows:

(€ thousand)	Employee severance indemnity		Other		Total	
	2009	2008	2009	2008	2009	2008
Service cost:						
Current service cost	-	-	1,084	1,296	1,084	1,296
Net actuarial (gains)/losses recognised during the year	-	-	88	51	88	51
Total current service cost	-	-	1,172	1,347	1,172	1,347
Interest costs	341	309	743	699	1,084	1,008
Total cost/(income) for post-employment benefits	341	309	1,915	2,046	2,256	2,355

The items current service cost and net actuarial (gains) losses recognised during the year are recorded in the income statement item personnel costs (see Note 5) if relating to employees and in other operating costs (see Note 6) if relating to the Chief Executive Officer.

Interest costs are recognised under financial income/(expense) in the income statement (see Note 8).

Changes in the present value of the obligation for post-employment benefits are as follows:

(€ thousand)	Employee severance indemnity		Other		Total	
	2009	2008	2009	2008	2009	2008
Present value of obligation at the beginning of the year	6,334	6,280	18,679	11,851	25,013	18,131
Current service cost	-	-	1,084	1,296	1,084	1,296
Interest costs	341	309	743	699	1,084	1,008
Actuarial (gains)/losses arising during the year	397	(202)	(834)	733	(437)	531
Benefits paid	(1,059)	(1,123)	(2,230)	(540)	(3,289)	(1,663)
Gains on reduction	-	-	-	-	-	-
Other changes	267	1,070	44	4,640	311	5,710
Present value of obligation at the end of the year	6,280	6,334	17,486	18,679	23,766	25,013

The present value of the defined benefit obligations in 2009 and the three previous years is as follows:

(€ thousand)	At 31 December 2009	At 31 December 2008	At 31 December 2007	At 31 December 2006
Present value of obligation at the end of the year:				
Employee severance indemnity	6,280	6,334	6,280	8,412
Others	17,486	18,679	11,851	13,655
Total	23,766	25,013	18,131	22,067

The effects of the differences between the previous actuarial assumptions and what has actually occurred (experience adjustments) at 31 December 2009 and 2008 is as follows:

(€ thousand)	2009	2008
Experience adjustments actuarial (gains)/losses:		
Employee severance indemnity	323	(153)
Others	(1,459)	(1,465)
Total effect on the present value of defined benefit obligation	(1,136)	(1,618)

Other non-current provisions

At 31 December 2009, this item totalled €1,245 thousand (€1,255 thousand at 31 December 2008) and mainly relates to future amounts to be paid to employees who left the Company in previous years under a long-term benefit programme which bridges the period prior to retirement.

During 2008, changes in provisions for employee benefits and other non-current provisions were as follows:

(€ thousand)	At 31 December 2007	Accruals	Utilisations	Other changes	At 31 December 2008
Provisions for employee benefits and similar provisions	20,037	2,355	(1,621)	4,392	25,163
Other non-current provisions	1,265	-	(10)	-	1,255
Total provisions for employee benefits and other non-current provisions	21,302	2,355	(1,631)	4,392	26,418

21. Non-current financial liabilities

At 31 December 2009, non-current financial liabilities totalled €1,816,782 thousand, an increase of €6,251 thousand over 31 December 2008, and included the following:

(€ thousand)	At 31 December 2009	At 31 December 2008	Change
Financial payables to Group companies	1,800,000	1,800,000	-
Financial guarantee contracts	16,782	10,531	6,251
Total non-current financial liabilities	1,816,782	1,810,531	6,251

Financial payables to Group companies related to euro-denominated loans received from Fiat Finance S.p.A. in the first half of 2006 which are due beyond 12 months. Interest is payable on those loans at rates between 6.35% and 7.18%.

A breakdown of loans by maturity is as follows:

(€ thousand)	At 31 December 2009
Maturing in 2010	400,000
Maturing in 2011	400,000
Maturing in 2013	1,000,000
Total financial payables to Group companies	1,800,000

The fair value of these loans at 31 December 2009 was €1.9 billion and was calculated using market rates of interest appropriately adjusted to reflect the credit spreads applicable to Fiat at the balance sheet date.

The item financial guarantee contracts consisted of the fair value of the liabilities assumed from guarantees issued. After assessing the potential risks in relation to which contingent liabilities must be recognised and given that this item relates essentially to guarantees provided on behalf of loans to Group companies, it has been concluded that the present value of fees receivable for guarantees given (see other financial assets in Note 13) represented the best estimate of the fair value of these guarantees.

The breakdown by maturity date is as follows:

(€ thousand)	At 31 December 2009	At 31 December 2008
Financial guarantee contracts		
due within one year	5,344	3,418
due after one year but within five years	11,145	6,617
due beyond five years	293	496
Total	16,782	10,531

22. Other non-current liabilities

At 31 December 2009, other non-current liabilities amounted to €14,351 thousand, showing a net decrease of €764 thousand over the previous year end.

The item consisted of the following:

(€ thousand)	At 31 December 2009	At 31 December 2008	Change
Non-current post-employment benefits to be paid:			
to a former Chief Executive Officer	4,690	4,984	(294)
to former employees	9,661	10,131	(470)
Total other non-current liabilities	14,351	15,115	(764)

The non-current post-employment benefits to be paid represent the present value of benefits (see Note 20) to be paid to a former Chief Executive Officer and management personnel that have left the Company.

A breakdown of other non-current liabilities by due date is as follows:

(€ thousand)	At 31 December 2009	At 31 December 2008
Other non-current liabilities		
due within one year	791	764
due after one year but within five years	4,394	4,244
due beyond five years	9,166	10,107
Total	14,351	15,115

23. Provisions for employee benefits and other current provisions

At 31 December 2009, this item totalled €8,464 thousand, an increase of €2,118 thousand over 31 December 2008, and consisted of the following:

(€ thousand)	At 31 December 2008	Accruals	Utilisations and Other changes	At 31 December 2009
Provision for employee bonuses	6,346	8,254	(6,136)	8,464
Total provisions for employee benefits and other current provisions	6,346	8,254	(6,136)	8,464

The provision for employee bonuses primarily represents the estimate of variable compensation payable to employees accrued at 31 December 2009.

Changes in provisions for employee benefits and other current provisions during 2008 were as follows:

(€ thousand)	At 31 December 2007	Accruals	Utilisations and Other changes	At 31 December 2008
Provision for employee bonuses	128	6,339	(121)	6,346
Total provisions for employee benefits and other current provisions	128	6,339	(121)	6,346

24. Trade payables

At 31 December 2009, trade payables totalled €156,249 thousand, a decrease of €61,986 thousand over 31 December 2008, and consisted of the following:

(€ thousand)	At 31 December 2009	At 31 December 2008	Change
Trade payables to third parties	152,657	216,169	(63,512)
Intercompany trade payables for goods and services	3,592	2,066	1,526
Total trade payables	156,249	218,235	(61,986)

Trade payables to third parties are mainly due to CAV.E.T. and CAV. TO.MI. in relation to the work performed over the latter part of the year (see Note 15).

Trade payables are due within one year and their carrying amount at the balance sheet date is deemed to approximate their fair value.

25. Current financial liabilities

At 31 December 2009, current financial liabilities amounted to €156,712 thousand, representing a net decrease of €396,421 thousand over the previous year end. The amounts related to:

(€ thousand)	At 31 December 2009	At 31 December 2008	Change
Financial payables to Group companies:			
Current account with Fiat Finance S.p.A.	-	63,922	(63,922)
Payables to Fiat Netherlands Holding N.V. for derivative financial instruments	31,200	109,065	(77,865)
Accrued interest expense	65,121	65,989	(868)
Total financial payables to Group companies	96,321	238,976	(142,655)
Financial payables to third parties:			
Advances on factored receivables	57,889	290,887	(232,998)
Other loans from factoring companies	2,502	23,270	(20,768)
Total financial payables to third parties	60,391	314,157	(253,766)
Total current financial liabilities	156,712	553,133	(396,421)

The amount under current account with Fiat Finance S.p.A., totalling €63,922 thousand at 31 December 2008, represented the overdraft on the current account held with Fiat Finance S.p.A. as part of the Group's centralised treasury management.

The item Payables to Fiat Netherlands Holding N.V. for derivative financial instruments, consisted of the fair value measurement of the second of the two equity swaps on Fiat S.p.A. shares entered into with major banks by Fiat Netherlands Holding N.V., under instruction from Fiat S.p.A., to hedge against an increase in the share price above the exercise price of the stock options granted to the company's Chief Executive Officer in 2006, as described in Note 8. The fair value of the above equity swap was determined on the basis of market quotations at the balance sheet date. As discussed previously in Note 16, the fair value of both equity swaps at 31 December 2008 was negative and they were accordingly classified as a liability.

Advances on factored receivables relates to advances of €47,586 thousand on IRES receivable (see Note 17) and €10,303 thousand for amounts receivable from T.A.V. S.p.A. for work completed on the Novara-Milan rail line (see Note 15).

The item Other loans from factoring companies relates to the residual liability for advances on receivables which had already been repaid at the balance sheet date.

Current financial payables are denominated in euros. The carrying amounts are deemed to be in line with their fair value.

26. Other payables

At 31 December 2009, other payables amounted to €290,058 thousand, a decrease of €494,423 thousand over 31 December 2008. The amounts related to:

(€ thousand)	At 31 December 2009	At 31 December 2008	Change
Advances	5,865	10,609	(4,744)
Other payables:			
Intercompany payables:			
Consolidated VAT	124,348	229,084	(104,736)
Consolidated IRES tax	133,806	316,607	(182,801)
Other intercompany payables	-	368	(368)
Total intercompany payables	258,154	546,059	(287,905)
Social security payables	1,803	1,831	(28)
Current amounts payable to employees, directors and statutory auditors	5,629	5,343	286
Payables to shareholders of Toro Assicurazioni S.p.A., Magneti Marelli S.p.A. and Comau S.p.A. for public offerings	860	860	-
Dividends payable	290	273	17
Other	1,871	15,837	(13,966)
Total other payables	268,607	570,203	(301,596)
Tax payables:			
VAT payable	13,034	182,704	(169,670)
Taxes withheld on payments to employees and independent contractors	2,022	2,068	(46)
Tax payable	-	18,330	(18,330)
Other	433	432	1
Total tax payables	15,489	203,534	(188,045)
Accrued expenses and deferred income	97	135	(38)
Total other payables	290,058	784,481	(494,423)

Advances

This item consists of the difference between inventories and progress payments and contractual advances received from the customer Treno Alta Velocità - T.A.V. S.p.A. for contract work in progress and is made up as follows:

(€ thousand)	At 31 December 2009	At 31 December 2008	Change
Contract work in progress	237,254	401,508	(164,254)
Less: Progress payments for work completed	242,370	409,864	(167,494)
Gross amount due to the customer	5,116	8,356	(3,240)
Net contractual advances	749	2,253	(1,504)
Total advances	5,865	10,609	(4,744)

The item relates to contracts for the high speed railway project between Fiat S.p.A. and Treno Alta Velocità - T.A.V. S.p.A. (which was in turn engaged by F.S. S.p.A.), for the operational engineering and construction of two lines (Bologna-Florence and Turin-Milan, the latter divided into two sub-lines: Turin-Novara and Novara-Milan). At 31 December 2009, the contractual amounts (including for additional work, monetary adjustments and other contractual amounts) totalled €5,124 million for the Bologna-Florence line, €4,669 million for the Turin-Novara sub-line (project completed and accounting closed at the end of 2009) and €2,296 million for the Novara-Milan sub-line.

As part of such project, Fiat S.p.A., as the general contractor, engaged CAV.E.T. and CAV.TO.MI. for the engineering and construction activities, retaining all work coordination, organisational and management activities. Contract work in progress therefore reflects the fees earned by Fiat S.p.A. in the form of a percentage (approximately 3.6%) of the contractual amounts, for the activities directly carried out. The work is paid through progress payments made by T.A.V. S.p.A. to Fiat S.p.A. based on the stage of completion of the works and advance payments, which Fiat S.p.A. then pays over to CAV.E.T. and CAV. TO.MI. net of its contractual percentage earned.

These amounts may be analysed by line as follows:

(€ thousand)	At 31 December 2009	At 31 December 2008	Change
Contract work in progress	237,254	401,508	(164,254)
Florence-Bologna line	159,355	150,597	8,758
Turin-Novara line	-	181,915	(181,915)
Novara-Milan line	77,899	68,996	8,903
Less: Progress payments for work completed	242,370	409,864	(167,494)
Florence-Bologna line	160,580	152,832	7,748
Turin-Novara line	-	181,991	(181,991)
Novara-Milan line	81,790	75,041	6,749
Gross amount due to the customer	5,116	8,356	(3,240)
Florence-Bologna line	1,225	2,235	(1,010)
Turin-Novara line	-	76	(76)
Novara-Milan line	3,891	6,045	(2,154)

Contract work in progress is measured on the basis of the stage of completion in relation to the sales price, which in this case is the consideration contractually agreed for the activities directly carried out by Fiat S.p.A. Contract costs relating to the contract revenue recognised totalled €95,589 thousand at 31 December 2009 (€133,819 thousand at 31 December 2008). Changes in contract work in progress have been recognised in the income statement under the item other operating income (see Note 4). When the lines are contractually completed, the final contractual revenue for the activities directly carried out will be recognised in the income statement under other operating income, net of any decrease in inventories. At the same time the accounts for inventories and amounts classified as advances will be closed.

From an accounting perspective, the Turin-Novara line project was closed in 2009 based on the following:

- in February 2006, the high-speed line was opened to the public and, pursuant to contractual terms for the final approval of the work, the Principal Final Test Certificate was issued in December 2006 for work representing around 94% of the total value of the line;
- in subsequent years, activities for completion of ancillary work and cleanup continued, as well as additional contractual obligations necessary for release of bank guarantees relating to work subject to the Principal Final Test. Once all activities were completed in the final part of 2009, the Secondary Final Test Certificate relating to the residual work was signed in December 2009, which from an accounting perspective was considered the closing of the project.

Net advances for work completed were as follows:

(€ thousand)	Advances received from customers		Advances paid to suppliers		Net advances for work completed	
	At 31 December 2009	At 31 December 2008	At 31 December 2009	At 31 December 2008	At 31 December 2009	At 31 December 2008
Florence-Bologna line	5,086,961	4,684,585	4,926,381	4,531,753	160,580	152,832
Turin-Novara line	-	4,666,913	-	4,484,922	-	181,991
Novara-Milan line	2,245,905	2,061,138	2,164,115	1,986,097	81,790	75,041
Progress payments for work completed	7,332,866	11,412,636	7,090,496	11,002,772	242,370	409,864

Advances relate to amounts received as down payments from the customer T.A.V. S.p.A. at the commencement of the contracts, which are then recovered as the work progresses. Amounts were as follows:

	Contractual advances received from customers		Contractual advances paid to suppliers		Net contractual advances	
	At 31 December 2009	At 31 December 2008	At 31 December 2009	At 31 December 2008	At 31 December 2009	At 31 December 2008
(€ thousand)						
Florence-Bologna line	2,184	19,092	2,101	18,358	83	734
Turin-Novara line	-	-	-	-	-	-
Novara-Milan line	19,630	42,311	18,964	40,792	666	1,519
Contractual advances	21,814	61,403	21,065	59,150	749	2,253

At 31 December 2009, bank guarantees and sureties totalling €1,001 million were given by Fiat S.p.A. to T.A.V. S.p.A. against contractual advances received, performance of the work and withholding amounts on progress payments. Under agreements entered into with the consortia mentioned and the institutions issuing the guarantees, €965 million of the total represents direct liability of the consortia towards the issuing banks and insurance companies, with no joint responsibility on the part Fiat S.p.A.

More specifically, €542 million in guarantees provided by Fiat S.p.A. to T.A.V. S.p.A. relate to the Bologna-Florence line, €51 million to the Turin-Novara sub-line and €408 million to the Novara-Milan sub-line.

Indemnities assumed directly by the CAV.E.T. consortium amounted to €522 million, while those for the CAV.TO.MI. consortium totalled €49 million for the Turin-Novara sub-line and €394 million for the Novara-Milan sub-line.

Release of a large portion of these guarantees is linked to the formal testing (Final Test Certificates) stipulated in the contractual agreements as formal acceptance of the work by the customer.

Finally, for those lines where work is still in progress at year end:

- in accordance with the terms of the contract, work on the Bologna-Florence line was formally handed over to T.A.V. S.p.A. at the end of June 2009 for RFI - Rete Ferroviaria Italiana S.p.A. to begin pre-operational testing, upon completion of which, following the receipt of a favourable technical opinion from the Testing Commission, the high-speed line was opened to the public at the beginning of December. Since, at 31 December 2009, the activities to complete the ancillary work and cleanup, in addition to the contractual obligation for final approval of the work (Final Test Certificates) and to release the bank guarantees were still in progress, at that date the project remained open from an accounting perspective;
- similarly, in accordance with the terms of the contract, the work on the Novara-Milan line was formally handed over to T.A.V. S.p.A. at the end of August 2009 for RFI - Rete Ferroviaria Italiana S.p.A. to begin pre-operational testing, upon completion of which, following the receipt of a favourable technical opinion from the Testing Commission, the high-speed line was opened to the public at the beginning of November. Since, at 31 December 2009, the activities to complete the ancillary work and cleanup, in addition to the contractual obligation for final approval of the work (Final Test Certificates) and to release the bank guarantees were still in progress, at that date the project remained open from an accounting perspective.

Tax payables and other payables

The main components of these items are as follows.

At 31 December 2009, intercompany payables for consolidated VAT of €124,348 thousand (€229,084 thousand at 31 December 2008) relate to the VAT credits of Italian subsidiaries transferred to Fiat S.p.A. as part of the consolidated VAT procedure.

At 31 December 2009, payables to Group companies in connection with the IRES tax consolidation amounted to €133,806 thousand (€316,607 thousand at 31 December 2008) and represent the remuneration due for the tax losses contributed by the Italian subsidiaries to the domestic tax consolidation for 2009, payables relating to the domestic tax consolidation for 2008 still to be settled and the IRES tax credits of the Italian subsidiaries transferred to Fiat S.p.A. as part of the tax consolidation procedure.

Income tax payable at 31 December 2008 represented the balance of IRAP payable in 2009 and relating to 2008 (see Note 9).

Tax payables and other payables are all due within one year and their carrying amount is deemed to approximate their fair value.

27. Guarantees granted, commitments and contingent liabilities*Guarantees granted*

This item is made up as follows:

(€ thousand)	At 31 December 2009	At 31 December 2008	Change
Guarantees granted			
Sureties			
on behalf of Group companies	218,598	256,955	(38,357)
on behalf of third parties	1,530	2,026	(496)
Total sureties	220,128	258,981	(38,853)
Other guarantees			
on behalf of Group companies	15,888,414	9,640,689	6,247,725
on behalf of third parties	2,780	4,445	(1,665)
Total other guarantees	15,891,194	9,645,134	6,246,060
Total guarantees granted	16,111,322	9,904,115	6,207,207

Sureties

At 31 December 2009, sureties totalled €220,128 thousand, a decrease of €38,853 thousand over 31 December 2008.

This amount mostly relates to sureties provided on behalf of Group companies on Billets de Trésorerie issued (Fiat Finance and Trade Ltd S.A. €28,959 thousand), medium- to long-term loans granted by banks (€5,968 thousand) and lease payments on property included in real estate securitisations carried out in prior years (€183,671 thousand). Sureties granted to third parties relate to the remaining interest-bearing certificates issued by Sava and not yet redeemed.

Other guarantees

At 31 December 2009, other guarantees amounted to €15,891,194 thousand, an increase of €6,246,060 thousand over 31 December 2008, mainly attributable to guarantees on bonds issued during the year.

These related to:

- guarantees of €15,888,414 thousand granted on behalf of Group companies, including:
 - €1,280,550 thousand for loans (Banco CNH Capital S.A. €676,941 thousand, Fiat Finance S.p.A. €400,000 thousand, Fiat Finance and Trade Ltd S.A. €110,000 thousand, Fiat Automoveis S.A. - FIASA €59,465 thousand, Fiat Finance Canada Ltd. €33,051 thousand, Magneti Marelli Controle Motor Ltda. €1,093 thousand);
 - €10,112,112 thousand for bonds issued (Fiat Finance and Trade Ltd S.A. €9,030,564 thousand, Fiat Finance North America Inc. €1,031,130 thousand, Fiat Finance Canada Ltd. €50,418 thousand);
 - €3,112,039 thousand for credit facilities (Fiat Finance and Trade Ltd S.A. €2,000,000 thousand, Fiat Finance S.p.A. €608,621 thousand, CNH Global N.V. €300,000 thousand, Fiat Finance Canada Ltd. €169,057 thousand, Fiat Finance North America Inc. €34,361 thousand);
 - €1,332,073 thousand for VAT receivables as part of the tax consolidation procedure, as required by the Ministerial Decree of 13 December 1979 as subsequently amended, and €51,640 thousand for other guarantees;
- guarantees of €2,780 thousand granted on behalf of the Teksid S.p.A. joint venture Hua Dong Teksid Automotive Foundry Co. Ltd.

In addition:

- in 2005, Fiat S.p.A. provided guarantees on credit facilities in local currency (equivalent to approximately €52 million) granted by Citibank to the Group's Indian subsidiaries New Holland Fiat (India) Private Ltd. and Comau India Private Limited. As at 31 December 2009 these credit facilities were unutilised;
- in 2005, in relation to the early collection by Fiat Partecipazioni S.p.A. of the residual consideration for the sale of the aviation business, Fiat S.p.A. is jointly and severally liable with Fiat Partecipazioni S.p.A. to the purchaser, Avio Holding S.p.A., should Fiat Partecipazioni S.p.A. fail to pay the compensation (following either an arbitration award or an out-of-court settlement) provided for by the sales agreement signed with the seller in 2003. Similarly, in connection with the sale of the controlling interest in the railway business, Fiat S.p.A. is liable to the purchaser, Alstom N.V., for any failure of the company that sold the business (now Fiat Partecipazioni S.p.A.) to comply with the contractual compensation obligations.

Commitments

At 31 December 2009, commitments totalled €5,575 thousand and consisted of Fiat S.p.A.'s residual commitment under the sponsorship agreement signed in May 2007 with Juventus Football Club S.p.A. in the name and on behalf of the Company and its subsidiaries for the 2007-2008, 2008-2009 and 2009-2010 seasons. Beginning with the 2008-2009 season these sponsorship costs are to be borne by the subsidiary CNH Global N.V.

The decrease of €24,071 thousand over the previous year is the result of the transfer of certain multi-year sponsorship agreements connected with the FIAT trademark, with effect from the beginning of 2009, to the subsidiary Fiat Group Marketing & Corporate Communication S.p.A. following the sale of the brand at the end of 2008 and the corresponding elimination of the commitments.

Teksid

Fiat S.p.A. is subject to a put contract with Renault (in reference to the original investment of 33.5% in Teksid, now 15.2%).

In particular, Renault would acquire the right to exercise a sale option to Fiat on its interest in Teksid, in the following cases:

- in the event of non-fulfilment in the application of the protocol of the agreement and admission to receivership or any other redressment procedure;
- in the event Renault's investment in Teksid falls below 15% or Teksid decides to invest structurally outside the foundry sector;
- should Fiat be the object of the acquisition of control by another car manufacturer.

The exercise price of the option is established as follows:

- for the original 6.5% of the share capital of Teksid, the initial investment price increased by a given interest rate;
- for the remaining amount of share capital of Teksid, the share of the accounting net equity at the exercise date.

Contingent liabilities

In connection with significant asset divestitures carried out in prior years, Fiat S.p.A. directly or indirectly through its subsidiaries provided indemnities to purchasers with the maximum amount of potential liability under these contracts generally capped at a percentage of the purchase price. These liabilities primarily relate to liabilities potentially arising from a breach of representations and warranties under these contracts and, in certain instances, environmental or tax matters, generally for a limited period of time. At 31 December 2009, potential obligations with respect to these indemnities are approximately €827 million (approximately €816 million at 31 December 2008), net of provisions set aside by the single companies. Certain other indemnifications have been provided that do not limit potential payment and, as such, it is not possible to estimate the maximum potential future payments that could result from claims made under these indemnities.

Certain claims for damages are still pending against Fiat S.p.A. Given this fact and the specific conditions of the related proceedings, the possible outcome of this situation cannot be reasonably estimated and, therefore, the likelihood of any costs to be borne by the company cannot be determined.

28. Information on financial risks

The manner in which Fiat S.p.A. measures and manages financial risks are consistent with Group policy.

In particular, the categories of the major risks to which the company is exposed are set out below.

Credit risk

The maximum credit risk to which Fiat S.p.A. is theoretically exposed at 31 December 2009 is represented by the carrying amounts at which financial assets are recognised in the statement of financial position and the nominal value of the guarantees provided as discussed in Note 26.

Amounts receivable at the balance sheet date are essentially due from Group companies, from the tax authorities and from T.A.V. S.p.A. The risk on receivables from the latter company is limited to the margin earned by Fiat S.p.A. (of approximately 3.6%), since a condition for the settlement of payables to consortium companies is the receipt of the amounts due from T.A.V. S.p.A.

Guarantees given are for the most part on behalf of Group companies.

There are no significant overdue balances.

Liquidity risk

Liquidity risk arises if the company is unable to obtain, at economical terms, the funding needed to carry out its operating activities.

Fiat S.p.A. participates in the Group's centralised treasury management and, as a result, the liquidity risks to which it is exposed are strictly correlated to those which the Fiat Group is exposed to as a whole.

The two main determinants of the Group's liquidity position are, on one side, the cash generated by or used in operating and investing activities and, on the other, the maturity and renewal of debt or invested liquidity and market conditions.

The Group has adopted a series of policies and procedures whose purpose is to optimise the management of financial resources and to reduce liquidity risk by:

- centralising the management of collections and payments, where it may be economical in the context of the local civil, currency and tax regulations of the countries in which the Group is present;
- maintaining an adequate level of available liquidity;
- diversifying the sources of funding and maintaining a continuous and active presence in the capital markets;
- obtaining adequate credit lines; and
- monitoring future liquidity based on business planning.

Management believes that the funding currently available, in addition to those funds that will be generated from operating and funding activities, will enable the Group to satisfy the requirements of its investing activities and its working capital needs and to fulfil its obligations to repay its debts at their maturity date.

Currency risk

At 31 December 2009, Fiat S.p.A. had no significant amounts receivable or payable or derivative financial instruments exposed to currency risk.

Interest rate risk

Fiat S.p.A. satisfies its financial requirements through the Group's centralised treasury management system.

In particular:

- non-current financial payables consist of fixed rate loans granted by Fiat Finance S.p.A. (as discussed in Note 21). The change in the fair value of these loans resulting from a hypothetical, immediate and adverse change of 10% in market interest rates would have been approximately €8 million (€18 million at 31 December 2008);

- current financial receivables principally consist of current account deposits with Fiat Finance S.p.A. (see Note 16), while current financial payables consist mainly of liabilities for advances received on the sale of receivables to banks and amounts payable to Group companies (as discussed in Note 25). The cost of these items is affected by changes in short-term interest rates. For short-term or variable rate transactions, a hypothetical, immediate and adverse change of 10% in short-term interest rates would have led to a non-material decrease in pre-tax net financial income (net expense €2 million higher in 2008, when the Company essentially had a net debt position).

Other risks relating to derivative financial instruments

As discussed in Note 8, Fiat S.p.A. holds certain derivative financial instruments whose value is linked to the trends in the price of listed shares (equity swaps on Fiat shares). Although these transactions were entered into for hedging purposes, they do not always qualify for hedge accounting under IFRS. As a result, fluctuations in their value could affect the Company's results.

The potential loss in fair value of derivative financial instruments held by the company at 31 December 2009, linked to changes in the price of listed shares, which would arise in the case of a hypothetical, immediate and adverse change of 10% in the underlying values, amounts to approximately €21 million (€9 million at 31 December 2008). The difference over the previous year is attributable to the change in the price of the instrument used for the simulation.

29. Fair value hierarchy

IFRS 7 requires financial instruments recognised at fair value in the statement of financial position to be classified on the basis of a hierarchy that reflects the significance of the inputs used in determining fair value. This hierarchical classification applies the following levels:

- Level 1 – quoted prices in active markets for the asset or liability being measured;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) on the market;
- Level 3 – inputs that are not based on observable market data.

The following table provides the classification of financial assets and liabilities measured at fair value at 31 December 2009 according to this fair value hierarchy:

(€ thousand)	Note	Level 1	Level 2	Level 3	Total
Assets at fair value:					
Investments in other companies (available for sale) recognised at fair value directly in equity	(12)	3,533	17,943	-	21,476
Derivative financial assets (current)	(16)	-	39,127	-	39,127
Total assets		3,533	57,070	-	60,603
Liabilities at fair value					
Derivative financial liabilities (current)	(25)	-	(31,200)	-	(31,200)
Total liabilities		-	(31,200)	-	(31,200)

In 2009, there were no transfers from Level 1 to Level 2 of the fair value hierarchy or vice versa.

30. Transactions between Group Companies and with Related Parties

Intercompany and related party transactions for Fiat S.p.A. consist for the most part of transactions carried out with the company's subsidiaries, carried out on commercial terms that are normal in the respective markets, considering the characteristics of the goods or services involved.

The effects of these transactions on single line items in the 2009 and 2008 financial statements, which may also be found in the supplementary financial statements and in the explanatory Notes, is summarised in the following tables:

Counterparty (€ thousand)	Other operating income		Personnel costs		Other operating costs		Financial income/ (expense)	
	2009	2008	2009	2008	2009	2008	2009	2008
Abarth & C. S.p.A.	200	115	-	-	-	-	-	-
Banco CNH Capital S.A.	-	-	-	-	-	-	409	335
CNH Global N.V.	-	-	-	-	-	-	190	31
CNH Italia S.p.A.	712	189	-	-	844	-	17	(16)
Comau S.p.A.	1,323	389	-	-	91	-	-	-
C.R.F. S.c.p.A.	476	352	-	-	-	-	-	(7)
Elasis S.c.p.A.	471	352	-	-	-	-	(7)	(7)
eSPIN S.p.A.	-	-	-	-	-	-	-	-
Ferrari S.p.A.	3,342	5,013	-	-	54	2,231	(7)	(4)
Fiat Argentina S.A.	-	-	-	-	121	121	-	-
Fiat Group Automobiles S.p.A.	20,059	13,747	-	-	1,324	219	119	168
Fiat Automoveis S.A. - FIASA	-	18,773	-	-	-	-	522	761
Fiat Finance Canada Ltd.	-	-	-	-	-	-	258	121
Fiat Finance S.p.A.	847	870	-	-	2,144	2,081	(121,472)	(139,778)
Fiat Finance and Trade Ltd S.A.	-	-	-	-	-	-	2,869	1,699
Fiat France	-	-	-	-	20	40	-	-
Fiat Services S.p.A.	645	101	-	-	1,396	5,925	(7)	(7)
Fiat Group Marketing & Corporate Comm. S.p.A.	692	556	-	-	4,457	8,933	99	(7)
Fiat Group Purchasing S.r.l.	1,986	1,020	-	-	10	36	(7)	(7)
Fiat Partecipazioni S.p.A.	262	371	-	-	1,667	217	7	(26)
Fiat Polska S.p. z.o.o.	257	115	-	-	4	-	-	-
Fiat Powertrain Technologies S.p.A.	3,276	911	-	-	141	-	34	(7)
Fiat-Revisione Interna S.c.r.l.	214	169	-	-	3,181	5,290	(7)	-
Fiat Servizi per l'Industria S.c.p.A.	396	186	-	-	2,084	2,074	(7)	(7)
FGA Capital S.p.A.	344	474	-	-	55	61	4	-
Fidis S.p.A.	404	312	-	-	-	-	(98)	(87)
Fiat Netherlands Holding N.V.	-	-	-	-	-	-	110,800	(274,153)
Isvor Fiat S.c.p.A.	-	462	-	-	-	175	-	-
Itedi S.p.A.	-	-	-	-	-	-	-	-
Iveco S.p.A.	8,085	1,644	-	-	866	-	58	32
Leasys S.p.A.	-	-	-	-	2,018	-	-	-
Fiat I.T.E.M. S.p.A.	-	-	-	-	3,355	373	(7)	(7)
Maserati S.p.A.	500	-	-	-	-	-	17	18
Magneti Marelli S.p.A.	4,772	1,190	-	-	229	-	(6)	(7)
Maxus MC2 S.p.A.	190	237	-	-	-	7	-	-
Orione S.c.p.A.	-	-	-	-	3,535	3,414	(7)	(7)
Risk Management S.p.A.	620	-	-	-	31	186	(7)	(7)
Publikompass S.p.A.	-	-	-	-	-	-	-	-
Fiat Group International S.A.	-	-	-	-	307	1,004	-	-
Sirio S.c.p.A.	60	60	-	-	1,230	843	(7)	-
Teksid S.p.A.	1,051	389	-	-	-	-	(5)	(7)
Fiat Finance North America Inc.	-	-	-	-	-	-	322	326
Fiat Group Automobiles Belgium S.A.	-	-	-	-	127	41	-	-
Other Group companies	73	122	-	-	188	151	41	126
Total Group companies	51,257	48,119	-	-	29,479	33,422	(5,885)	(410,531)
Other related parties	-	-	18,397	13,281	17,806	24,233	-	-
Total Group companies and other related parties	51,257	48,119	18,397	13,281	47,285	57,655	(5,885)	(410,531)
Total line item	75,432	70,049	31,588	37,697	85,905	114,433	(13,691)	(421,675)
Percentage of line item	68%	69%	58%	35%	55%	50%	43%	97%

In addition to the impact of intercompany and related party transactions on the income statement, as detailed in the previous table, a gain of €879,483 thousand was also recognised in 2008 under Gains/(losses) from non-recurring transactions following sale of the FIAT trademark to the subsidiary company Fiat Group Marketing & Corporate Communication S.p.A., as described in Note 7.

At 31 December 2009

Counterparty (€ thousand)	Other fin. assets	Trade recs.	Current financial receivables	Other current recs.	Non-current employee provisions	Non-current fin. pays.	Current employee provisions	Trade pays.	Current fin. pays.	Other pays.
CNH Italia S.p.A.	-	868	-	-	-	-	-	-	-	-
Comau S.p.A.	-	132	-	-	-	-	-	-	-	-
C.R.F. S.c.p.A.	-	142	-	-	-	-	-	-	-	-
Elasis S.c.p.A.	-	88	-	-	-	-	-	-	-	-
Ferrari S.p.A.	-	582	-	-	-	-	-	-	-	-
Fiat Group Automobiles S.p.A.	-	1,703	-	-	-	-	-	71	-	-
Fiat Automoveis S.A. - FIASA	-	-	-	-	-	-	-	-	-	-
Fiat Finance Canada Ltd.	-	221	-	-	-	-	-	-	-	-
Fiat Finance S.p.A.	-	-	606,941	-	-	1,800,000	-	-	64,614	-
Fiat Group Marketing & C.C. S.p.A.	-	-	-	-	-	-	-	1,862	-	-
Fiat Group International S.A.	-	-	-	-	-	-	-	29	-	-
Fiat Group Purchasing S.p.A.	-	616	-	-	-	-	-	2	-	-
Fiat Item S.p.A.	-	-	-	-	-	-	-	173	-	-
Fiat Polska S.p. z.o.o.	-	63	-	-	-	-	-	-	-	-
Fiat Powertrain Technologies S.p.A.	-	366	-	-	-	-	-	-	-	-
Fiat-Revisione Interna S.c.r.l.	-	130	-	1,070	-	-	-	-	-	-
Fiat Servizi per l'Industria S.c.p.A.	-	-	-	-	-	-	-	716	-	-
Fiat Services S.p.A.	-	69	-	-	-	-	-	16	-	-
Fiat Netherlands Holding N.V.	-	-	39,133	-	-	-	-	-	31,707	-
CNH Global N.V.	-	-	-	-	-	-	-	-	-	-
Iveco S.p.A.	-	625	-	-	-	-	-	117	-	-
Leasys S.p.A.	-	-	-	63	-	-	-	89	-	-
Magneti Marelli S.p.A.	-	984	-	-	-	-	-	-	-	-
Orione S.c.p.A.	-	-	-	-	-	-	-	363	-	-
Risk Management S.p.A.	-	117	-	-	-	-	-	-	-	-
Sirio S.c.p.A.	-	-	-	-	-	-	-	118	-	-
Teksid S.p.A.	-	143	-	-	-	-	-	-	-	-
Other Group companies	-	303	-	22	-	-	-	36	-	-
IRES tax consolidation	-	-	-	120,755	-	-	-	-	-	133,806
VAT consolidation	-	-	-	-	-	-	-	-	-	124,348
Financial guarantee contracts	16,782	-	-	-	-	16,782	-	-	-	-
Total Group companies	16,782	7,152	646,074	121,910	-	1,816,782	-	3,592	96,321	258,154
Other related parties	-	-	-	-	17,444	-	5,664	165	-	2,652
Total Group companies and other related parties	16,782	7,152	646,074	121,910	17,444	1,816,782	5,664	3,757	96,321	260,806
Total line item	26,887	60,015	646,074	198,923	25,441	1,816,782	8,464	156,175	156,712	290,058
Percentage of line item	62%	12%	100%	61%	69%	100%	67%	2%	61%	90%

At 31 December 2008

Counterparty (€ thousand)	Other fin. assets	Trade recs.	Other current recs.	Non-current employee provisions	Non-current fin. pays.	Trade pays.	Current fin. pays.	Other pays.
Fiat Group Automobili S.p.A.	-	25	-	-	-	48	-	368
Fiat Automoveis S.A. - FIASA	-	954	-	-	-	-	-	-
Fiat Finance S.p.A.	-	-	-	-	1,800,000	-	128,802	-
Fiat Group Marketing & Corp.C. S.p.A.	-	52,800	-	-	-	767	-	-
Fiat Group International S.A.	-	-	-	-	-	149	-	-
Fiat Partecipazioni S.p.A.	-	-	27,000	-	-	-	-	-
Fiat-Revisione Interna S.c.r.l.	-	-	1,630	-	-	-	-	-
Fiat Servizi per l'Industria S.c.p.A.	-	-	312	-	-	-	-	-
Fiat Services S.p.A.	-	-	-	-	-	310	-	-
Fiat Netherlands Holding N.V.	-	-	-	-	-	-	110,174	-
CNH Global N.V.	-	-	5,941	-	-	-	-	-
Iveco S.p.A.	-	11	6,856	-	-	-	-	-
Leasys S.p.A.	-	-	-	-	-	148	-	-
Orione S.c.p.A.	-	-	-	-	-	312	-	-
Sirio S.c.p.A.	-	-	300	-	-	-	-	-
Other Group companies	-	193	-	-	-	332	-	-
IRES tax consolidation	-	-	285,048	-	-	-	-	316,607
VAT consolidation	-	-	-	-	-	-	-	229,084
Financial guarantee contracts	10,531	-	-	-	10,531	-	-	-
Total Group companies	10,531	53,983	327,087	-	1,810,531	2,066	238,976	546,059
Other related parties	-	-	-	16,848	-	250	-	2,552
Total Group companies and other related parties	10,531	53,983	327,087	16,848	1,810,531	2,316	238,976	548,611
Total line item	20,637	185,292	905,058	26,418	1,810,531	218,235	553,133	784,481
Percentage of line item	51%	29%	36%	64%	100%	1%	43%	70%

Items arising from the domestic tax consolidation (see Notes 17 and 26) and the consolidated VAT settlement (see Note 26) are not reported in the above tables, as they do not represent actual commercial transactions between Group companies but relate only to the financial treatment provided under the Italian tax code for relationships between Italian Group companies and the tax authorities. In a similar manner the asset and liability balances (each of the same amount) relating to the valuation of financial guarantee contracts (see Notes 13 and 21) have also not been reported by individual counterparty as they are not material, being only representative of the present value of the estimated commissions to be earned in future years.

Details of the most significant transactions between Fiat S.p.A. and Group companies summarised in the above tables are as follows:

- services provided by Fiat S.p.A. and management personnel at various Group companies (Fiat Group Automobili S.p.A., Iveco S.p.A., Magneti Marelli S.p.A., Ferrari S.p.A., Fiat Powertrain Technologies S.p.A., Fiat Group Purchasing S.r.l., Teksid S.p.A., Comau S.p.A. and other subsidiaries);
- lease of property or office space (Fiat Finance S.p.A., Fiat Group Marketing & Corporate Communication S.p.A., Fiat Partecipazioni S.p.A. and other minor companies) and the recovery of directors' fees and expenses;
- provision of sureties and other guarantees (see Note 27) on issues of bonds and Billets de Trésorerie (Fiat Finance and Trade Ltd S.A., Fiat Finance North America Inc. and Fiat Finance Canada Ltd.), bank loans and credit facilities (Fiat Finance and Trade Ltd S.A., Fiat Finance S.p.A., Banco CNH Capital S.A., CNH Global N.V., Fiat Finance Canada Ltd., Fiat Automoveis S.A. - FIASA and other minor), property rental payments (Fiat Group Automobili S.p.A. and its subsidiaries) and to tax authorities for VAT credits;
- management of current accounts, obtaining short- and medium-term loans and financial assistance (Fiat Finance S.p.A.);

- management of derivative financial instruments (Fiat Netherlands Holding N.V., see Notes 16 and 25);
- purchases of administrative, tax, corporate assistance and consultancy services and related IT systems (Fiat Services S.p.A. and Fiat I.T.E.M. S.p.A.), public relations services (Fiat Group Marketing & Corporate Communication S.p.A.), personnel and other management services (Fiat Servizi per l'Industria S.c.p.A.), security services (Orione S.c.p.A. and Sirio S.c.p.A.), supervisory and internal audit services (Fiat-Revisione Interna S.c.r.l.), vehicle leases (Leasys S.p.A.) maintenance services and services for office space (Fiat Partecipazioni S.p.A.).

Intercompany transactions in 2009 also related to management of the portfolio of investments in subsidiaries, whose effects on the Company's earnings and financial position were as described above, in particular:

- receipt of dividends from investees (see Note 1);
- subscription to capital increases of €300,000 thousand for Iveco S.p.A., €40,000 thousand for Comau S.p.A. and €25,000 thousand for Teksid Aluminum S.r.l. to strengthen their capital, and subscription to capital increase (€41,467 thousand) of Fiat Finance North America Inc. (see Note 12);

In 2009, transactions with related parties as defined by IAS 24 which did not involve subsidiaries are presented in the tables above under "Other related parties". In detail said transactions were as follows:

- expenses for services rendered by SGS Italia S.p.A. (€50 thousand) and Soiem S.p.A. (€70 thousand);
- professional and advisory services and services as the secretary of the Board of Directors and of the Committees were provided to Fiat S.p.A. by Mr. Franzo Grande Stevens for fees of €1,000 thousand;
- Fiat S.p.A. directors' and statutory auditors' fees as well as the compensation component arising from stock option plans with underlying Fiat S.p.A. shares regarding the Chief Executive Officer (see Note 6);
- compensation due to executives having strategic responsibilities in Fiat S.p.A. (see Note 5), as well as the compensation component arising from stock option plans with underlying Fiat S.p.A. shares assigned to them.

31. Net financial position

Pursuant to the Consob Communication of 28 July 2006 and in compliance with the CESR's recommendations for the consistent implementation of the European Commission's Regulation on Prospectuses issued on 10 February 2005, the net financial position of Fiat S.p.A. at 31 December 2009 is as follows:

(€ thousand)	At 31 December 2009	At 31 December 2008	Change
Cash and cash equivalents	474	495	(21)
Current financial receivables:	646,074	-	646,074
from Group companies	646,074	-	646,074
from third parties	-	-	-
Non-current financial payables:	(1,816,782)	(1,810,531)	(6,251)
from Group companies	(1,816,782)	(1,810,531)	(6,251)
from third parties	-	-	-
Current financial payables:	(156,712)	(553,133)	396,421
from Group companies	(96,321)	(238,976)	142,655
from third parties	(60,391)	(314,157)	253,766
Net financial position	(1,326,946)	(2,363,169)	1,036,223
from Group companies	(1,267,029)	(2,049,507)	782,478
from third parties	(59,917)	(313,662)	253,745

32. Significant non-recurring transactions

Pursuant to the Consob Communication of 28 July 2006, in 2009 Fiat S.p.A. did not take part in any significant non-recurring transaction as defined in such Communication.

33. Transactions resulting from unusual and/or abnormal operations

Pursuant to the Consob Communication of 28 July 2006, in 2009 Fiat S.p.A. did not take part in any unusual and/or abnormal operations as defined in that Communication.

34. Subsequent Events

In February, Fiat S.p.A. and Sollers announced the establishment of a global alliance in the form of a joint venture for the production of passenger cars and SUVs. The new JV is expected to reach total production capacity of up to 500,000 vehicles per year by 2016.

Nine new models (C & D segment and SUV) will be sold in the Russian market, six of which will be based on a new global Fiat-Chrysler platform. A minimum of 10% of the vehicles will be produced for the export market. The Fiat/Sollers project will be based in Naberezhnye Chelny, located 1,000 km east of Moscow in the Republic of Tatarstan.

Sollers' current site in Naberezhnye Chelny will be expanded to include new production facilities and a technology park for component production.

The Russian Government is expected to provide support for the joint venture through subsidized long-term financing for the entire amount of investment required, estimated at €2.4 billion.

List of equity investments with additional information required by Consob (Communication DEM/6064293 of 28 July 2006)

Subsidiaries

Company and registered office	Share Capital (€)	Result for the last financial year (€)	Equity (€)	% owned by Fiat S.p.A.	Number of shares	Book value (€)
Fiat Group Automobiles S.p.A. – Turin						
At 31.12.08	745,031,979	680,143,822	1,690,879,692	100.00	745,031,979	4,676,359,712
portion of stock options for employees of subsidiaries						(2,278,688)
impairment						(200,000,000)
At 31.12.09	745,031,979	(134,673,153)	856,206,538	100.00	745,031,979	4,474,081,024
Ferrari S.p.A. – Modena						
At 31.12.08	20,260,000	160,043,898	425,782,434	85.00	6,888,400	1,055,203,823
At 31.12.09	20,260,000	104,640,221	530,422,655	85.00	6,888,400	1,055,203,823
Maserati S.p.A. – Modena						
At 31.12.08	40,000,000	37,235,249	92,156,315	100.00	40,000,000	103,886,792
portion of stock options for employees of subsidiaries						(88,413)
At 31.12.09	40,000,000	(24,319,603)	67,836,712	100.00	40,000,000	103,798,379
Fiat Netherlands Holding N.V. – Amsterdam (The Netherlands)						
At 31.12.08	2,610,397,295	640,530,439	3,909,553,111	100.00	94,923,538	3,827,346,053
At 31.12.09	2,610,397,295	(119,518,487)	3,936,289,431	100.00	94,923,538	3,827,346,053
Iveco S.p.A. – Turin						
At 31.12.08	369,500,000	320,337,030	971,047,386	100.00	369,500,000	1,835,274,197
capital contribution						300,000,000
portion of stock options for employees of subsidiaries						(1,642,521)
impairment						(560,000,000)
At 31.12.09	369,500,000	(254,007,877)	457,348,864	100.00	369,500,000	1,573,631,676
Fiat Powertrain Technologies S.p.A. – Turin						
At 31.12.08	525,000,000	82,260,134	913,644,575	100.00	750,000,000	649,667,398
portion of stock options for employees of subsidiaries						(754,814)
At 31.12.09	525,000,000	4,684,546	918,601,714	100.00	750,000,000	648,912,584
Magneti Marelli S.p.A. – Corbetta						
At 31.12.08	254,325,965	29,994,331	589,765,832	99.99	254,301,607	612,337,621
Ordinary shares						
At 31.12.08				100.00	250,500,601	603,179,675
portion of stock options for employees of subsidiaries						(483,404)
At 31.12.09				100.00	250,500,601	602,696,271
Preference shares						
At 31.12.08				99.36	3,801,006	9,157,946
At 31.12.09				99.36	3,801,006	9,157,946
At 31.12.09	254,325,965	(134,715,249)	455,050,583	99.99	254,301,607	611,854,217
Teksid S.p.A. – Turin						
At 31.12.08	71,403,261	44,979,028	140,992,970	84.79	60,543,388	76,157,101
portion of stock options for employees of subsidiaries						(73,343)
At 31.12.09	71,403,261	4,328,864	145,321,833	84.79	60,543,388	76,083,758
Teksid Aluminum S.r.l. – Carmagnola						
At 31.12.08	5,000,000	(17,142,358)	14,836,004	100.00		43,292,021
capital contribution						25,000,000
impairment						(31,000,000)
At 31.12.09	5,000,000	(31,077,630)	8,758,374	100.00		37,292,021

List of equity investments (continued)

Company and registered office	Share Capital (€)	Result for the last financial year (€)	Equity (€)	% owned by Fiat S.p.A.	Number of shares	Book value (€)
Comau S.p.A. – Grugliasco						
At 31.12.08	48,013,959	(15,805,223)	86,140,210	100.00	48,013,959	103,288,679
capital contribution						40,000,000
portion of stock options for employees of subsidiaries						(238,183)
impairment						(51,000,000)
At 31.12.09	48,013,959	(45,770,610)	80,369,600	100.00	48,013,959	92,050,496
Fiat Partecipazioni S.p.A. – Turin						
At 31.12.08	356,158,302	502,719,923	950,071,503	100.00	356,158,302	950,701,296
portion of stock options for employees of subsidiaries						(249,621)
impairment						(16,000,000)
At 31.12.09	356,158,302	(15,908,554)	934,162,949	100.00	356,158,302	934,451,675
Fiat Finance S.p.A. – Turin						
At 31.12.08	224,440,000	23,972,414	428,359,286	100.00	244,440,000	222,262,897
At 31.12.09	224,440,000	5,395,194	433,754,480	100.00	224,440,000	222,262,897
Business Solutions S.p.A. – Turin						
At 31.12.08	4,791,396	13,243,296	19,121,337	100.00	4,791,396	36,414,650
portion of stock options for employees of subsidiaries						(9,588)
At 31.12.09	4,791,396	4,947,508	24,068,845	100.00	4,791,396	36,405,062
Itedi – Italiana Edizioni S.p.A. – Turin						
At 31.12.08	5,980,000	(426,813)	27,759,693	100.00	5,980,000	25,899,105
At 31.12.09	5,980,000	(1,586,503)	26,173,189	100.00	5,980,000	25,899,105
FGI – Fiat Group International S.A. – Paradiso (Switzerland)						
At 31.12.08	67,340,067	31,737,997	113,937,795	100.00	100,000	33,444,877
CHF	100,000,000	47,130,926	169,197,625			
At 31.12.09	67,403,613	26,943,592	140,988,918	100.00	100,000	33,444,877
CHF	100,000,000	39,973,513	209,171,159			
Fiat Finance North America Inc. – Wilmington (USA)						
At 31.12.08	28,806,503	2,404,165	9,615,824	39.47	150	15,557,000
USD	40,090,010	3,345,876	13,382,342			
capital increase						41,466,858
At 31.12.09	131,951,971	1,690,769	142,480,500	39.47	150	57,023,858
USD	190,090,010	2,435,722	205,257,409	+60.53 ind.		
Fiat U.S.A. Inc. – New York (USA)						
At 31.12.08	12,093,124	318,807	24,706,522	100.00	1,000	27,257,726
USD	16,830,000	443,684	34,384,067			
At 31.12.09	11,682,632	(24,869)	23,843,010	100.00	1,000	27,257,726
USD	16,830,000	(35,827)	34,348,240			
Isvor Fiat Società consortile di sviluppo e addestramento Industriale per Azioni – Turin						
At 31.12.08	300,000	162,797	1,028,376	3.00	9,000	-
At 31.12.09	300,000	756,266	1,784,642	3.00	9,000	-
				+97.00 ind.		

List of equity investments (continued)

Company and registered office	Share Capital (€)	Result for the last financial year (€)	Equity (€)	% owned by Fiat S.p.A.	Number of shares	Book value (€)
Elasis-Società Consortile per Azioni – Pomigliano d'Arco						
At 31.12.08	20,000,000	123,106	22,123,696	0.17	33,334	29,974
At 31.12.09	20,000,000	(918,187)	21,205,509	0.17 +99.83 ind.	33,334	29,974
Fiat-Revisione Interna S.c.r.l. – Turin						
At 31.12.08	300,000	23,905	620,072	51.00	153,000 n.v.	186,980
At 31.12.09	300,000	13,464	633,536	51.00 +49.00 ind.	153,000 n.v.	186,980
Fiat Servizi per l'Industria S.c.p.A. – Turin						
At 31.12.08	1,652,669	1,234,904	3,179,150	5.00	82,633	70,720
At 31.12.09	1,652,669	342,456	3,521,606	5.00 +95.00 ind.	82,633	70,720
Orione S.c.p.A.-Società Industriale per la Sicurezza e la Vigilanza Consortile per Azioni – Turin						
At 31.12.08	120,000	141,194	426,113	18.00	21,603	21,108
At 31.12.09	120,000	130,713	556,825	18.00 +80.90 ind.	21,603	21,108
SIRIO - Sicurezza Industriale Società consortile per Azioni – Turin						
At 31.12.08	120,000	1,528,008	1,755,457	0.75	901	764
At 31.12.09	120,000	349,717	2,105,175	0.75 +93.16 ind.	901	764
Total subsidiaries						13,837,308,777

% owned by Fiat S.p.A.

Any indirect interest in the ordinary share capital of subsidiaries is also indicated.

List of equity investments with additional information required by Consob (communication DEM/6064293 of 28 July 2006)**Associate companies**

Company and registered office	Share Capital (€)	Result for the last financial year (€)	Equity (€)	% owned by Fiat S.p.A.	Number of shares	Book value (€)
RCS Mediagroup S.p.A. – Milan						
At 31.12.08	762,019,050	96,900,638	1,274,223,937	10.09	76,907,627	131,785,440
At 31.12.09 (*)	762,019,050	79,343,926	1,265,643,760	10.09	76,907,627	131,785,440
Total associate companies						131,785,440

(*) Figures taken from the 2008 Financial Statements

Other companies

Company and registered office	% owned by Fiat S.p.A.	Number of shares	Book value (€)
Assicurazioni Generali S.p.A. – Trieste			
At 31.12.08	0.01	180,491	3,517,770
bonus issue		7,219	113,511
fair value adjustment			(98,579)
At 31.12.09	0.01	187,710	3,532,702
Fin.Priv. S.r.l. – Milan			
At 31.12.08	14.29		14,772,811
fair value adjustment			3,170,436
At 31.12.09	14.29		17,943,247
Consorzio Lingotto – Turin			
At 31.12.08	5.40		279
At 31.12.09	5.40		279
Total other companies			21,476,228

FEES PAID TO MEMBERS OF THE BOARD OF DIRECTORS, STATUTORY AUDITORS, GENERAL MANAGERS AND EXECUTIVES WITH STRATEGIC RESPONSIBILITIES (€ THOUSAND) (ARTICLE 78 OF CONSOB REGULATION 11971/99)

Name	Office held in 2009	Term of office	Expiration (*)	Compensation for office held	Non-cash benefits (**)	Bonuses and other incentives	Other fees	Total
Luca Cordero di Montezemolo	Director Chairman	1/01-31/12/2009	2012	550.0 1)	85.0		4,542.0 2)	5,177.0
John Elkann	Director Vice Chairman	1/01-31/12/2009	2012	550.0 3)	81.0			631.0
Sergio Marchionne	Chief Executive Officer	1/01-31/12/2009	2012	3,050.0		1,345.0	387.4 4)	4,782.4
Andrea Agnelli	Director	1/01-31/12/2009	2012	77.0				77.0
Carlo Barel di Sant'Albano	Director	1/01-31/12/2009	2012	77.0 5)				77.0
Roland Berger	Director	1/01-31/12/2009	2012	77.0				77.0
Tiberto Brandolini d'Adda	Director	1/01-31/12/2009	2012	74.0				74.0
René Carron	Director	1/01-31/12/2009	2012	62.0				62.0
Luca Garavoglia	Director	1/01-31/12/2009	2012	77.0				77.0
Gian Maria Gros-Pietro	Director	1/01-31/12/2009	2012	95.0				95.0
Virgilio Marrone	Director	1/01-31/12/2009	2012	77.0				77.0
Vittorio Mincato	Director	1/01-31/12/2009	2012	92.0				92.0
Pasquale Pistorio	Director	1/01-31/12/2009	2012	71.0				71.0
Ratan Tata	Director	1/01-31/12/2009	2012	65.0				65.0
Mario Zibetti	Director	1/01-31/12/2009	2012	98.0				98.0
Riccardo Perotta	Chairman of the Board of Statutory Auditors	27/03-31/12/2009	2012	48.0				48.0
Giuseppe Camosci	Statutory Auditor	1/01-31/12/2009	2012	42.0				42.0
Piero Locatelli	Statutory Auditor	1/01-31/12/2009	2012	42.0				42.0
Carlo Pasteris	Chairman of the Board of Statutory Auditors	1/01-27/03/2009		15.0			59.0 6)	74.0
Executives with strategic responsibilities (***)					173.7 7)	7,116.0 8)	11,989.2 9)	19,278.9 10)

(*) year in which term of office expires at General Meeting held to approve the financial statements.

(**) includes the use of transport for personal purposes.

(***) includes 17 executives employed as at 31 December 2009 and 2 executives who left the Group during the year.

1) Gross annual compensation for the office of Chairman is €500,000.

2) Compensation for the office held at Ferrari S.p.A., including the variable portion. Mr. Montezemolo, as Chairman of Ferrari S.p.A., has the right to receive, in the event of termination of the office held, a sum payable over twenty years, the amount of which, after ten years, may not be greater than five times the fixed portion of his annual compensation. The relevant accrual recognised by Ferrari for 2009 was €824.7 thousand.

3) Gross annual compensation for the office of Vice Chairman is €500,000.

4) Compensation for the office held at the subsidiary Fiat Group International SA. This amount does not include the compensation for the office held at Fiat Group Automobiles (€500 thousand) which he does not receive but is paid to Fiat S.p.A. The Chief Executive Officer has the right to receive, in the event of termination of the office held, a sum payable over twenty years, the amount of which, after ten years, may not be greater than five times the fixed portion of his annual compensation. The relevant accrual recognised by Fiat S.p.A. in 2008 was €960.9 thousand.

5) Compensation paid to Exor S.p.A.

6) Includes compensation for the office of Chairman of the Board of Statutory Auditors of Fiat Group Automobiles S.p.A. and Fiat Powertrain Technologies S.p.A.

7) Includes fringe benefits.

8) Variable portion of compensation.

9) Including salary, amounts paid following termination of employment in the amount of €1,496.7 thousand and compensation for offices held at subsidiaries that are retained by the executives.

10) Social contributions paid by the company are not included.

STOCK OPTIONS GRANTED TO MEMBERS OF THE BOARD OF DIRECTORS, GENERAL MANAGERS AND EXECUTIVES WITH STRATEGIC RESPONSIBILITIES (ARTICLE 78 OF CONSOB REGULATION 11971/99)

Grantee	Office held at the date of the grant	Options held at the beginning of the year			Options granted during the year			Options exercised during the year			Options expired in the year		Options held at the end of the year	
		Number of options	Average exercise price	Exercise period (mm/yy)	Number of options	Average exercise price	Exercise period (mm/yy)	Number of options	Average exercise price	Average market price at the exercise date	Number of options	Number of options	Average exercise price	Exercise period (mm/yy)
Stock options on Fiat shares														
Paolo Fresco	Chairman	500,000	12.699	01/05-01/10								500,000	12.699	01/05-01/10
Sergio Marchionne	Chief Executive Officer	20,670,000	9.867	01/11-01/16 (1)(2)							(1,250,000) (7)	19,420,000	9.640	01/11-11/16
Executives with strategic responsibilities		2,799,000	13.517	02/01-11/14 (3)	72,000	13.15	09/03-11/14 (6)				(766,000) (7)	2,105,000	13.278	05/06-11/14
Stock options on Ferrari shares														
Luca Cordero di Montezemolo	-	80,000	175	10/04-12/10 (4)								80,000	175	10/04-12/10
Stock options on CNH shares (5)														
Executives with strategic responsibilities	-	172,279	56.011	12/01-01/14	85,518	13.58	01/09-01/15	(2,858)	21.20	24.40	(105,000)	149,939	23.481	01/15

- (1) The vesting of one-third of the 2004 stock option grant was subject to the achievement of predetermined profit targets which were met in 2008, making the entire 2004 grant of 10,670,000 stock options fully vested in 2008. At the March 2009 Annual General Meeting, Shareholders approved extension of the exercise period, beginning 1 January 2011 and expiring 1 January 2016.
- (2) The vesting of one-half, or 5,000,000 stock options of the 2006 stock option grant is subject to the achievement of predetermined profit targets. The exercise period begins with the approval of the 2010 Financial Statements and terminates in November 2014.
- (3) Vesting of the options partially subject to achievement of predetermined profit targets.
- (4) Options exercisable upon placement of Ferrari S.p.A. shares on the stock market.
- (5) Prices expressed in US dollars.
- (6) Grants reflect the past grants of the new executives with strategic responsibilities, net of those executives who left during 2009.
- (7) Options expired comprises expired options and options forfeited during the period.

STOCK GRANTS AWARDED TO MEMBERS OF THE BOARD OF DIRECTORS, GENERAL MANAGERS AND EXECUTIVES
WITH STRATEGIC RESPONSIBILITIES (ARTICLE 78 OF CONSOB REGULATION 11971/99)

Grantee	Office held at the date of the grant	Grants held at the beginning of the year		Grants awarded during the year		Grants expired in the year		Grants held at the end of the year	
		Number of grants	Exercise period (mm/yy)	Number of grants	Exercise period (mm/yy)	Number of grants	Number of grants	Exercise period (mm/yy)	
Stock grants on Fiat shares									
Sergio Marchionne	Chief Executive Officer			2,000,000	02/11(1)		2,000,000		02/11
Stock grants on CNH shares									
Executives with strategic responsibilities	-	100,000 (1)	01/11				100,000		01/11

(1) Exercisable upon achievement of profit targets.

16 February 2010

On behalf of the Board of Directors

/s/ Luca Cordero di Montezemolo
Luca Cordero di Montezemolo
CHAIRMAN

APPENDIX

INFORMATION REQUIRED UNDER ARTICLE 149-*DUODECIES* OF THE "REGOLAMENTO EMITTENTI" ISSUED BY CONSOB

The following table, prepared in accordance with Article 149-*duodecies* of the Issuer Regulations issued by Consob, reports fees charged for 2009 for audit and audit-related services provided by the independent auditors. No services were provided by entities in their network.

(€ thousand)	Service Provider	2009 Fees
Audit	Deloitte & Touche S.p.A.	179
Attestation	Deloitte & Touche S.p.A. ⁽¹⁾	17
Other services	Deloitte & Touche S.p.A. ⁽²⁾	80
Total		276

(1) Attestation of tax forms ('Modello Unico', IRAP, Domestic Tax Consolidation and Form 770).

(2) Review and analysis related to the accounting treatment for significant transactions.

ATTESTATION IN RESPECT OF THE STATUTORY FINANCIAL STATEMENTS UNDER ARTICLE 154-BIS OF LEGISLATIVE DECREE 58/98

1. The undersigned, Sergio Marchionne, in his capacity as the Chief Executive Officer of the Company, and Alessandro Baldi and Maurizio Francescatti, as the executive officers responsible for the preparation of the Company's financial statements, pursuant to the provisions of Article 154-bis, clauses 3 and 4, of Legislative Decree no. 58 of 1998, hereby attest the adequacy with respect to the Company structure, and the effective application, of the administrative and accounting procedures applied in the preparation of the Company's statutory financial statements at 31 December 2009.
2. The assessment of the adequacy of the administrative and accounting procedures used for the preparation of the statutory financial statements at 31 December 2009 was based on a process defined by Fiat in accordance with the *Internal Control – Integrated Framework* model issued by the *Committee of Sponsoring Organizations of the Treadway Commission*, an internationally-accepted reference framework.
3. The undersigned moreover attest that:
 - 3.1 the statutory financial statements at 31 December 2009:
 - a) have been prepared in accordance with International Financial Reporting Standards, as endorsed by the European Union through Regulation (EC) 1606/2002 of the European Parliament and Counsel, dated 19 July 2002;
 - b) correspond to the amounts shown in the Company's accounts, books and records; and
 - c) provide a fair and correct representation of the financial conditions, results of operations and cash flows of the Company as of 31 December 2009 and for the year then ended.
 - 3.2 The report on operations includes a reliable operating and financial review of the Company as well as a description of the main risks and uncertainties to which it is exposed.

16 February 2010

/s/ Sergio Marchionne
Sergio Marchionne
CHIEF EXECUTIVE OFFICER

/s/ Alessandro Baldi
/s/ Maurizio Francescatti
Alessandro Baldi
Maurizio Francescatti
**EXECUTIVE OFFICERS RESPONSIBLE FOR
THE PREPARATION OF THE COMPANY'S
FINANCIAL STATEMENTS**