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FIAT S.P.A.
STATUTORY FINANCIAL STATEMENTS
at 31 December 2010

INCOME STATEMENT(*)

(figures in €)	Note	2010	2009
Dividends and other income from investments	(1)	**428,723,556**	1,259,831,240
Impairment (losses)/reversals on investments	(2)	**155,700,000**	(858,000,000)
Gains/(losses) on disposals	(3)	**5,748**	-
Other operating income	(4)	**61,762,491**	75,431,036
Personnel costs	(5)	**(43,384,892)**	(31,587,673)
Other operating costs	(6)	**(101,590,587)**	(85,905,353)
Financial income/(expense)	(7)	**(93,034,966)**	(13,690,556)
PROFIT/(LOSS) BEFORE TAXES		**408,181,350**	**346,078,694**
Income taxes	(8)	**33,778,159**	(6,115,156)
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		**441,959,509**	**339,963,538**
Profit/(loss) from discontinued operations		**-**	-
PROFIT/(LOSS)		**441,959,509**	**339,963,538**

(*) 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 Note 30.

STATEMENT OF COMPREHENSIVE INCOME

(€ thousand)	2010	2009
PROFIT/(LOSS) (A)	**441,959**	**339,964**
Gains/(losses) recognized directly in fair value reserve (investments in other companies)	**(4,468)**	3,071
Income tax relating to components of other comprehensive income	**-**	-
TOTAL OTHER COMPREHENSIVE INCOME, NET OF TAX (B)	**(4,468)**	3,071
TOTAL COMPREHENSIVE INCOME (A)+(B)	**437,491**	**343,035**

STATEMENT OF FINANCIAL POSITION(*)

(figures in €)	Note	31 December 2010	31 December 2009
ASSETS			
Non-current assets			
Intangible assets	(9)	**317,168**	312,952
Property, plant and equipment	(10)	**31,385,527**	31,444,524
Investments	(11)	**11,423,278,781**	13,990,570,445
Other financial assets	(12)	**143,946,821**	26,887,235
Other non-current assets	(13)	**147,228**	203,339
Deferred tax assets	(8)	**-**	-
Total non-current assets		**11,599,075,525**	**14,049,418,495**
CURRENT ASSETS			
Inventory	(26)	**-**	-
Trade receivables	(14)	**8,078,126**	60,015,344
Current financial receivables	(15)	**311,525,962**	646,074,366
Other current receivables	(16)	**350,553,632**	198,923,165
Cash and cash equivalents	(17)	**239,970**	473,678
Total current assets		**670,397,690**	**905,486,553**
Assets to be demerged	(18)	**5,190,346,053**	-
TOTAL ASSETS		**17,459,819,268**	**14,954,905,048**
EQUITY AND LIABILITIES			
Equity	(19)		
Share capital		**6,377,262,975**	6,377,262,975
Share premium reserve		**1,540,884,892**	1,540,884,892
Legal reserve		**716,458,326**	699,460,149
Other reserves and retained profit		**4,284,447,608**	4,185,828,196
Own shares		**(656,553,154)**	(656,553,154)
Profit/(loss) for the period		**441,959,509**	339,963,538
Total equity		**12,704,460,156**	**12,486,846,596**
NON-CURRENT LIABILITIES			
Provisions for employee benefits and other non-current provisions	(20)	**20,072,106**	25,441,360
Non-current financial liabilities	(21)	**2,561,442,000**	1,816,781,700
Other non-current liabilities	(22)	**13,560,651**	14,351,219
Deferred tax liabilities	(8)	**7,000,000**	-
Total non-current liabilities		**2,602,074,757**	**1,856,574,279**
Current liabilities			
Provisions for employee benefits and other current provisions	(23)	**9,273,701**	8,464,485
Trade payables	(24)	**41,011,205**	156,249,422
Current financial liabilities	(25)	**294,591,561**	156,711,975
Other payables	(26)	**368,407,888**	290,058,291
Total current liabilities		**713,284,355**	**611,484,173**
Liabilities to be demerged	(18)	**1,440,000,000**	-
TOTAL EQUITY AND LIABILITIES		**17,459,819,268**	**14,954,905,048**

(*) 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 Note 30.

STATEMENT OF CASH FLOWS(*)

(€ thousand)	2010	2009
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**474**	**495**
B) CASH FROM/(USED IN) OPERATING ACTIVITIES:		
Profit/(loss) for the period	441,959	339,964
Amortization and depreciation	1,714	1,706
Non-cash cost of stock option plans	17,241	4,659
Impairment losses/(reversals) on investments	(155,700)	858,000
Fair value adjustment to equity swaps on Fiat shares	(107,070)	(116,992)
Losses/(gains) on disposals	(33)	-
Change in provisions for employee benefits and other provisions	(4,559)	1,141
Change in deferred taxes	7,000	(5,858)
Change in working capital	(137,315)	274,280
TOTAL	**63,237**	**1,356,900**
C) CASH FROM/(USED IN) INVESTING ACTIVITIES:		
Investments relating to:		
Incorporation and capitalization of subsidiaries	(2,258,853)	(406,467)
Reductions in investments relating to:		
Proceeds from disposals	36	-
Other (investments)/disposals, net	3,706	(6,429)
TOTAL	**(2,255,111)**	**(412,896)**
D) CASH FROM/(USED IN) FINANCING ACTIVITIES:		
Change in current financial assets	197,418	(606,947)
Proceeds from non-current financial payables and other changes	2,194,660	6,251
Repayment of non-current financial payables	(400,000)	-
Change in current financial liabilities	436,681	(318,556)
Increase in share capital	-	-
Purchase of own shares	-	-
Sale of own shares	-	-
Dividends paid	(237,119)	(24,773)
TOTAL	**2,191,640**	**(944,025)**
E) NET CHANGE IN CASH AND CASH EQUIVALENTS	**(234)**	**(21)**
F) CASH AND CASH EQUIVALENTS AT END OF THE YEAR	**240**	**474**

(*) 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.

STATEMENT OF CHANGES IN EQUITY

(€ thousand)	Share capital	Share premium reserve	Legal reserve	Reserve available for the purchase of own shares	Reserve for own shares	Retained profit/ (loss)	Gains/ (losses) recognized directly in equity	Stock option reserve	Other reserves (2)	Own shares (1)	Profit/ (loss) for the year	Total equity
Balances at 31 December 2008	**6,377,263**	**1,540,885**	**639,503**	**1,142,740**	**656,553**	**1,084,578**	**(631)**	**96,431**	**89,829**	**(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**	**89,829**	**(656,553)**	**339,964**	**12,486,847**
Allocation of prior year profit:												
to the Legal reserve			16,998								(16,998)	-
distribution of dividends to shareholders											(237,119)	(237,119)
balance to retained profit						85,847					(85,847)	-
Carryforward and adjustment to reserve for the purchase of own shares				(599,293)		599,293						-
Valuation of stock option plans								17,241				17,241
Total comprehensive income for the period							(4,468)				441,959	437,491
Balances at 31 December 2010	**6,377,263**	**1,540,885**	**716,458**	**543,447**	**656,553**	**2,884,134**	**(2,028)**	**112,513**	**89,829**	**(656,553)**	**441,959**	**12,704,460**

(1) At 31 December 2010, own shares consisted of 38,568,458 ordinary shares having a total nominal value of €192,842 thousand (unchanged over 31 December 2009 and 31 December 2008).
(2) Other reserves includes the reserve pursuant to Law 413/1991, the extraordinary reserve and the reserve for Spin-off difference.

INCOME STATEMENT

pursuant to Consob Resolution no. 15519 of 27 July 2006

(€ thousand)	Note	2010	of which related parties (Note 30)	2009	of which related parties (Nota 30)
Dividends and other income from investments	(1)	**428,724**	**428,309**	1,259,831	1,259,691
Impairment (losses)/reversals on investments	(2)	**155,700**	**155,700**	(858,000)	(858,000)
Gains/(losses) on disposals	(3)	**6**	**6**	-	-
Other operating income	(4)	**61,762**	**52,202**	75,432	51,257
Personnel costs	(5)	**(43,385)**	**(21,549)**	(31,588)	(18,397)
Other operating costs	(6)	**(101,591)**	**(58,042)**	(85,905)	(47,285)
Financial income/(expense)	(7)	**(93,035)**	**(93,773)**	(13,691)	(5,885)
PROFIT/(LOSS) BEFORE TAXES		**408,181**		**346,079**	
Income taxes	(8)	**33,778**		(6,115)	
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		**441,959**		**339,964**	
Profit/(loss) from discontinued operations		**-**		-	
PROFIT/(LOSS)		**441,959**		**339,964**	

STATEMENT OF FINANCIAL POSITION

pursuant to Consob Resolution no. 15519 of 27 July 2006

(€ thousand)	Note	31 December 2010	of which related parties (Note 30)	31 December 2009	of which related parties (Note 30)
ASSETS					
Non-current assets					
Intangible assets	(9)	**317**		313	
Property, plant and equipment	(10)	**31,386**		31,445	
Investments	(11)	**11,423,279**	**11,406,271**	13,990,570	13,969,094
Other financial assets	(12)	**143,947**	**11,442**	26,887	16,782
Other non-current assets	(13)	**147**		203	
Deferred tax assets	(8)	**-**		-	
Total non-current assets		**11,599,076**		**14,049,418**	
Current assets					
Inventory	(26)	**-**		-	
Trade receivables	(14)	**8,078**	**342**	60,015	7,152
Current financial receivables	(15)	**311,526**	**311,526**	646,074	646,074
Other current receivables	(16)	**350,554**	**240,546**	198,923	121,910
Cash and cash equivalents	(17)	**240**		474	
Total current assets		**670,398**		**905,486**	
Assets to be demerged	(18)	**5,190,346**	**5,190,346**	-	
TOTAL ASSETS		**17,459,820**		**14,954,904**	
EQUITY AND LIABILITIES					
Equity	(19)				
Share capital		**6,377,263**		6,377,263	
Share premium reserve		**1,540,885**		1,540,885	
Legal reserve		**716,458**		699,460	
Other reserves and retained profit		**4,284,448**		4,185,828	
Own shares		**(656,553)**		(656,553)	
Profit/(loss) for the period		**441,959**		**339,964**	
Total equity		**12,704,460**		**12,486,847**	
NON-CURRENT LIABILITIES					
Provisions for employee benefits and other non-current provisions	(20)	**20,072**	**13,128**	25,441	17,444
Non-current financial liabilities	(21)	**2,561,442**	**2,561,442**	1,816,782	1,816,782
Other non-current liabilities	(22)	**13,561**		14,351	
Deferred tax liabilities	(8)	**7,000**		-	
TOTAL NON-CURRENT LIABILITIES		**2,602,075**		**1,856,574**	
Current liabilities					
Provisions for employee benefits and other current provisions	(23)	**9,274**	**-**	8,464	5,664
Trade payables	(24)	**41,011**	**2,264**	156,249	3,757
Current financial liabilities	(25)	**294,592**	**147,507**	156,712	96,321
Other payables	(26)	**368,408**	**351,500**	290,058	260,806
Total current liabilities		**713,285**		**611,483**	
Liabilities to be demerged	(18)	**1,440,000**	**1,440,000**	-	
TOTAL EQUITY AND LIABILITIES		**17,459,820**		**14,954,904**	

STATEMENT OF CASH FLOWS

pursuant to Consob Resolution no. 15519 of 27 July 2006

(€ thousand)	2010	of which related parties	2009	of which related parties
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**474**		**495**	
B) CASH FROM/(USED IN) OPERATING ACTIVITIES:				
Profit/(loss) for the period	441,959		339,964	
Amortization and depreciation	1,714		1,706	
Non-cash cost of stock option plans	17,241	17,241	4,659	6,385
Impairment losses/(reversals) on investments	(155,700)	(155,700)	858,000	858,000
Fair value adjustment to equity swaps on Fiat shares	(107,070)	(107,070)	(116,992)	(116,992)
Losses/(gains) on disposals	(33)		-	
Change in provisions for employee benefits and other provisions	(4,559)	(9,980)	1,141	6,260
Change in deferred taxes	7,000		(5,858)	
Change in working capital	(137,315)	(22,610)	274,280	(34,356)
TOTAL	**63,237**		**1,356,900**	
C) CASH FROM/(USED IN) INVESTING ACTIVITIES:				
Investments relating to:				
Incorporation and capitalization of subsidiaries	(2,258,853)	(2,258,853)	(406,467)	(406,467)
Reductions in investments relating to:				
Proceeds from disposals	36	36	-	
Other (investments)/disposals, net	3,706		(6,429)	
TOTAL	**(2,255,111)**		**(412,896)**	
D) CASH FROM/(USED IN) FINANCING ACTIVITIES:				
Change in current financial assets	197,418	197,418	(606,947)	(606,947)
Proceeds from non-current financial payables and other changes	2,194,660	2,194,660	6,251	6,251
Repayment of non-current financial payables	(400,000)	(400,000)	-	
Change in current financial liabilities	436,681	472,386	(318,556)	(64,790)
Increase in share capital	-		-	
Purchase of own shares	-		-	
Sale of own shares	-		-	
Dividends paid	(237,119)	(66,935)	(24,773)	
TOTAL	**2,191,640**		**(944,025)**	
E) NET CHANGE IN CASH AND CASH EQUIVALENTS	**(234)**		**(21)**	
F) CASH AND CASH EQUIVALENTS AT END OF THE YEAR	**240**		**474**	

NOTES TO THE STATUTORY FINANCIAL STATEMENTS

PRINCIPAL ACTIVITIES

Fiat S.p.A. (the "Company") is a corporation organized 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 2010.

Demerger and presentation of assets and liabilities to be demerged

Pursuant to the Deed of Demerger executed on 16 December 2010, the Demerger – approved by the Shareholders of Fiat S.p.A. and Fiat Industrial S.p.A. on 16 and 17 September 2010, respectively – became effective on 1 January 2011. The Demerger consisted of the transfer by Fiat S.p.A. of its shareholdings in companies operating in the Agricultural and Construction Equipment (CNH), Trucks and Commercial Vehicles (Iveco) and related powertrain (FPT Industrial) sectors, in addition to other assets and liabilities detailed in the Demerger Plan (and described further on in this document), to Fiat Industrial S.p.A.

Pursuant to IFRS 5 – *Assets held for sale and discontinued operations*, in the statement of financial position of the parent company for the year ended 31 December 2010, Assets to be Demerged and Liabilities to be Demerged are presented separately from other assets and liabilities due to the fact that they constitute a "disposal group". Details of the component elements of those line items are provided in Note 18 to the Financial Statements.

Finally, as the Demerger is a "business combination involving entities or businesses under common control", it is outside the scope of application of IFRS 3 and IFRIC 17. Accordingly, no adjustment to the carrying amount of assets and liabilities to be demerged has been made. For the purposes of the statutory financial statements, given Fiat S.p.A.'s role as a holding company, the classification of Discontinued Operations does not exist and therefore the value of that line item in the income statement is zero.

SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The 2010 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 the continuing 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. In the Consolidated Statement of Financial Position, the portfolios of the financial services companies are included under current assets, as they will be realized in the course of the normal operating cycle. In addition, the financial services companies only obtain a portion of their funding directly from the market: the remainder is obtained from the Group's treasury companies (included under industrial activities), which provide funding both to industrial companies and financial services companies within the Group, on the basis of their specific requirements.

Given the distribution of the financial services activities 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 recognized 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 amortization 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 capitalized 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 recognized 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 recognized. A reversal of an impairment loss is recognized 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 recognized 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 impairment. Where evidence of impairment exists, an impairment loss is recognized 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 intention to cover these losses, the company's interest is reduced to zero and a liability is recognized for its share of the additional losses. If the impairment loss subsequently no longer exists or is reduced, a reversal is recognized 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 recognized 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 recognized in equity, are reclassified in the income statement for the period; when the asset is impaired, accumulated losses are recognized 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 recognized 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 amortized 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 amortized 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 their original cost), including any transaction costs.

Financial liabilities are subsequently measured at amortized 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 recognized 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 recognized 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 recognized 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 recognized 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 recognized 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 recognized 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 recognized directly in equity. The cumulative gain or loss is removed from equity and recognized in the income statement in the same period in which the hedged transaction is recognized. The gain or loss associated with a hedge or part of a hedge that has become ineffective is recognized 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 realized to the point of termination remains in shareholders' equity and is recognized in the income statement at the same time as the underlying transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealized gain or loss recognized in equity is immediately transferred to the income statement. If hedge accounting cannot be applied, the gains or losses from the fair value measurement of derivative financial instruments are recognized immediately in the income statement.

Inventory

Inventory consists of contract work in progress related, in particular, to long-term construction contracts between Fiat S.p.A. and Treno Alta Velocità – T.A.V. S.p.A. (merged into Rete Ferroviaria Italiana S.p.A. from 31 December 2010) under which Fiat S.p.A. as general contractor coordinates, organizes and manages the work.

Work in progress refers to activities carried out directly and is recognized through measurement of the total contract income on a percentage completion basis, with the incremental portion of the work performed to date being recognized 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 recognized 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 value of advances received exceeds inventory, any excess is recognized as advances under other payables.

Sales of receivables

Receivables sold in factoring transactions are derecognized 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 recognized 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 transaction 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 benefit plans

The company provides pension plans and other post-employment benefit 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 benefit 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 recognized 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 recognized 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 amortized 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 recognize 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 recognized under financial expense.

The post-employment benefit obligation recognized in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognized actuarial gains and losses, arising from the application of the corridor method and unrecognized 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 recognized 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 recognized in the income statement on a straight-line basis over the period from the grant date to the vesting date, and a balancing entry recognized 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 recognized 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 recognizes 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.

Own shares
Own shares are recognized as a deduction from equity. The original cost of own shares, proceeds of any subsequent sale and other changes are presented as movements in equity.

Dividends received and receivable

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

Revenue recognition

Revenue is recognized 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 from construction contracts are recognized using the percentage completion method described under inventory.

Financial income and expense

Financial income and expense are recognized 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 capitalized and amortized 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 recognized 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 recognized 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 recognized to the extent that it is probable that future taxable profit will be available against which they can be utilized.

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 program 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 and again in 2010, both times for a minimum three-year period.

Fiat S.p.A. acts as the consolidating company in this program and calculates a single taxable base for the group of companies taking part, enabling benefits to be realized 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. recognizes receivables from companies contributing taxable income, corresponding to the amount of IRES (corporate income tax) paid on its behalf. In the case of a company contributing a tax loss to the consolidation, Fiat S.p.A. recognizes a payable to that company for the amount of the loss actually set off at group level.

Dividends payable

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

Use of estimates

The preparation of financial statements and related disclosures that conform to IFRS requires management to make judgments, 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 recognized 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 recent economic and financial crisis and the consequent difficulties experienced in many markets has led to the need to make assumptions regarding future performance which are characterized by significant uncertainty. As a consequence, therefore, it cannot be excluded that results may arise during the year which differ from estimates, and which may subsequently require adjustments, even significant, to the carrying amount of the item(s) in question, which obviously at present can neither be estimated nor predicted. The line item most impacted by the use of estimates is “investments in subsidiaries and associates” included 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 line item “investments in subsidiaries and associates” was primarily influenced by estimates used in determination of the carrying amount of Fiat Group Automobiles S.p.A. (FGA), given the relative weighting of that investment. For the 2010 financial statements, the investment has been measured on the basis of its estimated “value in use”. Those estimates took into account expected performance for 2011, and the assumptions and resulting output are consistent with statements made in the Report on Operations under “Subsequent Events and Outlook”, in addition to the Fiat Group 2010-2014 Business Plan presented to the financial community on 21 April 2010. For valuation purposes, 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 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. The present value was calculated using a discount rate of 14.5%, considered prudent for the industry sector and geographic markets in which this subsidiary operates. The estimates and underlying assumptions provided reasonable support for the determination that no writedowns or reversals in value were necessary for 2010.

Accounting standards, amendments and interpretations effective from 1 January 2010 but not applicable to the Company

The following amendments, improvements and interpretations, effective from 1 January 2010, relate to issues that were not applicable to the Company at the date of these financial statements, but which may have an impact on the accounting treatment of future transactions or arrangements:

- IFRS 3 (2008) – *Business combinations*.
- IAS 27 (2008) – *Consolidated and Separate Financial Statements*.
- Improvement to IFRS 5 (2009) – *Non-current Assets Held for Sale and Discontinued Operations*.
- Amendment to IAS 28 – *Investments in Associates* and IAS 31 – *Interests in Joint Ventures* consequential to the amendment to IAS 27.
- Improvements to IAS/IFRS (2009).

- Amendment to IFRS 2 – *Share based Payment: Group Cash-settled Share-based Payment Transactions*.
- IFRIC 17 – *Distributions of Non-cash Assets to Owners*.
- IFRIC 18 – *Transfers of Assets from Customers*.
- Amendment to IAS 39 – *Financial Instruments: Recognition and Measurement: Eligible Hedged items*.

Accounting standards, amendments and interpretations not yet applicable and not early adopted by the Company

On 8 October 2009, the IASB issued an amendment to IAS 32 – *Financial Instruments: Presentation* on "Classification of rights issues", which addresses accounting for rights issues (rights, options or warrants) denominated in a currency other than an issuer's functional currency. Previously such rights issues were accounted for as derivative liabilities. However, the amendment requires that, provided certain conditions are met, such rights are classified as equity regardless of the currency in which the exercise price is denominated. The amendment is applicable retrospectively from 1 January 2011. Adoption of this amendment is not expected to have any impact on the Company's financial statements.

On 4 November 2009, the IASB issued a revised version of IAS 24 – *Related Party Disclosures* that simplifies the disclosure requirements for transactions with 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. Adoption of this standard will have no effect on the measurement of items in the financial statements.

On 12 November 2009, the IASB issued IFRS 9 – *Financial Instruments*, which was amended on 28 October 2010. The new standard, effective from 1 January 2013, represents completion of the first phase of a project to replace IAS 39 and introduces new requirements for classifying and measuring financial assets and liabilities and derecognition of financial assets. For financial assets, the standard uses a single approach to determine whether a financial asset is measured at amortized cost or fair value – replacing the many different rules in IAS 39 – which is based on how an entity manages its financial instruments and the contractual cash flow characteristics of the financial assets. For financial liabilities, on the other hand, the principal change relates to the recognition of changes in fair value of financial liabilities measured at fair value through profit or loss, when such changes are due to changes in the credit risk of the liability. According to the new standard, these changes must be recognized in other comprehensive income rather than through profit or loss. At the date of these financial statements, the new standard had not yet been endorsed by the European Union.

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 an entity to treat the benefit of such early payment as an asset. The amendment has an effective date for mandatory adoption of 1 January 2011. Adoption of this amendment is not expected to have any impact on the Company's financial statements.

On 26 November 2009, 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 through 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 initial measurement of the equity instruments issued is recognized in profit or loss for the period. Adoption of the interpretation is mandatory from 1 January 2011. Adoption of this amendment is not expected to have any impact on the Company's financial statements.

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

- IFRS 1 – *First-time Adoption of International Financial Reporting Standards*: this amendment clarifies that if an entity has to measure its assets at fair value due to a special event such as an IPO or a privatization in accordance with local law, the revalued amount may also be used in preparation of the IFRS financial statements even if the company had already determined the fair value of assets and liabilities existing at the date of transition to IFRSs.
- IFRS 7 – *Financial Instruments: Disclosures*: this amendment emphasizes the interaction between the qualitative and quantitative disclosures required by the standard concerning the nature and extent of risks arising from financial instruments. This should help users of financial statements to link related disclosures and hence form an overall picture of the nature and extent of risks arising from financial instruments. In addition, the disclosure requirement relating to financial assets that are past due or impaired, but whose term has been renegotiated, and to the fair value of collateral has been removed.

Adoption of these improvements is not expected to have any impact on the Company's financial statements.

On 7 October 2010, the IASB issued amendments to IFRS 7 – *Financial Instruments: Disclosures*, applicable for reporting periods commencing on or after 1 July 2011. The amendments allow users of financial statements to improve their understanding of transfers of financial assets, including understanding the possible effects of any risks that may remain with the entity that transferred the assets. The amendments also require additional disclosures if a disproportionate amount of transfers are undertaken around the end of a reporting period. At the date of these financial statements, application of these amendments had not yet been endorsed by the European Union.

On 20 December 2010, the IASB issued a minor amendment to IAS 12 – *Income taxes*, requiring an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. As a result of this amendment, SIC 21 – *Income Taxes – Recovery of Revalued Non-Depreciable Assets* will no longer apply. Adoption of the amendment is mandatory from 1 January 2012. At the date of these financial statements, the amendment had not yet been endorsed by the European Union.

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.

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)	2010	2009
Dividends from subsidiaries:		
Fiat Finance S.p.A.	**180,000**	-
Magneti Marelli S.p.A.	**99,990**	-
Fiat Powertrain Technologies S.p.A.	**80,000**	-
Fiat Netherlands Holding N.V.	**50,000**	-
Business Solutions S.p.A.	**18,319**	-
Fiat Group Automobiles S.p.A.	**-**	700,000
Iveco S.p.A. (renamed Fiat Gestione Partecipazioni S.p.A.)	**-**	559,691
Total dividends from subsidiaries	**428,309**	1,259,691
Dividends from other companies	**415**	140
Total dividends and other income from investments	**428,724**	**1,259,831**

For 2010, dividends from other companies related to dividends received from Fin. Priv. S.r.l. (€349 thousand) and Assicurazioni Generali S.p.A. (€66 thousand). For 2009, they included dividends 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)	2010	2009
Impairment losses:		
Fiat Powertrain Technologies S.p.A.	**(80,000)**	-
Comau S.p.A.	**(7,100)**	(51,000)
Teksid Aluminum S.r.l.	**(11,100)**	(31,000)
Fiat Industrial S.p.A.	**(6,100)**	-
Fiat Partecipazioni S.p.A.	**-**	(16,000)
Iveco S.p.A. (renamed Fiat Gestione Partecipazioni S.p.A.)	**-**	(560,000)
Fiat Group Automobiles S.p.A.	**-**	(200,000)
Total impairment losses	**(104,300)**	**(858,000)**
Reversal of impairment losses:		
Fiat Gestione Partecipazioni S.p.A. (formerly Iveco S.p.A.)	**260,000**	-
Total value of reversals	**260,000**	-
Total impairment (losses)/reversals on investments	**155,700**	**(858,000)**

As detailed in Note 11, as part of the transactions preliminary to the Demerger, Iveco S.p.A. sold (with effect from 1 December 2010 and on the basis of a valuation performed by an independent expert) its trucks and commercial vehicles and “Industrial & Marine” powertrain activities to two subsidiaries of Fiat S.p.A. (Nuove Iniziative Finanziarie Cinque S.p.A. and Nuova Immobiliare Nove S.p.A., later renamed Iveco S.p.A. and FPT Industrial S.p.A.) included within the group of activities to be transferred under the Demerger. Subsequent to that transaction, Iveco S.p.A. was renamed Fiat Gestione Partecipazioni S.p.A. At 31 December 2010, the carrying amount of the shareholding, which had been reduced by €560 million in 2009, was brought into line with the book value of the company’s equity (which is deemed representative of its recoverable amount) resulting in an impairment reversal of €260 million.

Impairment losses recognized on the shareholdings in Fiat Powertrain Technologies S.p.A., Comau S.p.A. and Teksid Aluminum S.r.l. were substantially attributable to losses for the year and other changes in equity reported by those subsidiaries for the period and the adjusted carrying amounts are deemed representative of their estimated recoverable amount.

The writedown on the shareholding in Fiat Industrial S.p.A. (incorporated in 2010 to become the holding company for the demerged activities) reflects costs incurred by the subsidiary during 2010, primarily in relation to incorporation and admission of its shares to listing on the Mercato Telematico Azionario (MTA) managed by Borsa Italiana S.p.A.

With regard to the shareholding in Fiat Group Automobiles S.p.A., the estimates and assumptions used for preparation of the financial statements, as described in the section “Use of Estimates”, provided reasonable support for maintaining the carrying amount recognized in the 2009 financial statements unchanged, except for the capital increase undertaken during the year. This shareholding, which in 2005 and prior years was 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 2010, the carrying amount of the shareholding was €5,524 million.

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

3. Gains/(losses) on disposals

For 2010, there was a €6 thousand gain on the sale of the 0.17% direct interest held in Elasis–Società Consortile per Azioni to Fiat Group Automobiles S.p.A. and Fiat Partecipazioni S.p.A.

No gains or losses were reported for 2009.

4. Other operating income

The following table provides a breakdown of other operating income:

(€ thousand)	2010	2009
Revenues from services rendered to Group companies	**45,137**	45,229
Revenues from services rendered to third parties	**-**	182,049
Changes in construction contract work in progress	**5,456**	(164,254)
Other revenues and income from Group companies	**6,986**	6,028
Other revenues and income from third parties	**4,183**	6,380
Total other operating income	**61,762**	**75,432**

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 2009, revenues from services rendered to third parties related to fees payable to Fiat S.p.A. for activities carried out directly by the Company (management, coordination and organization) in relation to the contract with Treno Alta Velocità – T.A.V. S.p.A. for the Turin-Novara line. These revenues were recognized following the closure of the project from an accounting perspective upon completion of the residual portion of work 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 organization) in relation to contracts with Treno Alta Velocità – T.A.V. S.p.A. (merged into Rete Ferroviaria Italiana S.p.A. from 31 December 2010) that were still in progress at the end of the year (the Florence-Bologna line and Novara-Milan line). In 2009, this value was shown net of fees relating to the Turin-Novara line that were no longer recognized under contract work in progress but instead under revenues.

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.

The overall decrease in other operating income over 2009 was due to the winding down of contract work for T.A.V. S.p.A. (now Rete Ferroviaria Italiana S.p.A.).

5. Personnel costs

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

(€ thousand)	2010	2009
Wages and salaries	20,821	20,692
Defined contribution plans and social security contributions	7,968	7,921
Employee severance indemnity and other defined benefit plans	389	389
Compensation component from stock option plans	-	(3,494)
Other personnel costs	14,207	6,080
Total personnel costs	**43,385**	**31,588**

The average number of employees for the year decreased from 152 in 2009 (66 managers, 79 white-collars and 7 blue-collars) to 144 in 2010 (63 managers, 74 white-collars and 7 blue-collars). As described in Note 4, certain of the company's managers (an average of 10 managers in 2010 and 11 in 2009) 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 organization (INPS) and other social security and assistance organizations 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 organization 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 recognized against the relevant equity reserve (see Note 19). In 2009, as performance targets for the relative tranches of the November 2006 and July 2008 Plans vesting during the period were not met, the probability of subsequent tranches vesting was re-evaluated and, at year-end 2009, Fiat S.p.A. released accruals for the notional cost of those tranches which had been recognized in prior years. No related charges arose in 2010.

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

For 2010, compensation to executives with strategic responsibilities was €21,549 thousand (€10,121 thousand of which was charged back to the Group companies where they carried out their activities). The total cost included the following:

- severance indemnity accrued during the year, amounting to €986 thousand;
- contributions by the Company to state and company defined contribution schemes and social security contributions for €4,582 thousand;
- costs for the year for a special defined benefit plan, amounting to €384 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)	2010	2009
Costs for services rendered by Group companies	22,810	25,352
Costs for services rendered by third parties	48,298	39,592
Compensation component from stock option and stock grant plans	17,241	8,154
Leases and rentals	3,254	3,685
Purchase of goods	688	734
Depreciation of property, plant and equipment	1,674	1,644
Amortization of intangible assets	40	62
Misc. operating costs	7,586	6,682
Total other operating costs	**101,591**	**85,905**

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 legal, administrative and financial services as well as IT and technical services (T.A.V.). The increase over the prior year also reflects costs related to the Demerger of approximately €8 million.

For 2010, compensation for directors and statutory auditors of Fiat S.p.A. amounted to €6,554 thousand and €230 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 and stock grant plans is connected with the options granted to the Chief Executive Officer and is represented by the notional cost, with the offsetting credit recognized directly in the relevant equity reserve (see Note 19).

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

7. Financial income/(expense)

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

(€ thousand)	2010	2009
Financial income	31,210	14,190
Financial expense	(234,830)	(144,873)
Net gains/(losses) from derivative financial instruments	110,585	116,992
Total financial income/(expense)	**(93,035)**	**(13,691)**

Financial income consisted of the following:

(€ thousand)	2010	2009
Financial income from Group companies:		
Interest income on current account with Fiat Finance S.p.A.	22,938	3,427
Fee income for sureties and personal guarantees	5,255	5,440
Other financial income	52	63
Total financial income from Group companies	28,245	8,930
Financial income from third parties:		
Interest income on bank and other deposits	6	9
Interest income on tax credits	2,963	5,134
Total financial income from third parties	2,969	5,143
Currency translation gains/(losses)	(4)	117
Total financial income	**31,210**	**14,190**

Financial expense consisted of the following:

(€ thousand)	2010	2009
Financial expense to Group companies:		
Interest expense on current account with Fiat Finance S.p.A.	-	598
Interest expense on Fiat Finance S.p.A. loans	224,955	124,590
Commissions and other charges payable to Fiat Netherlands Holding N.V.	5,808	6,255
Commissions and other charges payable to Fiat Finance S.p.A.	79	7
Commissions and other charges payable to Fidis S.p.A.	1,642	91
Interest and financial expense to other Group companies	119	266
Total financial expense to Group companies	232,603	131,807
Financial expense to third parties:		
Interest expense and charges for the sale of receivables	847	8,778
Financial expense on employee benefits	517	1,084
Other third party interest and financial expense	863	3,204
Total financial expense to third parties	2,227	13,066
Total financial expense	**234,830**	**144,873**

Net income from derivative financial instruments of €110,585 thousand (net income of €116,992 thousand for 2009) was essentially attributable to the gain arising from the change in fair value of the two equity swaps (which expire in 2011, 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 2010, 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. Following the Demerger, those equity swaps will based on the stock market performance of a basket consisting of the shares in Fiat S.p.A. and in Fiat Industrial S.p.A.

8. Income taxes

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

(€ thousand)	2010	2009
Current taxes:		
IRES	(39,619)	-
IRAP	-	-
Total current taxes	(39,619)	-
Deferred taxes for the period:		
IRAP	7,000	(5,858)
Total deferred taxes for the period	7,000	(5,858)
Taxes relating to prior periods	(1,159)	11,973
Total income taxes	**(33,778)**	**6,115**

Current IRES tax for 2010 represents a €39,619 thousand income and relates to compensation receivable by Fiat S.p.A. for tax loss carryforwards contributed to the domestic tax consolidation scheme.

Deferred IRAP relates to profit recognized on contract work in progress with T.A.V. S.p.A. (now Rete Ferroviaria Italiana S.p.A.)., for which there is a timing difference between taxation and accounting recognition.

Taxes relating to prior periods represents income of €1,159 thousand related to the prior year's domestic tax consolidation. For 2009, taxes relating to prior periods of €11,973 thousand consisted almost entirely of IRAP paid during the year in relation to the prior year's income.

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

(€ thousand)	2010	2009
Theoretical income taxes	112,250	95,172
Tax effect of permanent differences	(148,589)	(90,928)
Taxes relating to prior periods	(1,159)	(2)
Tax loss carryforwards utilized	(3,280)	(4,244)
Current and deferred income tax recognized in the financial statements, excluding IRAP	**(40,778)**	**(2)**
IRAP (current and deferred)	7,000	6,117
Income taxes reported in the income statement (current and deferred income taxes)	**(33,778)**	**6,115**

Theoretical income taxes are calculated by applying the IRES tax rate (27.5% for 2009 and 2010) 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 €183,506 thousand in 2010 (€329,236 thousand in 2009) and of non-deductible costs amounting to €34,917 thousand in 2010 (€238,308 thousand in 2009). In particular, for 2010 the tax effect of non-taxable income was principally attributable to dividends (€112,004 thousand vs. €329,131 thousand in 2009) and impairment reversals on investments (€71,500 thousand). Non-deductible costs principally included impairment losses on investments whose tax effect was €28,682 thousand (€235,950 thousand in 2009).

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

(€ thousand)	31 December 2009	Recognized in income statement	Charged to equity	31 December 2010
Deferred tax assets arising from:				
Taxed provisions and other minor differences	8,300	(515)	-	**7,785**
Total deferred tax assets	**8,300**	**(515)**	**-**	**7,785**
Deferred tax liabilities arising from:				
Measurement of construction contracts by the percentage completion method	-	(47,010)	-	**(47,010)**
Others	(422)	37	-	**(385)**
Total deferred tax liabilities	**(422)**	**(46,973)**	**-**	**(47,395)**
Theoretical tax benefit arising from tax loss carryforwards	**378,397**	**(318,555)**	**-**	**59,842**
Adjustments for assets whose recoverability is not probable	**(386,275)**	**359,043**	**-**	**(27,232)**
Total deferred tax liabilities, net of deferred tax assets	**-**	**(7,000)**	**-**	**(7,000)**

Deferred tax assets were determined through a critical analysis of the existence of the conditions for their future realization, using updated strategic plans and the related tax plans. As a consequence, the total theoretical future tax benefit arising from deductible temporary differences (€7,785 thousand at 31 December 2010 and €8,300 thousand at 31 December 2009) and tax loss carryforwards (€59,842 thousand at 31 December 2010 and €378,397 thousand at 31 December 2009) was rzeduced by €27,232 thousand at 31 December 2010 (€386,275 thousand at 31 December 2009).

Total temporary differences (deductible and taxable) and tax losses at 31 December 2010 and amounts for which deferred tax assets have not been recognized, broken down by year of expiry, are as follows:

		Year of expiry				
(€ thousand)	Total at 31 December 2010	2011	2012	2013	2014	Beyond 2014
Temporary differences and tax losses relating to IRES:						
Deductible temporary differences	**28,270**	21,433	687	687	687	4,776
Taxable temporary differences	**(146,852)**	(145,451)	-	-	-	(1,401)
Tax losses	**217,606**	151,667	48,708	-	5,205	12,026
Temporary differences and tax losses for which deferred tax assets have not been recognized	**(99,024)**	(27,649)	(49,395)	(687)	(5,892)	(15,401)
Temporary differences and tax losses subject to national taxation	**-**	**-**	**-**	**-**	**-**	**-**
Temporary differences relating to IRAP:						
Deductible temporary differences	**222**	222	-	-	-	-
Taxable temporary differences	**(145,451)**	(145,451)	-	-	-	-
Temporary differences and tax losses subject to local taxation	**(145,229)**	**(145,229)**	**-**	**-**	**-**	**-**

9. Intangible assets

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

At 31 December 2010, intangible assets totaled €317 thousand and were subject to the following changes during the year:

(€ thousand)	31 December 2009	Additions	Amortization	(Decreases) and Other changes	31 December 2010
Gross carrying amount	573	44	-	(105)	**512**
Accumulated amortization	(260)	-	(40)	105	**(195)**
Net carrying amount	**313**	44	(40)	-	**317**

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

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

During 2009, changes in intangible assets were as follows:

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

10. Property, plant and equipment

At 31 December 2010, property, plant and equipment totaled €31,386 thousand and were subject to the following changes during the year:

(€ thousand)	31 December 2009	Additions	Depreciation	(Decreases) and Other changes	31 December 2010
Land and buildings					
Gross carrying amount	46,082	-	-	-	**46,082**
Accumulated depreciation	(16,877)	-	(1,352)	-	**(18,229)**
Net carrying amount	**29,205**	-	(1,352)	-	**27,853**
Plant and machinery					
Gross carrying amount	10,135	340	-	-	**10,475**
Accumulated depreciation	(10,021)	-	(84)	-	**(10,105)**
Net carrying amount	**114**	340	(84)	-	**370**
Other tangible assets					
Gross carrying amount	4,775	589	-	(199)	**5,165**
Accumulated depreciation	(2,649)	-	(238)	199	**(2,688)**
Net carrying amount	**2,126**	589	(238)	-	**2,477**
Assets under development and advances	-	687	-	-	**687**
Total property, plant and equipment					
Gross carrying amount	**60,992**	**1,616**	**-**	**(199)**	**62,408**
Accumulated depreciation	**(29,547)**	**-**	**(1,674)**	**199**	**(31,022)**
Net carrying amount	**31,445**	**1,616**	**(1,674)**	**-**	**31,386**

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.

Assets under development and advances related to expenses recognized in 2010 for renovation of the Centro Storico Fiat (Via Chiabrera 20, Turin).

At 31 December 2010, there were no contractual commitments to purchase items of property, plant and equipment or assets under development of a significant amount.

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

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

During 2009 changes in Property, plant and equipment were as follows:

(€ thousand)	31 December 2008	Additions	Depreciation	(Decreases) and Other changes	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**

11. Investments

At 31 December 2010, investments totaled €11,423,279 thousand and underwent the following changes during the year:

(€ thousand)	31 December 2009	Additions	Decreases	Impairment (losses)/reversals and Fair value adjustments	Reclassification to Assets to be demerged	31 December 2010
Investments in subsidiaries	13,837,309	2,258,853	(30)	155,700	(4,977,346)	**11,274,486**
Investments in associates	131,785	-	-	-	-	**131,785**
Investments in other companies	21,476	-	-	(4,468)	-	**17,008**
Total investments	**13,990,570**	**2,258,853**	**(30)**	**151,232**	**(4,977,346)**	**11,423,279**

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

(€ thousand)	% interest	31 December 2009	Additions	Decreases	Impairment (losses)/ reversals	Reclassification to Assets to be demerged	31 December 2010
Fiat Group Automobiles S.p.A.	100.00	**4,474,081**	1,050,000				**5,524,081**
Gross carrying amount		7,381,081	1,050,000				**8,431,081**
Accumulated impairment losses		(2,907,000)					**(2,907,000)**
Ferrari S.p.A.	85.00	**1,055,204**					**1,055,204**
Gross carrying amount		1,055,204					**1,055,204**
Accumulated impairment losses		-					**-**
Maserati S.p.A.	100.00	**103,798**					**103,798**
Gross carrying amount		103,798					**103,798**
Accumulated impairment losses		-					**-**
Fiat Netherlands Holding N.V.	100.00	**3,827,346**	750,000			(4,577,346)	**-**
Gross carrying amount		3,827,346	750,000			(4,577,346)	**-**
Accumulated impairment losses		-					**-**
Fiat Gestione Partecipazioni S.p.A. (formerly Iveco S.p.A.)	100.00	**1,573,632**			260,000		**1,833,632**
Gross carrying amount		2,133,632					**2,133,632**
Accumulated impairment losses		(560,000)			260,000		**(300,000)**
Fiat Powertrain Technologies S.p.A.	100.00	**648,912**			(80,000)		**568,912**
Gross carrying amount		648,912					**648,912**
Accumulated impairment losses		-			(80,000)		**(80,000)**
Magneti Marelli S.p.A.	99.99	**611,854**					**611,854**
Gross carrying amount		611,854					**611,854**
Accumulated impairment losses		-					**-**
Teksid S.p.A.	84.79	**76,084**					**76,084**
Gross carrying amount		129,070					**129,070**
Accumulated impairment losses		(52,986)					**(52,986)**
Teksid Aluminum S.r.l.	100.00	**37,292**	12,500		(11,100)		**38,692**
Gross carrying amount		68,292	12,500				**80,792**
Accumulated impairment losses		(31,000)			(11,100)		**(42,100)**
Comau S.p.A.	100.00	**92,050**	40,000		(7,100)		**124,950**
Gross carrying amount		582,781	40,000				**622,781**
Accumulated impairment losses		(490,731)			(7,100)		**(497,831)**
Fiat Partecipazioni S.p.A.	98.64	**934,452**					**934,452**
Gross carrying amount		950,452					**950,452**
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	**57,024**					**57,024**
Gross carrying amount		58,585					**58,585**
Accumulated impairment losses		(1,561)					**(1,561)**
Other subsidiaries		**123,317**	406,353	(30)	(6,100)	(400,000)	**123,540**
Gross carrying amount		182,882	406,353	(30)		(400,000)	**189,205**
Accumulated impairment losses		(59,565)			(6,100)		**(65,665)**
Total investments in subsidiaries		**13,837,309**	**2,258,853**	**(30)**	**155,700**	**(4,977,346)**	**11,274,486**
Gross carrying amount		17,956,152	2,258,853	(30)		(4,977,346)	**15,237,629**
Accumulated impairment losses		(4,118,843)			155,700		**(3,963,143)**

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

- Certain subsidiaries were recapitalized during the year in order to strengthen their capital structure. Investments made were as follows: Fiat Group Automobiles S.p.A. (€1,050 million); Fiat Netherlands Holding N.V. (€750 million) Comau S.p.A. (€40 million) and Teksid Aluminum S.r.l. (€12.5 million).
- Transactions preliminary to the Demerger included the incorporation of Fiat Industrial S.p.A. (with share capital of €120,000 and subsequent capital contributions of €6.1 million to ensure the funds necessary to cover start-up costs) and Fiat Industrial Finance S.p.A. (with share capital of €100 million), as well as the purchase from Fiat Partecipazioni S.p.A. and subsequent capital increases of Nuove Iniziative Finanziarie Cinque S.p.A. (later renamed Iveco S.p.A.) and Nuova Immobiliare Nove S.p.A. (later renamed FPT Industrial S.p.A.) in the amount of €200 million and €100 million, respectively. These two subsidiaries were involved in the reorganization, preliminary to the Demerger, of the legal structure of activities under the former Iveco S.p.A. (now Fiat Gestione Partecipazioni S.p.A.), which sold (with effect from 1 December 2010 and on the basis of a valuation performed by an independent expert) its trucks and commercial vehicles and "Industrial & Marine" powertrain activities to Nuove Iniziative Finanziarie Cinque S.p.A. and Nuova Immobiliare Nove S.p.A., respectively.
- The shareholdings to be transferred from Fiat S.p.A. to Fiat Industrial S.p.A. under the Demerger (Fiat Netherlands Holding N.V., new Iveco S.p.A., FPT Industrial S.p.A. and Fiat Industrial Finance S.p.A.), with a total book value of €4,977,346 thousand, were reclassified under "Assets to be demerged" (see Note 18).

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

A breakdown of investments in associates and changes during the year is as follows:

(€ thousand)	% interest	31 December 2009	Additions	Decreases	Impairment (losses)/ reversals	31 December 2010
RCS MediaGroup S.p.A.	10.09	131,785	-	-	-	**131,785**
Total investments in associates		**131,785**	**-**	**-**	**-**	**131,785**

The carrying value of the interest in RCS MediaGroup S.p.A. (a listed company) was €53 million higher than the corresponding stock market value at the balance sheet date (€34 million higher at year-end 2009), a value which continues to reflect a discount to the book value of equity. Therefore, given the relative carrying value of the investment in the Group's accounts, where it is recognized under the equity method, as well as the relative stake held, for which the current stock market price (which continues to be influenced by weak economic conditions in Italy) is not representative, it was deemed reasonable that the recoverable value of the investment is at least equivalent to the current carrying amount.

A breakdown of investments in other companies and changes during the year is provided below:

(€ thousand)	% interest	31 December 2009	Additions	Decreases	Fair value adjustments	31 December 2010
Fin.Priv. S.r.l.	14.28	17,943	-	-	(3,603)	**14,340**
Assicurazioni Generali S.p.A.	0.01	3,533	-	-	(865)	**2,668**
Total investments in other companies		**21,476**	**-**	**-**	**(4,468)**	**17,008**

As they are non-current financial assets and not held for trading, investments in other companies are recognized 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 total decrease of €4,468 thousand in investments in other companies for 2010, which was recognized directly in equity (see Note 19).

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).

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

At 31 December 2010 and 2009, no investments held by the company had been pledged as security for financial or contingent liabilities.

During 2009, changes in investments were as follows:

(€ thousand)	31 December 2008	Additions	Decreases	Impairment (losses)/reversals and Fair value adjustments	31 December 2009
Investments in subsidiaries	14,294,661	406,467	(5,819)	(858,000)	**13,837,309**
Investments in associates	131,785	-	-	-	**131,785**
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**

12. Other financial assets

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

(€ thousand)	31 December 2010	31 December 2009	Change
Call option on Ferrari S.p.A. shares	**-**	10,032	(10,032)
Financial asset relating to exercise of the call option on Ferrari S.p.A shares	**132,431**	-	132,431
Fees receivables for guarantees given	**11,442**	16,782	(5,340)
Debt securities	**74**	73	1
Total other financial assets	**143,947**	**26,887**	**117,060**

At 31 December 2009, the call option on Ferrari S.p.A. shares included the value of the premium paid in October 2006 (€10,032 thousand) for a call option on the 5% interest in Ferrari S.p.A. held by Mubadala Development Company PJSC. The option expired on 31 July 2010 and had an exercise price of €302.07 per share, less the value of any dividends distributed. In July 2010, Fiat S.p.A. exercised that option and – pending completion of the sale through the transfer of the Ferrari S.p.A. shares from Mubadala Development Company PJSC and payment of the agreed consideration by Fiat S.p.A. – a financial asset was recognized, under financial receivable relating to exercise of the call option on Ferrari shares, for an amount equivalent to the exercise price (€122,399 thousand) plus the value of the premium paid and a corresponding financial liability was recognized in relation to the consideration amount (see Note 25).

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)	31 December 2010	31 December 2009
Other financial assets		
due within one year	**136,024**	15,437
due after one year but within five years	**7,746**	11,145
due beyond five years	**177**	305
Total	**143,947**	**26,887**

13. Other non-current assets

At 31 December 2010, other non-current assets totaled €147 thousand, a net decrease of €56 thousand over 31 December 2009, and consisted of amounts receivable from tax authorities and employees beyond 12 months.

14. Trade receivables

At 31 December 2010, trade receivables amounted to €8,078 thousand, a net decrease of €51,937 thousand over 31 December 2009, and included the following:

(€ thousand)	31 December 2010	31 December 2009	Change
Third parties			
Receivables	**7,971**	53,091	(45,120)
Allowance for doubtful accounts	**(156)**	(228)	72
Total third parties	**7,815**	52,863	(45,048)
Intercompany trade receivables	**263**	7,152	(6,889)
Total trade receivables	**8,078**	**60,015**	**(51,937)**

Trade receivables from third parties mainly relate to amounts due from T.A.V. S.p.A. (now Rete Ferroviaria Italiana 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).

Intercompany trade receivables includes adjustments following reassessment of amounts receivable from other Group companies for services provided.

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.

15. Current financial receivables

At 31 December 2010, current financial receivables totaled €311,526 thousand, a net decrease of €334,548 thousand over 31 December 2009 and consisted of amounts receivable from other Group companies, as detailed below:

(€ thousand)	31 December 2010	31 December 2009	Change
Current account with Fiat Finance S.p.A.	**196,529**	606,941	(410,412)
Assets arising from derivative financial instruments	**114,997**	39,127	75,870
Other minor receivables due from Fiat Netherlands Holding N.V.	**-**	6	(6)
Total current financial receivables	**311,526**	**646,074**	**(334,548)**

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 centralized treasury management. The amount reported at 31 December 2010 is net of €213,000 thousand reclassified under "Assets to be demerged" (see Note 18), representing financial receivables to be transferred to Fiat Industrial S.p.A. as a result of the Demerger.

At 31 December 2010, assets arising from derivative financial instruments represents the fair value of the two equity swaps on Fiat S.p.A. shares entered into with major banks by Fiat Finance S.p.A., 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 and in 2006, as described in Note 7. The fair value of those equity swap was based on market quotations at the balance sheet date. At 31 December 2009, this item totaled €39,127 thousand and represented the fair value of the first of the two above equity swaps entered into by Fiat Netherlands Holding N.V., while the fair value of the second equity swap was negative (see Note 25).

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

16. Other current receivables

At 31 December 2010, other current receivables amounted to €350,554 thousand, a net increase of €151,631 thousand over 31 December 2009. They are broken down as follows:

(€ thousand)	31 December 2010	31 December 2009	Change
Intercompany receivables for consolidated IRES tax	**240,192**	120,755	119,437
Other intercompany receivables	**217**	1,070	(853)
VAT receivables	**61,112**	24,586	36,526
IRES tax receivables	**46,389**	49,209	(2,820)
IRAP tax receivables	**647**	1,163	(516)
Other	**1,997**	2,140	(143)
Total other current receivables	**350,554**	**198,923**	**151,631**

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 program.

Other intercompany receivables consist of miscellaneous amounts receivable.

VAT tax receivable essentially relates to the balance of VAT credits for Italian subsidiaries participating in the VAT tax consolidation, in addition to VAT refund claims from prior periods.

IRES tax receivables includes amounts receivable that Italian subsidiaries participating in the domestic tax consolidation transferred to Fiat S.p.A. in 2010 and previous years. At 31 December 2010, refund claims which had been factored amounted to €25,702 thousand (€25,214 thousand at 31 December 2009) and were recognized on balance sheet, with the corresponding liability recorded under advances on factored receivables (see Note 25), pursuant to IAS 39.

At 31 December 2010, no interest was recognized in relation to VAT receivables subject to refund (as was also the case at 31 December 2009), while interest on IRES tax receivables (100% factored) amounted to €2,702 thousand (€2,214 thousand at 31 December 2009).

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 2011.

17. Cash and cash equivalents

Cash and cash equivalents consist of the following:

(€ thousand)	31 December 2010	31 December 2009	Change
Cash at banks and post offices	240	473	(233)
Cheques and cash in hand	-	1	(1)
Total cash and cash equivalents	**240**	**474**	**(234)**

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.

18. Assets and Liabilities to be demerged

At 31 December 2010, Assets and liabilities to be demerged included the shareholdings and other assets and liabilities transferred to Fiat Industrial S.p.A. pursuant to the Demerger, with effect from 1 January 2011, as follows:

(€ thousand)	% owned	31 December 2010
Shareholdings		
Fiat Netherlands Holding N.V.	100.00%	4,577,346
Iveco S.p.A. (formerly Nuove Iniziative Finanziarie Cinque S.p.A.)	100.00%	200,000
FPT Industrial S.p.A. (formerly Nuova Immobiliare Nove S.p.A.)	100.00%	100,000
Fiat Industrial Finance S.p.A.	100.00%	100,000
Total shareholdings		**4,977,346**
Financial receivables from Fiat Finance S.p.A.		213,000
Assets to be demerged		5,190,346
Financial payables to Fiat Finance S.p.A.		1,440,000
Liabilities to be demerged		1,440,000
Net assets to be demerged		**3,750,346**

Financial receivables from Fiat Finance S.p.A. represents a portion of the balance held on account with Fiat Finance S.p.A. in relation to the Group's centralized treasury management activities (see Note 15), while financial payables to Fiat Finance S.p.A. relates to the two variable rate euro denominated loans granted by Fiat Finance S.p.A., respectively: on 26/05/2010 for €1,050 million (maturing 25/05/2012) and on 26/07/2010 for €390 million (maturing 31/01/2011).

The above value of net assets to be demerged is equivalent to the effect of the Demerger on equity described in Note 19.

As values for the Demerger are based on the reported carrying amounts, no gains or losses were recognized and, accordingly, the above items were also transferred to Fiat Industrial S.p.A. at book value.

19. Equity

At 31 December 2010, equity totaled €12,704,460 thousand, a €217,613 thousand increase over 31 December 2009, primarily attributable to profit for the year of €441,959 thousand net of dividend distributions of €237,119 thousand (€0.17 to each ordinary share, €0.31 to each preference share and €0.325 to each savings share).

Share capital

Share capital totaled €6,377,263 thousand (fully paid) at 31 December 2010 and consisted of the following:

(no. of shares)	31 December 2010	31 December 2009
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**

Following is a description of the composition of Fiat S.p.A.'s share capital up to 31 December 2010 (i.e., immediately prior to the effective date of the Demerger). There were changes in the composition of share capital resulting from the Demerger, as described in the section Effects of the Demerger on Share Capital and Reserves, which follows.

Until 31 December 2010, all shares had a par value of €5.00 each, with rights and privileges varying by share class.

However, 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 described below.

Each ordinary share confers the right to vote without any restrictions 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.

Prior to shareholder approval of the allocation of 2010 profit, the allocation of annual profit for Fiat S.p.A. will be as follows:

- to the legal reserve, 5% of net profit until the amount of the reserve is equal 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 savings shares and ordinary shares, an additional dividend, in equal amounts, 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 2008 and at 31 December 2010:

(shares in thousands)	31 December 2008	Capital increase	(Purchases)/ sales of own shares	31 December 2009	Capital increase	(Purchases)/ sales of own shares	31 December 2010
Ordinary shares issued	1,092,247	-	-	1,092,247	-	-	**1,092,247**
Less: Own shares	(38,568)	-	-	(38,568)	-	-	**(38,568)**
Ordinary shares outstanding	1,053,679	-	-	1,053,679	-	-	**1,053,679**
Preference shares issued	103,292	-	-	103,292	-	-	**103,292**
Less: Own shares	-	-	-	-	-	-	**-**
Preference shares outstanding	103,292	-	-	103,292	-	-	**103,292**
Savings shares issued	79,913	-	-	79,913	-	-	**79,913**
Less: Own 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: Own shares	**(38,568)**	**-**	**-**	**(38,568)**	**-**	**-**	**(38,568)**
Total Fiat S.p.A. shares outstanding	**1,236,884**	**-**	**-**	**1,236,884**	**-**	**-**	**1,236,884**

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; shareholders are also required to take appropriate measures when share capital decreases by more than one-third as the result of recognized losses and to reduce share capital if, by the end of the following financial year, such losses have not been reduced 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.
- The right of each class of shares to participate in the distribution of profit is set out in the 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 own shares for an amount exceeding the value of distributable profits and available reserves reported 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 dependent on the conditions of the plan being satisfied.

During 2010, Fiat reconfirmed the policy under which it intends to distribute 25% of consolidated net profit calculated on a 3-year rolling basis, with a minimum annual payout of €150 million. With the Demerger completed, on 27 January 2011, Fiat confirmed that for the 2011 financial year, a year of transition, it is intended that the dividend policy will remain unchanged, with an expected distribution of 25% of consolidated profit for Fiat post Demerger and for Fiat Industrial, with a minimum payout of €50 million and €100 million, respectively. The Board of Directors of each group will formulate a dividend policy for subsequent financial periods by the end of 2011.

For 2010, the Board of Directors will propose to Shareholders at the Annual General Meeting that they approve payment of a total dividend of €155.1 million (€151.6 million excluding own shares held by Fiat S.p.A. at the date of publication of these financial statements). The dividend proposal is as follows:

- €0.09 per ordinary share;
- €0.31 per preference share;
- €0.31 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 endeavors to maintain an adequate level of capital that at the same time enables it to obtain a satisfactory economic return for its shareholders and 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 own shares, without exceeding the limits authorized 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 and share premium less own shares held, for a total value of €7,261,595 thousand at 31 December 2010, unchanged over 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 €5,444,893 thousand at 31 December 2010 and €5,222,812 thousand at 31 December 2009, excluding gains and losses recognized directly in equity).

Share premium reserve
At 31 December 2010, this reserve totaled €1,540,885 thousand and was unchanged from 31 December 2009.

Legal reserve
At 31 December 2010, this reserve totaled €716,458 thousand, an increase of €16,998 thousand over 31 December 2009 following allocation of profits from the previous year as approved by Shareholders on 26 March 2010.

Reserve available for the purchase of own 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 program (the "Program") approved by Shareholders at the General Meeting held on 5 April 2007 and subsequently renewed on 31 March 2008 and 27 March 2009. Under the Program, purchases were to be carried out on regulated markets in accordance with the following conditions:

- the Program would end on 27 September 2010 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.

Even though the buy-back program is on hold, to maintain the necessary operating flexibility over an adequate time period, Shareholders in the General Meeting of 26 March 2010 renewed their authorization for the purchase and disposal of own shares for an 18-month period, including transactions carried out through subsidiary companies, at the same time revoking their authorization given in the General Meeting of 27 March 2009 to the extent not exercised. The renewed authorization was 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.

On 16 September 2010, the shareholders of Fiat S.p.A. – in view of the proposed reduction in par value from €5.00 to €3.50 per share resulting from the Demerger – approved a reduction in the authorization for the purchase of own shares to a maximum value of €1.2 billion. The condition that the total number of shares, in all three classes, may not exceed 10% of share capital and all other provisions approved by Shareholders on 26 March 2010 shall continue to apply.

At 31 December 2010, the reserve available for the purchase of own shares totaled €543,447 thousand, a decrease of €599,293 thousand over 31 December 2009, as a result of:

- the resolution passed by Shareholders on 26 March 2010, which, as mentioned above, revoked the existing authorization for share buy-backs to the extent not already exercised and, at the same time, renewed the authorization for share buy-backs for a maximum of €1.8 billion, including the existing reserve of €656.6 million for own shares held at that date, resulting in an available reserve of €1,142,740 thousand, which already existed at 31 December 2009 and has remained unchanged;
- the resolution passed by Shareholders on 16 September 2010, which approved a reduction in the authorization for the purchase of own shares to a maximum value of €1.2 billion, resulting in a €599,293 thousand decrease in the reserve available for the purchase of own shares and the transfer of the same amount to the retained profit/(loss) reserve.

Although the share buy-back program has been placed on hold, the Board of Directors, in consideration of the fact that the current authorization expires on 26 September 2011 and to maintain the necessary operating flexibility for an adequate period, will propose to Shareholders at the Annual General Meeting that the authorization be renewed for a period of 18 months and for a maximum number of shares (for all three classes) not to exceed the percentage of share capital established by law or a total value of €1.2 billion, including the reserve for own shares that, after adjusting for the effects of the demerger, totaled €289 million. Should the proposal be approved, the Company would, however, have no obligation to buy back shares.

At 18 February 2011, the total number of ordinary shares purchased from the beginning of the Program was 37.27 million, for a total invested amount of €665 million.

Reserve for own shares
This reserve amounted to €656,553 thousand at 31 December 2010, unchanged from 31 December 2009.

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 own shares – for own shares purchased and decreases for own shares sold.

Retained profit/(loss)
At 31 December 2010, retained profit totaled €2,884,134 thousand, an increase of €685,140 thousand over 31 December 2009, as a result of:

- the allocation of €85,847 thousand from the prior year's profit to retained profit/(loss), as approved by Shareholders on 26 March 2010, following allocations to the Legal reserve and distributions to Shareholders;
- the transfer of €599,293 thousand from the reserve available for the purchase of own shares, following the reduction in the amount authorized for the purchase of own shares, approved by Shareholders on 16 September, already referred to above.

Gains/(losses) recognized directly in equity
This reserve includes gains and losses recognized directly in equity and in particular those arising from fair value adjustments on investments in other companies, as described previously (see Note 11).

At 31 December 2010, this reserve was a negative €2,028 thousand, representing a decrease of €4,468 thousand over 31 December 2009 attributable to fair value adjustments on the investments in Fin. Priv. S.r.l. and Assicurazioni Generali S.p.A.

Stock option reserve
At 31 December 2010, the stock option reserve totaled €112,513 thousand, an increase of €17,241 thousand over 31 December 2009, due to the cost recognized in the income statement for the year related to stock option and stock grant plans for the Chief Executive Officer that are based on Fiat S.p.A. shares (see Note 6).

Other reserves
At 31 December 2010, other reserves amounted to €89,829 thousand and were unchanged from 31 December 2009. 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, as required by Law.
- Extraordinary reserve: a total of €28,044 thousand corresponding to the value approved by Shareholders on 11 May 2004.
- Reserve for Spin-off difference: a total of €39,194 thousand and includes the positive difference arising from the spin-off executed by Fiat Partecipazioni S.p.A. on 29 December 2008.

Effects of the Demerger on Share Capital and Reserves
As a consequence of the Demerger, from 1 January 2011 the equity of Fiat S.p.A. will be proportionally reduced by €3,750,346 thousand through a reduction in share capital of €1,913,179 thousand and in reserves of €1,837,167 thousand. Specifically:

- share capital will be reduced by €1,913,179 thousand to €4,464,084 thousand;
- the legal reserve will be reduced by €214,937 thousand to €501,521 thousand;
- the share premium reserve will be reduced by €462,266 thousand to €1,078,619 thousand;
- the retained profit reserve will be reduced by €1,159,964 thousand to €1,724,170 thousand.

Fiat S.p.A.'s share capital will be reduced through a reduction in par value per share (from €5.00 to €3.50) for all classes, rather than through the cancellation of shares.

The €1.50 per share reduction in par value for Fiat S.p.A. shares (which corresponds pro rata to the reduction in net assets resulting from the Demerger) was fully offset by the issue of one new share in Fiat Industrial S.p.A. for every share in Fiat S.p.A., at a par value of €1.50 each. The newly issued shares in Fiat Industrial S.p.A. have identical rights and privileges to the corresponding class of shares in Fiat S.p.A.

A portion of the distribution entitlement of each class of shares in Fiat S.p.A. was reallocated, on a pro rata basis, to the corresponding class of shares in Fiat Industrial S.p.A. such as to ensure that the priority and level of entitlement, as a percentage of par value, remain unchanged.

Following the introduction of amendments to the By-laws, subsequent to approval of the allocation of 2010 profit, Fiat S.p.A.'s annual profit will be allocated as follows:

- to the legal reserve, 5% of net profit until the amount of the reserve is equal to one-fifth of share capital;
- to savings shares, a dividend of up to €0.217 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 €0.217 per share;

- to ordinary shares, a dividend of up to €0.1085 per share;
- to savings shares and ordinary shares, in equal amounts, an additional dividend of up to €0.1085 per share;
- 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 €0.217, 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 be entitled to a dividend that is €0.1225, rather than €0.1085, higher per share than the dividend paid on ordinary and preference shares.

In the event that the ordinary shares are delisted, holders of savings shares shall be entitled to a dividend that is €0.140 higher than the dividend paid on ordinary and preference shares.

Finally, with reference to the above resolutions adopted by the Board of Directors on 3 November 2006 in relation to share capital increases reserved for employees of the Company and/or its subsidiaries, following the Demerger the Company's share capital may be increased by a maximum of €35 million through the issue of up to 10 million new ordinary shares having a par value of €3.50 each.

Own shares

At 31 December 2010, the book value of own 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 par value of €192,842 thousand. The amount was unchanged over 31 December 2009, as no shares were bought or sold during 2010.

There were also no changes for the previous year, as no shares were bought or sold during 2009.

As a result of the Demerger, on 1 January 2011 Fiat S.p.A. was allotted 38,568,458 ordinary shares in Fiat Industrial S.p.A., corresponding to the number of own shares held. The portion of the reserve for own shares attributable to Fiat Industrial S.p.A. shares, totaling approximately €368 million, will be reclassified as an asset with initial measurement at fair value and a balancing entry recognized directly in equity, with no impact on 2011 profit or loss. As a consequence, the reserve for own shares will be reduced by approximately €368 million with an equivalent increase in the retained profit/(loss) reserve. As described below in relation to amendments to stock option and stock grant plans resulting from the Demerger, those 23,021,250 Fiat Industrial shares will be utilized service those incentive plans.

Share-based compensation

At 31 December 2010 and at 31 December 2009, the following share-based compensation plans relating to managers of Group companies or the Chief Executive Officer of Fiat S.p.A. were in place.

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

The stock option plans approved by the Board of Directors of Fiat S.p.A. prior to 2002 had all fully expired at 31 December 2010.
The contractual terms of plans which expired during the year are as follows:

Plan	Beneficiaries	Grant date	Expiry date	Strike price (€)	Number of options granted	Vesting date	Vesting portion
Stock Options May 2002 (expired)	Former Chairman of Fiat S.p.A.	14 May 2002	1 January 2010	12.699	1,000,000	1 January 2005	100%
Stock Options September 2002 (expired)	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 predetermined performance objectives for the reference period had been met. On 27 March 2009, Shareholders considered it to be a priority interest for the Group to adopt changes to the plan which would reinstate its retention capability and approved a new vesting period which depended solely on the requirement for the CEO to remain in office, deferring the exercise of these options until 1 January 2011 and extending the exercise period until 1 January 2016, with all the other conditions remaining unaltered.

At 31 December 2010 the features of the stock option plan are as follows:

Plan	Beneficiary	Date of amendment	Expiry date	Strike price (€)	Number of options granted	Vesting date	Vesting portion
Stock Options 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 Board of Directors of Fiat S.p.A. 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 granted certain managers of the Group and the Chief Executive Officer of Fiat S.p.A. the right to purchase a specific number of Fiat S.p.A. ordinary shares at a fixed price of €13.37 each. More specifically, the 10,000,000 options granted to employees and the 5,000,000 options granted to the Chief Executive Officer had a vesting period of four years, with an equal number vesting each year, were subject to achieving certain predetermined 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 had a vesting period of four years with an equal 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 contractual terms of the 2006 plan are as follows:

Plan	Beneficiary	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	25%
					November 2008	25%
					November 2009	25%
					November 2010	25%
Stock Option November 2006	Chief Executive Officer	3 November 2014	13.37	5,000,000	1st Quarter 2008 (*)	25%*NMC
					1st Quarter 2009 (*)	25%*NMC
					1st Quarter 2010 (*)	25%*NMC
					1st Quarter 2011 (*)	25%*NMC
Stock Option November 2006	Managers	3 November 2014	13.37	10,000,000	1st Quarter 2008 (*)	25%*NMC
					1st Quarter 2009 (*)	25%*NMC
					1st Quarter 2010 (*)	25%*NMC
					1st Quarter 2011 (*)	25%*NMC

(*) On approval of the prior year's consolidated financial statements; subject to continuation of the professional relationship.

As explained in greater detail in the section Amendments to the stock option plans and stock grant plans of Fiat S.p.A. arising from the Demerger which follows, vesting conditions for each plan, whether they consisted in the continuation of a professional relationship with the Fiat Group or in the achievement of specific performance objectives, expired on 31 December 2010. With specific reference to options granted under the 2006 Stock Option Plan, for which vesting was subject to the achievement of pre-established profitability targets, only the first tranche (i.e. 25%) of those rights have vested as the profitability targets established in 2006 for the 3-year period 2008-2010 were not met. As a result, the remaining 75% did not vest.

On 26 February 2008, the Board of Directors of Fiat S.p.A. passed an incentive plan which was subsequently approved by Shareholders in their annual general meeting on 31 March 2008, by which an overall maximum of 4 million financial instruments could be assigned on a periodic basis until 2010 in the form of stock options and/or stock appreciation rights. The plan had the aim of attracting and retaining managers in key roles who had been hired or promoted following the granting of the stock option plan of 3 November 2006 or who had 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 having an exercise price of €10.24 and a vesting period of three years that was subject to achieving certain predetermined profitability targets (Non-Market Conditions or "NMC") in the reference period and together with rights exercisable from the date on which the 2010 financial statements are approved. As these profitability targets had not been met at 31 December 2010, none of the rights granted to employees vested.

The contractual terms of the 2008 plan were as follows:

Plan	Beneficiary	Expiry date	Strike price (€)	Number of options granted	Vesting date	Vesting portion
Stock Option July 2008 (forfeited)	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 continuation of the professional relationship.

A summary of the terms of the stock option plans outstanding at 31 December 2010 is as follows:

	Managers' compensation			Compensation as member of the Board		
Exercise price (€)	Options outstanding at 31 December 2010	Options outstanding at 31 December 2009	Average remaining contractual life (years)	Options outstanding at 31 December 2010	Options outstanding at 31 December 2009	Average remaining contractual life (years)
6.583	-	-	-	10,670,000	10,670,000	5.0
10.24	-	956,530	-	-	-	-
10.397	-	845,000	-	-	-	-
12.699	-	-	-	-	500,000	-
13.370	2,101,250	6,536,875	3.8	6,250,000	8,750,000	3.8
Total	**2,101,250**	**8,338,405**		**16,920,000**	**19,920,000**	

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	8,338,405	12.71	19,920,000	9.72
Granted	-	-	-	-
Forfeited	(5,447,155)	12.79	(2,500,000)	13.37
Exercised	-	-	-	-
Expired	(790,000)	10.397	(500,000)	12.699
Outstanding at 31 December 2010	**2,101,250**	**13.37**	**16,920,000**	**9.09**
Exercisable at 31 December 2010	**-**	**-**	**5,000,000**	**13.37**
Exercisable at 31 December 2009	**845,000**	**10.397**	**500,000**	**12.699**

The options forfeited during the year consist of unvested options regarding employees who have 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.

Granting of ordinary shares of Fiat S.p.A. without payment

On 23 February 2009, the Board of Directors of Fiat S.p.A. passed an incentive plan which was subsequently approved by Shareholders in their annual general meeting on 27 March 2009, based on the granting of rights which, subject to the achievement of predetermined performance targets (*Non-Market Conditions or "NMC"*) for 2009 and 2010 and the continuation of the professional relationship with the Group, provided for 2 million Fiat S.p.A. ordinary shares to be granted to the CEO of Fiat S.p.A. without payment. Under this plan the rights vested in a single tranche on the approval of the Group's 2010 consolidated financial statements by the Board of Directors and the number of shares granted is determined as 25% of the rights granted in the event of reaching the 2009 targets and 100% of the rights granted in the event of reaching the 2010 targets. The Group's predetermined profitability targets relating to 2009 were reached.

On 26 March 2010, Shareholders in general meeting introduced a pure retention component of 2 million additional rights into the Plan on the proposal of the Board of Directors; the vesting of these rights is subject to the sole condition that the CEO's professional relationship with the Group continues until the approval of the 2011 Consolidated financial statements. Moreover, the term of the original plan was also extended until the approval of the 2011 Consolidated financial statements and the targets for 2010 and 2011 were redefined.

At 31 December 2010, the contractual terms of the plan were therefore as follows:

Plan	Beneficiary	Number of shares	Vesting date	Vesting portion
Stock Grant 2009 (revised)	Chief Executive Officer	4,000,000	1st Quarter 2010 (*)	500,000 (**)
			1st Quarter 2011 (*)	375,000*NMC (**)
			1st Quarter 2012 (*)	1,125,000*NMC (**)
			1st Quarter 2012 (*)	2,000,000 (**)

(*) On approval of the prior year's consolidated financial statements.
(**) Subject to continuation of the position held until the approval of the 2011 financial statements.

On 18 February 2011, the Board of Directors, having consulted the Compensation Committee, verified the vesting of 375,000 rights based on the achievement of the predetermined operating targets and, in light of the extraordinary transactions occurring during the year, also voted to make vesting of the remaining rights, which was dependent on the achievement of 2011 operating targets, conditional only on the continuation of a professional relationship with the Group until the end of 2011.

As required by IFRS 2 the Group calculated the total incremental fair value arising from this change to the plan, which amounted to €19 million. This incremental fair value is being recognised in the income statement over the residual vesting period of the plan together with the fair value already calculated at the grant date and determined in 2009. The incremental fair value was calculated on the basis of the price of the Fiat S.p.A. ordinary share at the date of the change, which was €9.75 per share.

Amendments to the stock option plans and stock grant plans of Fiat S.p.A. arising from the Demerger

With regard to the above incentive plans and in consideration of the proposed Demerger, the Board of Directors, which met on 21 July 2010, confirmed the continuation of the share-based incentive plans the Group had in place, and voted to adopt, subject to the Demerger becoming effective and on the basis of the powers delegated to it by Shareholders, the appropriate amendments necessary to ensure that these plans fulfil the objectives for which they were adopted, even subsequent to the Demerger, while at the same time avoiding a revision of those plans that, even though fully legitimate, might appear to dilute the intended alignment of the interests of management with those of the Company and its shareholders.

More specifically, applying the rules of the respective plans, the Board approved to realign the plans with respect to the shares underlying the stock options and stock grants in strict relation to the allotment ratio applicable for the Demerger and to allow employees leaving Fiat S.p.A. and joining Fiat Industrial S.p.A to retain their existing rights.

Those entitled to stock options or stock grants will, therefore, receive one ordinary Fiat S.p.A. share and one ordinary Fiat Industrial S.p.A. share for each right they hold, with the option exercise price (for stock option plans) and the free granting of shares (for the stock grant plan) remaining unchanged.

For the stock option plans, vesting conditions for each plan, whether these be the continuation of a professional relationship with the Group or the achievement of specific performance objectives, will expire on 31 December 2010, prior to the effective date of the Demerger.

Similarly, under the stock grant plan the participant will be entitled to receive free of charge one Fiat ordinary share and one Fiat Industrial ordinary share for each right held, subject to the original conditions of the continuation of a professional relationship with the Group and/or achievement of specific performance objectives for 2010 and 2011, consistent with the 2010-2014 Business Plan. The 2011 performance objectives will consist of the portion relating to the Fiat Group post Demerger of the objectives originally established as part of the total objectives for the pre-Demerger Fiat Group.

All stock option and stock grant plans, with the exception of the portion of the 2006 Plan relating to managers for which a capital increase was approved, will be serviced by the treasury shares held by Fiat S.p.A. and the ordinary shares of Fiat Industrial that will be allotted to Fiat S.p.A. without payment as a result of the Demerger.

As the original conditions of the Plans allowed for amendments where there were extraordinary transactions impacting Fiat S.p.A.'s share capital, a determination of the incremental fair value potentially resulting from such amendments is not required.

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

Availability for use of main equity items

(€ thousand)	31 December 2010	Possible use	Available amount
Share capital	6,377,263	-	
Reserves:			
Share premium reserve	1,540,885	A, B, C (*)	1,540,885
Legal reserve	716,458	B	-
Reserve available for the purchase of own shares	543,447	A, B, C	543,447
Reserve for own shares	656,553	-	-
Retained profit/(loss)	2,884,134	A, B, C	2,884,134
Reserve under law 413/1991	22,591	A, B, C	22,591
Extraordinary reserve	28,044	A, B, C	28,044
Reserve for Spin-off difference	39,194	A, B, C	39,194

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

(*) Fully available to increase capital and cover losses. Any other use requires that the legal reserve first be increased to 20% of share capital (which may also occur through a transfer from the share premium reserve). At 31 December 2010, the required increase would be €558,995 thousand.

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

At 31 December 2010, provisions for employee benefits and other non-current provisions amounted to €20,072 thousand, a net decrease of €5,369 thousand over 31 December 2009, and consisted of the following:

(€ thousand)	31 December 2009	Accruals	Utilizations	Other changes	31 December 2010
Provisions for employee benefits and similar provisions	24,196	1,623	(5,217)	(1,551)	**19,051**
Other non-current provisions	1,245	-	(224)	-	**1,021**
Total provisions for employee benefits and other non-current provisions	**25,441**	**1,623**	**(5,441)**	**(1,551)**	**20,072**

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 recognizes 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)	31 December 2009	Accruals	Utilizations	Other changes	31 December 2010
Post-employment benefits:					
Employee severance indemnity	6,988	182	(1,183)	(409)	**5,578**
Other	16,304	1,245	(3,927)	(1,109)	**12,513**
Total post-employment benefits	23,292	1,427	(5,110)	(1,518)	**18,091**
Other long-term employee benefits	904	196	(107)	(33)	**960**
Total provisions for employee benefits and similar provisions	**24,196**	**1,623**	**(5,217)**	**(1,551)**	**19,051**

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

	31 December 2010	31 December 2009
Discount rate	**3.83%**	4.62%
Future salary increase rate	**2.06%**	4.31%
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	**9.34%**	9.58%

The provisions for employee benefits and similar may be summarized 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 labor 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 2010 and 2009 are made up as follows:

(€ thousand)	Employee severance indemnity 31 December 2010	31 December 2009	Other 31 December 2010	31 December 2009	Total 31 December 2010	31 December 2009
Present value of unfunded defined benefit plan obligations	4,993	6,280	11,736	17,486	16,729	23,766
Unrecognized actuarial gains/(losses)	585	708	777	(1,182)	1,362	(474)
Net liability	**5,578**	**6,988**	**12,513**	**16,304**	**18,091**	**23,292**

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

(€ thousand)	Employee severance indemnity 2010	2009	Other 2010	2009	Total 2010	2009
Service cost:						
Current service cost	-	-	919	1,084	919	1,084
Net actuarial (gains)/losses recognized during the year	(9)	-	-	88	(9)	88
Total service cost	(9)	-	919	1,172	910	1,172
Interest costs	191	341	326	743	517	1,084
Total cost/(return) for post-employment benefits	**182**	**341**	**1,245**	**1,915**	**1,427**	**2,256**

The items current service cost and net actuarial (gains) losses recognized 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 recognized under financial income/(expense) in the income statement (see Note 7).

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

	Employee severance indemnity		Other		Total	
(€ thousand)	2010	2009	2010	2009	2010	2009
Present value of obligation at the beginning of the year	**6,280**	6,334	**17,486**	18,679	**23,766**	25,013
Current service cost	**-**	-	**919**	1,084	**919**	1,084
Interest costs	**191**	341	**326**	743	**517**	1,084
Actuarial (gains)/losses arising during the year	**957**	397	**(1,890)**	(834)	**(933)**	(437)
Benefits paid	**(2,456)**	(1,059)	**(5,132)**	(2,230)	**(7,588)**	(3,289)
Other changes	**21**	267	**27**	44	**48**	311
Present value of obligation at the end of the year	**4,993**	**6,280**	**11,736**	**17,486**	**16,729**	**23,766**

The present value of the defined benefit obligations in 2010 and the three previous years is as follows:

(€ thousand)	31 December 2010	31 December 2009	31 December 2008	31 December 2007
Present value of obligation at the end of the year:				
Employee severance indemnity	**4,993**	6,280	6,334	6,280
Others	**11,736**	17,486	18,679	11,851
Total	**16,729**	**23,766**	**25,013**	**18,131**

The effects of the differences between the previous actuarial assumptions and what has actually occurred (experience adjustments) at 31 December 2010 and 2009 is as follows:

(€ thousand)	2010	2009
Experience adjustments actuarial (gains)/losses:		
Employee severance indemnity	**806**	323
Others	**(612)**	(1,459)
Total effect on the present value of defined benefit obligation	**194**	**(1,136)**

Other non-current provisions

At 31 December 2010, this item totaled €1,021 thousand (€1,245 thousand at 31 December 2009) and mainly relates to future amounts to be paid to employees who left the Company in previous years under a long-term benefit program which bridges the period prior to retirement.

During 2009, changes in provisions for employee benefits and other non-current provisions were as follows:

(€ thousand)	31 December 2008	Accruals	Utilizations	Other changes	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**

21. Non-current financial liabilities

At 31 December 2010, non-current financial liabilities totaled €2,561,442 thousand, an increase of €744,660 thousand over 31 December 2009, and included the following:

(€ thousand)	31 December 2010	31 December 2009	Change
Financial payables to Group companies	2,550,000	1,800,000	750,000
Financial guarantees	11,442	16,782	(5,340)
Total non-current financial liabilities	**2,561,442**	**1,816,782**	**744,660**

Financial payables to Group companies related to euro-denominated loans received from Fiat Finance S.p.A. which are due beyond 12 months. Interest is payable on those loans at rates between 6.81% and 7.18%. The amount reported at 31 December 2010 is net of €1,050,000 thousand reclassified under "Liabilities to be demerged" (see Note 18), representing non-current financial payables to be demerged to Fiat Industrial S.p.A. as a result of the Demerger.

Principal changes during 2010 included repayment of a €400 million loan received on 24/05/2006 (maturing 24/02/2010 with interest of 6.35% p.a.), in addition to two new variable rate loans received, respectively, on 05/03/2010 for €400 million (maturing 05/03/2012) and on 23/06/2010 for €750 million (maturing 22/06/2012).

The breakdown of loans by maturity is as follows:

(€ thousand)	31 December 2010
Maturing in 2011	400,000
Maturing in 2012	1,150,000
Maturing in 2013	1,000,000
Total financial payables to Group companies	**2,550,000**

The fair value of these loans at 31 December 2010 was €2.7 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 guarantees represents the fair value of the liabilities assumed in relation to guarantees issued. After assessing the potential risks in relation to which contingent liabilities must be recognized and given that this item relates essentially to guarantees provided in relation to loans received by Group companies, it has been concluded that the present value of fees receivable for guarantees issued (see other financial assets in Note 12) represented the best estimate of the fair value of these guarantees.

The breakdown by maturity date is as follows:

(€ thousand)	31 December 2010	31 December 2009
Financial guarantees		
due within one year	3,593	5,344
due after one year but within five years	7,746	11,145
due beyond five years	103	293
Total	**11,442**	**16,782**

22. Other non-current liabilities

At 31 December 2010, other non-current liabilities amounted to €13,561 thousand, showing a net decrease of €790 thousand over the previous year end.

The item consisted of the following:

(€ thousand)	31 December 2010	31 December 2009	Change
Non-current post-employment benefits to be paid:			
to a former Chief Executive Officer	**4,385**	4,690	(305)
to former employees	**9,176**	9,661	(485)
Total other non-current liabilities	**13,561**	**14,351**	**(790)**

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)	31 December 2010	31 December 2009
Other non-current liabilities		
due within one year	**819**	791
due after one year but within five years	**4,550**	4,394
due beyond five years	**8,192**	9,166
Total	**13,561**	**14,351**

23. Provisions for employee benefits and other current provisions

At 31 December 2010, this item totaled €9,274 thousand, a net increase of €810 thousand over 31 December 2009, and consisted of the following:

(€ thousand)	31 December 2009	Accruals	Utilizations and Other changes	31 December 2010
Provision for employee bonuses	8,464	8,919	(8,109)	**9,274**
Total provisions for employee benefits and other current provisions	**8,464**	**8,919**	**(8,109)**	**9,274**

The provision for employee bonuses primarily represents the estimate of variable compensation payable to employees accrued at 31 December 2010.

Changes in provisions for employee benefits and other current provisions during 2009 were as follows:

(€ thousand)	31 December 2008	Accruals	Utilizations and Other changes	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**

24. Trade payables

At 31 December 2010, trade payables totaled €41,011 thousand, a net decrease of €115,238 thousand over 31 December 2009, and consisted of the following:

(€ thousand)	31 December 2010	31 December 2009	Change
Trade payables to third parties	38,913	152,657	(113,744)
Intercompany trade payables for goods and services	2,098	3,592	(1,494)
Total trade payables	**41,011**	**156,249**	**(115,238)**

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 14).

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 2010, current financial liabilities amounted to €294,592 thousand, representing a net increase of €137,880 thousand over the previous year end. The amounts related to:

(€ thousand)	31 December 2010	31 December 2009	Change
Financial payables to Group companies:			
Loans from Fiat Finance S.p.A.	100,000	-	100,000
Liabilities arising from derivative financial instruments	-	31,200	(31,200)
Accrued interest expense	47,507	65,121	(17,614)
Total financial payables to Group companies	147,507	96,321	51,186
Financial payables to third parties:			
Financial payable relating to exercise of call option on Ferrari S.p.A. shares	122,399	-	122,399
Advances on factored receivables	24,686	57,889	(33,203)
Other loans from factoring companies	-	2,502	(2,502)
Total financial payables to third parties	147,085	60,391	86,694
Total current financial liabilities	**294,592**	**156,712**	**137,880**

Loans from Fiat Finance S.p.A. relates to a euro denominated loan provided at fixed market rates in December 2010, with a maturity of less than twelve months. At 31 December 2010, the current financial payables due to be transferred from Fiat S.p.A. to Fiat Industrial S.p.A. pursuant to the Demerger, amounting to €390,000 thousand, were reclassified under "Liabilities to be demerged" (see Note 18).

At 31 December 2009, amounts due for derivative financial instruments (€31,200 thousand) represented the fair value of the second of the two equity swaps on Fiat S.p.A. shares, which was negative and therefore recognized as a liability.

The item financial payable relating to exercise of call option on Ferrari S.p.A. shares consists of the payable recognized following the exercise of the call option on the 5% interest in Ferrari S.p.A. held by Mubadala Development Company PJSC. The amount reported represents the price for exercise of the call option on those shares (see Note 12).

Advances on factored receivables relates to advances on IRES receivable (see Note 16). At 31 December 2009, this item also related to advances on VAT receivable and on amounts receivable from T.A.V. S.p.A. for work completed on the Novara-Milan rail line.

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 2010, other payables amounted to €368,408 thousand, a net increase of €78,350 thousand over 31 December 2009, and included the following:

(€ thousand)	31 December 2010	31 December 2009	Change
Advances	**2,009**	5,865	(3,856)
Other payables:			
Intercompany payables:			
Consolidated VAT	**131,408**	124,348	7,060
Consolidated IRES tax	**211,576**	133,806	77,770
Other intercompany payables	**104**	-	104
Total intercompany payables	**343,088**	258,154	84,934
Social security payables	**1,837**	1,803	34
Current amounts payable to employees, directors and statutory auditors	**13,038**	5,629	7,409
Payables to shareholders of Toro Assicurazioni S.p.A., Magneti Marelli S.p.A. and Comau S.p.A. for public offerings	**642**	860	(218)
Dividends payable	**330**	290	40
Other	**295**	1,871	(1,576)
Total other payables	**359,230**	**268,607**	**90,623**
Tax payables:			
VAT payable	**2,388**	13,034	(10,646)
Taxes withheld on payments to employees and independent contractors	**4,245**	2,022	2,223
Other	**432**	433	(1)
Total tax payables	**7,065**	**15,489**	**(8,424)**
Accrued expenses and deferred income	**104**	**97**	**7**
Total other payables	**368,408**	**290,058**	**78,350**

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. (merged into Rete Ferroviaria Italiana S.p.A. as of 31 December 2010) for contract work in progress and is made up as follows:

(€ thousand)	31 December 2010	31 December 2009	Change
Contract work in progress	**242,709**	237,254	5,455
Less: Progress payments for work completed	**244,479**	242,370	2,109
Gross amount due to the customer	**1,770**	5,116	(3,346)
Net contractual advances	**239**	749	(510)
Total advances	**2,009**	**5,865**	**(3,856)**

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 2010, the contractual amounts (including for additional work, monetary adjustments and other contractual amounts) totaled €5,190 million for the Bologna-Florence line and €2,278 million for the Milan-Novara sub-line. The contractual amount for the Turin-Novara sub-line (project completed and accounting closed at the end of 2009) was €4,669 million.

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, organizational and management activities. Contract work in progress therefore reflects the fees earned by Fiat S.p.A. in the form of a percentage (approximately 3.5%) 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 analyzed by line as follows:

(€ thousand)	31 December 2010	31 December 2009	Change
Contract work in progress	**242,709**	**237,254**	**5,455**
Florence-Bologna line	**161,110**	159,355	1,755
Novara-Milan line	**81,599**	77,899	3,700
Less: Progress payments for work completed	**244,479**	**242,370**	**2,109**
Florence-Bologna line	**161,829**	160,580	1,249
Novara-Milan line	**82,650**	81,790	860
Gross amount due to the customer	**1,770**	**5,116**	**(3,346)**
Florence-Bologna line	**719**	1,225	(506)
Novara-Milan line	**1,051**	3,891	(2,840)

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 recognized totaled €97,258 thousand at 31 December 2010 (€95,589 thousand at 31 December 2009). Changes in contract work in progress have been recognized in the income statement under the item other operating income (see Note 4). When the lines are contractually completed, the final contractual revenues for the activities directly carried out are recognized 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 are closed.

In 2009, the Secondary Final Test Certificate relating to the completion of residual work on the Turin-Novara line was signed (the Principal Final Test Certificate, relating to approximately 94% of the total value of the line had already been signed in 2006), representing the final contractual document for the work on the Turin-Novara line, and the project was closed from an accounting perspective.

Net advances for work completed were as follows:

	Advances received from customers		Advances paid to suppliers		Net advances for work completed	
(€ thousand)	31 December 2010	31 December 2009	31 December 2010	31 December 2009	31 December 2010	31 December 2009
Florence-Bologna line	**5,177,313**	5,086,961	**5,015,484**	4,926,381	**161,829**	160,580
Novara-Milan line	**2,268,473**	2,245,905	**2,185,823**	2,164,115	**82,650**	81,790
Progress payments for work completed	**7,445,786**	**7,332,866**	**7,201,307**	**7,090,496**	**244,479**	**242,370**

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	
(€ thousand)	31 December 2010	31 December 2009	31 December 2010	31 December 2009	31 December 2010	31 December 2009
Florence-Bologna line	**993**	2,184	**955**	2,101	**38**	83
Novara-Milan line	**7,914**	19,630	**7,713**	18,964	**201**	666
Contractual advances	**8,907**	**21,814**	**8,668**	**21,065**	**239**	**749**

At 31 December 2010, bank guarantees and sureties totaling €907 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, €875 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, €498 million in guarantees provided by Fiat S.p.A. to T.A.V. S.p.A. relate to the Bologna-Florence line, €398 million to the Novara-Milan sub-line and €11 million to the Turin-Novara sub-line (two-year guarantees issued on the final work subject to testing in 2009).

Indemnities assumed directly by the CAV.E.T. consortium amounted to €481 million, while those for the CAV.TO.MI. consortium totaled €383 million for the Novara-Milan sub-line and €11 million for the Turin-Novara sub-line.

Release of these guarantees is generally linked to the formal testing (Final Test Certificates) required contractually for acceptance of the work by the customer, except where other specific conditions have been stipulated.

Finally, for those lines where work was still in progress at year end (Bologna-Florence and Novara-Milan) the lines were formally handed over to T.A.V. S.p.A. in 2009 and the high-speed line was opened to the public, following the favorable technical opinion received from the Testing Commission. However, since at 31 December 2010 (as also at 31 December 2009), activities to complete the ancillary work and cleanup, in addition to the contractual obligation for final approval of the work (Final Principal and/or Secondary Test Certificates) and to release the bank guarantees were still in progress, from an accounting perspective the project remained open at that date.

Tax payables and other payables

The main components of these items are as follows.

At 31 December 2010, intercompany payables for consolidated VAT of €131,408 thousand (€124,348 thousand at 31 December 2009) relate to the VAT credits of Italian subsidiaries transferred to Fiat S.p.A. as part of the consolidated VAT procedure.

At 31 December 2010, payables to Group companies in connection with the IRES tax consolidation amounted to €211,576 thousand (€133,806 thousand at 31 December 2009) and represent the remuneration due for the tax losses contributed by the Italian subsidiaries to the domestic tax consolidation for 2010, the IRES tax credits of the Italian subsidiaries transferred to Fiat S.p.A. as part of the tax consolidation procedure for 2010 and payables relating to the domestic tax consolidation for 2009.

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

27. Guarantees issued, commitments and contingent liabilities

Guarantees issued
Outstanding guarantees were as follows:

(€ thousand)	31 December 2010	31 December 2009	Change
Guarantees issued			
Sureties			
on behalf of Group companies	**251,666**	218,598	33,068
on behalf of third parties	**1,134**	1,530	(396)
Total sureties	**252,800**	220,128	32,672
Other guarantees			
on behalf of Group companies	**14,878,826**	15,888,414	(1,009,588)
on behalf of third parties	**-**	2,780	(2,780)
Total other guarantees	**14,878,826**	15,891,194	(1,012,368)
Total guarantees issued	**15,131,626**	**16,111,322**	**(979,696)**

Sureties
At 31 December 2010, sureties totaled €252,800 thousand, an increase of €32,672 thousand over 31 December 2009.

This amount mostly relates to sureties provided on behalf of Group companies on Billets de Trésorerie issued (Fiat Finance and Trade Ltd S.A. €61,444 thousand), medium- to long-term loans granted by banks (€5,967 thousand) and lease payments on property (€184,255 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 2010, other guarantees amounted to €14,878,826 thousand, a decrease of €1,012,368 thousand over 31 December 2009, mainly attributable to guarantees on bonds issued during the year.

These all involved guarantees issued on behalf of Group companies, consisting of:

- €1,322,192 thousand for loans (Banco CNH Capital S.A. €766,560 thousand, Fiat Finance S.p.A. €400,000 thousand, Fiat Finance and Trade Ltd S.A. €110,000 thousand, Fiat Automoveis S.A. - FIASA €45,620 thousand, Magneti Marelli Controle Motor Ltda. €12 thousand);
- €8,941,876 thousand for bonds issued (Fiat Finance and Trade Ltd S.A. €7,908,300 thousand, Fiat Finance North America Inc. €1,033,576 thousand);
- €3,305,987 thousand for credit facilities (Fiat Finance and Trade Ltd S.A. €2,000,000 thousand, Fiat Finance S.p.A. €713,657 thousand, CNH Global N.V. €300,000 thousand, Fiat Finance Canada Ltd. €131,362 thousand, Fiat Finance North America Inc. €110,988 thousand, Financiera Pegaso S.A. €49,980 thousand);
- €1,307,059 thousand for VAT receivables as part of the VAT consolidation procedure, as required by the Ministerial Decree of 13 December 1979 (as subsequently amended), and €1,712 thousand for other guarantees.

At 31 December 2010, there were no guarantees outstanding on behalf of third parties (the guarantee issued on behalf of the joint venture Hua Dong Teksid Automotive Foundry Co. Ltd., amounting to €2,780 thousand at 31 December 2009, expired during 2010).

In relation to guarantees of approximately €1,320 million outstanding at 31 December 2010 issued on behalf of companies transferred to Fiat Industrial Group under the Demerger, at the date of these financial statements that commitment had been reduced by €553 million as a result of repayment of the underlying loans or transfer of guarantee obligations to Fiat Industrial S.p.A. and consequent release of Fiat S.p.A. from its commitments. For amounts still subject to guarantees from Fiat S.p.A., agreements have been reached with creditors concerning the transfer of those guarantee obligations to Fiat Industrial S.p.A. and are in the process of being formalized.

In addition:

- in 2005, Fiat S.p.A. provided guarantees on credit facilities in local currency, equivalent to approximately €58 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 2010 (as also at 31 December 2009) these credit facilities were unutilized;
- 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
During 2010, Fiat S.p.A. did not enter into any agreements or contracts which resulted in the assumption of significant new commitments. The residual commitment (€5,575 thousand at 31 December 2009), in the name and on behalf of Fiat S.p.A. and its subsidiaries under the sponsorship agreement signed with Juventus Football Club S.p.A. in May 2007 for the 2007-2008, 2008-2009 and 2009-2010 seasons, was satisfied. Beginning with the 2008-2009 season, these sponsorship costs were borne by the subsidiary CNH Global N.V.

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

In particular, Renault has the right to sell its interest in Teksid to Fiat in the event of:

- a breach in application of the protocol agreement and admission to receivership or other administrative proceeding;
- Renault's investment in Teksid falling below 15% or Teksid deciding to make a significant strategic investment outside the foundry sector;
- control of Fiat being acquired by another automaker.

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 2010, potential obligations relating to these indemnities were approximately €799 million (approximately €827 million at 31 December 2009), net of provisions set aside by individual companies. Certain other indemnities 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 is 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 2010 is represented by the carrying amounts at which financial assets are recognized in the statement of financial position and the nominal value of the guarantees provided as discussed in Note 27.

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 3.5%), 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 mainly 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 centralized 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 optimize the management of financial resources and to reduce liquidity risk by:

- centralizing 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 fulfill its obligations to repay its debts at their maturity date.

Currency risk

At 31 December 2010, 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 centralized treasury management system.

In particular:

- non-current financial payables consist of fixed rate loans from Fiat Finance S.p.A. (see Note 21). The change in 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 (€8 million also at 31 December 2009);

- current financial receivables principally consist of current account deposits with Fiat Finance S.p.A. (see Note 15), while current financial payables consist mainly of loans and other amounts payable to Fiat Finance S.p.A. and liabilities related to advances on the sale of receivables to banks (see Note 25). In addition, non-current financial payables to Fiat Finance S.p.A. (see Note 21) include variable rate loans. 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 pre-tax net financial expense being approximately €1 million higher on an annualized basis (at 31 December 2009, the impact was not material).

Other risks relating to derivative financial instruments

As discussed in Note 7, 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 2010, 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 securities, amounts to approximately €32 million (€21 million at 31 December 2009). The difference over the prior year is attributable to the change in price of the instrument used for the simulation.

29. Fair value hierarchy

IFRS 7 requires financial instruments recognized 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 2010 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) recognized at fair value directly in equity	(11)	**2,668**	**14,340**	**-**	17,008
Derivative financial assets (current)	(15)	-	**114,997**	**-**	114,997
Total assets		**2,668**	**129,337**	**-**	**132,005**
Total liabilities		**-**	**-**	**-**	**-**

In 2010, 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 the single items of the 2010 and 2009 financial statements, which may also be found in the supplementary financial statements and in the explanatory Notes, is summarized in the following tables:

Counterparty	Other operating income		Personnel costs		Other operating costs		Financial income/ (expense)	
(€ thousand)	2010	2009	2010	2009	2010	2009	2010	2009
Abarth & C. S.p.A.	429	200	-	-	1	-	-	-
Banco CNH Capital S.A.	-	-	-	-	-	-	400	409
CNH Global N.V.	-	-	-	-	-	-	125	190
CNH Italia S.p.A.	1,051	712	-	-	54	844	7	17
Comau S.p.A.	1,432	1,323	-	-	-	91	-	-
C.R.F. S.c.p.A.	504	476	-	-	-	-	-	-
Elasis S.c.p.A.	498	471	-	-	-	-	(5)	(7)
Ferrari S.p.A.	2,149	3,342	-	-	4	54	11	(7)
Fiat Argentina S.A.	-	-	-	-	121	121	-	-
Fiat Group Automobiles S.p.A.	21,251	20,059	-	-	240	1,324	98	119
Fiat Automoveis S.A. - FIASA	-	-	-	-	-	-	385	522
Fiat Finance Canada Ltd.	-	-	-	-	-	-	87	258
Fiat Finance S.p.A.	829	847	-	-	2,195	2,144	(188,225)	(121,472)
Fiat Finance and Trade Ltd S.A.	-	-	-	-	-	-	3,161	2,869
Fiat France	-	-	-	-	11	20	-	-
Fiat Services S.p.A.	951	645	-	-	1,420	1,396	(5)	(7)
Fiat Group Marketing & Corporate Comm. S.p.A.	536	692	-	-	4,989	4,457	(5)	99
Fiat Group Purchasing S.r.l.	2,618	1,986	-	-	9	10	(5)	(7)
Fiat Partecipazioni S.p.A.	155	262	-	-	2,523	1,667	1	7
Fiat Polska S.p. z.o.o.	254	257	-	-	5	4	-	-
Fiat Powertrain Technologies S.p.A.	4,617	3,276	-	-	8	141	(5)	34
Fiat-Revisione Interna S.c.r.l.	110	214	-	-	4,189	3,181	(5)	(7)
Fiat Servizi per l'Industria S.c.p.A.	31	396	-	-	1,441	2,084	(5)	(7)
FGA Capital S.p.A.	-	344	-	-	53	55	4	4
Fidis S.p.A.	427	404	-	-	-	-	(1,647)	(98)
Fiat Netherlands Holding N.V.	-	-	-	-	-	-	91,358	110,800
Fiat Gestione Partecipazioni S.p.A.	7,267	8,085	-	-	150	866	54	58
Leasys S.p.A.	-	-	-	-	1,770	2,018	-	-
Fiat I.T.E.M. S.p.A.	-	-	-	-	2,810	3,355	(5)	(7)
Maserati S.p.A.	699	500	-	-	-	-	14	17
Magneti Marelli S.p.A.	4,616	4,772	-	-	-	229	-	(6)
Maxus MC2 S.p.A.	-	190	-	-	-	-	-	-
Orione S.c.p.A.	-	-	-	-	3,506	3,535	(5)	(7)
Risk Management S.p.A.	637	620	-	-	-	31	(3)	(7)
Fiat Group International S.A.	-	-	-	-	138	307	-	-
Sirio S.c.p.A.	58	60	-	-	1,218	1,230	-	(7)
Teksid S.p.A.	974	1,051	-	-	-	-	1	(5)
Fiat Finance North America Inc.	-	-	-	-	-	-	333	322
Fiat Group Automobiles Belgium S.A.	-	-	-	-	139	127	-	-
Other Group companies	30	73	-	-	205	188	108	41
Total Group companies	**52,123**	**51,257**	**-**	**-**	**27,199**	**29,479**	**(93,773)**	**(5,885)**
Other related parties	79	-	21,549	18,397	30,843	17,806	-	-
Total Group companies and other related parties	**52,202**	**51,257**	**21,549**	**18,397**	**58,042**	**47,285**	**(93,773)**	**(5,885)**
Total line item	61,762	75,432	43,385	31,588	101,591	85,905	(93,035)	(13,691)
Percentage of line item	**85%**	**68%**	**50%**	**35%**	**57%**	**55%**	**100%**	**43%**

In addition to the impact of intercompany and related party transactions on the income statement, as detailed in the previous table, there was also a €6 thousand gain on the disposal of the minority interest held in Elasis–Società Consortile per Azioni to Fiat Group Automobiles S.p.A and Fiat Partecipazioni S.p.A., described above in Note 3.

31 December 2010

Counterparty (€ thousand)	**Other fin. assets**	**Trade recs.**	**Current financial recs.**	**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.	-	-	-	7	-	-	-	-	-	104
Fiat Group Automobiles S.p.A.	-	56	-	-	-	-	-	151	-	-
Fiat Finance S.p.A.	-	-	311,526	88	-	2,550,000	-	-	147,507	39
Fiat Group Marketing & C.C. S.p.A.	-	-	-	-	-	-	-	783	-	-
Fiat-Revisione Interna S.c.r.l.	-	-	-	180	-	-	-	-	-	-
Fiat Servizi per l'Industria S.c.p.A.	-	-	-	-	-	-	-	145	-	-
Fiat Partecipazioni S.p.A.	-	-	-	-	-	-	-	121	-	-
Leasys S.p.A.	-	-	-	49	-	-	-	164	-	-
Sirio S.c.p.A.	-	-	-	-	-	-	-	537	-	-
Other Group companies	-	207	-	30	-	-	-	197	-	65
IRES tax consolidation	-	-	-	240,192	-	-	-	-	-	211,576
VAT consolidation	-	-	-	-	-	-	-	-	-	131,408
Financial guarantee contracts	11,442	-	-	-	-	11,442	-	-	-	-
Total Group companies	**11,442**	**263**	**311,526**	**240,546**	**-**	**2,561,442**	**-**	**2,098**	**147,507**	**343,192**
Other related parties	-	79	-	-	13,128	-	-	166	-	8,308
Total Group companies and other related parties	**11,442**	**342**	**311,526**	**240,546**	**13,128**	**2,561,442**	**-**	**2,264**	**147,507**	**351,500**
Total line item	143,947	8,078	311,526	350,554	20,072	2,561,442	9,274	41,011	294,592	368,408
Percentage of line item	**8%**	**4%**	**100%**	**69%**	**65%**	**100%**	**0%**	**6%**	**50%**	**95%**

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 Finance Canada Ltd.	-	221	-	-	-	-	-	-	-	-
Fiat Finance S.p.A.	-	-	606,941	-	-	1,800,000	-	-	64,614	-
Fiat Group Marketing & Corp. 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	-
Iveco S.p.A. (now Fiat Gestione Partecipazioni 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	156,249	156,712	290,058
Percentage of line item	**62%**	**12%**	**100%**	**61%**	**69%**	**100%**	**67%**	**2%**	**61%**	**90%**

Items arising from the domestic tax consolidation (see Notes 16 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 12 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 summarized in the above tables are as follows:

- services provided by Fiat S.p.A. and management personnel at various Group companies (Fiat Group Automobiles S.p.A., Fiat Gestione Partecipazioni S.p.A. formerly 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 minor);
- 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. and Fiat Finance North America Inc.) 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 Finance North America Inc., Fiat Automoveis S.A.- FIASA and other minor subsidiaries), property rental payments (Fiat Group Automobiles S.p.A. and its subsidiaries) and to tax authorities for Group company 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. and Fiat Finance S.p.A.);
- 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 2010 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);
- the sale of the minority interest held in Elasis – Società Consortile per Azioni to Fiat Group Automobiles and Fiat Partecipazioni S.p.A., as part of the restructuring of the holdings in consortium companies for the Group's research (see Note 3);
- subscription to capital increases of €1,050 million for Fiat Group Automobiles S.p.A., €750 million for Fiat Netherlands Holding N.V., €40 million for Comau S.p.A. and €12.5 million for Teksid Aluminum S.r.l. to strengthen their capital structure (see Note 11);
- the purchase from Fiat Partecipazioni S.p.A. and subsequent capital increase of Nuove Iniziative Finanziarie 5 S.p.A. (subsequently renamed Iveco S.p.A.) and Nuova Immobiliare Nove S.p.A. (subsequently renamed FPT Industrial S.p.A.) in the amount of €200 million and €100 million respectively, in addition to establishment of the subsidiaries Fiat Industrial S.p.A. (incorporated with share capital of €120,000 with a further contribution to cover start-up costs of €6.1 million) and Fiat Industrial Finance S.p.A. with share capital of €100 million. All of the above transactions were undertaken in preparation for the demerger of activities to Fiat Industrial S.p.A. (see Note 11);
- incorporation of Fiat Switzerland S.A. in preparation for the reorganization of local activities.

In 2010, transactions with related parties (as defined under IAS 24) other than subsidiaries are presented above under "Other related parties". Those transactions essentially related to:

- professional and advisory services and services as secretary of the Board of Directors and sub-committees were provided to Fiat S.p.A. by Mr. Franzo Grande Stevens for fees of €1,000 thousand;
- fees for the directors and statutory auditors of Fiat S.p.A., as well as the compensation component arising from stock option and stock grant plans for the Chief Executive Officer based on Fiat S.p.A. shares;
- compensation due to Fiat S.p.A. executives having strategic responsibilities.

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 2010 is as follows:

(€ thousand)	31 December 2010	31 December 2009	Change
Cash and cash equivalents	240	474	(234)
Current financial receivables:	311,526	646,074	(334,548)
from Group companies	311,526	646,074	(334,548)
from third parties	-	-	-
Non-current financial payables:	(2,561,442)	(1,816,782)	(744,660)
due to Group companies	(2,561,442)	(1,816,782)	(744,660)
due to third parties	-	-	-
Current financial payables:	(294,592)	(156,712)	(137,880)
due to Group companies	(147,507)	(96,321)	(51,186)
due to third parties	(147,085)	(60,391)	(86,694)
Net financial position	**(2,544,268)**	**(1,326,946)**	**(1,217,322)**
due to Group companies	(2,397,423)	(1,267,029)	(1,130,394)
due to third parties	(146,845)	(59,917)	(86,928)
Net financial position subject to demerger	**(1,227,000)**	**-**	**(1,227,000)**
due to Group companies	(1,227,000)	-	(1,227,000)
due to third parties	-	-	-
Net financial position - Total	**(3,771,268)**	**(1,326,946)**	**(2,444,322)**
due to Group companies	(3,624,423)	(1,267,029)	(2,357,394)
due to third parties	(146,845)	(59,917)	(86,928)

32. Significant non-recurring transactions and unusual or abnormal transactions

During 2010, Fiat S.p.A. did not take part in any significant non-recurring transaction or unusual or abnormal transaction as defined in the Consob Communication of 28 July 2006.

33. Subsequent Events

- As a result of the Demerger, with effect from 1 January 2011, the shareholdings and other assets and liabilities described in Note 18 were transferred to Fiat Industrial S.p.A. and the share capital and reserves of Fiat S.p.A. were adjusted as described in Note 19. As a result of the Demerger, Fiat S.p.A. shareholders were granted, for no consideration, one share in Fiat Industrial S.p.A. for each share of the same class held in Fiat S.p.A. at the time of the Demerger. One ordinary, preference or savings share of Fiat Industrial S.p.A. was, therefore, allotted for each share of the same class held in Fiat S.p.A. Consequently, Fiat S.p.A. was allotted 38,568,458 Fiat Industrial ordinary shares corresponding to the number of own shares held, as discussed in Note 19. On 3 January 2011, the shares of Fiat Industrial S.p.A. were admitted to listing on the Mercato Telematico Azionario.
- On 10 January 2011, Fiat increased its stake in Chrysler from 20% to 25% following achievement of the first of the three Performance Events (i.e., attainment of US regulatory approval and a commitment to produce an engine based on Fiat's FIRE family in the USA) stipulated in the alliance agreement.
- On 9 February 2011, Moody's Investors Service completed the review of Fiat S.p.A.'s rating for possible for downgrade initiated on 21 July 2010. Fiat S.p.A.'s long-term debt rating was affirmed at Ba1 and its short-term rating at "Not Prime". The outlook is negative.

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 latest financial year (*) (€)	Equity (*) (€)	% owned by Fiat S.p.A.	Number of shares	Book value (€)
Fiat Group Automobiles S.p.A. – Turin						
At 31.12.09	745,031,979	(134,673,153)	856,206,538	100.00	745,031,979	4,474,081,024
capital contribution						1,050,000,000
At 31.12.10	**745,031,979**	**369,666,285**	**2,275,872,823**	**100.00**	**745,031,979**	**5,524,081,024**
Ferrari S.p.A – Modena						
At 31.12.09	20,260,000	104,640,221	530,422,655	85.00	6,888,400	1,055,203,823
At 31.12.10	**20,260,000**	**157,928,154**	**688,350,809**	**85.00**	**6,888,400**	**1,055,203,823**
Maserati S.p.A. – Modena						
At 31.12.09	40,000,000	(24,319,603)	67,836,712	100.00	40,000,000	103,798,379
At 31.12.10	**40,000,000**	**(7,742,674)**	**60,094,039**	**100.00**	**40,000,000**	**103,798,379**
Fiat Gestione Partecipazioni S.p.A. – Turin (formerly Iveco S.p.A)						
At 31.12.09	369,500,000	(254,007,877)	457,348,864	100.00	369,500,000	1,573,631,676
Impairment reversal						260,000,000
At 31.12.10	**369,500,000**	**1,365,468,716**	**1,822,817,580**	**100.00**	**369,500,000**	**1,833,631,676**
Fiat Powertrain Technologies S.p.A. – Turin						
At 31.12.09	525,000,000	4,684,546	918,601,714	100.00	750,000,000	648,912,584
impairment						(80,000,000)
At 31.12.10	**525,000,000**	**(48,781,405)**	**789,820,309**	**100.00**	**750,000,000**	**568,912,584**
Magneti Marelli S.p.A. – Corbetta						
At 31.12.09	254,325,965	(134,715,249)	455,050,583	99.99	254,301,607	611,854,217
Ordinary shares						
At 31.12.09				100.00	250,500,601	602,696,271
At 31.12.10				**100.00**	**250,500,601**	**602,696,271**
Preference shares						
At 31.12.09				99.36	3,801,006	9,157,946
At 31.12.10				**99.36**	**3,801,006**	**9,157,946**
At 31.12.10	**254,325,965**	**32,732,151**	**387,782,736**	**99.99**	**254,301,607**	**611,854,217**
Teksid S.p.A. – Turin						
At 31.12.09	71,403,261	4,328,864	145,321,833	84.79	60,543,388	76,083,758
At 31.12.10	**71,403,261**	**1,885,946**	**147,207,779**	**84.79**	**60,543,388**	**76,083,758**
Teksid Aluminum S.r.l. – Carmagnola						
At 31.12.09	5,000,000	(31,077,630)	8,758,374	100.00		37,292,021
capital contribution						12,500,000
impairment						(11,100,000)
At 31.12.10	**5,000,000**	**(11,050,549)**	**10,207,825**	**100.00**		**38,692,021**

(*) Figures taken from the separate financial statements of the subsidiaries
% owned by Fiat S.p.A.
Any indirect interest in the ordinary share capital of subsidiaries is also indicated

List of equity investments (continued)

Company and registered office		Share Capital (*) (€)	Result for the latest financial year (*) (€)	Equity (*) (€)	% owned by Fiat S.p.A.	Number of shares	Book value (€)
Comau S.p.A. – Grugliasco							
At 31.12.09		48,013,959	(45,770,610)	80,369,600	100.00	48,013,959	92,050,496
capital contribution							40,000,000
impairment							(7,100,000)
At 31.12.10		**48,013,959**	**(22,963,957)**	**97,405,643**	**100.00**	**48,013,959**	**124,950,496**
Fiat Partecipazioni S.p.A. – Turin							
At 31.12.09		356,158,302	(15,908,554)	934,162,949	100.00	356,158,302	934,451,675
At 31.12.10		**361,054,062**	**(27,721,564)**	**919,387,476**	**98.64 +1.36 ind.**	**356,158,302**	**934,451,675**
Fiat Finance S.p.A. – Turin							
At 31.12.09		224,440,000	5,395,194	433,754,480	100.00	224,440,000	222,262,897
At 31.12.10		**224,440,000**	**17,292,422**	**271,046,902**	**100.00**	**224,440,000**	**222,262,897**
Business Solutions S.p.A. – Turin							
At 31.12.09		4,791,396	4,947,508	24,068,845	100.00	4,791,396	36,405,062
At 31.12.10		**4,791,396**	**8,069,470**	**13,820,394**	**100.00**	**4,791,396**	**36,405,062**
Itedi – Italiana Edizioni S.p.A. – Turin							
At 31.12.09		5,980,000	(1,586,503)	26,173,189	100.00	5,980,000	25,899,105
At 31.12.10		**5,980,000**	**(15,571,825)**	**10,601,365**	**100.00**	**5,980,000**	**25,899,105**
Fiat Industrial S.p.A. – Turin							
subscription to share capital							120,000
capital contribution							6,159,333
impairment							(6,100,000)
At 31.12.10		**120,000**	**(6,159,333)**	**120,000**	**100.00**	**80,000**	**179,333**
Fiat Switzerland S.A. – Paradiso (Switzerland)							
subscription to share capital					100.00	100	74,211
	CHF	100,000					
partial acquisition of activities in FGI – Fiat Group International S.A. by Fiat Switzerland S.A.							1,247,799
	CHF	1,000,000				1,000	
At 31.12.10		**879,718**	**(1,127,562)**	**8,124,074**	**100.00**	**1,100**	**1,322,010**
	CHF	**1,100,000**	**(1,409,903)**	**10,158,342**			
Rimaco S.A. – Lausanne (Switzerland)							
merger of FGI – Fiat Group International S.A into Rimaco S.A.					100.00		32,197,079
	CHF						
At 31.12.10		**279,910**	**29,762,761**	**226,165,144**	**100.00**	**350**	**32,197,079**
	CHF	**350,000**	**37,215,356**	**282,796,896**			
Fiat Finance North America Inc. – Wilmington (USA)							
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			
At 31.12.10		**142,261,645**	**884,825**	**146,431,648**	**39.47 +60.53 ind.**	**150**	**57,023,858**
	USD	**190,090,010**	**1,182,303**	**195,661,968**			

(*) Figures taken from the separate financial statements of the subsidiaries
% owned by Fiat S.p.A.
Any indirect interest in the ordinary share capital of subsidiaries is also indicated

List of equity investments (continued)

Company and registered office		Share Capital (*) (€)	Result for the latest financial year (*) (€)	Equity (*) (€)	% owned by Fiat S.p.A.	Number of shares	Book value (€)
Fiat U.S.A. Inc. – New York (USA)							
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			
At 31.12.10		**12,595,420**	**(25,650)**	**25,680,263**	**100.00**	**1,000**	**27,257,726**
	USD	**16,830,000**	**(34,273)**	**34,313,967**			
Isvor Fiat Società consortile di sviluppo e addestramento Industriale per Azioni – Turin							
At 31.12.09		300,000	756,266	1,784,642	3.00	9,000	-
At 31.12.10		**300,000**	**(342,692)**	**1,441,947**	**3.00 +97.00 ind.**	**9,000**	**-**
Fiat-Revisione Interna S.c.r.l. – Turin							
At 31.12.09		300,000	13,464	633,536	51.00	153,000	n.v. 186,980
At 31.12.10		**300,000**	**19,512**	**653,048**	**51.00 +49.00 ind.**	**153,000**	**n.v. 186,980**
Fiat Servizi per l'Industria S.c.p.A. – Turin							
At 31.12.09		1,652,669	342,456	3,521,606	5.00	82,633	70,720
At 31.12.10		**1,652,669**	**346,234**	**3,950,785**	**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 31.12.09		120,000	130,713	556,825	18.00	21,603	21,107
At 31.12.10		**120,000**	**148,809**	**705,634**	**18.00 +80.90 ind.**	**21,603**	**21,107**
SIRIO - Sicurezza Industriale Società consortile per Azioni – Turin							
At 31.12.09		120,000	349,717	2,105,175	0.75	901	764
At 31.12.10		**120,000**	**1,902,695**	**4,007,870**	**0.75 +93.16**	**901 ind.**	**764**
Total subsidiaries							**11,274,486,294**

(*) Figures taken from the separate financial statements of the subsidiaries
% 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)

Subsidiaries to be demerged

Company and registered office	Share Capital (*) (€)	Result for the latest financial year (*) (€)	Equity (*) (€)	% owned by Fiat S.p.A.	Number of shares	Book value (€)
Fiat Netherlands Holding N.V. – Amsterdam (The Netherlands)						
At 31.12.09	2,610,397,295	(117,636,617)	3,938,171,301	100.00	94,923,538	3,827,346,053
capital contribution						750,000,000
At 31.12.10	**2,610,397,295**	**374,041,969**	**5,522,622,699**	**100.00**	**94,923,538**	**4,577,346,053**
Iveco S.p.A. – Turin (formerly Nuove Iniziative Finanziarie Cinque S.p.A.)						
acquisition and capital increase					200,000,000	200,000,000
At 31.12.10	**200,000,000**	**(34,810,710)**	**165,197,064**	**100.00**	**200,000,000**	**200,000,000**
FPT Industrial S.p.A. – Turin (formerly Nuova Immobiliare Nove S.p.A.)						
acquisition and capital increase					100,000,000	100,000,000
At 31.12.10	**100,000,000**	**(18,177,149)**	**81,831,951**	**100.00**	**100,000,000**	**100,000,000**
Fiat Industrial Finance S.p.A. – Turin						
subscription to share capital					100,000,000	100,000,000
At 31.12.10	**100,000,000**	**62,305**	**100,062,305**	**100.00**	**100,000,000**	**100,000,000**
Total Subsidiaries to be demerged						**4,977,346,053**

(*) Figures taken from the separate financial statements of the subsidiaries

Associate companies

Company and registered office	Share Capital (*) (€)	Result for the latest financial year (*) (€)	Equity (*) (€)	% owned by Fiat S.p.A.	Number of shares	Book value (€)
RCS MediaGroup S.p.A. – Milan						
At 31.12.09	762,019,050	79,343,926	1,265,643,760	10.09	76,907,627	131,785,440
At 31.12.10 (*)	**762,019,050**	**(36,118,684)**	**1,231,214,144**	**10.09**	**76,907,627**	**131,785,440**
Total associate companies						**131,785,440**

(*) Figures taken from the 2008 and 2009 Separate 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 31.12.09	0.01	187,710	3,532,702
fair value adjustment			(865,343)
At 31.12.10	**0.01**	**187,710**	**2,667,359**
Fin.Priv. S.r.l. – Milan			
At 31.12.09	14.29		17,943,247
fair value adjustment			(3,603,838)
At 31.12.10	**14.29**		**14,339,409**
Consorzio Lingotto – Turin			
At 31.12.09	5.40		279
At 31.12.10	**5.40**		**279**
Total other companies			**17,007,047**

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

Name	Office held in 2010	Term of office	Expira-tion (*)	Compensation for office held	Non-cash benefits (**)	Bonuses and other incentives	Other fees	Total
John Elkann	Chairman Vice Chairman	21/04-31/12/2010 1/01-21/04/2010	2012	550.0 1)	39.0			589.0
Sergio Marchionne	Chief Executive Officer	1/01-31/12/2010	2012	3,050.0			423.3 2)	3,473.3
Andrea Agnelli	Director	1/01-31/12/2010	2012	65.0				65.0
Carlo Barel di Sant'Albano	Director	1/01-31/12/2010	2012	65.0 3)				65.0
Roland Berger	Director	1/01-31/12/2010	2012	68.0				68.0
Tiberto Brandolini d'Adda	Director	1/01-31/12/2010	2012	65.0				65.0
René Carron	Director	1/01-31/12/2010	2012	62.0				62.0
Luca Cordero di Montezemolo	Director Chairman	21/04-31/12/2010 1/01-21/04/2010	2012	211.0 4)	10.0	1,033.0 5)	7,459.0 6)	8,713.0
Luca Garavoglia	Director	1/01-31/12/2010	2012	71.0				71.0
Gian Maria Gros-Pietro	Director	1/01-31/12/2010	2012	95.0				95.0
Virgilio Marrone	Director	1/01-31/12/2010	2012	65.0				65.0
Vittorio Mincato	Director	1/01-31/12/2010	2012	92.0				92.0
Pasquale Pistorio	Director	1/01-31/12/2010	2012	65.0				65.0
Ratan Tata	Director	1/01-31/12/2010	2012	59.0				59.0
Mario Zibetti	Director	1/01-31/12/2010	2012	95.0				95.0
Riccardo Perotta	Chairman of the Board of Statutory Auditors	1/01-31/12/2010	2012	100.0				100.0
Giuseppe Camosci	Statutory Auditor	1/01-31/12/2010	2012	65.0			30,0 7)	95.0
Piero Locatelli	Statutory Auditor	1/01-31/12/2010	2012	65.0				65.0
Executives with strategic responsibilities (***)					116.0 8)	558.0 9)	17,417.0 10)	18,091.0 11)

(*) 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 16 executives employed as at 31 December 2010 and 2 executives who left the Group during the year.
1) Gross annual compensation for the office of Chairman is €500,000.
2) Gross annual compensation for the office held at the subsidiary Fiat Switzerland 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 recognized by Fiat S.p.A. in 2010 was €842.9 thousand.
3) Compensation paid to Exor S.p.A.
4) Includes, for the period 1/01/2010-21/04/2010, the relevant portion of gross annual compensation for the office of Chairman of Fiat S.p.A.
5) Extraordinary one-off amount for service as Chairman of Fiat S.p.A. for the period 2004/2010.
6) 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 recognized by Ferrari for 2010 was €966.7 thousand.
7) Compensation for the office of Chairman of the Board of Statutory Auditors of Magneti Marelli S.p.A.
8) Includes fringe benefits.
9) Variable portion of compensation.
10) Includes salary, amounts paid following termination of employment in the amount of €6,683 thousand and compensation for offices held at subsidiaries that are retained by the executives.
11) 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		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		
Name	Office held at the date of the grant	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 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) (6)	-	-	
Sergio Marchionne	Chief Executive Officer	19,420,000	9.640	11/10-11/16 (1)(2)							(2,500,000) (6)	16,920,000	9.09	11/10-11/16
Executives with strategic responsibilities		2,105,000	13.278	05/06-11/14 (3)							(1,468,750) (6)	636,250	13.37	02/11-11/14
Stock options on Ferrari shares														
Luca Cordero di Montezemolo	-	80,000	175	10/04-12/10 (4)							(80,000) (6)	-	-	
Stock options on CNH shares (5)														
Executives with strategic responsibilities	-	149,939	23.481	01/15	111,250	31.076	02/16 (7)	40,046	15.776	33.000	-	221,143	28.697	02/16

(*) For further information, see Note 19 to Fiat S.p.A. financial statements.
(1) The vesting of one-third of the 2004 stock option grant was subject to the achievement of predetermined profit targets which was 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 the Shareholders approved to extend 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 was subject to the achievement of predetermined performance targets: only the first tranche (i.e. 25%) of those rights vested. 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 performance targets. With reference to the portion subject to predetermined performance targets, only the first tranche (i.e. 25%) of those rights vested. The exercise period begins with the approval of the 2010 Financial Statements and terminates in November 2014.
(4) Options exercisable upon placement of Ferrari S.p.A. shares on the stock market.
(5) Prices expressed in US dollars.
(6) Options expired comprises either expired options or options forfeited during the period.
(7) Grants also include past grants of new executives with strategic responsibilities.

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		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	
Name	Office held at the date of the grant	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	2,000,000	02/12		4,000,000 (1)	01/12
Stock grants on CNH shares								
Executives with strategic responsibilities	-	100,000	01/11	100,000	01/15 (2)	100,000	100,000	01/15

(*) For further information, see Note 19 to Fiat S.p.A. financial statements.
(1) Following the Board of Directors' resolution of 18 February 2011, all grants are conditional only on the continuation of a professional relationship with the Group until the end of 2011. For further information see Note 19 to Fiat S.p.A. financial statements.
(2) Consists of a Performance Share grant with final vesting upon approval of 2014 Financial Statements. Earlier partial vesting may occur after the 2012 and 2013 full year results.

18 February 2011

On behalf of the Board of Directors

/s/ John Elkann

John Elkann
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 "Regolamento Emittenti" issued by Consob, reports fees charged for 2010 for audit and other services provided by the independent auditors. No services were provided by entities in their network.

(€ thousand)	Service Provider	2010 Fees
Audit	Deloitte & Touche S.p.A.	182
Attestation	Deloitte & Touche S.p.A.(1)	339
Other services	Deloitte & Touche S.p.A.(2)	205
Total		**726**

(1) Examination of pro-forma financial information for Fiat S.p.A. and subsidiaries included in the Information Document prepared pursuant to the Consob Issuer Regulations. Limited audit of Fiat S.p.A.'s statutory financial statements for the six months ended 30 June 2010 and limited audit of Fiat S.p.A.'s consolidated financial statements for the quarter and nine months ended 30 September 2010 for the purpose of disclosures required in relation to the Demerger. Attestation of tax forms ("Modello Unico", IRAP, Domestic Tax Consolidation and Form 770).

(2) Review and analysis related to the accounting treatment for significant non-recurring transactions, primarily related to the demerger executed by Fiat S.p.A. Verification of documents related to industrial initiatives.

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 Camillo Rossotto, 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 2010.
2. The assessment of the adequacy of the administrative and accounting procedures used for the preparation of the statutory financial statements at 31 December 2010 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 2010:

   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 2010 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.

18 February 2011

/s/ Sergio Marchionne

Sergio Marchionne
CHIEF EXECUTIVE OFFICER

/s/ Alessandro Baldi
/s/ Camillo Rossotto

Alessandro Baldi
Camillo Rossotto
EXECUTIVE OFFICERS RESPONSIBLE FOR THE PREPARATION OF THE COMPANY'S FINANCIAL STATEMENTS