Fiat Group Consolidated Financial Statements

at 31 December 2012

Consolidated Income Statement (*)

(€ million)	Note	2012	2011 (**)
Net revenues	(1)	**83,957**	59,559
Cost of sales	(2)	**71,474**	50,704
Selling, general and administrative costs	(3)	**6,731**	5,047
Research and development costs	(4)	**1,835**	1,367
Other income/(expenses)	(5)	**(103)**	(49)
TRADING PROFIT/(LOSS)		**3,814**	**2,392**
Result from investments:	(6)	**107**	131
Share of the profit/(loss) of investees accounted for using the equity method		**94**	146
Other income/(expenses) from investments		**13**	(15)
Gains/(losses) on the disposal of investments	(7)	**(91)**	21
Restructuring costs	(8)	**15**	102
Other unusual income/(expenses)	(9)	**(138)**	1,025
EARNINGS BEFORE INTEREST AND TAXES (EBIT)		**3,677**	**3,467**
Financial income/(expenses)	(10)	**(1,641)**	(1,282)
PROFIT/(LOSS) BEFORE TAXES		**2,036**	**2,185**
Income taxes	(11)	**625**	534
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		**1,411**	**1,651**
Post-tax profit/(loss) from Discontinued Operations		**-**	-
PROFIT/(LOSS)		**1,411**	**1,651**
PROFIT/(LOSS) ATTRIBUTABLE TO:			
Owners of the parent		**348**	1,334
Non-controlling interests		**1,063**	317
PROFIT/(LOSS) FROM CONTINUING OPERATION ATTRIBUTABLE TO:			
Owners of the parent		**348**	1,334
Non-controlling interests		**1,063**	317

(in €)			
BASIC EARNINGS/(LOSS) PER ORDINARY SHARE	(13)	**0.286**	**1.071**
BASIC EARNINGS/(LOSS) PER PREFERENCE SHARE (A)	(13)	**-**	**1.071**
BASIC EARNINGS/(LOSS) PER SAVINGS SHARE (A)	(13)	**-**	**1.180**
DILUTED EARNINGS/(LOSS) PER ORDINARY SHARE	(13)	**0.284**	**1.063**
DILUTED EARNINGS/(LOSS) PER PREFERENCE SHARE (A)	(13)	**-**	**1.063**
DILUTED EARNINGS/(LOSS) PER SAVINGS SHARE (A)	(13)	**-**	**1.172**

(*) Pursuant to Consob Resolution 15519 of 27 July 2006, the effects of related party transactions on the consolidated income statement are presented in the specific Income Statement schedule provided in the following pages and are further described in Note 37.
(**) The amounts reported include seven months of operations for Chrysler from 1 June 2011.
(a) Please note that the conversion of all preference and savings shares into Fiat S.p.A. ordinary shares took place in 2012.

Consolidated Statement of Comprehensive Income

(€ million)	Note	2012	2011 (*)
PROFIT/(LOSS) (A)		**1,411**	**1,651**
Gains/(Losses) on cash flow hedges	(24)	184	(160)
Gains/(Losses) on fair value of available-for-sale financial assets	(24)	27	(42)
Gains/(Losses) on exchange differences on translating foreign operations	(24)	(359)	452
Share of other comprehensive income of entities accounted for using the equity method	(24)	21	(63)
Income tax relating to components of Other comprehensive income	(24)	(24)	15
TOTAL OTHER COMPREHENSIVE INCOME, NET OF TAX (B)		**(151)**	**202**
TOTAL COMPREHENSIVE INCOME (A)+(B)		**1,260**	**1,853**
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of the parent		321	1,203
Non-controlling interests		939	650

(*) The amounts reported include seven months of operations for Chrysler from 1 June 2011.

Consolidated Statement of Financial Position (*)

(€ million)	Note	At 31 December 2012	At 31 December 2011
ASSETS			
Intangible assets		**19,284**	18,200
Goodwill and intangible assets with indefinite useful lives	(14)	**12,947**	13,213
Other intangible assets	(15)	**6,337**	4,987
Property, plant and equipment	(16)	**22,061**	20,785
Investments and other financial assets:	(17)	**2,290**	2,660
Investments accounted for using the equity method		**1,510**	1,579
Other investments and financial assets		**780**	1,081
Leased assets		**1**	45
Defined benefit plan assets		**105**	97
Deferred tax assets	(11)	**1,736**	1,690
Total Non-current assets		**45,477**	**43,477**
Inventories	(18)	**9,295**	9,123
Trade receivables	(19)	**2,702**	2,625
Receivables from financing activities	(19)	**3,727**	3,968
Current tax receivables	(19)	**236**	369
Other current assets	(19)	**2,163**	2,088
Current financial assets:		**807**	789
Current investments		**32**	33
Current securities	(20)	**256**	199
Other financial assets	(21)	**519**	557
Cash and cash equivalents	(22)	**17,657**	17,526
Total Current assets		**36,587**	**36,488**
Assets held for sale	(23)	**55**	66
TOTAL ASSETS		**82,119**	**80,031**

(*) Pursuant to Consob Resolution 15519 of 27 July 2006, the effects of related party transactions on the consolidated Statement of Financial Position are presented in the specific Statement of financial position schedule provided in the following pages and are further described in Note 37.

Consolidated Statement of Financial Position
(continued)

(€ million)	Note	At 31 December 2012	At 31 December 2011
EQUITY AND LIABILITIES			
Equity:	(24)	**13,173**	12,260
Equity attributable to owners of the parent		**9,059**	8,727
Non-controlling interests		**4,114**	3,533
Provisions:		**15,484**	15,624
Employee benefits	(26)	**6,694**	7,026
Other provisions	(27)	**8,790**	8,598
Debt:		**27,889**	26,772
Asset-backed financing	(28)	**449**	710
Other debt	(28)	**27,440**	26,062
Other financial liabilities	(21)	**201**	429
Trade payables	(29)	**16,558**	16,418
Current tax payables		**231**	230
Deferred tax liabilities	(11)	**802**	760
Other current liabilities	(30)	**7,781**	7,538
Liabilities held for sale		**-**	-
TOTAL EQUITY AND LIABILITIES		**82,119**	**80,031**

Consolidated Statement of Cash Flows(*)

(€ million)	Note	2012	2011 (**)
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	(22)	**17,526**	**11,967**
B) CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES DURING THE YEAR:			
Profit/(loss) for the period		1,411	1,651
Amortisation and depreciation		4,134	3,358
(Gains)/losses on disposal of:			
Property, plant and equipment and intangible assets		14	21
Investments		91	(21)
Other non-cash items	(31)	47	(1,106)
Dividends received		89	105
Change in provisions		77	(116)
Change in deferred taxes		(72)	(19)
Change in items due to buy-back commitments	(31)	(51)	(62)
Change in operating lease items	(31)	(10)	(28)
Change in working capital		714	1,412
TOTAL		**6,444**	**5,195**
C) CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES:			
Investments in:			
Property, plant and equipment and intangible assets	(31)	(7,534)	(5,528)
Investments in consolidated subsidiaries		-	(22)
Other investments		(24)	(120)
Cash and cash equivalents from consolidation of Chrysler, net of consideration paid for the additional 16% ownership interest	(31)	-	5,624
Proceeds from the sale of:			
Property, plant and equipment and intangible assets		118	324
Investments in consolidated subsidiaries		-	29
Other investments		21	96
Net change in receivables from financing activities		(24)	(1,218)
Change in current securities		(64)	(14)
Other changes		(30)	(29)
TOTAL		**(7,537)**	**(858)**
D) CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES:			
New issuance of bonds		2,535	2,500
Repayment of bonds		(1,450)	(2,448)
Issuance of other medium-term borrowings		1,925	2,149
Repayment of other medium-term borrowings		(1,528)	(3,895)
Changes in net financial receivables from Fiat Industrial group		-	2,761
Net change in other financial payables and other financial assets/liabilities		197	143
Increase in share capital		22	41
Dividends paid		(58)	(181)
(Purchase)/sale of ownership interests in subsidiaries	(31)	-	(438)
TOTAL		**1,643**	**632**
Translation exchange differences		(419)	590
E) TOTAL CHANGE IN CASH AND CASH EQUIVALENTS		**131**	**5,559**
F) CASH AND CASH EQUIVALENTS AT END OF THE YEAR	(22)	**17,657**	**17,526**
of which: Cash and cash equivalents included as Assets held for sale		-	-
G) CASH AND CASH EQUIVALENTS AT END OF THE YEAR AS REPORTED	(22)	**17,657**	**17,526**

(*) Pursuant to Consob Resolution 15519 of 27 July 2006, the effects of related party transactions on the consolidated statement of cash flows are presented in the specific Statement of Cash Flows schedule provided in the following pages.
(**) Cash flows for 2011 include the consolidation of Chrysler from 1 June 2011.

Statement of Changes in Consolidated Equity

(€ million)	Share capital	Treasury shares	Capital reserves	Earning reserves	Cash flow hedge reserve	Cumulative translation adjustment reserve	Available for sale financial assets reserve	Cumulative share of OCI of entities consolidated under the equity method	Non-controlling interests	Total
At 1 January 2011	**6,377**	**(657)**	**601**	**4,145**	**(45)**	**1,111**	**(2)**	**14**	**917**	**12,461**
Changes in equity for 2011										
Effects of the Demerger										
Direct effects of the Demerger	(1,913)	-	(457)	(1,216)	23	(398)	-	(31)	(724)	**(4,716)**
Effects of the Demerger on Treasury shares and on the Fiat S.p.A. Reserve for Share based payments	-	368	-	(185)	-	-	-	-	-	**183**
Capital increase	-	-	-	-	-	-	-	-	36	**36**
Increase in share capital due to the exercising of stock option	2	-	3	-	-	-	-	-	-	**5**
Dividends distributed	-	-	-	(152)	-	-	-	-	(29)	**(181)**
Net Increase in the Reserve for share-based payments	-	-	-	3	-	-	-	-	-	**3**
Non-controlling interest arising from the consolidation of Chrysler	-	-	-	-	-	-	-	-	3,112	**3,112**
Purchase and sale of shares in subsidiaries from/to non-controlling interests	-	-	-	(83)	-	-	-	-	(426)	**(509)**
Total comprehensive income	-	-	-	1,334	(148)	121	(41)	(63)	650	**1,853**
Other changes	-	-	-	16	-	-	-	-	(3)	**13**
AT 31 DECEMBER 2011	**4,466**	**(289)**	**147**	**3,862**	**(170)**	**834**	**(43)**	**(80)**	**3,533**	**12,260**
Changes in equity for 2012										
Capital increase	-	-	-	-	-	-	-	-	22	**22**
Effect of the conversion of preference and savings shares into ordinary shares	10	-	(10)	-	-	-	-	-	-	**-**
Share based payments	-	30	-	(15)	-	-	-	-	-	**15**
Dividends distributed	-	-	-	(40)	-	-	-	-	(18)	**(58)**
Purchase and sale of shares in subsidiaries from/to non-controlling interests	-	-	-	35	1	3	-	-	(359)	**(320)**
Total comprehensive income	-	-	-	348	184	(257)	26	20	939	**1,260**
Other changes	-	-	-	(3)	-	-	-	-	(3)	**(6)**
At 31 DECEMBER 2012	**4,476**	**(259)**	**137**	**4,187**	**(15)**	**580**	**(17)**	**(60)**	**4,114**	**13,173**

Consolidated Income Statement

pursuant to Consob Resolution 15519 of 27 July 2006

(€ million)	Note	2012 Total	2012 of which Related parties (Note 37)	2011 (*) Total	2011 (*) of which Related parties (Note 37)
Net revenues	(1)	83,957	2,793	59,559	2,970
Cost of sales	(2)	71,474	3,674	50,704	4,272
Selling, general and administrative costs	(3)	6,731	116	5,047	117
Research and development costs	(4)	1,835	7	1,367	2
Other income/(expenses)	(5)	(103)	20	(49)	35
TRADING PROFIT/(LOSS)		**3,814**		**2,392**	
Result from investments:	(6)	107	107	131	136
Share of the profit/(loss) of investees accounted for using the equity method		94	94	146	146
Other income/(expenses) from investments		13	13	(15)	(10)
Gains/(losses) on the disposal of investments	(7)	(91)	-	21	12
Restructuring costs	(8)	15	-	102	-
Other unusual income/(expenses)	(9)	(138)	-	1,025	-
EARNINGS BEFORE INTEREST AND TAXES (EBIT)		**3,677**		**3,467**	
Financial income/(expenses)	(10)	(1,641)	(25)	(1,282)	40
PROFIT/(LOSS) BEFORE TAXES		**2,036**		**2,185**	
Income taxes	(11)	625		534	
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		**1,411**		**1,651**	
Post-tax profit/(loss) from Discontinued Operations		-		-	
PROFIT/(LOSS)		**1,411**		**1,651**	
PROFIT/(LOSS) ATTRIBUTABLE TO:					
Owners of the parent		348		1,334	
Non-controlling interests		1,063		317	
PROFIT/(LOSS) FROM CONTINUING OPERATIONS ATTRIBUTABLE TO:					
Owners of the parent		348		1,334	
Non-controlling interests		1,063		317	

(*) The amounts reported include seven months of operations for Chrysler from 1 June 2011.

Consolidated Statement of Financial Position

pursuant to Consob Resolution 15519 of 27 July 2006

(€ million)	Note	At 31 December 2012 Total	At 31 December 2012 of which Related parties (Note 37)	At 31 December 2011 Total	At 31 December 2011 of which Related parties (Note 37)
ASSETS					
Intangible assets		19,284	-	18,200	-
Goodwill and intangible assets with indefinite useful lives	(14)	12,947	-	13,213	-
Other intangible assets	(15)	6,337	-	4,987	-
Property, plant and equipment	(16)	22,061	-	20,785	-
Investments and other financial assets:	(17)	2,290	1,883	2,660	1,909
Investments accounted for using the equity method		1,510	1,510	1,579	1,579
Other investments and financial assets		780	373	1,081	330
Leased assets		1	-	45	-
Defined benefit plan assets		105	-	97	-
Deferred tax assets	(11)	1,736	-	1,690	-
Total Non-current assets		**45,477**		**43,477**	
Inventories	(18)	9,295	2	9,123	1
Trade receivables	(19)	2,702	384	2,625	411
Receivables from financing activities	(19)	3,727	201	3,968	197
Current tax receivables	(19)	236	-	369	-
Other current assets	(19)	2,163	49	2,088	70
Current financial assets:		807	-	789	-
Current investments		32	-	33	-
Current securities	(20)	256	-	199	-
Other financial assets	(21)	519	-	557	-
Cash and cash equivalents	(22)	17,657	-	17,526	-
Total Current assets		**36,587**		**36,488**	
Assets held for sale	(23)	55	54	66	60
TOTAL ASSETS		**82,119**		**80,031**	
EQUITY AND LIABILITIES					
Equity:	(24)	13,173	-	12,260	-
Equity attributable to owners of the parent		9,059	-	8,727	-
Non-controlling interests		4,114	-	3,533	-
Provisions:		15,484	158	15,624	168
Employee benefits	(26)	6,694	145	7,026	144
Other provisions	(27)	8,790	13	8,598	24
Debt:		27,889	272	26,772	331
Asset-backed financing	(28)	449	61	710	101
Other debt	(28)	27,440	211	26,062	230
Other financial liabilities	(21)	201	-	429	-
Trade payables	(29)	16,558	969	16,418	1,139
Current tax payables		231	-	230	-
Deferred tax liabilities	(11)	802	-	760	-
Other current liabilities	(30)	7,781	179	7,538	130
Liabilities held for sale		-	-	-	-
TOTAL EQUITY AND LIABILITIES		**82,119**		**80,031**	

Consolidated Statement of Cash Flows

pursuant to Consob Resolution 15519 of 27 July 2006

(€ million)	Note	2012 Total	2012 of which Related Parties (Note 37)	2011 (*) Total	2011 (*) of which Related Parties (Note 37)
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	(22)	**17,526**		**11,967**	
B) CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES DURING THE YEAR:					
Profit/(loss) for the period		1,411		1,651	-
Amortisation and depreciation		4,134		3,358	-
(Gains)/losses on disposal of:					
Property, plant and equipment and intangible assets		14		21	-
Investments		91		(21)	-
Other non-cash items	(31)	47	9	(1,106)	12
Dividends received		89	89	105	105
Change in provisions		77	1	(116)	124
Change in deferred taxes		(72)	-	(19)	-
Change in items due to buy-back commitments	(31)	(51)	2	(62)	9
Change in operating lease items	(31)	(10)	-	(28)	-
Change in working capital		714	(90)	1,412	225
TOTAL		**6,444**		**5,195**	
C) CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES:					
Investments in:					
Property, plant and equipment and intangible assets	(31)	(7,534)	-	(5,528)	-
Investments in consolidated subsidiaries		-	-	(22)	-
Other investments		(24)	(20)	(120)	(76)
Cash and cash equivalents from consolidation of Chrysler, net of consideration paid for the additional 16% ownership interest	(31)	-	-	5,624	-
Proceeds from the sale of:					
Property, plant and equipment and intangible assets		118	-	324	-
Investments in consolidated subsidiaries		-	-	29	15
Other investments		21	-	96	80
Net change in receivables from financing activities		(24)	(7)	(1,218)	(74)
Change in current securities		(64)	-	(14)	-
Other changes		(30)	-	(29)	-
TOTAL		**(7,537)**		**(858)**	
D) CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES:					
Issuance of bonds		2,535	-	2,500	-
Repayment of bonds		(1,450)	-	(2,448)	-
Issuance of other medium-term borrowings		1,925	-	2,149	-
Repayment of other medium-term borrowings		(1,528)	-	(3,895)	-
Changes in net financial receivables from Fiat Industrial group		-	-	2,761	2,761
Net change in other financial payables and other financial assets/liabilities		197	(34)	143	33
Increase in share capital		22	-	41	-
Dividends paid		(58)	(11)	(181)	(40)
(Purchase)/sale of ownership interests in subsidiaries	(31)	-	-	(438)	-
TOTAL		**1,643**		**632**	
Translation exchange differences		(419)		590	
E) TOTAL CHANGE IN CASH AND CASH EQUIVALENTS		**131**		**5,559**	
F) CASH AND CASH EQUIVALENTS AT END OF THE YEAR	(22)	**17,657**		**17,526**	
of which: Cash and cash equivalents included as Assets held for		-		-	
G) CASH AND CASH EQUIVALENTS AT END OF THE YEAR AS REPORTED	(22)	**17,657**		**17,526**	

(*) Cash flows for 2011 include the consolidation of Chrysler from 1 June 2011.

Notes to the Consolidated Financial Statements

Principal activities

Fiat S.p.A. is a corporation organised under the laws of the Republic of Italy. Fiat S.p.A. and its subsidiaries (the "Group") operate in approximately 40 countries. The Group is engaged in the manufacture and sale of automobiles and light commercial vehicles, engines, transmission systems, automotive-related components, metallurgical products and production systems. In addition, the Group has for a long while also been involved in certain other sectors, including publishing and communications, which represent a small portion of its activities.

The Group has its head office in Turin, Italy.

The Group's presentation currency is Euro.

Significant accounting policies

Basis of preparation

The 2012 consolidated financial statements have been prepared in accordance with the *International Financial Reporting Standards* (the "IFRS") issued by the *International Accounting Standards Board* ("IASB") and adopted by the European Union, and with the 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 IFRS *Interpretations Committee*, formerly the *Standing Interpretations Committee* ("SIC") and then the *International Financial Reporting Interpretations Committee* ("IFRIC").

The financial statements are prepared under the historical cost convention, modified as required for the measurement of certain financial instruments, as well as on a going concern basis. In this respect, the 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, also considering the ongoing operational integration between Fiat and Chrysler and the Group's industrial and financial flexibility.

Format of the financial statements

For presentation of the income statement, the Group uses a classification based on the function of expenses (otherwise known as the "cost of sales" method), rather than one based on their nature, as it is more representative of the format used for internal reporting and management purposes and is consistent with international practice in the automotive sector.

In addition to assessing the performance of its operating segments on the basis of Trading profit, beginning 2012, and following the progressive implementation of the new organizational structure, the Group also started assessing performance on the basis of Earnings before Interest and Taxes (EBIT) and has decided to report it as a separate line item in the income statement in place of Operating profit. The comparative amounts have been restated accordingly. EBIT consists of Trading profit/(loss), Result from investments, and other income/(expense) classified as unusual and was deemed more appropriate than Operating profit as an indicator of performance for the Group and its operating segments, since it also takes into account the Result from investments.

Trading profit, on the other hand, which remains unchanged, reflects the result from normal operating activities before taking account of the Result from investments and unusual items such as Gains/(losses) on the disposal of investments, Restructuring costs and Other income/(expense) classified as unusual. The definition "unusual" adopted by the Group differs from the definition provided in the Consob Communication of 28 July 2006, under which unusual and/or abnormal transactions are those which – because of their significance or materiality, the nature of the counterparty, the object of the transaction, the method for determination of the transfer price or the timing of the event (e.g., close to year end) – could give rise to doubts regarding the accuracy/completeness of the information in the financial statements, conflicts of interest, the proper safeguarding of corporate assets or protection of non-controlling interests.

For the Statement of Financial Position, a mixed format has been selected to present current and non-current assets and liabilities, as permitted by IAS 1. More specifically, the Group's financial statements include both industrial companies and financial services companies. The investment portfolios of financial services companies are included in current assets, as the investments will be realised in their normal operating cycle. However, the financial services companies only obtain a portion of their funding from the market; the remainder is obtained from Fiat S.p.A. through the Group's treasury companies (included under industrial activities), which provide funding both to industrial companies and financial services companies in the Group, as the need arises. Chrysler, on the other hand, continues to remain separate from a financial management standpoint and manages its own treasury services, obtaining funding from the market and managing its cash directly. This financial service structure within the Group means that any attempt to separate current and non-current debt in the consolidated Statement of Financial Position would not be meaningful. Suitable disclosure as to the due date of liabilities is however provided in the notes.

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

In connection with the requirements of Consob Resolution No. 15519 of 27 July 2006 relating 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.

Basis of consolidation

Subsidiaries

Subsidiaries are enterprises controlled by the Group, as defined in IAS 27 – *Consolidated and Separate Financial Statements*. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are combined in the consolidated financial statements from the date that control commences until the date that control ceases. Non-controlling interests in the net assets of consolidated subsidiaries and non-controlling interests in the profit or loss of consolidated subsidiaries are presented separately from the interests of the owners of the parent in the consolidated statement of financial position and income statement respectively. Losses applicable to non-controlling interests which exceed the minority's interests in the subsidiary's equity are allocated against the non-controlling interests.

Changes in the Group's ownership interests in subsidiaries that do not result in the loss of control are accounted for as equity transactions. The carrying amounts of the Equity attributable to owners of the parent and Non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the book value of the non-controlling interests and the fair value of the consideration paid or received is recognised directly in the equity attributable to the owners of the parent.

If the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. Any profits or losses recognised in other comprehensive income in respect of the measurement of the assets of the subsidiary are accounted for as if the subsidiary had been sold (i.e. reclassified to profit or loss or transferred directly to retained earnings depending on the applicable IFRS). The fair value of any investment retained in the former subsidiary is measured in accordance with IAS 39, IAS 28 or IAS 31, depending on the type of investment.

Jointly controlled entities

Jointly controlled entities are enterprises in which the Group has contractually agreed sharing of control or for which a contractual arrangement exists whereby two or more parties undertake an economic activity that is subject to joint control. Investments in jointly controlled entities are accounted for using the equity method from the date that joint control commences until the date that joint control ceases.

Associates

Associates are enterprises over which the Group has significant influence, as defined in IAS 28 – *Investments in Associates*, but not control or joint control over the financial and operating policies. Investments in associates are accounted for using the equity method from the date that significant influence commences until the date it ceases. When the Group's share of losses of an associate, if any, exceeds the carrying amount of the associate in the Group's balance sheet, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred obligations in respect of the associate.

Investments in other companies

Investments in other companies that are available-for-sale financial assets are measured at fair value, when this can be reliably determined. Gains or losses arising from changes in fair value are recognised directly in other comprehensive income until the assets are sold or are impaired, when the cumulative gains and losses previously recognised in equity are recognised in the income statement of the period.

Investments in other companies for which fair value is not available are stated at cost less any impairment losses.

Dividends received from Investment in other companies are included in Other income (expenses) from investments.

Transactions eliminated on consolidation

All significant intragroup balances and transactions and any unrealised gains and losses arising from intragroup transactions are eliminated in preparing the consolidated financial statements. Unrealised gains and losses arising from transactions with associates and jointly controlled entities are eliminated to the extent of the Group's interest in those entities.

Foreign currency transactions

The functional currency of the Group's entities is the currency of their primary economic environment. In individual companies, transactions in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the exchange rate prevailing at that date. Exchange differences arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the period or in previous financial statements, are recognised in the income statement.

Consolidation of foreign entities

All assets and liabilities of foreign consolidated companies with a functional currency other than the Euro, the Group's presentation currency, are translated using the exchange rates in effect at the balance sheet date. Income and expenses are translated into Euro at the average exchange rate for the period. Translation differences resulting from the application of this method are classified as equity until the disposal of the investment. Average rates of exchange are used to translate the cash flows of foreign subsidiaries in preparing the consolidated statement of cash flows.

The goodwill, assets acquired and liabilities assumed arising from the acquisition of entities with a functional currency other than the Euro are recognised in the functional currency and translated at the exchange rate at the acquisition date. These balances are translated at subsequent balance sheet dates at relevant exchange rate.

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

	Average 2012	At 31 December 2012	Average 2011	At 31 December 2011
U.S. Dollar	1.285	1.319	1.392	1.294
Pound Sterling	0.811	0.816	0.868	0.835
Swiss Franc	1.205	1.207	1.233	1.216
Polish Zloty	4.185	4.074	4.121	4.458
Brazilian Real	2.508	2.704	2.327	2.416
Argentine Peso	5.836	6.478	5.742	5.561
Serbian Dinar	113.120	113.718	101.978	104.858

In the context of IFRS First-time adoption, the cumulative translation difference arising from the consolidation of foreign operations outside the Eurozone was set at nil, as permitted by IFRS 1; any gains or losses on the subsequent disposal of any foreign operations therefore only include the accumulated translation differences arising since 1 January 2004.

Business Combinations

Business combinations are accounted for by applying the acquisition method. Under this method:

- The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets acquired and liabilities assumed by the Group and the equity interests issued in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.
- At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at that date, except for deferred tax assets and liabilities, assets and liabilities relating to employee benefit arrangements, liabilities or equity instruments relating to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree and assets (or disposal groups) that are classified as held for sale, which are measured in accordance with the relevant standard.
- Goodwill is measured as the excess of the aggregate of the consideration transferred in the business combination, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.
- Non-controlling interest is initially measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. The selection of the measurement method is made on a transaction-by-transaction basis.
- Any contingent consideration arrangement in the business combination is measured at its acquisition-date fair value and included as part of the consideration transferred in the business combination in order to determine goodwill. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are recognised retrospectively, with corresponding adjustments to goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which may not exceed one year from the acquisition date) about facts and circumstances that existed as of the acquisition date. Any changes in fair value after the measurement period are recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured at its acquisition-date fair value and the resulting gain or loss, if any, is recognised in income statements. Changes in the equity interest in the acquiree that have been recognised in Other comprehensive income in prior reporting periods are reclassified to profit or loss as if the interest had been disposed.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete in the consolidated financial statements. Those provisional amounts are adjusted during the measurement period to reflect new information obtained about facts and circumstances that existed at the acquisition date which, if known, would have affected the amounts recognised at that date.

Business combinations that took place prior to 1 January 2010 were accounted for in accordance with the previous version of IFRS 3.

Intangible assets

Goodwill
Goodwill arising on business combinations is initially measured at cost as established at the acquisition date, as defined in the above paragraph. Goodwill is not amortised, but is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

On the loss of control of a previously acquired entity, any outstanding goodwill balance is included in the determination of the gain or loss on disposal.

In the context of IFRS First-time adoption, the Group elected not to apply IFRS 3 – *Business Combinations* retrospectively to the business combinations that occurred before 1 January 2004; as a consequence, goodwill arising on acquisitions before the date of transition to IFRS has been retained at the previous Italian GAAP amounts, subject to impairment testing at that date.

Development costs
Development costs for vehicle project production and related components, engines and production systems are recognised as an asset if and only if both of the following conditions are met: that development costs can be measured reliably and that the technical feasibility of the product, volumes and pricing support the view that the development expenditure will generate future economic benefits. Capitalised development costs include all direct and indirect costs that may be directly attributed to the development process.

Capitalised development costs are amortised on a systematic basis from the start of production of the related product over the product‘s estimated average life, as follows:

	N° of years
Vehicles (including Engines)	3 -12
Components and Production Systems	2 - 15

All other development costs are expensed as incurred.

Intangible assets with indefinite useful lives
Intangible assets with indefinite useful lives consist principally of acquired brands which have no legal, contractual, competitive, economic, or other factors that limit their useful lives. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually or more frequently whenever there is an indication that the asset may be impaired.

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

Such assets are measured at purchase or manufacturing cost and amortised on a straight-line basis over their estimated useful lives. Other intangible assets acquired as part of the acquisition of a business are capitalised separately from goodwill if their fair value can be measured reliably.

Property, plant and equipment

Cost
Property, plant and equipment are stated at acquisition or production cost.

Subsequent expenditures and the cost of replacing parts of an asset are capitalised only if they increase the future economic benefits embodied in that asset. All other expenditures are expensed as incurred. When such replacement costs are capitalised, the carrying amount of the parts that are replaced is recognised in the income statement.

Assets held under finance leases, which provide the Group with substantially all the risks and rewards of ownership, are recognised as assets of the Group at their fair value or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the financial statements as a debt. 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 terms.

Depreciation
Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

	Depreciation rates
Buildings	3% - 8%
Plant, machinery and equipment	3% - 33%
Other assets	5% - 33%

Land is not depreciated.

Borrowing costs
Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets (as defined under IAS 23 – *Borrowing Costs*), which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised and amortised over the useful life of the class of assets to which they refer.

All other borrowing costs are expensed when incurred.

Impairment of assets
The Group assesses at the end of each reporting period whether there is any indication that its intangible assets (including development costs) and its property, plant and equipment may be impaired. Goodwill and Intangible assets with indefinite useful lives are tested for impairment annually or more frequently, if there is an indication that an asset may be impaired.

If indications of impairment are present, the carrying amount of the asset is reduced to its recoverable amount that is the higher of fair value less costs to sell and its value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. In assessing the value in use of an asset, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised if the recoverable amount is lower than the carrying amount.

Where an impairment loss for assets, other than goodwill subsequently no longer exists or has decreased, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but not in excess of the carrying amount that would have been recorded had no impairment loss been recognised. The reversal of an impairment loss is recognised in profit or loss immediately.

Financial instruments

Presentation

Financial instruments held by the Group are presented in the financial statements as described in the following paragraphs.

Investments and other non-current financial assets comprise investments in unconsolidated companies and other non-current financial assets (held-to-maturity securities, non-current loans and receivables and other non-current available-for-sale financial assets).

Current financial assets, as defined in IAS 39, include trade receivables, receivables from financing activities (retail financing, dealer financing, lease financing and other current loans to third parties), current securities and other current financial assets (which include derivative financial instruments stated at fair value as assets), as well as cash and cash equivalents. In particular, Cash and cash equivalents include 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. Current securities include short-term or marketable securities which represent temporary investments of available funds and do not satisfy the requirements for being classified as cash equivalents; current securities include both available-for-sale and held-for-trading securities.

Financial liabilities refer to debt, which includes asset-backed financing, and other financial liabilities (which include derivative financial instruments stated at fair value as liabilities), trade payables and other payables.

Measurement

Investments in unconsolidated companies classified as non-current financial assets are accounted for as described in the paragraph – Investments in other companies.

Non-current financial assets other than investments, as well as current financial assets and financial liabilities, are accounted for in accordance with IAS 39 – *Financial Instruments: Recognition and Measurement*.

Current financial assets and held-to-maturity securities are recognised on the basis of the settlement date and, on initial recognition, are measured at acquisition cost, including transaction costs.

Subsequent to initial recognition, available-for-sale and held-for-trading financial assets are measured at fair value. When market prices are not available, the fair value of available-for-sale financial assets is measured using appropriate valuation techniques (e.g. discounted cash flow analysis based on market information available at the balance sheet date).

Gains and losses on available-for-sale financial assets are recognised directly in other comprehensive income until the financial asset is disposed of or is determined to be impaired; when the asset is disposed of, the cumulative gains or losses, including those previously recognised in other comprehensive income, are reclassified to the income statement for the period; when the asset is impaired, accumulated losses are recognised in the income statement. Gains and losses arising from changes in the fair value of held-for-trading financial instruments are included in the income statement for the period.

Loans and receivables which are not held by the Group for trading (loans and receivables originating in the course of business), held-to-maturity securities and all financial assets for which published price quotations in an active market are not available and whose fair value cannot be determined reliably, are measured, to the extent that they have a fixed term, at amortised cost, using the effective interest method. When the financial assets do not have a fixed term, they are measured at acquisition 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 as to whether there is any objective evidence that a financial asset or group of assets may be impaired. If any such evidence exists, an impairment loss is included in the income statement for the period.

Except for derivative instruments, financial liabilities are measured at amortised cost using the effective interest method.

Financial assets and liabilities hedged against changes in fair value (fair value hedge) are measured in accordance with hedge accounting principles: gains and losses arising from remeasurement at fair value, due to changes in the respective hedged risk, are recognised in the income statement and are offset by the effective portion of the loss or gain arising from remeasurement at fair value of the hedging instrument.

Derivative financial instruments
Derivative financial instruments are used for hedging purposes, in order to reduce currency, interest rate and market price risks (primarily concerning commodities and securities). 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 it 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 hedges* – Where a derivative financial instrument is designated as a hedge of the exposure to changes in fair value of a recognised asset or liability that is attributable to a particular risk and could affect the income statement, the gain or loss from remeasuring the hedging instrument at fair value is recognised in the income statement. The gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the hedged item and is recognised in the income statement.
- *Cash flow hedges* – Where a derivative financial instrument is designated as a hedge of the exposure to variability in future cash flows of a recognised asset or liability or a highly probable forecasted transaction and could affect the income statement, the effective portion of any gain or loss on the derivative financial instrument is recognised directly in other comprehensive income. The cumulative gain or loss is removed from other comprehensive income and recognised in the income statement at the same time as the economic effect arising from the hedged item affects income. The gain or loss associated with a hedge or part of a hedge that has become ineffective is recognised in the income statement immediately. When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss realised to the point of termination remains in other comprehensive income and is recognised in the income statement at the same time as the underlying transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealised gain or loss held in other comprehensive income is recognised in the income statement immediately.
- *Hedges of a net investment* – If a derivative financial instrument is designated as a hedging instrument for a net investment in a foreign operation, the effective portion of the gain or loss on the derivative financial instrument is recognised in other comprehensive income. The cumulative gain or loss is reclassified from other comprehensive income to profit or loss on the disposal of the foreign operation.

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

Transfers of financial assets
The Group derecognises financial assets when, and only when, the contractual rights to the cash flows arising from the assets no longer hold or if the Group transfers the financial activities. In case of a transfer of financial asset:

- if the Group transfers substantially all the risks and rewards of ownership of the financial asset, it derecognises the financial asset and recognises separately as assets or liabilities any rights and obligations created or retained in the transfer;
- if the Group retains substantially all the risks and rewards of ownership of the financial asset, it continues to recognise the financial asset;
- if the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, it determines whether it has retained control of the financial asset. In this case:
  - if the Group has not maintained control, it derecognises the financial asset and recognises separately as assets and liabilities any rights and obligations created or retained in the transfer;
  - if the Group has retained control, it continues to recognise the financial asset to the extent of its continuing involvement in the financial asset.

On derecognition of a financial assets, the difference between the carrying amount of the asset and the consideration received or receivable for the transfer of the asset is recognised in profit or loss.

Inventories
Inventories of raw materials, semi-finished products and finished goods, (including assets sold with a buy-back commitment) are stated at the lower of cost and net realisable value, cost being determined on a first in-first-out (FIFO) basis. The measurement of inventories includes the direct costs of materials, labour and indirect costs (variable and fixed). Provision is made for obsolete and slow-moving raw materials, finished goods, spare parts and other supplies based on their expected future use and realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs for sale and distribution.

The measurement of construction contracts is based on the stage of completion determined as the proportion that cost incurred to the balance sheet date bears to the estimated total contract cost. These items are presented net of progress billings received from customers. Any losses on such contracts are fully recorded in the income statement when they become known.

Assets and liabilities held for sale and Discontinued Operations
Assets and liabilities held for sale and Discontinued Operations are classified as such if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset (or disposal group) is available for immediate sale in its present condition.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Assets classified as held for sale are measured at the lower of their carrying amounts and fair value less costs to sell.

Employee benefits
The present value of a defined benefit obligation and the related current service cost for defined benefit pension plans and other long-term benefits are determined on an actuarial basis using the projected unit credit method. Under this method, the Group attributes benefits to periods in which the obligation to provide post-employment benefits arise. That obligation arises when employees render services.

The present value of the defined benefit obligation is measured by using actuarial techniques and actuarial assumptions that are unbiased and mutually compatible. Financial assumptions are based on market estimates that are known at the balance sheet date regarding the period in which the obligations will be settled.

The fair value of plan assets is deducted from the present value of the obligation in determining the amount recognised in the statement of financial position. This fair value is estimated, where possible, by referring to available market price of the assets. Where no market price is available, the fair value of plan assets is estimated using a valuation technique.

Actuarial gains and losses comprise the effects of differences between the previous actuarial assumptions and the actual result, together with the effects of changes in actuarial assumptions. In measuring the defined benefit liability, the Group recognises the portion of net cumulative actuarial gains and losses that exceeds the greater of 10% of the present value of the defined benefit obligation and 10% of the fair value of plan assets at the end of the previous year. That portion is amortised over the average remaining service lives of the employees who are covered by the plan (the "corridor method"). On IFRS first-time adoption, the Group elected to recognise all cumulative actuarial gains and losses at 1 January 2004 even though deciding to use the corridor approach for subsequent actuarial gains and losses.

The liability for employee benefits recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for deferred actuarial gains and losses arising from the application of the corridor method and unrecognised past service cost, reduced by the fair value of plan assets. Any net asset resulting from this calculation is recognised at the lower of the amount arising from this calculation and the total of any unrecognised net actuarial losses, unrecognised past service costs and the present value of any refunds available and reductions in future contributions to the plan.

If changes are made to a plan that alter the benefits due for past service or if a new plan is introduced regarding past service then past service costs are recognised in profit or loss on a straight-line basis over the average period remaining until the benefits vest. If a change is made to a plan that significantly reduces the number of employees who are members of the plan or that alters the conditions of the plan such that employees will no longer be entitled to the same benefits for a significant part of their future service, or if such benefits will be reduced, the profit or loss arising from such changes is immediately recognised in the income statement.

All other costs and income arising from the measurement of pension plan provisions are allocated by function in the income statement, except for interest cost on unfunded defined benefit plans which is reported as part of financial expenses.

Costs arising from defined contribution plans are recognised as an expense as incurred.

Share-based compensation plans

Share-based compensation plans that may be settled by the delivery of shares are measured at fair value at the grant date. This fair value is expensed over the vesting period of the benefit with a corresponding increase in equity. Periodically, the Group reviews its estimate of the benefits expected to vest through the plan and recognises any difference in estimate in profit or loss, with a corresponding increase or decrease in equity.

Share-based compensation plans that may be settled in cash or by the delivery of other financial assets are recognised as a liability and measured at fair value at the end of each reporting period and when settled. Any subsequent changes in fair value are recognised in profit or loss.

Provisions

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

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

Treasury shares

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

Revenue recognition

Revenue is recognised if it is probable that the economic benefits associated with a transaction will flow to the Group and the revenue can be measured reliably. Revenues are stated net of discounts, allowances, settlement discounts and rebates, as well as costs for sales incentive programs, determined on the basis of historical costs, country by country, and charged against profit for the period in which the corresponding sales are recognised. The Group’s sales incentive programs include the granting of retail financing at significant discount to market interest rates. The corresponding cost is recognised at the time of the initial sale.

Revenues from the sale of products are recognised when the risks and rewards of ownership of the goods are transferred to the customer, the sales price is agreed or determinable and receipt of payment can be assumed; this corresponds generally to the date when the vehicles are made available to non-group dealers, or the delivery date in the case of direct sales. New vehicle sales with a buy-back commitment are not recognised at the time of delivery but are accounted for as operating leases when it is probable that the vehicle will be bought back. More specifically, vehicles sold with a buy-back commitment are accounted for as Inventories. The difference between the carrying amount (corresponding to the manufacturing cost) and the estimated resale value (net of reconditioning costs) at the end of the buy-back period is recognised on the income statement on a straight-line basis over the contract term. The initial sale price received is recognised in liabilities as a down payment. The difference between the initial sale price and the buy-back price is recognised as rental revenue on a straight-line basis over the term of the operating lease. The proceeds from the sale of such assets are recognised as Revenues.

Revenues from services and from construction contracts are recognised by reference to the stage of completion.

Revenues also include lease rentals and interest income from financial services companies.

Cost of sales

Cost of sales comprises the manufacturing cost of products and the acquisition cost of purchased merchandise which have been sold. It includes all directly attributable material and production costs and all production overheads. These include the depreciation of property, plant and equipment and the amortisation of intangible assets relating to production and write-downs of inventories. Cost of sales also includes freight and insurance costs relating to deliveries to dealers and agency fees in the case of direct sales.

Cost of sales also includes provisions made to cover the estimated cost of product warranties at the time of sale to dealer networks or to the end customer. Revenues from the sale of extended warranties and maintenance contracts are recognised over the period during which the service is provided.

Expenses which are directly attributable to the financial services businesses, including the interest expense related to the financing of financial services businesses as a whole and charges for risk provisions and write-downs, are reported in cost of sales.

Research and development costs

This item includes research costs, development costs not eligible for capitalisation and the amortisation and any impairment losses of development costs recognised as assets in accordance with IAS 38.

Government grants

In accordance with IAS 20, government grants are recognised in the financial statements when there is reasonable assurance that the company concerned will comply with the conditions for receiving such grants and that the grants themselves will be received. Government grants are recognised as income over the periods necessary to match them with the related costs which they are intended to offset.

The benefit of a government loan at a below-market rate of interest is treated for accounting purposes as a government grant. The benefit of the below-market rate of interest is measured as the difference between the initial carrying amount of the loan (fair value plus transaction costs) and the proceeds received, and is accounted for in accordance with the policies already used for the recognition of government grants.

Taxes

Income taxes include all taxes based upon the taxable profits of the Group. Taxes on income are recognised in the income statement except to the extent that they relate to items directly charged or credited to other comprehensive income, in which case the related income tax effect is recognised in other comprehensive income. Provisions for income taxes that could arise on the distribution of a subsidiary's undistributed profits are only made where there is a current intention to distribute such profits. Other taxes not based on income, such as property taxes and capital taxes, are included in operating expenses.

Deferred taxes are provided using the full liability method. They are calculated on all temporary differences between the tax base of an asset or liability and the carrying amounts in the consolidated financial statements, except for those arising from non-tax-deductible goodwill and for those related to investments in subsidiaries where reversal will not take place in the foreseeable future. Deferred tax assets relating to the carry-forward of unused tax losses and tax credits, as well as those arising from temporary differences, are recognised to the extent that it is probable that future profits will be available against which they can be utilised. Current and deferred income tax assets and liabilities are offset when the income taxes are levied by the same taxation authority and where there is a legally enforceable right of offset. Deferred tax assets and liabilities are measured at the substantively enacted tax rates in the respective jurisdictions in which the Group operates that are expected to apply to taxable income in the periods in which temporary differences reverse or expire.

Dividends

Dividends payable by the Group are reported as a movement in equity in the period in which they are approved by Shareholders in their annual general meeting.

Earnings per share

Basic earnings per share are calculated by dividing the profit/(loss) attributable to owners of the parent entity by the weighted average number of shares outstanding during the year. For diluted earnings per share, the weighted average number of shares outstanding is adjusted assuming conversion of all dilutive potential shares and financial instruments.

Use of estimates

The consolidated financial statements are prepared in accordance with IFRS which require the use of estimates, judgements and assumptions that affect the carrying amount of assets and liabilities, the disclosures relating to contingent assets and liabilities and the amounts of income and expense reported for the period.

The estimates and associated assumptions are based on elements that are known when the financial statements are prepared, on historical experience and on any other factors that are considered to be relevant.

In this respect, the situation caused by the persisting difficulties of the economic and financial environment in the Eurozone led to the need to make assumptions regarding future performance which are characterised by significant levels of uncertainty; as a consequence, therefore, it cannot be excluded that results may arise in the future which differ from estimates, and which therefore might require adjustments, even significant, to be made to the carrying amount of assets and liabilities, which at the present moment can clearly neither be estimated nor predicted. The main items affected by these situations of uncertainty are non-current assets (tangible and intangible assets), deferred tax assets, provision for employee benefits and allowances for inventories (including vehicles sold under buy-back agreement).

The estimates and underlying assumptions are reviewed periodically and continuously by the Group. If the items considered in this process perform differently, then the actual results could differ from the estimates, which would accordingly require adjustment. The effects of any changes in estimate are recognised in profit or loss in the period in which the adjustment is made if it only affects that period, or in the period of the adjustment and future periods if it affects both current and future periods.

The following are the critical measurement processes and key assumptions used by the Group in applying IFRS which may have significant effects on the amounts recognised in the consolidated financial statements or for which there is a risk that a significant difference may arise in respect to the carrying amounts of assets and liabilities in the future.

Recoverability of non-current assets

Non-current assets include Property, plant and equipment, Goodwill and Other intangible assets with indefinite useful lives, Other intangible assets, equity investments and Other financial assets. The Group periodically reviews the carrying amount of non-current assets held and used and that of assets held for sale when events and circumstances warrant such a review. For Goodwill and Intangible assets with indefinite useful lives such analysis is carried out at least annually and when events and circumstances warrant such a review. The analysis of the recoverable amount of non-current assets is usually performed using estimates of future expected cash flows from the use or disposal of the asset and a suitable discount rate in order to calculate present value. When the carrying amount of a non-current asset is impaired, the Group recognises an impairment loss for the amount by which the carrying amount of the asset exceeds its estimated recoverable amount from use or disposal determined by reference to the cash flows included in its most recent business plans.

In respect of the future expected cash flows used in this analysis, in view of the persisting difficult economic and financial situation in Europe as well as the remaining uncertainty for the other environments where the Group operates, the various regions and operating segments of the Group have taken into consideration the expected performance for 2013 and 2014 consistent with the updated financial plan communicated on 30 October 2012. Assumptions and results are consistent with the statements made in the section – Subsequent events and outlook. In addition, for the plans of subsequent years, prudent assumptions have been made considering the persistent difficult and uncertain trading environment. Future expected cash flows also consider the effects of the process for the continuing strategic realignment of the manufacturing and commercial activities of Fiat with those of Chrysler, which accelerated from 2011 following the acquisition of the control of Chrysler, and is progressing in line with expectations. On the basis of these considerations, the Group assessed the recoverability of the book value at 31 December 2012 for the Net Capital Employed pertaining to the EMEA car mass market operations. Given the strategy announced on 30 October 2012, to redeploy the industrial assets in EMEA to produce a renewed product portfolio focused on upper-end segments and international brands, it was considered reasonable to use cash flow projections for the period 2013-2018. These were discounted at a base 13.14% pre-tax Weighted Average Cost of Capital (WACC) and the long term growth rate was prudently assumed to be 0%. Sensitivities were performed simulating two different scenarios: a) WACC was increased by 1% for 2017 and 2% for 2018 and for Terminal Value; b) cash-flows were reduced by estimating the impact of a 10% decrease in the European car market demand for 2016-2018 as compared to the base assumptions. In all cases the recoverable amount of the net assets continue to be higher than their book value. Furthermore an analysis on specific classes of assets was also performed leading to the recognition of a €108 million write down in 2012 mainly related to Development costs and Tangible assets (see Notes 15 and 16). In 2011, a total of €713 million of impairment losses were recognised regarding Goodwill, Development costs and Tangible assets mainly in the car mass market operations in EMEA and the Components and Production Systems segments.

The estimates and assumptions used as part of this analysis reflect the current state of the Group's available knowledge as to the expected future development of the businesses of the various regions and operating segments and are based on a realistic assessment of the future development of the markets and the car industry, which remain subject to a high degree of uncertainty due to the continuation of the economic and financial crisis and its effects on the industry. Although current Group estimates do not indicate any other business areas with possible impairment losses on non-current assets, any future developments in the economic environment or Group performance that result in actual performance that differs from the original estimates, could result in the need for the carrying amounts of certain non-current assets to be adjusted in future periods.

Recoverability of deferred tax assets

At 31 December 2012, the Fiat Group had deferred tax assets on deductible temporary differences and theoretical tax benefits arising from tax loss carry-forwards of €9,749 million, of which €4,918 million is not recognised in the financial statements. The corresponding balances at 31 December 2011 were €9,202 million and €4,363 million, respectively. The Group has recorded these valuation allowances to reduce deferred tax assets to the amount that it believes it is probable will be recovered. In making these adjustments, management has taken into consideration figures from budgets and plans for subsequent years consistent with those used for impairment testing and discussed in the preceding paragraph relating to the recoverable amount of non-current assets. Moreover, the adjustments that have been recognised are considered to be sufficient to protect against the risk of a further deterioration of the assumptions in these plans, taking into account the fact that the net deferred tax assets recognised relate both to temporary differences and to tax losses which, to a significant extent, may be recovered over an indefinite time period and are therefore recoverable even in a scenario where the time needed for an economic recovery to occur extends beyond the term implicit in the above-mentioned estimates.

Pension plans and other post-retirement benefits

Employee benefit liabilities together with the related assets, costs and net interest expense are measured on an actuarial basis which requires the use of estimates and assumptions to determine the net liability or net asset. The actuarial method takes into consideration parameters of a financial nature such as the discount rate and the expected long term rate of return on plan assets, the rates of salary increases and the rates of health care cost increases and the likelihood of potential future events estimated by using demographic assumptions such as mortality rates, dismissal and retirement rates.

In particular, the discount rates selected are based on yield curves of high quality corporate bonds in the relevant market. The expected returns on plan assets are determined considering various inputs from a range of advisors concerning long-term capital market returns, inflation, current bond yields and other variables, adjusted for any specific aspects of the asset investment strategy. Rates of salary increases reflect the Group's long-term actual expectation in the reference market and inflation trends. Trends in health care costs are developed on the basis of historical experience, the near-term outlook for costs and likely long-term trends. Changes in any of these assumptions may have an effect on future contributions to the plans.

As a result of adopting the corridor method for the recognition of the actuarial gains and losses arising from the valuation of employee benefit liabilities and assets (see the above paragraph - Employee benefits), the effects resulting from revising the estimates of the above parameters are not recognised in the statement of financial position and income statement when they arise. The disclosure of the effects of changes in estimates is discussed in Note 26.

Allowance for obsolete and slow-moving inventory

The allowance for obsolete and slow-moving inventory reflects management's estimate of the loss in value expected by the Group, and has been determined on the basis of past experience and historical and expected future trends in the used vehicle market. A worsening of the economic and financial situation could cause a further deterioration in conditions in the used vehicle market compared to that already taken into consideration in calculating the allowances recognised in the financial statements.

Incentives

The Group recognises the estimated cost of sales allowances in the form of dealer and customer incentives as a reduction of revenue at the moment revenue is recognised and later if new or changed incentives are subsequently announced to dealers . There are numerous types of incentives used in the Group, and these change frequently in response to market conditions; for this reason several factors are used to estimate the amount of incentives and a change in any one of these factors could have a significant effect on the amount of revenue recognised.

Product warranties

The Group makes provisions for estimated expenses related to product warranties at the time products are sold. The estimate of the provision is based on historical information concerning the nature, frequency and average cost of warranty claims. The Group seeks to improve vehicle quality and minimise warranty expenses arising from claims.

Contingent liabilities

The Group makes a provision for pending disputes and legal proceedings when it is considered probable that there will be an outflow of funds and when the amount of the losses arising from such can be reasonably estimated. If an outflow of funds becomes possible but the amount cannot be estimated, the matter is disclosed in the notes. The Group is the subject of legal and tax proceedings covering a range of matters which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the outflow of funds which will result from such disputes with any certainty. Moreover, the cases and claims against the Group often derive from complex and difficult legal issues which are subject to a different degree of uncertainty, including the facts and circumstances of each particular case, the jurisdiction and the different laws involved. In the normal course of business, the Group monitors the status of pending legal procedures and consults with legal counsel and experts on legal and tax matters. It is therefore possible that the provisions for the Group's legal proceedings and litigation may vary as the result of future developments of the proceedings in progress.

Accounting standards, amendments and interpretations applied since 1 January 2012

On 7 October 2010, the IASB issued amendments to IFRS 7 – *Financial Instruments: Disclosures*, adopted prospectively by the Group from 1 January 2012. The amendments allow users of financial statements to improve their understanding of transfers (“derecognition”) of financial assets, including an understanding of 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 a transfer transaction is undertaken at the end of a reporting period. The application of these amendments had no significant effect on the disclosures presented in this Annual report nor on the measurement of the related items. For further details see Note 19 *Current receivables and Other current assets-Transfer of financial assets*.

Accounting standards, amendments and interpretations effective from 1 January 2012 but not applicable to the Group

The following amendment, effective from 1 January 2012, relates to matters that were not applicable to the Group at the date of this Annual Report, but may affect the accounting for future transactions or arrangements.

- On 20 December 2010, the IASB issued a minor amendment to IAS 12 – *Income Taxes* which clarify the accounting for deferred tax relating to investment properties measured at fair value. The amendment introduces the presumption that the carrying amount of deferred taxes relating to investment properties measured at fair value under IAS 40 will be recovered through sale. As a result of the amendments, SIC-21 Income Taxes – Recovery of Revalued Non-Depreciable Assets no longer applies. These amendments are effective retrospectively for annual periods beginning on or after 1 January 2012.

Accounting standards and amendments not yet applicable and not early adopted by the Group

On 12 May 2011, the IASB issued IFRS 10 – *Consolidated Financial Statements* replacing SIC-12 – *Consolidation: Special Purpose Entities* and parts of IAS 27 – *Consolidated and Separate Financial Statements* (subsequently reissued as IAS 27 - *Separate Financial Statements* which addresses the accounting treatment of investments in separate financial statements). The new standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included in the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The standard is effective retrospectively, at the latest for annual reporting periods beginning on or after 1 January 2014. At the date of this Annual Report the Group is assessing any effects which may result from the adoption of the standard whose effective date for the Group will be communicated in the interim report for the first quarter of 2013.

On 12 May 2011, the IASB issued IFRS 11 – *Joint Arrangements* superseding IAS 31 – *Interests in Joint Ventures* and SIC-13 – *Jointly Controlled Entities: Non-Monetary Contributions by Venturers.* The new standard provides the criteria for identifying joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form and requires a single method to account for interests in jointly-controlled entities, the equity method. The standard is effective retrospectively, at the latest for annual reporting periods beginning on or after 1 January 2014. Following the issue of the new standard, IAS 28 – *Investments in Associates* has been amended to include accounting for investments in jointly-controlled entities in its scope of application (from the effective date of the standard). At the date of this Annual Report, the Group is assessing any effects which may result from the adoption of the standard whose effective date for the Group will be communicated in the interim report for the first quarter of 2013.

On 12 May 2011, the IASB issued IFRS 12 – *Disclosure of Interests in Other Entities*, a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates, special purpose vehicles and other unconsolidated vehicles. The standard is effective at the latest for annual reporting periods beginning on or after 1 January 2014. At the date of this Annual Report, the Group is assessing any effects which may result from the adoption of the standard whose effective date for the Group will be communicated in the interim report for the first quarter of 2013.

On 12 May 2011, the IASB issued IFRS 13 – *Fair Value Measurement*, clarifying the determination of the fair value for the purpose of the financial statements and applying to all IFRSs permitting or requiring a fair value measurement or the presentation of disclosures based on fair value. The standard is effective prospectively from 1 January 2013. The application of this new standard is not expected to have any significant effects on the Group’s financial statement.

On 16 June 2011, the IASB issued an amendment to IAS 1 – *Presentation of Financial Statements* requiring companies to group together items within other comprehensive income that may be reclassified to the profit or loss section of the income statement. The amendment is applicable for periods beginning on or after 1 July 2012. The application of this amendment is not expected to have any significant effects on the measurement of items in the Group's financial statement.

On 16 June 2011, the IASB issued an amendment to IAS 19 – *Employee Benefits* applicable retrospectively for the year beginning 1 January 2013. The amendment modifies the requirements for recognising defined benefit plans and termination benefits. The main changes concerning defined benefit plans regard the recognition of the entire plan deficit or surplus in the balance sheet, the introduction of net interest expense and the classification of net interest expense arising from defined benefit plans. In detail:

- **Recognition of the plan deficit or surplus:** the amendment removes the previous option of being able to defer actuarial gains and losses under the off balance sheet "corridor method", requiring these to be recognised directly in other comprehensive income. In addition, the amendment requires the immediate recognition of past service costs in profit or loss.
- **Net interest expense:** The concepts of interest expense and expected return on plan assets are replaced by the concept of net interest expense on the net plan deficit or surplus, which consists of:
  - the interest expense calculated on the present value of the liability for defined benefit plans,
  - the interest income arising from the valuation of the plan assets, and
  - the interest expense or income arising from any limits to the recognition of the plan surplus.

  Net interest expense is calculated for all above components by using the discount rate applied for valuing the obligation for defined benefit plans at the beginning of the period.
- **Classification of net interest expense:** In accordance with the new definition of net interest expense set out in the standard, net interest expense on defined benefit plans will be recognised as Financial income/(expenses) in the income statement. In the application of the current version of IAS 19, the Group is recognising all the income and expense arising from the valuation of funded pension plan assets and liabilities in operating costs by functional area, while the financial cost relating to Other post-employment benefits (defined benefit plans), which are unfunded, are included in Financial income/(expenses).

In accordance with the transitional rules included in paragraph 173 of IAS 19, the Group will apply the standard retrospectively from 1 January 2013, adjusting the opening balance sheet at 1 January 2012 and the income statement for 2012 as if the amendments to IAS 19 had always been applied. At the date of this Annual report, the Group estimated that the adoption effect as of 1 January 2012 of the revised standard would lead to an increase in the liability for employee benefits of approximately €2.6 billion and approximately €4.8 billion at 31 December 2011 and 2012 respectively and a decrease in net equity (other comprehensive gains and losses) of approximately €2.6 billion and approximately €4.8 billion at the same dates. As a result of recognising a net interest expense and classifying it in financial charges, the Group estimates a decrease in the net income for 2012 of approximately €0.47 billion, of which approximately €0.23 billion lower trading profit and approximately €0.24 billion higher financial expense. Due to the tax position of the entities involved current or deferred tax impacts are expected to be negligible.

On 16 December 2011, the IASB issued certain amendments to IAS 32 – *Financial Instruments: Presentation* to clarify the application of certain offsetting criteria for financial assets and financial liabilities in IAS 32. The amendments are effective for annual periods beginning on or after 1 January 2014 and are required to be applied retrospectively.

On 16 December 2011, the IASB issued certain amendments to IFRS 7 – *Financial Instruments: Disclosures*. The amendments require information about the effect or potential effect of netting arrangements for financial assets and liabilities on an entity's financial position. Entities are required to apply the amendments for annual reporting periods beginning on or after 1 January 2013, and interim periods within those annual periods. The required disclosures should be provided retrospectively. The application of this interpretation is not expected to have any significant effects on the Group's financial statement.

In addition, at the date of this Annual report, the European Union had not yet completed its endorsement process for these standards and amendments:

- On 12 November 2009, the IASB issued a new standard IFRS 9 – *Financial Instruments* that was subsequently amended. The standard, having an effective date for mandatory adoption of 1 January 2015 retrospectively, represents the completion of the first part of a project to replace IAS 39 and introduces new requirements for the classification and measurement of financial assets and financial liabilities. The new standard uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments and the contractual cash flow characteristics of the financial assets. The most significant effect of the standard regarding the classification and measurement of financial liabilities relates to the accounting for changes in fair value attributable to changes in the credit risk of financial liabilities designated as at fair value through profit or loss. Under the new standard these changes are recognised in Other comprehensive income and are not subsequently reclassified to the income statement.
- On 17 May 2012, the IASB issued a set of amendments to IFRSs ("*Annual Improvement to IFRS's – 2009-2011 Cycle*") that are applicable retrospectively from 1 January 2013; set out below are those that may lead to changes in the presentation, recognition or measurement of financial statement items, excluding those that only regard changes in terminology or editorial changes having a limited accounting effect and those that affect standards or interpretations that are not applicable to the Fiat Group.
  - IAS 1 – *Presentation of Financial Statements*: the amendment clarifies the way in which comparative information should be presented when an entity changes accounting policies or retrospectively restates or reclassifies items in its financial statements and when an entity provides comparative information in addition to the minimum comparative financial statements;
  - IAS 16 – *Property, plant and equipment:* the amendment clarifies that items such as spare parts, stand-by equipment and servicing equipment, shall be recognised in accordance with IAS 16 when they meet the definition of Property, plant and equipment, otherwise such items shall be classified as Inventory;
  - IAS 32 – *Financial instruments*: *Presentation*: the amendment eliminates an inconsistency between IAS 12 – Income Taxes and IAS 32 concerning the recognition of taxation arising from distributions to shareholders, establishing that these shall be recognised in profit or loss to the extent the distribution refers to income generated by transactions originally recognised in profit or loss.

Scope of consolidation

Consolidated entities

The consolidated financial statements of the Fiat Group at 31 December 2012 include Fiat S.p.A. and 297 consolidated subsidiaries in which Fiat S.p.A., directly or indirectly, has a majority of the voting rights, and over which it exercises control or from which it is able to derive benefit by virtue of its power to govern their corporate financial and operating policies.

There were no significant changes in the scope of consolidation in 2012, although the following minor changes occurred:

- in early January 2012, Fiat announced that the "*Ecological Event*" (Third performance event established in the *Chrysler's LLC Operating Agreement*, as amended) had been achieved, leading to a further 5% increase of its holding in Chrysler. At 31 December 2012 Fiat had a 58.5% ownership interest in Chrysler;
- AKAT Automotive Distribution Company Private Limited, whose name was subsequently changed to Fiat Group Automobiles India Private Limited, was established in India and will assume responsibility for all commercial, distribution and service related activities from the current joint Tata Motors-Fiat dealerships assigned to manage the Fiat brand. The investment was initially measured at cost and now is consolidated on a line by line basis;
- Some minor subsidiaries belonging to the Components and Production System operating segment and the company FGA Austro Car GmbH belonging to the EMEA region, whose total assets and revenues are not material for the Group, were consolidated on a line-by-line basis.

In addition, as part of the discussions which began in 2011 on the future of the Fiat-PSA Peugeot Citroën JVs, on 26 July 2012 the Group entered into an agreement with PSA Peugeot Citroën providing for the transfer of its shareholding in the Sevelnord Société Anonyme joint venture at a symbolic value. In accordance with IFRS 5, the Group has reclassified its investment in Sevelnord Société Anonyme within assets held for sale and measured it at fair value, by recognising an unusual loss of €91 million in the second quarter of 2012.

Amounts reported in the Consolidated income statement and statement of cash flows for 2011 include the operations of Chrysler which has been consolidated since 1 June 2011.

Excluded from consolidation are 68 subsidiaries that are either dormant or generate a negligible volume of business; their proportion of the Group's assets, liabilities, financial position and earnings is immaterial. In particular, 45 of these subsidiaries are accounted for using the cost method, and represent in aggregate 0.1% of total Fiat Group revenues, 0% of Fiat Group equity and 0.1% of total Fiat Group assets.

Interests in jointly controlled entities (50 companies, including 26 entities of the FGA Capital group) are accounted for using the equity method. Condensed financial information relating to the Group's pro-rata interest in these entities is as follows:

(€ million)	At 31 December 2012	At 31 December 2011
Non-current assets	1,984	1,965
Current assets	8,790	9,242
TOTAL ASSETS	**10,774**	**11,207**
Debt	7,602	8,134
Other liabilities	1,601	1,595

The combined balances of the Group's share in the principal income statement items of jointly controlled entities accounted for using the equity method are as follows:

(€ million)	2012	2011
Net revenues	4,381	4,703
Trading profit/(loss)	230	246
EBIT	225	234
Profit/(loss) before taxes	200	240
Profit/(loss)	148	143

At 31 December 2012, 8 associates are accounted for using the equity method, while 24 associates, which in aggregate are of minor importance, are accounted for using the cost method. The main aggregate amounts related to the Group's interests in associates are as follows:

(€ million)	At 31 December 2012	At 31 December 2011
Total assets	294	386
Liabilities	218	240

(€ million)	2012	2011
Net revenues	182	208
Net profit/(loss)	(38)	(4)

The main aggregate amounts related to the Group interests in associates measured at cost are as follows:

(€ million)	At 31 December 2012	At 31 December 2011
Total assets	**35**	22
Liabilities	**16**	8

(€ million)	2012	2011
Net revenues	**48**	44
Net profit/(loss)	**4**	1

Investment in Chrysler

Chrysler has been consolidated on a line-by-line basis effective 1 June 2011 following acquisition of control as defined by IAS 27 – *Consolidated and Separate Financial Statements* due to increasing the ownership to 46% (on a fully-diluted basis) on 24 May 2011 (the "Acquisition date") in addition to the potential voting rights associated with options that became exercisable on the same date. The acquisition of the control of Chrysler represents a business combination achieved in stages falling under the scope of IFRS 3 - *Business Combinations*. During 2011, Fiat recognised the following accounting treatment for the business combination (effects in US Dollars translated into Euros using the exchange rate of 1.4385 at 1 June 2011):

- The previously held 30% ownership interest in Chrysler initially recognised at zero by Fiat was remeasured at fair value at the Acquisition date and the resulting gain of €1,729 million ($2,487 million) was recognised in profit or loss under Unusual income/(expense). For the purpose of establishing the fair value of Chrysler in order to calculate that gain, given that no active market price for Chrysler shares was available, in accordance with IFRS 3, it was deemed reasonable to use the equity value of $8,290 million (€5,763 million) for Chrysler, implied in the price agreed between Fiat and the U.S. Treasury in early June 2011 for exercising the call option on the U.S. Treasury's 6.031% ownership interest (on a fully-diluted basis) in Chrysler.
- The identifiable assets acquired and identifiable liabilities assumed have been measured at their Acquisition date fair value, with the exception of certain contingent liabilities existing prior to acquisition whose value was not determinable, deferred taxes and certain obligations associated with employee benefits, all of which were recognised in accordance with the applicable standard, as required by IFRS 3; this measurement process was completed in December 2011.
- Non-controlling interests of 54% on a fully-diluted basis, were recognised at €3,112 million ($4,477 million) at 1 June 2011, based on the above-stated equity value of Chrysler of $8,290 million (€5,763 million) in accordance with paragraph 19(a) of IFRS 3.
- Goodwill arising from the acquisition was determined at the end of the measurement period as follows:

		At the Acquisition date	
		($ million)	(€ million)
Consideration paid for the acquisition of the additional 16% ownership interest	+	1,268	881
Fair value of the previously held ownership interest (30%)	+	2,487	1,729
Value attributed to non-controlling interests	+	4,477	3,112
Net assets acquired/(net liabilities assumed)	-	(4,169)	(2,899)
GOODWILL	**=**	**12,401**	**8,621**

- Fiat's contractual right to receive an additional 5% ownership interest in Chrysler with no monetary consideration on the occurrence of the *Ecological Event*, previously recognised in the Consolidated financial statements at zero, was recognised under Other investments and financial assets at fair value at 1 June 2011. The resulting gain of €288 million ($415 million) was recognised in the income statement as Unusual income/(expense). Fair value was also based on the above-stated fair value of Chrysler's equity of $8,290 million (€5,763 million).
- The consideration paid for this transaction and the related net cash flows were as follows:

	($ million)	(€ million)
CONSIDERATION PAID	**1,268**	**881**
Net cash outflows/(inflows) on acquisition:		
Consideration paid	1,268	881
Cash and cash equivalents acquired	(9,358)	(6,505)
TOTAL NET CASH OUTFLOWS/(INFLOWS) ON ACQUISITION	**(8,090)**	**(5,624)**

In addition, in the third quarter of 2011, Fiat acquired additional interests in Chrysler from the U.S. Treasury and Canadian government (6.031% and 1.508% on a fully-diluted basis) for cash consideration of $500 million and $125 million respectively (€351 million and €87 million respectively) and Fiat also acquired the U.S. Treasury's rights under the *Equity Recapture Agreement* between the U.S. Treasury and the VEBA Trust in exchange for cash consideration of $75 million, of which $15 million was paid to the Canadian government pursuant to a separate arrangement between the U.S. Treasury and the Canadian government. As a result of these transactions, Fiat's ownership interest in Chrysler at 31 December 2011 was 53.5% (on a fully-diluted basis). The acquisition of these non-controlling interests was recognised to equity.

In January 2012, Fiat announced that the third performance event ("*Ecological Event*") established in *Chrysler's LLC Operating Agreement*, as amended through the date hereof, had been achieved, leading to a further 5% increase of its holding in Chrysler. At 31 December 2012 Fiat had a 58.5% ownership interest in Chrysler.

At the date of this Annual report, Fiat holds the following options and rights:

- VEBA Trust Call Option: the VEBA Trust granted Fiat a call option on a portion of the Class A membership interests held by the VEBA Trust. This call option is exercisable from 1 July 2012 to 30 June 2016, and covers up to 40% of the membership interests currently held by the VEBA Trust, less any membership interests previously transferred under the *Equity Recapture Agreement* described below, and may be exercised for no more than 8% of such membership interests in any six month period. The price of the membership interests acquired in connection with the exercise of the VEBA Trust Call Option is dependent on whether or not a Chrysler Group Initial Public Offering ("IPO") has been completed at the time the option is exercised. If a Chrysler Group IPO has not occurred, the exercise price for this option is determined using a defined market-based multiple, not to exceed Fiat's multiple, applied to Chrysler Group's reported EBITDA for the most recent four quarters, less net industrial debt. If exercised contemporaneously with a Chrysler Group IPO, the exercise price is equal to the Chrysler Group IPO price. Subsequent to a Chrysler Group IPO, the exercise price is determined by reference to a volume-weighted average price per share of Chrysler Group's common stock. On 3 July 2012, Fiat notified VEBA of Fiat's exercise of its option to purchase a portion of VEBA's ownership interest in Chrysler. That tranche represents approximately 3.3% of Chrysler's outstanding equity. On 26 September 2012, Fiat announced that Fiat North America (a wholly-owned subsidiary) was seeking a declaratory judgment from the Delaware Court of Chancery to confirm the price to be paid for the stake, since the parties had not reached an agreement on the purchase price. On 3 January 2013, Fiat notified VEBA of its exercise of its option to purchase a second tranche of the interest held in Chrysler Group LLC by VEBA, representing approximately 3.3% of Chrysler's outstanding equity. In the event that these pending transactions are completed as contemplated, Fiat will hold approximately 65.17% of the outstanding equity in Chrysler.

- The Equity Recapture Agreement: which provides Fiat the rights to the economic benefit associated with the membership interests held by the VEBA Trust once the VEBA Trust receives proceeds, including certain distributions, in excess of $4.25 billion plus 9% per annum from 1 January 2010 ("Threshold Amount"). Once the VEBA Trust receives the Threshold Amount, any additional proceeds payable to the VEBA Trust for the Chrysler membership interests and any membership interests retained by the VEBA Trust are to be transferred to Fiat for no further consideration. In addition, Fiat has the right to acquire VEBA Trust's entire membership interest in Chrysler at a price equivalent to the specified Threshold Amount, less any proceeds already received by the VEBA Trust on that interest (see Note 32).

In accordance with paragraph AG81 of IAS 39 – *Financial Instruments: recognition and measurement*, both of these have been recognised in the Consolidated financial statements at cost, since (i) the variability in the range of reasonable fair value estimates is significant for these instruments and (ii) the probabilities that are used to weight the various estimates in the range of fair values cannot be reasonably established and used in estimating fair value.

For a more detailed description of the acquisition of control of Chrysler reference should be made to the Note -*Investment in Chrysler* in the Consolidated Financial Statements at 31 December 2011.

Other acquisitions or disposals

No significant subsidiaries were acquired or disposed of in 2012. As discussed above during the year, the Group acquired additional interests in Chrysler with the following cash outflows:

	Purchased interest (in %)	Cash outflows on acquisition (€ million)
Chrysler Group LLC	5%	0

During 2011, the Group, after having obtained a controlling interest, acquired additional non-controlling interests in Chrysler as well as the investment in the joint venture VM Motori with the following cash outflows:

	Purchased interest (in %)	Cash outflows on acquisition (€ million)
Chrysler Group LLC	7.5%	(438)
VM Motori S.p.A.	50.0%	(34)

Finally, the Group has disposed of certain minor investments during 2011, including a minor subsidiary of the Ferrari sector that was been classified as an asset held for sale during the third quarter of 2011 and the investment in Fiat Switzerland that was sold to the Fiat Industrial group.

Composition and principal changes

For comparative purposes it should be noted that the Income statement for 2011 includes the operations of Chrysler for the seven months period from 1 June 2011.

1. Net revenues

Net revenues may be analysed as follows:

(€ million)	2012	2011 (*)
Sales of goods	80,278	55,751
Services provided	2,049	2,140
Contract revenues	1,086	977
Lease instalments for assets sold with a buy-back commitment and for operating leases	244	255
Interest income from customers and other financial income of financial services companies	277	235
Other	23	201
Total Net revenues	**83,957**	**59,559**

(*) Amounts reported for 2011 include the consolidation of Chrysler from 1 June 2011.

2. Cost of sales

Cost of sales amounts to €71,474 million in 2012 (€50,704 million in 2011) and includes €158 million (€148 million in 2011) of interest cost and other financial expenses from financial services companies.

3. Selling, general and administrative costs

Selling costs amount to €4,339 million in 2012 (€3,264 million in 2011) and mainly consist of marketing, advertising, and sales personnel costs.

General and administrative costs amount to €2,392 million in 2012 (€1,783 million in 2011) and mainly consist of administration expenses which are not attributable to sales, manufacturing or research and development functions.

4. Research and development costs

The breakdown of Research and development costs is as follows:

(€ million)	2012	2011 (*)
Research and development costs not recognised as assets	1,157	737
Amortisation of capitalised development costs	621	626
Write-down of costs previously capitalised	57	4
Total Research and development costs	**1,835**	**1,367**

(*) Amounts reported for 2011 include the consolidation of Chrysler from 1 June 2011.

During 2012 the Group capitalised development costs of €2,138 million (€1,438 million in 2011).

5. Other income/(expenses)

Other net expenses amounting to €103 million in 2012 (net expenses of €49 million in 2011) consists of miscellaneous operating costs not attributable to specific functional areas, such as accruals to miscellaneous provisions and indirect taxes and duties, net of other income which is not attributable to the typical sales and services operations of the Group.

6. Result from investments

In 2012 the net gain, amounting to €107 million (a net gain of €131 million in 2011), consists mainly of the Group's share of €94 million (€146 million in 2011) in the net profit or loss of investees accounted for using the equity method; the item also includes write-downs for impairment, reversals, accruals to provisions against investments and dividends.

In particular, in 2012, the item includes (amounts in € million): investments held by the EMEA region €160 million (€160 million in 2011), the investment in RCS MediaGroup in respect of the investee's loss -€68 million (-€2 million in 2011), investments held by the Components and Production System operating segment €2 million (-€15 million in 2011) and other investments €13 million (-€12 million in 2011).

7. Gains/(losses) on the disposal of investments

In 2012, this item includes the write-down of €91 million of the investment in Sevelnord Société Anonyme following its reclassification to Assets held for sale and subsequent measurement at fair value.

In 2011, Gains/(losses) on the disposal of investments amounted to a net gain of €21 million and included, among others, the gain of €8 million arising from the disposal of the investment in Fiat Switzerland to the Fiat Industrial group.

8. Restructuring costs

Restructuring costs, a net cost of €15 million in 2012, relates to the EMEA region for €43 million, the Component and Production System operating segment and Other Activities for €20 million. The item includes the release of restructuring provisions previously made by the NAFTA region for €48 million.

Restructuring costs in 2011 amounted to €102 million and mainly related to the EMEA region for €78 million and the Component and Production System operating segment for €16 million.

9. Other unusual income/(expenses)

In 2012 other unusual expense of €145 million consists mainly of costs arising from disputes relating to operations terminated in prior years, costs related to the termination of the joint venture Sevelnord Société Anonyme and to the process of rationalising relations with certain suppliers.

Other unusual income amounted to €2,100 million in 2011. Of this, €1,729 million related to the gain resulting from the measurement at fair value of the investment of 30% in Chrysler held before the acquisition of control and €288 million to the valuation of the right to receive an additional ownership interest of 5% following the occurrence of the Ecological Event. In 2011, Other unusual income also included a gain of €69 million on Other post-employment benefits arising from a plan amendment associated with a Chrysler legal services plan which will terminate in 2013.

Other unusual expenses, amounting to €1,075 million in 2011, included €220 million relating to the revaluation of the inventories of Chrysler on initial consolidation as the consequence of measuring the identifiable assets acquired and identifiable liabilities assumed at fair value, this item was recognised as an expense in the income statement in June of the same year as a result of the rapid turnover of inventories. The amount of €855 million arising from the other regions and operating segments (mainly the EMEA region) was principally the result of the process for the strategic realignment of the manufacturing and commercial activities of Fiat with those of Chrysler, which accelerated further following the acquisition of control, as well as the realignment of certain minor activities. The above-mentioned amount included the write-down of Goodwill by €224 million, of Development costs by €161 million, and of certain Fixed assets by €302 million.

10. Financial income/(expenses)

In addition to the items included in the specific lines of the income statement, the following table also includes for information purposes the interest income from customers and other financial income of financial services companies otherwise included in Net revenues for €277 million (€235 million in 2011) and Interest cost and other financial charges from financial services companies otherwise included in Cost of sales for €158 million (€148 million in 2011).

(€ million)	2012	2011 (*)
Financial income:		
Interest income and other financial income	254	352
Interest income from customers and other financial income of financial services companies	277	235
Gains on disposal of securities	2	2
Total Financial income	**533**	**589**
of which:		
Financial income, excluding financial services companies (a)	256	354
Interest cost and other financial expenses:		
Interest expense and other financial expenses	1,936	1,588
Write-downs of financial assets	50	43
Losses on disposal of securities	9	11
Interest costs on employee benefits	144	96
Total Interest and other financial expenses	**2,139**	**1,738**
Net (income)/expenses from derivative financial instruments and exchange rate differences	**(84)**	**46**
Total interest and other financial expenses, net (income) expenses from derivative financial instruments and exchange differences	**2,055**	**1,784**
of which:		
Interest cost and other financial expenses, net (income) expenses from derivative financial instruments and exchange rate differences, excluding financial services companies (b)	1,897	1,636
Net financial income (expenses) excluding financial services companies (a) – (b)	**(1,641)**	**(1,282)**

(*) Amounts reported for 2011 include the consolidation of Chrysler from 1 June 2011.

Net financial expenses in 2012 (excluding the financial services companies) amount to €1,641 million. This amount includes the net financial expenses of Chrysler of €816 million (€486 million in the 7 months to 31 December 2011), of which interest costs on employee benefit provisions of €104 million (€54 million in the 7 months to 31 December 2011). Net financial expenses also include net income of €34 million (net expense of €108 million in 2011) arising from the equity swaps on Fiat S.p.A. and Fiat Industrial S.p.A. shares relating to certain stock option plans.

In 2011, Interest income and other financial income included an income of €72 million calculated after the Demerger on the basis of market values and relating to the early repayment of the outstanding medium-term financial receivables due from the Fiat Industrial group at 31 December 2010.

Interest income and other financial income may be analysed as follows:

(€ million)	2012	2011 (*)
Interest income from banks deposits	168	211
Interest income from securities	14	8
Commission income	-	-
Other interest income and financial income	72	133
Total Interest income and other financial income	**254**	**352**

(*) Amounts reported for 2011 include the consolidation of Chrysler from 1 June 2011.

Interest cost and other financial expenses may be analysed as follows:

(€ million)	2012	2011 (*)
Interest expenses on bonds	921	818
Interest expenses on bank borrowing	347	249
Interest expenses on trade payables	3	5
Commission expenses	21	10
Other interest cost and financial expenses	644	506
Total Interest cost and other financial expenses	**1,936**	**1,588**

(*) Amounts reported for 2011 include the consolidation of Chrysler from 1 June 2011.

11. Income taxes

Income taxes recognised in the income statement consist of the following:

(€ million)	2012	2011 (*)
Current taxes:		
IRAP (Italy)	60	72
Other taxes	626	519
Total Current taxes	**686**	**591**
Deferred taxes for the period:		
IRAP (Italy)	20	(8)
Other taxes	(89)	(17)
Total Deferred taxes	**(69)**	**(25)**
Taxes relating to prior periods	8	(32)
Total Income taxes	**625**	**534**

(*) Amounts reported for 2011 include the consolidation of Chrysler from 1 June 2011.

The increase in Total income taxes in 2012 compared to 2011, is mainly due to the combined effect of the consolidation of Chrysler for the full year and the improvement in its results, partially offset by the decrease in income taxes arising from the lower taxable profits of certain other non-Italian companies. In 2011 Income taxes also included non-recurring income relating to benefits arising from the recovery of prior year income taxes.

The effective tax rate of the Fiat Group for 2012 (excluding current and deferred IRAP) was 26.7% (21.5% in 2011).

The reconciliation between the tax charges recorded in the consolidated financial statements and the theoretical tax charge, calculated on the basis of the theoretical tax rate in effect in Italy, is the following:

(€ million)	2012	2011
Theoretical income taxes	**560**	**601**
Tax effect of permanent differences	(79)	1
Tax effect of non-taxable income recognised on the acquisition of control of Chrysler	-	(555)
Taxes relating to prior years	8	(32)
Effect of difference between foreign tax rates and the theoretical Italian tax rate	165	69
Effect of deferred tax assets not recognised in prior years	(529)	(181)
Effect of deferred tax assets not recognised and write-down of previous years deferred tax assets	332	452
Other differences	88	115
Current and deferred income tax recognised in the financial statements, excluding IRAP	**545**	**470**
IRAP (current and deferred)	80	64
Current and deferred income tax recognised in the financial statements	**625**	**534**

Since the IRAP (an Italian employment-related tax) taxable basis differs from income before taxes, it is excluded in the reconciliation above. Theoretical income taxes are determined by applying only the tax rate in effect in Italy (IRES equal to 27.5% in 2012 and in 2011) to Profit/(loss) before taxes.

As shown in the reconciliation, in 2012 theoretical income taxes were affected by negative permanent differences of €79 million (positive for €1 million in 2011), which consist of the tax effect of non-deductible costs of €209 million (€205 million in 2011) less the tax effect of non-taxable income of €288 million (€204 million in 2011), that includes for €190 million the effect deriving from the transfer of the taxable income generated in the U.S. by Chrysler Group LLC to its minority shareholders due to the "tax transparency" of the company. In 2011 the tax effect of non-taxable income recognised on the acquisition of control of Chrysler arose from the fair value measurement of the 30% interest in Chrysler prior to the acquisition of control and the right to receive an additional 5%, which had not been recognised as it relates to temporary differences on the investment and other financial assets that are controlled by the Group whose reversal was not deemed to be probable in the foreseeable future.

In addition, the difference between theoretical income taxes and the tax charge recognised in the financial statements includes a benefit of €529 million (€181 million in 2011) deriving from deductible temporary differences and tax losses for which no deferred tax assets had been recognised in previous years, partially offset by the negative effects of €332 million (€452 million in 2011) deriving from unrecognised deferred tax assets on temporary differences and tax losses originated during the year and the write-down of deferred tax assets recognised in previous periods.

Other differences in the above reconciliation include unrecoverable withholding tax of €95 million (€73 million in 2011).

The deferred tax asset balance consists of the deferred tax assets less the deferred tax liabilities, where these may be offset, of the individual consolidated companies.

The amounts stated in the statement of financial position are as follows:

(€ million)	At 31 December 2012	At 31 December 2011
Deferred tax assets	1,736	1,690
Deferred tax liabilities	(802)	(760)
Total	**934**	**930**

The change of €4 million in net deferred tax assets is due to the following:

- net benefit of €69 million deriving from the recognition of deferred tax assets on temporary differences and tax losses originated in the year net of write-down of deferred tax assets relating to prior years;
- recognition directly to equity of net deferred tax liabilities of €23 million;
- exchange rate differences and other changes for a negative amount of €42 million.

Deferred tax assets, net of Deferred tax liabilities may be analysed by source as follows:

(€ million)	At 31 December 2011	Reclassifi-cations	Recognised in income statement	Charged to equity	Changes in the scope of consolidation	Translation differences and other changes	At 31 December 2012
Deferred tax assets arising from:							
Cash flow hedge reserve	-	7	-	2	-	-	**9**
Taxed provisions	3,097	(271)	162	-	2	(79)	**2,911**
Inventories	229	22	15	-	-	(2)	**264**
Taxed allowances for doubtful accounts	85	-	9	-	-	(4)	**90**
Provision for employee benefits	1,374	(302)	(50)	-	-	(2)	**1,020**
Intangible assets	419	-	(38)	-	-	-	**381**
Write-downs of financial assets	212	4	12	-	-	-	**228**
Measurement of derivative financial instruments	33	(30)	-	-	-	-	**3**
Other	538	912	(10)	-	37	(33)	**1,444**
Total Deferred tax assets	**5,987**	**342**	**100**	**2**	**39**	**(120)**	**6,350**
Deferred tax liabilities arising from:							
Cash flow hedge reserve	-	16	-	(25)	-	-	**(9)**
Accelerated depreciation	(1,733)	316	35	-	(1)	29	**(1,354)**
Capitalisation of development costs	(800)	(296)	(140)	-	-	25	**(1,211)**
Trade-marks and other intangibles	-	(713)	(89)	-	-	18	**(784)**
Deferred tax on gains on disposal	(14)	-	8	-	-	-	**(6)**
Capital investment grants	(3)	-	-	-	-	3	**-**
Provision for employee benefits	(19)	-	(2)	-	-	-	**(21)**
Other	(1,340)	786	50	-	(1)	(7)	**(512)**
Total Deferred tax liabilities	**(3,909)**	**109**	**(138)**	**(25)**	**(2)**	**68**	**(3,897)**
Theoretical tax benefit arising from tax loss carryforwards	**3,215**	**(162)**	**392**	**-**	**(20)**	**(26)**	**3,399**
Adjustments for assets whose recoverability is not probable	**(4,363)**	**(299)**	**(285)**	**-**	**(19)**	**48**	**(4,918)**
Total Deferred tax assets, net of Deferred tax liabilities	**930**	**(10)**	**69**	**(23)**	**(2)**	**(30)**	**934**

The decision to recognise Deferred tax assets is taken for each company in the Group by assessing critically whether the conditions exist for the future recoverability of such assets on the basis of most recent forecasts from budgets and plans. Regarding the Italian entities, despite a tax loss for 2012 in the tax consolidation, the Group continued to recognise deferred tax assets on the basis of the future taxable income expected to arise in the Italian tax consolidation in the period considered and taking into account changes in Italian tax law in 2011 by which the tax losses can be carried forward indefinitely. Deferred tax assets arising from Italian companies amount to €1,063 million at 31 December 2012 (€1,033 million at 31 December 2011). The total theoretical future tax benefits arising from deductible temporary differences (€6,350 million at 31 December 2012 and €5,987 million at 31 December 2011) and tax loss carry-forwards (€3,399 million at 31 December 2012 and €3,215 million at 31 December 2011) have been reduced by €4,918 million at 31 December 2012 (€4,363 million at 31 December 2011).

In particular, at 31 December 2012 Deferred tax assets, net of Deferred tax liabilities, include tax benefits arising from unused tax losses of €929 million (€783 million at 31 December 2011). At 31 December 2012, further tax benefits arising from unused tax losses amounting to €2,470 million have not been recognised. At 31 December 2011 the corresponding item was €2,432 million.

Deferred taxes have not been provided on the undistributed earnings of subsidiaries, except in cases where it is probable they will be distributed in the foreseeable future.

The totals of deductible and taxable temporary differences and accumulated tax losses at 31 December 2012, together with the amounts for which deferred tax assets have not been recognised, analysed by year of expiry, are as follows:

		Year of expiry					
(€ million)	At 31 December 2012	2013	2014	2015	2016	Beyond 2016	Unlimited/ indeterminable
Temporary differences and tax losses relating to State taxation (IRES in the case of Italy):							
Deductible temporary differences	**19,013**	4,869	2,241	2,098	2,144	7,661	-
Taxable temporary differences	**(11,011)**	(1,642)	(1,348)	(1,215)	(1,222)	(4,155)	(1,429)
Tax losses	**11,906**	42	37	28	257	1,745	9,797
Temporary differences and tax losses for which deferred tax assets have not been recognised	**(16,228)**	(2,038)	(813)	(707)	(604)	(3,290)	(8,776)
Temporary differences and tax losses relating to State taxation	**3,680**	**1,231**	**117**	**204**	**575**	**1,961**	**(408)**
Temporary differences and tax losses relating to local taxation (IRAP in the case of Italy):							
Deductible temporary differences	**17,714**	3,357	2,257	2,158	2,116	7,826	-
Taxable temporary differences	**(12,166)**	(1,551)	(1,364)	(1,307)	(1,327)	(5,100)	(1,517)
Tax losses	**1,702**	24	21	14	13	835	795
Temporary differences and tax losses for which deferred tax assets have not been recognised	**(7,185)**	(869)	(807)	(795)	(775)	(3,168)	(771)
Temporary differences and tax losses relating to local taxation	**65**	**961**	**107**	**70**	**27**	**393**	**(1,493)**

12. Other information by nature

In 2012 the income statement includes personnel costs of €8,116 million (€6,320 million in 2011).

In 2012, Fiat Group had an average number of employees of 205,112 (195,404 employees in 2011), whom 143,727 (140,216 employees in 2011) work for the Fiat Group excluding Chrysler and 61,385 (an average of 55,188 employees calculated for the period June-December 2011) work for Chrysler.

13. Earnings/(loss) per share

As explained in Note 24 below, until 21 May 2012 the share capital of Fiat S.p.A. was represented by three classes of shares (ordinary shares, preference shares and savings shares) each of which had different dividend rights. In accordance with the resolution adopted at the extraordinary session of Shareholders' General Meeting of 4 April 2012, as all the necessary conditions precedent had been satisfied, the mandatory conversion of all 103,292,310 Fiat S.p.A. preference shares and 79,912,800 Fiat S.p.A. savings shares into 157,722,163 Fiat S.p.A. ordinary shares, with dividend rights from 2012, took place on 21 May 2012. The conversion ratio was 0.850 ordinary shares per preference share and 0.875 ordinary shares per savings share.

The earnings/(loss) per share, for 2012, that follows takes into account the above-mentioned conversion by dividing the Profit/(loss) attributable to the equity holders of the parent company, by the weighted average number of ordinary shares outstanding during the period (assuming conversion occurred at the beginning of the year). In order to calculate the earnings/(loss) per share for 2011, which is presented for comparative purposes, the three different classes of shares, together with their different dividend rights have been taken into account. For this purpose, the Profit/(loss) attributable to the equity holders of the parent company had been adjusted by the amount of the dividends that would be contractually due to each class of shares in the theoretical event of a total distribution of profits. For this purpose, the amount allocated to each class of shares was then divided by the weighted average number of shares for the period.

The following table provides amounts used in calculation of earnings/(loss) per share for the two periods:

		2012				2011
		Ordinary shares	Ordinary shares	Preference shares	Saving shares	Total
Profit/(loss) attributable to owners of the parent	€ million	348				**1,334**
Theoretical preference right	€ million	-	-	23	17	**40**
Profit/(loss) attributable to all classes of shares	€ million	-	1,129	88	77	**1,294**
Profit/(loss) attributable to each class of shares	€ million	**348**	**1,129**	**111**	**94**	**1,334**
Average number of shares outstanding	thousand	**1,215,828**	**1,054,007**	**103,292**	**79,913**	**1,237,212**
Basic earnings/(loss) per share	€	**0.286**	**1.071**	**1.071**	**1.180**	

If all the preference and savings shares had been converted at the beginning of 2011 at the above-mentioned conditions, earnings per ordinary share for 2011 would have been €1.101.

In order to calculate the diluted earnings/(loss) per share for 2012 and 2011, the average number of outstanding ordinary shares has been increased to also take into consideration the theoretical effect that would arise if the share based payment plans were to be exercised.

The following tables present the amounts used in the calculation of diluted earnings per share for the periods presented:

		2012				2011
		Ordinary shares	Ordinary shares	Preference shares	Savings shares	Total
Profit/(loss) attributable to each class of shares	€ million	**348**	**1,129**	**111**	**94**	**1,334**
Average number of shares considered for the diluted earnings per share	thousands	**1,225,868**	**1,063,684**	**103,292**	**79,913**	**1,246,889**
Diluted earnings/(loss) per share	€	**0.284**	**1.063**	**1.063**	**1.172**	

If all the preference and savings shares had been converted at the beginning of 2011 at the above-mentioned conditions, diluted earnings per ordinary share for 2011 would have been €1.093.

14. Goodwill and intangible assets with indefinite useful lives

In 2012 and 2011, changes in the gross carrying amount of Goodwill and intangible assets with indefinite useful lives were as follows:

(€ million)	At 31 December 2011	Additions	Change in the scope of consolidation	Impairment losses	Translation differences and other changes	At 31 December 2012
Gross amount	10,864	-	-	-	(220)	**10,644**
Accumulated impairment losses	(421)	-	-	-	7	**(414)**
Goodwill	10,443	-	-	-	(213)	**10,230**
Brands	2,770	-	-	-	(53)	**2,717**
Goodwill and intangible assets with indefinite useful lives	**13,213**	**-**	**-**	**-**	**(266)**	**12,947**

(€ million)	At 31 December 2010 (*)	Additions	Change in the scope of consolidation	Impairment losses	Translation differences and other changes	At 31 December 2011
Gross amount	1,272	-	8,621	-	971	**10,864**
Accumulated impairment losses	(192)	-	-	(224)	(5)	**(421)**
Goodwill	1,080	-	8,621	(224)	966	**10,443**
Brands	3	-	2,489	-	278	**2,770**
Goodwill and intangible assets with indefinite useful lives	**1,083**	**-**	**11,110**	**(224)**	**1,244**	**13,213**

(*) The balances at 31 December 2010 relate to Fiat Group post demerger to Fiat Industrial.

Net foreign exchange effects in 2012 arose mainly from changes in the Us Dollar/Euro rate.

The increases in Goodwill and Brands in 2011 arise from the acquisition of the control of Chrysler and its subsequent consolidation.

The Impairment loss recognised in 2011 mainly related to Production Systems (€130 million) and Components (€69 million).

Brands

Brands arise almost exclusively from the NAFTA region. The amount of €2,717 million at 31 December 2012 (€2,770 million at 31 December 2011) mainly comprises the net carrying amount of the brands Chrysler, Jeep, Dodge, Ram and Mopar. These rights are protected legally through registration with government agencies and through the continuous use in commerce. As these rights have no legal, contractual, competitive or economic term that limits their useful lives, they were classified as intangible assets with indefinite useful lives.

The carrying amount of brands is tested annually and the Group recognises an impairment loss if book value exceeds the recoverable amount. For the purpose of impairment testing, the Brands are allocated to the NAFTA cash-generating unit; the principal assumptions used in the calculation of the value in use of this cash generating unit are discussed below.

Goodwill

Goodwill consists principally of goodwill resulting from the acquisition of the control of Chrysler for €9,372 million (€9,585 million at 31 December 2011) and the purchase of certain interests in Ferrari S.p.A. for €786 million (€786 million at 31 December 2011).

Goodwill is allocated to the Group's cash-generating units that are expected to benefit from synergies of the business combination that generated it.

As of 31 December 2011, goodwill related to the acquisition of control of Chrysler was fully allocated to the Chrysler reporting segment. Effective 1 September 2011, the Group undertook significant organizational changes, including the operations of the mass-market brands. The mass-market brands were previously reported under the sectors of Fiat Group Automobiles, Fiat Powertrain and Chrysler. The mass market brands are now being attributed to four geographical regions. Refer to Note 33 for additional information regarding the organizational changes and the Group's reporting segments. Effective 1 January 2012, the reporting segments have been revised to reflect the new structure of the Group and the goodwill related to the former Chrysler reporting segment has been reallocated to the applicable regions.

From an operating standpoint, substantially all of Chrysler's industrial and product development asset base is located in NAFTA while the other regions manage the distribution of Chrysler Group vehicles in their respective markets with the exception of limited assembly activity of certain Chrysler Group vehicles in LATAM.

On 1 January 2012, goodwill was reallocated to each region based on the relative value of the total invested capital of each region that comprised the former Chrysler operating segment.

The net carrying amount of goodwill allocated to each of our operating segments at 31 December is as follows:

(€ million)	At 31 December 2012	At 31 December 2011
Chrysler	-	9,585
NAFTA	7,661	-
APAC	1,012	-
LATAM	482	-
EMEA	217	-
Ferrari	786	786
Components	51	51
Other activities	21	21
Goodwill (net carrying amount)	**10,230**	**10,443**

In accordance with IAS 36, goodwill is not amortised and is tested for impairment annually or more frequently if facts or circumstances indicate that the asset may be impaired. Impairment testing is performed by comparing the carrying amount and the recoverable amount of each cash-generating unit ("CGU") to which goodwill has been allocated. The recoverable amount of a CGU is the higher of its fair value less costs to sell and its value in use.

Goodwill allocated to NAFTA represents approximately 75% of the Group's total goodwill. Additionally, almost all of the carrying value of the Group's recognized brand names intangible assets pertain to the NAFTA region. The estimate of the NAFTA CGU's value in use for purposes of performing the annual impairment test was based on the following assumptions:

- The expected future cash flows for the NAFTA region covering the period from 2013 through 2016. These cash flows represent management's best estimate of the future operating performance of the CGU during the period under consideration. The expected future cash flows relate to the CGU in its current condition and exclude any estimate of future cash flows that may arise from future restructuring plans or other structural changes.
- The expected future cash flows have been estimated in U.S. Dollars, and discounted using a discount rate appropriate for that currency.
- The expected future cash flows include a normalised terminal period used to estimate the future results beyond the time period explicitly considered. Based upon the business environment in which the NAFTA CGU operates, a long-term growth rate of 2% to 3% is considered reasonable. However, for purposes of estimating value in use in this context, the terminal value has been calculated using a conservative long-term growth rate (g) assumption of 0%.
- Post-tax expected future cash flows were discounted using a post-tax Weighted Average Cost of Capital ("WACC") of 8.3%. The WACC used reflects the current market assessment of the time value of money for the period being considered and the risks specific to the CGU under consideration. The WACC was calculated using the Capital Asset Pricing Model ("CAPM") technique in which the risk free rate has been calculated by referring to the yield curve of long-term U.S. government bonds and the beta coefficient and the debt/equity ratio have been extrapolated by analysing a group of comparable companies operating in the automotive sector. Additionally, to prudently consider the uncertainty of the current economic environment and future market conditions, the cost of equity component of the WACC was progressively increased by a 50 basis point risk premium for the years 2014 through 2016 and by 300 basis points in the terminal period.

- In addition to the analysis described above, the Group also performed a sensitivity analysis increasing the base WACC assumptions described above by 1%. After performing this sensitivity analysis, the recoverable amount of the CGU still exceeded the carrying amount.
- Impairment tests for other regions to which the Chrysler goodwill was reallocated were based on the expected future cash flows for the respective regions covering the period from 2013 through 2016. The assumptions used to determine the WACCs, the risk premiums and to perform the sensitivity analyses were consistent with those described above for the NAFTA region. Cash flows were measured in U.S. Dollars and base WACCs of 9.1%, 11.5% and 10.4% were used for the APAC, LATAM and EMEA regions respectively. After performing the sensitivity analyses, the recoverable amount of the APAC, LATAM and EMEA CGUs still exceeded their carrying amounts.

For the Ferrari sector, the CGU corresponds to the sector as a whole and the expected future cash flows are the operating cash flows taken from the estimates included in the 2013 budget and the expected business performance, made in a prudent manner, taking account of the uncertainties of the global financial and economic situation, extrapolated for subsequent years by using the specific medium/long-term growth rate for the sector equal to 2%. These cash flows were then discounted using a post-tax discount rate of 8.05%. The recoverable amount of the CGU to which the Ferrari sector goodwill relates is significantly higher than its carrying amount; in addition, the exclusivity of the business, its historical profitability and its future earnings prospects indicate that this carrying amount will continue to be recoverable, even in the event of difficult economic and market conditions.

15. Other intangible assets

In 2012 and 2011, changes in the gross carrying amount of Other intangible assets were as follows:

(€ million)	At 31 December 2011	Additions	Divestitures	Changes in the scope of consolidation	Translation differences and other changes	At 31 December 2012
Development costs externally acquired	3,841	1,547	(4)	-	(157)	**5,227**
Development costs internally generated	4,116	591	(51)	-	(19)	**4,637**
Total Development costs	7,957	2,138	(55)	-	(176)	**9,864**
Patents, concessions and licenses externally acquired	1,982	175	(35)	-	(22)	**2,100**
Other intangible assets externally acquired	606	72	(27)	-	(26)	**625**
Gross carrying amount	**10,545**	**2,385**	**(117)**	**-**	**(224)**	**12,589**

(€ million)	At 31 December 2010 (*)	Additions	Divestitures	Changes in the scope of consolidation	Translation differences and other changes	At 31 December 2011
Development costs externally acquired	3,116	681	(2)	-	46	**3,841**
Development costs internally generated	3,507	757	(12)	-	(136)	**4,116**
Total Development costs	6,623	1,438	(14)	-	(90)	**7,957**
Patents, concessions and licenses externally acquired	742	115	(35)	1,026	134	**1,982**
Other intangible assets externally acquired	583	50	(10)	(1)	(16)	**606**
Gross carrying amount	**7,948**	**1,603**	**(59)**	**1,025**	**28**	**10,545**

(*) The balances at 31 December 2010 relate to Fiat Group post demerger to Fiat Industrial.

In 2012 and 2011 changes in accumulated amortisation and impairment losses were as follow:

(€ million)	At 31 December 2011	Amortisation	Impairment losses	Divestitures	Changes in the scope of consolidation	Translation differences and other changes	At 31 December 2012
Development costs externally acquired	2,280	234	19	-	-	(97)	2,436
Development costs internally generated	2,157	387	38	(45)	-	(21)	2,516
Total Development costs	4,437	621	57	(45)	-	(118)	**4,952**
Patents, concessions and licenses externally acquired	705	208	-	(34)	-	(4)	875
Other intangible assets externally acquired	416	52	1	(26)	-	(18)	425
Accumulated amortisation and impairment	**5,558**	**881**	**58**	**(105)**	**-**	**(140)**	**6,252**

(€ million)	At 31 December 2010 (*)	Amortisation	Impairment losses	Divestitures	Changes in the scope of consolidation	Translation differences and other changes	At 31 December 2011
Development costs externally acquired	1,989	270	38	-	-	(17)	2,280
Development costs internally generated	1,725	356	127	(11)	-	(40)	2,157
Total Development costs	3,714	626	165	(11)	-	(57)	**4,437**
Patents, concessions and licenses externally acquired	585	137	-	(29)	(7)	19	**705**
Other intangible assets externally acquired	382	50	1	(8)	1	(10)	**416**
Accumulated amortisation and impairment	**4,681**	**813**	**166**	**(48)**	**(6)**	**(48)**	**5,558**

(*) The balances at 31 December 2010 relate to Fiat Group post demerger to Fiat Industrial.

In 2012 and in 2011 changes in the net carrying amount of Other intangible assets were as follows:

(€ million)	At 31 December 2011	Additions	Amorti-sation	Impairment losses	Divesti-tures	Change in the scope of consoli-dation	Translation diff. and other changes	At 31 December 2012
Development costs externally acquired	1,561	1,547	(234)	(19)	(4)	-	(60)	**2,791**
Development costs internally generated	1,959	591	(387)	(38)	(6)	-	2	**2,121**
Total Development costs	3,520	2,138	(621)	(57)	(10)	-	(58)	**4,912**
Patents, concessions and licenses externally acquired	1,277	175	(208)	-	(1)	-	(18)	**1,225**
Other intangible assets externally acquired	190	72	(52)	(1)	(1)	-	(8)	**200**
Net carrying amount	**4,987**	**2,385**	**(881)**	**(58)**	**(12)**	**-**	**(84)**	**6,337**

(€ million)	At 31 December 2010 (*)	Additions	Amorti-sation	Impairment losses	Divesti-tures	Change in the scope of consoli-dation	Translation diff. and other changes	At 31 December 2011
Development costs externally acquired	1,127	681	(270)	(38)	(2)	-	63	**1,561**
Development costs internally generated	1,782	757	(356)	(127)	(1)	-	(96)	**1,959**
Total Development costs	2,909	1,438	(626)	(165)	(3)	-	(33)	**3,520**
Patents, concessions and licenses externally acquired	157	115	(137)	-	(6)	1,033	115	**1,277**
Other intangible assets externally acquired	201	50	(50)	(1)	(2)	(2)	(6)	**190**
Net carrying amount	**3,267**	**1,603**	**(813)**	**(166)**	**(11)**	**1,031**	**76**	**4,987**

(*) The balances at 31 December 2010 relate to Fiat Group post demerger to Fiat Industrial.

Additions of €2,385 million in 2012 mainly refer to the car mass-market operations.

In 2012, the Group wrote-down certain development costs by €57 million (€165 million in 2011). In 2012, the write-down has been totally recognised as Trading profit/(loss). In 2011, the write-down had been recognised as Trading profit/(loss) for €4 million and for €161 million as Other unusual income/(expenses) in the income statement.

Foreign exchange losses of €87 million in 2012 principally reflect the devaluation of the US Dollar and Brazilian Real against the Euro, partially offset by the appreciation of the Polish Zloty against the Euro. Foreign exchange gains of € 72 million in 2011 principally had reflected changes in the US Dollar rates against the Euro, partially offset by the devaluation of the Brazilian Real and the Polish Zloty against the Euro.

The amortisation of development costs are reported in the income statement as Research and development costs.

16. Property, plant and equipment

In 2012 and 2011, changes in the gross carrying amount of Property, plant and equipment were as follows:

(€ million)	At 31 December 2011	Additions	Divestitures	Change in the scope of consolidation	Translation differences	Other changes	At 31 December 2012
Land	726	4	(7)	-	(8)	1	**716**
Owned industrial buildings	5,938	386	(33)	2	(70)	174	**6,397**
Industrial buildings leased under finance leases	57	-	-	-	-	(38)	**19**
Total Industrial buildings	5,995	386	(33)	2	(70)	136	**6,416**
Owned plant, machinery and equipment	28,211	1,830	(822)	(12)	(316)	1,023	**29,914**
Plant, machinery and equipment leased under finance leases	359	29	(3)	(6)	3	-	**382**
Total Plant, machinery and equipment	28,570	1,859	(825)	(18)	(313)	1,023	**30,296**
Other tangible assets	5,403	939	(75)	2	(108)	(89)	**6,072**
Advances and tangible assets in progress	2,679	1,961	(9)	-	(104)	(1,254)	**3,273**
Gross carrying amount	**43,373**	**5,149**	**(949)**	**(14)**	**(603)**	**(183)**	**46,773**

(€ million)	At 31 December 2010 (*)	Additions	Divestitures	Change in the scope of consolidation	Translation differences	Other changes	At 31 December 2011
Land	372	24	(10)	310	21	9	**726**
Owned industrial buildings	3,803	235	(27)	1,824	87	16	**5,938**
Industrial buildings leased under finance leases	60	-	(2)	-	-	(1)	**57**
Total Industrial buildings	3,863	235	(29)	1,824	87	15	**5,995**
Owned plant, machinery and equipment	23,738	1,456	(835)	3,201	(198)	849	**28,211**
Plant, machinery and equipment leased under finance leases	432	37	(111)	-	(3)	4	**359**
Total Plant, machinery and equipment	24,170	1,493	(946)	3,201	(201)	853	**28,570**
Other tangible assets	1,287	589	(194)	3,146	349	226	**5,403**
Advances and tangible assets in progress	961	1,584	(72)	1,201	122	(1,117)	**2,679**
Gross carrying amount	**30,653**	**3,925**	**(1,251)**	**9,682**	**378**	**(14)**	**43,373**

(*) The balances at 31 December 2010 relate to Fiat Group post demerger to Fiat Industrial.

In 2012 and 2011, Changes in accumulated depreciation and impairment losses were as follows:

(€ million)	At 31 December 2011	Depreciation	Impairment losses	Divestitures	Change in the scope of consolidation	Translation differences	Other changes	At 31 December 2012
Land	7	-	-	-	-	-	-	**7**
Owned industrial buildings	1,999	253	2	(13)	2	(22)	7	**2,228**
Industrial buildings leased under finance leases	14	1	-	-	-	-	(10)	**5**
Total Industrial buildings	2,013	254	2	(13)	2	(22)	(3)	**2,233**
Owned plant, machinery and equipment	18,943	1,915	47	(795)	(12)	(168)	6	**19,936**
Plant, machinery and equipment leased under finance leases	105	27	-	-	(6)	1	1	**128**
Total Plant, machinery and equipment	19,048	1,942	47	(795)	(18)	(167)	7	**20,064**
Other tangible assets	1,510	1,057	-	(56)	2	(50)	(65)	**2,398**
Advances and tangible assets in progress	10	-	1	-	-	-	(1)	**10**
Accumulated depreciation and impairment	**22,588**	**3,253**	**50**	**(864)**	**(14)**	**(239)**	**(62)**	**24,712**

(€ million)	At 31 December 2010 (*)	Depreciation	Impairment losses	Divestitures	Change in the scope of consolidation	Translation differences	Other changes	At 31 December 2011
Land	7	-	-	-	-	-	-	**7**
Owned industrial buildings	1,836	189	35	(12)	(1)	(44)	(4)	**1,999**
Industrial buildings leased under finance leases	13	2	-	(1)	-	-	-	**14**
Total Industrial buildings	1,849	191	35	(13)	(1)	(44)	(4)	**2,013**
Owned plant, machinery and equipment	18,150	1,640	281	(831)	13	(330)	20	**18,943**
Plant, machinery and equipment leased under finance leases	157	30	4	(85)	-	(1)	-	**105**
Total Plant, machinery and equipment	18,307	1,670	285	(916)	13	(331)	20	**19,048**
Other tangible assets	871	684	2	(89)	(1)	47	(4)	**1,510**
Advances and tangible assets in progress	18	-	1	-	-	-	(9)	**10**
Accumulated depreciation and impairment	**21,052**	**2,545**	**323**	**(1,018)**	**11**	**(328)**	**3**	**22,588**

(*) The balances at 31 December 2010 relate to Fiat Group post demerger to Fiat Industrial.

In 2012 and 2011, changes in the net carrying amount of Property, plant and equipment were as follows:

(€ million)	At 31 December 2011	Additions	Depreciation	Impairment losses	Divestitures	Change in the scope of consolidation	Translation differences	Other changes	At 31 December 2012
Land	719	4	-	-	(7)	-	(8)	1	**709**
Owned industrial buildings	3,939	386	(253)	(2)	(20)	-	(48)	167	**4,169**
Industrial buildings leased under finance leases	43	-	(1)	-	-	-	-	(28)	**14**
Total Industrial buildings	3,982	386	(254)	(2)	(20)	-	(48)	139	**4,183**
Owned plant, machinery and equipment	9,268	1,830	(1,915)	(47)	(27)	-	(148)	1,017	**9,978**
Plant, machinery and equipment leased under finance leases	254	29	(27)	-	(3)	-	2	(1)	**254**
Total Plant, machinery and equipment	9,522	1,859	(1,942)	(47)	(30)	-	(146)	1,016	**10,232**
Other tangible assets	3,893	939	(1,057)	-	(19)	-	(58)	(24)	**3,674**
Advances and tangible assets in progress	2,669	1,961	-	(1)	(9)	-	(104)	(1,253)	**3,263**
Net carrying amount	**20,785**	**5,149**	**(3,253)**	**(50)**	**(85)**	**-**	**(364)**	**(121)**	**22,061**

(€ million)	At 31 December 2010 (*)	Additions	Depreciation	Impairment losses	Divestitures	Change in the scope of consolidation	Translation differences	Other changes	At 31 December 2011
Land	365	24	-	-	(10)	310	21	9	**719**
Owned industrial buildings	1,967	235	(189)	(35)	(15)	1,825	131	20	**3,939**
Industrial buildings leased under finance leases	47	-	(2)	-	(1)	-	-	(1)	**43**
Total Industrial buildings	2,014	235	(191)	(35)	(16)	1,825	131	19	**3,982**
Owned plant, machinery and equipment	5,588	1,456	(1,640)	(281)	(4)	3,188	132	829	**9,268**
Plant, machinery and equipment leased under finance leases	275	37	(30)	(4)	(26)	-	(2)	4	**254**
Total Plant, machinery and equipment	5,863	1,493	(1,670)	(285)	(30)	3,188	130	833	**9,522**
Other tangible assets	416	589	(684)	(2)	(105)	3,147	302	230	**3,893**
Advances and tangible assets in progress	943	1,584	-	(1)	(72)	1,201	122	(1,108)	**2,669**
Net carrying amount	**9,601**	**3,925**	**(2,545)**	**(323)**	**(233)**	**9,671**	**706**	**(17)**	**20,785**

(*) The balances at 31 December 2010 relate to Fiat Group post demerger to Fiat Industrial.

Additions of €5,149 million in 2012 mainly refer to the car mass-market operations.

In 2011 the Group recognised impairment losses of €302 million, classified as Other unusual income/(expenses), following the review of the recoverable amount of certain fixed assets and in connection with the process for the strategic realignment of manufacturing and commercial activities between Fiat and Chrysler.

In 2012, exchange losses of €364 million mainly reflect the depreciation of the US Dollar and the Brazilian Real against the Euro, partially offset by the appreciation of the Polish Zloty against the Euro. In 2011, exchange gains of €706 million reflected the appreciation of the US Dollar against the Euro from the end of May when Chrysler was consolidated for the first time, partially offset by the depreciation of the Brazilian Real and the Polish Zloty against the Euro.

In 2012 Other changes mainly consisted of the reclassification of the prior year balances for Advances and tangible assets in progress to the respective categories when the assets were acquired and entered service.

In 2011 the overall increase of €9,671 million in Change in the scope of consolidation mainly had reflected the consolidation of Chrysler.

At 31 December 2012, Property, plant and equipment of the Fiat Group excluding Chrysler reported as pledged as collateral for loans, mainly relates to assets that are legally owned by suppliers but are recognised in the consolidated financial statements in accordance with IFRIC 4 with the corresponding recognition of a financial lease payable. They were as follows:

(€ million)	At 31 December 2012	At 31 December 2011
Land and industrial buildings of pledged as security for debt	31	50
Plant and machinery pledged as security for debt and other commitments	259	260
Other assets pledged as security for debt and other commitments	6	7
Property plant and equipment pledged as security for debt	**296**	**317**

The amount of Property, plant and equipment of Chrysler at 31 December 2012 is €12,069 million (€11,050 million at 31 December 2011). Substantially all the Property, plant and equipment of Chrysler Group LLC and its U.S. subsidiary guarantors are pledged as securities for certain Chrysler's outstanding debt (see Note 28).

At 31 December 2012, the Group had contractual commitments for the purchase of Property, plant and equipment amounting to €919 million (€965 million at 31 December 2011).

17. Investments and other financial assets

(€ million)	At 31 December 2012	At 31 December 2011
Investments in jointly controlled entities	1,419	1,400
Investments in associates	58	131
Investments in subsidiaries	33	48
Investments accounted for using the equity method	1,510	1,579
Investments at fair value with changes directly in other comprehensive income	142	116
Investments at fair value with changes in profit or loss	153	149
Investments at fair value	295	265
Investment in subsidiaries	18	18
Investments in associates	23	20
Investments in other entities	15	17
Investments measured at cost	56	55
Total Investments	**1,861**	**1,899**
Non-current financial receivables	310	334
Other securities and other financial assets	119	427
Total Investments and other financial assets	**2,290**	**2,660**

Changes in Investments in 2012 are set out below:

(€ million)	At 31 December 2011	Revaluations/ (Write-downs)	Change in the scope of consolidation	Reclassified to Assets held for sale	Translation differences	Other changes	At 31 December 2012
Investments accounted for using the equity method	1,579	94	(3)	(91)	12	(81)	**1,510**
Investments at fair value	265	-	-	-	-	30	**295**
Investments measured at cost	55	(1)	1	-	(1)	2	**56**
Total Investments	**1,899**	**93**	**(2)**	**(91)**	**11**	**(49)**	**1,861**

Revaluations/(Write-downs) include the share of the profit or loss of investees accounted for using the equity method and the impairment losses recognised during the period for investments measured at cost.

Other changes consisting of a net decrease of €49 million mainly relate to dividends of €89 million distributed by companies accounted for using the equity method (of which €40 million received from FGA Capital and €41 million received form Tofas-Turk Otomobil Fabrikasi A.S.), a decrease of €27 million in the investment in Fiat Industrial S.p.A. due to the granting to the Chief Executive Officer of the shares vested under the 2009 Stock Grant Plan and the decrease of €20 million arising from the liquidation of certain minor investments, partially offset by the positive fair value adjustment of €57 million relating to the investment classified as available-for-sale, the positive changes in the cash flow hedge reserve of Tofas-Turk Otomobil Fabrikasi A.S. of €12 million and purchases and capitalisations of €24 million.

Investments accounted for using the equity method

The item Investments accounted for using the equity method comprises the following:

	At 31 December 2012		At 31 December 2011	
	% of interest	(€ million)	% of interest	(€ million)
FGA Capital S.p.A.	**50.0**	**771**	50.0	725
Tofas-Turk Otomobil Fabrikasi A.S.	**37.9**	**329**	37.9	272
GAC Fiat Automobiles Co. Ltd.	**50.0**	**90**	50.0	108
Società Europea Veicoli Leggeri-Sevel S.p.A.	**50.0**	**103**	50.0	100
Société Européenne de Véhicules Légers du Nord-Sevelnord Société Anonyme (*)	**50.0**	**-**	50.0	89
VM Motori S.p.A.	**50.0**	**38**	50.0	38
Fiat India Automobiles Limited	**50.0**	**35**	50.0	23
Other		**53**		45
Total Investments in jointly controlled entities		**1,419**		**1,400**
Rizzoli Corriere della Sera MediaGroup S.p.A.	**10.1**	**28**	10.1	99
Other		**30**		32
Total Investments in associates		**58**		**131**
Total Investments in subsidiaries		**33**		**48**
Total investments accounted for using the equity method		**1,510**		**1,579**

(*) Investment classified in 2012 as Asset held for sale.

Rizzoli Corriere della Sera MediaGroup S.p.A. is a listed company in which Fiat is one of the major shareholders, is represented on the Board of Directors and is a party to a shareholder agreement. As a result the company is classified as an associate. In order to account for this investment using the equity method, reference was made to the company's most recent published financial statements, being its "Interim Management Statements at 30 September 2012", since those to be issued for 2012 will only be available after the publication of the consolidated financial statements of the Fiat Group. The reduction of the carrying value in 2012 (down €71 million) reflects the portion of the loss incurred by the associate as a consequence of the write-down recognised on its assets in Spain.

At 31 December 2011, Investments also included the investment in Sevelnord Société Anonyme carried at €89 million. As discussed in the section Scope of consolidation this investment, carried at €91 million at 30 June 2012, was reclassified to Assets held for sale at that date and measured at fair value.

At 31 December 2012, the stock market price of Investments in listed jointly controlled entities and listed associates is as follows:

(€ million)	Carrying value	Stock market price
Tofas -Turk Otomobil Fabrikasi A.S.	329	840
Rizzoli Corriere della Sera MediaGroup S.p.A.	28	97
Total Investments in listed jointly controlled entities and associates	**357**	**937**

Investments measured at fair value

At 31 December 2012, Investments at fair value with changes recognised directly in Other comprehensive income/(losses), include the investment in Fiat Industrial S.p.A. for €130 million (€104 million at 31 December 2011), the investment in Fin. Priv. S.r.l. for €10 million (€10 million at 31 December 2011), and the investment in Assicurazioni Generali S.p.A. for €2 million (€2 million at 31 December 2011).

Overall, at 31 December 2012 the investment in Fiat Industrial S.p.A. consists of 34,216,027 ordinary shares, corresponding to the 2.8% of the share capital of the company (38,215,333 ordinary shares, corresponding to 3.00% of the share capital of the company at 31 December 2011) for an amount of €283 million (€253 million at 31 December 2011), of which 18,496,875 shares of Fiat Industrial S.p.A. will serve the stock option plans and are therefore measured at fair value, with changes in fair value posted through profit and loss, for an amount of €153 million, and 15,719,152 shares are classified as available-for-sale and measured at fair value, with changes in value posted through equity, for an amount of €130 million. The decrease in the investment in Fiat Industrial S.p.A. with respect to 31 December 2011 is due to the granting to the Chief Executive Officer of the shares vested under the 2009 Stock Grant Plan.

Non-current financial receivables

Non-current financial receivables mainly consist of amounts held on deposit or otherwise pledged to secure obligations under various commercial agreements, as well as standby letters of credit and other agreements.

Other securities and other financial assets

Other securities and other financial assets include €57 million (€58 million at 31 December 2011) relating to the amount paid for the contractual rights arising from the acquisition of the *Equity Recapture Agreement*. At 31 December 2011, Other securities and other financial assets had also included €320 million relating to the fair value of Fiat's contractual right to receive an additional 5% ownership interest in Chrysler upon the occurrence of the *Ecological Event*, which took place in early January 2012. As a consequence, this financial asset was derecognised and Non-controlling interests were reduced by €359 million, with the Equity attributable to owners of the parent increased for the difference.

18. Inventories

(€ million)	At 31 December 2012	At 31 December 2011
Raw materials, supplies and finished goods	8,160	7,555
Assets sold with a buy-back commitment	952	1,394
Gross amount due from customers for contract work	183	174
Total Inventories	**9,295**	**9,123**

At 31 December 2012, Inventories rose by €172 million in line with the trend in production and sales volumes for the period in the various markets in which the Group operates.

At 31 December 2012, Inventories include those measured at net realisable value (estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale) amounting to €1,293 million (€1,343 million at 31 December 2011).

The amount of inventory write-downs recognised as an expense during 2012 is €634 million (€528 million in 2011). Amounts recognised as income from the reversal of write-downs on items sold during the year were not significant.

The amount of inventories of Chrysler at 31 December 2012 is €4,200 million (€4,170 million at 31 December 2011). Substantially all of the inventories of Chrysler Group LLC and its U.S. subsidiary guarantors are pledged as securities for certain debt outstanding (see Note 28).

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

(€ million)	At 31 December 2012	At 31 December 2011
Aggregate amount of costs incurred and recognised profits (less recognised losses) to date	1,482	1,294
Less: Progress billings	(1,477)	(1,230)
Construction contracts, net of advances on contract work	**5**	**64**
Gross amount due from customers for contract work as an asset	183	174
Less: Gross amount due to customers for contract work as a liability included in Other current liabilities (Note 30)	(178)	(110)
Construction contracts, net of advances on contract work	**5**	**64**

At 31 December 2012 and 2011, the amount of retentions by customers on contract work in progress was not significant.

19. Current receivables and Other current assets

The composition of the Current receivables and Other current assets is as follows:

(€ million)	At 31 December 2012	At 31 December 2011
Trade receivables	2,702	2,625
Receivables from financing activities	3,727	3,968
Current tax receivables	236	369
Other current assets:		
Other current receivables	1,776	1,710
Accrued income and prepaid expenses	387	378
Total Other current assets	2,163	2,088
Total Current receivables and Other current assets	**8,828**	**9,050**

The analysis by due date is as follows:

	At 31 December 2012				At 31 December 2011			
(€ million)	due within one year	due between one and five years	due beyond five years	Total	due within one year	due between one and five years	due beyond five years	Total
Trade receivables	2,660	42	-	2,702	2,567	57	1	2,625
Receivables from financing activities	2,688	1,014	25	3,727	2,943	1,001	24	3,968
Current tax receivables	145	27	64	236	283	15	71	369
Other current receivables	1,416	326	34	1,776	1,340	351	19	1,710
Total Current receivables	**6,909**	**1,409**	**123**	**8,441**	**7,133**	**1,424**	**115**	**8,672**

Trade receivables

Trade receivables amount to €2,702 million at 31 December 2012 (€2,625 million at 31 December 2011). The total balance increased by €77 million over that at 31 December 2011.

Trade receivables are shown net of allowances for doubtful accounts of €347 million at 31 December 2012 (€329 million at 31 December 2011). Changes in these allowances, which are calculated on the basis of historical losses on receivables, were as follows in 2012:

(€ million)	At 31 December 2011	Provision	Use and other changes	At 31 December 2012
Allowances for doubtful accounts	**329**	61	(43)	**347**

The carrying amount of Trade receivables is considered in line with their fair value.

The amount of trade receivables of Chrysler at 31 December 2012 is €909 million (€667 million at 31 December 2011). Substantially all the trade receivables of Chrysler Group LLC and its U.S. subsidiary guarantors are pledged as securities for certain debt outstanding (see Note 28).

Receivables from financing activities

Receivables from financing activities, which relate to the business of financial services companies fully consolidated by Fiat (dealer, retail, supplier financing and finance lease) as well as financial receivables from jointly controlled financial services entities and from companies under joint control, associates and unconsolidated, were as follows:

(€ million)	At 31 December 2012	At 31 December 2011
Dealer financing	**2,108**	2,360
Retail financing	**1,115**	1,107
Finance leases	**331**	310
Financial receivables from jointly controlled financial services entities	**58**	21
Financial receivables from companies under joint control, associates and unconsolidated subsidiaries	**56**	61
Supplier financing	**12**	51
Other	**47**	58
Total Receivables from financing activities	**3,727**	**3,968**

Receivables from financing activities decreased by €241 million over the period. Excluding currency translation losses of €234 million (arising mainly from the devaluation of the Brazilian Real against the Euro), the decrease amounts to €7 million.

Receivables from financing activities are shown net of an allowance for doubtful accounts determined on the basis of specific insolvency risks. At 31 December 2012, the allowance amounts to €101 million (€101 million at 31 December 2011). Changes in the allowance accounts during the year are as follows:

(€ million)	At 31 December 2011	Provision	Use and other changes	At 31 December 2012
Allowance for receivables regarding:				
Retail financing	34	24	(15)	**43**
Finance leases	9	-	(4)	**5**
Dealer financing	25	8	(13)	**20**
Supplier financing	2	-	-	**2**
Other	31	-	-	**31**
Total allowance on Receivables from financing activities	**101**	**32**	**(32)**	**101**

Finance lease receivables refer to vehicles leased out under finance lease arrangements, mainly by the Performance and Luxury Brands operating segment. The interest rate implicit in the lease is determined at the contract date for the whole of the lease term and is in line with market rates. This item may be analysed as follows, gross of an allowance of €5 million at 31 December 2012 (€9 million at 31 December 2011):

	At 31 December 2012				At 31 December 2011			
(€ million)	due within one year	due between one and five years	due beyond five years	Total	due within one year	due between one and five years	due beyond five years	Total
Receivables for future minimum lease payments	122	233	-	**355**	110	216	9	335
Less: unrealised interest income	(11)	(17)	-	**(28)**	(5)	(11)	-	(16)
Present value of future minimum lease payments	**111**	**216**	**-**	**327**	**105**	**205**	**9**	**319**

No contingent rents were recognised as finance leases during 2012 or 2011 and unguaranteed residual values at 31 December 2012 and 2011 are not significant.

Receivables for dealer financing are typically generated by sales of vehicles and are generally managed under dealer network financing programs as a component of the portfolio of the financial services companies. These receivables are interest bearing, with the exception of an initial limited, non-interest bearing period. The contractual terms governing the relationships with the dealer networks vary from country to country, although payment terms range from two to six months.

Financial receivables from jointly controlled financial services companies include current financial receivables due from the FGA Capital group.

The fair value of receivables from financing activities at 31 December 2012 amounts to approximately €3,724 million (€3,956 million at 31 December 2011). These fair values have been calculated using a discounted cash flow method based on the following discount rates, adjusted where necessary to take account of spread applied in various reference markets on receivables with similar characteristic.

(In %)	EUR	USD	GBP	CAD	AUD	BRL	PLN
Interest rate for six months	0.32	0.30	0.67	1.30	2.90	7.08	3.79
Interest rate for one year	0.33	0.32	0.67	1.33	2.79	7.12	3.41
Interest rate for five years	0.77	0.85	1.02	1.71	3.31	8.15	3.33

Other current assets

At 31 December 2012, Other current assets mainly consist of Other tax receivables for VAT and other indirect taxes of €871 million (€848 million at 31 December 2011), Receivables from employees of €76 million (€51 million at 31 December 2011) and Accrued income and prepaid expenses of €387 million (€378 million at 31 December 2011).

The carrying amount of Other current assets is considered to be in line with fair value.

Transfer of financial assets

The Group transfers certain of its financial, trade and tax receivables, mainly through factoring transactions. Factoring transactions may be either with recourse or without recourse; certain without recourse transfers include deferred payment clauses (for example, when the payment by the factor of a minor part of the purchase price is dependent on the total amount collected from the receivables), requiring first loss cover, meaning that the transferor takes priority participation in the losses, or require a significant exposure to the cash flows arising from the transferred receivables to be retained. These types of transactions do not comply with the requirements of IAS 39 for the derecognition of the assets since the risks and rewards connected with collection are not transferred, and accordingly the Group continues to recognise the receivables transferred by this means in its balance sheet and recognises a financial liability of the same amount in its consolidated financial statements under Asset-backed financing (Note 28). The gains and losses arising from the transfer of these assets are only recognised when the assets are derecognised in the Group's balance sheet.

At 31 December 2012, the carrying amount of transferred financial assets not derecognised and the related liabilities was as follows:

	At 31 December 2012			
(€ million)	Trade receivables	Receivables from financing activities	Current tax receivables	Total
Carrying amount of assets trasferred and not derecognised	9	405	35	449
Carrying amount of the related liabilities	9	405	35	449

At 31 December 2012, the Group had receivables and bills due after that date which had been transferred without recourse and which were accordingly derecognised amounting to €3,631 million (€3,858 million at 31 December 2011). The transfers related to trade receivables and other receivables for €2,932 million (€3,031 million at 31 December 2011) and financial receivables for €699 million (€827 million at 31 December 2011). These amounts include receivables of €2,179 million (€2,495 million at 31 December 2011), mainly due from the sales network, transferred to jointly controlled financial services companies (FGA Capital).

At 31 December 2011, Total Current receivables included receivables sold and financed through factoring transactions of €679 million which do not meet IAS 39 derecognition requirements.

20. Current securities

Current securities consist of short-term or marketable securities which represent temporary investments, but which do not satisfy all the requirements for being classified as cash equivalents. In particular:

(€ million)	At 31 December 2012	At 31 December 2011
Current securities available-for-sale	83	52
Current securities held-for-trading	173	147
Total Current securities	**256**	**199**

21. Other financial assets and Other financial liabilities

These line items refer to derivative financial instruments and in particular to their measurement at fair value at the balance sheet date and to any cash collateral.

	At 31 December 2012		At 31 December 2011	
(€ million)	Positive fair value	Negative fair value	Positive fair value	Negative fair value
Fair value hedges				
Interest rate risk - Interest rate swaps	121	-	216	-
Interest rate and currency risk - Combined interest rate and currency swaps	1	(1)	1	(2)
Total Fair value hedges	122	(1)	217	(2)
Cash flow hedges				
Currency risks - Forward contracts, Currency swaps and Currency options	108	(75)	91	(258)
Interest rate risk - Interest rate swaps	-	(8)	-	(5)
Interest rate and currency risk - Combined interest rate and currency swaps	7	(9)	-	-
Commodity price risk – Commodity swap	10	(6)	1	(42)
Total Cash flow hedges	125	(98)	92	(305)
Derivatives for trading	254	(102)	174	(122)
Fair value of derivative instruments	**501**	**(201)**	**483**	**(429)**
Cash collaterals	18	-	74	-
Other financial assets/(liabilities)	**519**	**(201)**	**557**	**(429)**

The fair value of derivative financial instruments is determined by taking into consideration market parameters at the balance sheet date and using valuation techniques widely accepted in the financial business environment. In particular:

- the fair value of forward contracts and currency swaps is determined by taking the prevailing exchange rate and interest rates in the two currencies at the balance sheet date;
- the fair value of currency options is determined using suitable valuation techniques and market parameters at the balance sheet date (in particular, exchange rates, interest rates and volatility rates);
- the fair value of interest rate swaps and forward rate agreements is determined by using the discounted cash flow method;
- the fair value of derivative financial instruments acquired to hedge interest rate risk and currency risk is determined using the exchange rates prevailing at the balance sheet date and the discounted cash flow method;
- the fair value of derivatives hedging commodity price risk is determined by using the discounted cash flow method, taking market parameters at the balance sheet date where available (in particular, the future price of the underlying and interest rates);
- the fair value of equity swaps is determined using market prices at the balance sheet date.

The overall change in Other financial assets (from €557 million at 31 December 2011 to €519 million at 31 December 2012) and in Other financial liabilities (from €429 million at 31 December 2011 to €201 million at 31 December 2012) is mostly due to fluctuations in exchange rates, in interest rates and in commodity prices during the year, and to the change in fair value of the equity swaps on Fiat S.p.A. and Fiat Industrial S.p.A. ordinary shares.

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

Derivatives for trading consist principally of the following types:

- derivative contracts entered for hedging purposes which do not qualify for hedge accounting;
- derivatives (equity swaps) on Fiat S.p.A. and Fiat Industrial S.p.A. shares which are described below;
- an embedded derivative in a bond issue in which the yield is determined as a function of trends in the inflation rate and related hedging derivative, which converts the exposure to floating rate. The total value of the embedded derivative is offset by the value of the hedging derivative.

The cash collateral relates to Chrysler derivative contracts.

At 31 December 2012, the notional amount of outstanding derivative financial instruments is as follows:

(€ million)	At 31 December 2012	At 31 December 2011
Currency risk management	**10,540**	10,279
Interest rate risk management	**5,226**	8,407
Interest rate and currency risk management	**1,118**	652
Commodity price risk management	**495**	690
Other derivative financial instruments	**168**	168
Total notional amount	**17,547**	**20,196**

At 31 December 2012, the notional amount of Other derivative financial instruments consists of:

- For €154 million (€154 million at 31 December 2011) the notional amount of four equity swaps, renewed in 2012 and expiring in 2013, entered into in order to hedge the risk of an increase in the prices of Fiat S.p.A. and Fiat Industrial S.p.A. shares above the exercise price of the stock options granted to the Chief Executive Officer in 2004 and 2006 (see Note 25). At 31 December 2012, the equity swaps have a total positive fair value of €50 million (a positive fair value of €18 million at 31 December 2011). Although these equity swaps were entered into for hedging purposes, they do not qualify for hedge accounting under IFRS and accordingly are defined as trading derivative financial instruments.
- For €14 million (€14 million at 31 December 2011), the notional amount of the derivative embedded in a bond with a return linked to inflation rates, as well as the notional amount of the related hedging derivative, which converts the exposure to floating rate.

The following table provides an analysis by due date of outstanding derivatives financial instruments at 31 December 2012 based on their notional amounts:

	At 31 December 2012			
(€ million)	within one year	due between one and five years	due beyond five years	Total
Currency risk management	9,236	1,304	-	**10,540**
Interest rate risk management	695	3,781	750	**5,226**
Interest rate and currency risk management	-	1,118	-	**1,118**
Commodity price risk management	461	34	-	**495**
Other derivative financial instruments	154	-	14	**168**
Total notional amount	**10,546**	**6,237**	**764**	**17,547**

Cash flow hedges

The effects recognised in profit or loss mainly relate to currency risk management and, to a lesser extent, to hedges regarding commodity price risk management and the cash flows that are exposed to an interest rate risk.

The policy of the Group for managing currency risk normally requires that future cash flows from trading activities which will occur for accounting purposes within the following twelve months, and from orders acquired (or contracts in progress), whatever their due dates, be hedged. It is considered reasonable to suppose that the hedging effect arising from this and recorded in the cash flow hedge reserve will be recognised in income, mainly during the following year.

Derivatives relating to interest rate and currency risk management are treated as cash flow hedges and were entered into by treasuries for the purpose of hedging bonds issued in foreign currencies, in particular those issued by Fiat Finance North America in relation to a bond issued in Euro (due in 2017) and by Fiat Finance and Trade Ltd. in relation to two bonds issued in Swiss Francs in 2012 (due in 2015 and 2016). The amount recorded in the cash flow hedge reserve will be recognised in income according to the timing of the flows of the underlying bonds.

Where a derivative financial instrument is designated as a hedge of the exposure to variability in cash flows of a recognised asset or liability or a highly probable forecasted transaction and could affect the income statement, the effective portion of any gain or loss on the derivative financial instrument is recognised directly in equity (Other comprehensive income). The cumulative gain or loss is removed from other comprehensive income and recognised in the income statement at the same time as the economic effect arising from the hedged item affects income. The gain or loss associated with a hedge or part of a hedge that has become ineffective is recognised in the income statement immediately. When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss realised to the point of termination remains in Other comprehensive income and is recognised at the same time as the related transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealised gain or loss held in other comprehensive income is recognised in profit or loss immediately.

In respect of derivative financial instruments, in 2012 the Group reclassified losses of €105 million (gains of €13 million in 2011), net of the tax effect, from other comprehensive income to profit or loss. These items are reported in the following lines:

(€ million)	2012	2011
Currency risk		
Increase/(Decrease) in Net revenues	(92)	65
Decrease/(Increase) in Cost of sales	25	(36)
Financial income/(expenses)	32	(19)
Result from investments	(12)	23
Interest rate risk		
Decrease/(Increase) in Cost of sales	(6)	(4)
Result from investments	(5)	(5)
Financial income/(expenses)	(6)	(2)
Commodities price risk		
Decrease/(Increase) in Cost of sales	(40)	(3)
Ineffectiveness - overhedges	(6)	(3)
Taxes income/(expenses)	5	(3)
Total recognised in the income statement	**(105)**	**13**

The ineffectiveness of cash flow hedges was not material in 2012 or 2011.

In 2012 there was an overall negative economic effect of €6 million (negative effect of €3 million in 2011) which subsequently turned out to be in excess of the future flows being hedged (over-hedges).

Fair value hedges

The gains and losses arising from the valuation of interest rate and currency derivatives financial instruments (mostly for managing currency risk) and interest rate derivatives (for managing the interest rate risk) recognised in accordance with fair value hedge accounting and the gains and losses arising from the respective hedged items are set out in the following table:

(€ million)	2012	2011
Currency risk		
Net gains/(losses) on qualifying hedges	14	(19)
Fair value changes in hedged items	(14)	19
Interest rate risk		
Net gains/(losses) on qualifying hedges	(51)	24
Fair value changes in hedged items	53	(26)
Net gains/(losses)	**2**	**(2)**

The ineffective portion of transactions treated as fair value hedges was a positive amount of 2 million in 2012 (negative amount of 2 million in 2011).

22. Cash and cash equivalents

At 31 December 2012 Cash and cash equivalents amount to €17,657 million (€17,526 million at 31 December 2011), of which €8,803 million (€7,420 million at 31 December 2011) relates to Chrysler, and consists of:

(€ million)	At 31 December 2012	At 31 December 2011
Cash at banks (*)	7,568	9,383
Money market securities	10,089	8,143
Total Cash and cash equivalents	**17,657**	**17,526**

(*) Includes bank deposits which may be used exclusively by Group companies entitled to perform specific operations (cash with a pre-determined use) amounting to €8 million at 31 December 2012 (€1 million at 31 December 2011).

These amounts include cash at banks, units in liquidity funds and other money market securities that are readily convertible into cash. Cash and cash equivalents are subject to an insignificant risk of changes in value, and consist of balances spread across various primary national and international banking institutions, liquid funds and other money market instruments.

The carrying amount of cash and cash equivalents is in line with their fair value at the balance sheet date.

23. Assets held for sale

Assets held for sale at 31 December 2012 consist of an investment in a minor company in Brazil, which was classified as held for sale on acquisition, the investment in Sevelnord Société Anonyme, together with certain properties allocated to the Components and Production System operating segment.

At 31 December 2011, Assets held for sale included the above mentioned investment in a minor company in Brazil, together with certain properties allocated to the Other activities.

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

(€ million)	At 31 December 2012	At 31 December 2011
Property, plant and equipment	1	6
Investments and other financial assets	54	60
Total Assets held for sale	**55**	**66**

24. Equity

Consolidated shareholders' equity at 31 December 2012 rose by €913 million over 31 December 2011, mainly due to the profit for the period of €1,411 million and an increase of €170 million in the cash flow hedge reserve, partially offset by the decrease of €320 million arising from the 5% increase of Fiat's interest in Chrysler following the occurrence of the Third Performance Event, the distribution of dividends (to shareholders of Fiat S.p.A. and minority shareholders in Group subsidiaries) of €58 million and foreign exchange losses of €347 million recognised in the cumulative translation adjustment reserve.

Share capital

At 31 December 2012, fully paid-up share capital amounts to €4,476 million (€4,466 million at 31 December 2011) and consists of 1,250,402,773 ordinary shares (1,275,885,720 shares at 31 December 2011, comprising 1,092,680,610 ordinary shares, 103,292,310 preference shares and 79,912,800 savings shares), with a par value of €3.58 each (€3.5 each at 31 December 2011).

The share capital of Fiat S.p.A. is as follows:

(number of shares)	At 31 December 2012	At 31 December 2011
Ordinary shares	**1,250,402,773**	1,092,680,610
Preference shares	-	103,292,310
Savings shares	-	79,912,800
Total shares issued	**1,250,402,773**	**1,275,885,720**

The following table provides reconciliation between the number of shares outstanding at 31 December 2010 and the number outstanding at 31 December 2012:

(number of shares in thousands)	At 31 December 2010	Capital increase	(Purchases)/ Sales of treasury shares	At 31 December 2011	Conversion of preferences and saving shares	Stock grant vested	At 31 December 2012
Ordinary shares issued	1,092,247	434	-	1,092,681	157,722	-	**1,250,403**
Less: Ordinary treasury shares	(38,568)	-	-	(38,568)	(10)	4,000	**(34,578)**
Ordinary shares outstanding	1,053,679	434	-	1,054,113	157,712	-	**1,215,825**
Preference shares issued	103,292	-	-	103,292	(103,292)	-	**-**
Savings shares issued	79,913	-	-	79,913	(79,913)	-	**-**
Total Shares issued by Fiat S.p.A.	**1,275,452**	**434**	**-**	**1,275,886**	**(25,483)**	**-**	**1,250,403**
Less: Treasury shares	**(38,568)**	**-**	**-**	**(38,568)**	**(10)**	**4,000**	**(34,578)**
Total Fiat S.p.A. outstanding shares	**1,236,884**	**434**	**-**	**1,237,318**	**(25,493)**	**4,000**	**1,215,825**

The extraordinary Shareholders' meeting of 4 April 2012 resolved the mandatory conversion of all 103,292,310 Fiat S.p.A. preference shares and 79,912,800 Fiat S.p.A. savings shares into 157,722,163 Fiat S.p.A. ordinary shares with dividend right from 1 January 2012. Conversion ratios of 0.850 ordinary shares per preference share and 0.875 ordinary shares per savings share were used.

Following the expiry of the term for shareholders of saving shares and preference shares to exercise their withdrawal rights, on 28 April 2012, withdrawal notifications for 1,016,190 preference shares and 1,616,509 savings shares had been received.

On 21 May 2012, pursuant to the resolution adopted by shareholders, the mandatory conversion took place. The final trading date for Fiat S.p.A. preference and savings shares was 18 May 2012. From 21 May 2012 only Fiat S.p.A. ordinary shares are traded on the Borsa Italiana electronic exchange ("MTA"), being 1,250,402,773 ordinary shares, each with a par value increased to €3.58 by the rounding of par value to higher €C was made through a €10.8 million reduction of the share premium reserve, and an equivalent share capital increase.

The redemption procedures for shares exercising withdrawal right took place on 23 May 2012, in accordance with paragraph 3, article 2437-ter of the Italian civil code, with the redemption amounts set at €3.317 per preference share and €3.458 per savings share. The 863,761 ordinary shares resulting from the conversion of the preference shares and the 1,414,445 ordinary shares resulting from the conversion of the savings shares were offered at the same time to existing shareholders pursuant to article 2437-quater of the Italian civil code. At the conclusion of the offer period on 20 June 2012, a total of 36,244 shares resulting from the conversion of the Fiat preference shares had been purchased at a price of €3.902 per share and 46,242 shares resulting from conversion of the Fiat savings shares had been purchased at a price of €3.952 per share by the exercising of rights and pre-emption rights pursuant to article 2437-quater(3) of the Italian civil code. All the shares requested under pre-emption rights were allocated. Payment for the shares purchased through the exercising of rights and pre-emption right was made on 4 July 2012 with value 3 July 2012.

Pursuant to article 2437-quater (4) of the Italian civil code, the company offered the remaining 827,517 shares resulting from the conversion of the Fiat S.p.A. preference shares and 1,368,203 shares resulting from the conversion of the Fiat S.p.A. savings shares on the Electronic Stock Market ("MTA") on 4 July 2012. For all shares settlement took place on 9 July 2012.

As a result of the above-mentioned conversion, the allocation of the annual profit of Fiat S.p.A. as stated in its annual separate financial statements is currently as follows:

- to the legal reserve, 5% of net profit until the amount of the reserve is equal to one-fifth of share capital;
- further allocations to the legal reserve, allocations to the extraordinary reserve, to retained profit reserve and/or to other allocations as may be resolved by Shareholders;
- to each share, any remaining net profit which Shareholders may resolve to distribute.

In the case of winding up, the Company's assets shall be distributed in equal pro rata amounts to shares.

In addition, as a result of the resolutions adopted by the Board of Directors on 3 November 2006, the Demerger to Fiat Industrial S.p.A., and the resolution adopted by Shareholders at the Extraordinary Meeting on 4 April 2012, Fiat S.p.A. share capital may be increased by a maximum of €34,249,412.50 through the issue of up to 9,566,875 ordinary shares, through paid capital contributions, exclusively to executives employed by the Company and/or its subsidiaries in accordance with the relevant incentive plan.

Policies and processes for managing capital

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

- the minimum share capital is €120,000;
- any change in the amount of share capital must be approved in a general meeting by shareholders who may delegate powers to the Board of Directors to increase share capital up to a predetermined amount for a maximum period of five years; the general meeting of shareholders is also required to adopt suitable measures when share capital decreases by more than one third as the result of ascertained losses and to reduce share capital if by the end of the following year if such losses have not fallen by at least one third. If as the consequence of a loss of more than one third of capital this then falls 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;
- an additional paid-in capital reserve is established if a company issues shares at a price exceeding their nominal value. This reserve may not be distributed until the legal reserve has reached one fifth of share capital;
- a company may not purchase treasury shares for an amount exceeding the distributable profits and available reserves stated in its most recently approved financial statements. Any purchase must be approved by shareholders in general meeting and in no case may the nominal value of the shares acquired exceed one fifth of share capital.

For 2012, the Board of Directors has proposed to Shareholders at their annual general meeting not to recommend a dividend payment on Fiat's ordinary shares, given the Company's desire to maintain a high level of liquidity and the existence of certain restrictions on the ability of Chrysler to pay dividends to its members.

The objectives identified by the Group for managing capital are to create value for shareholders as a whole, safeguard business continuity and support the growth of the Group. As a result, the Group endeavours 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 economic access to external sources of funds, including by means of achieving an adequate credit rating.

The Group 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, the Group aims at a continuous improvement in the profitability of the business in which it operates. Further, in general, 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 permitted by law, to distribute reserves. In this context, the Group may also make purchases of treasury shares, without exceeding the limits authorised by Shareholders in general meeting, under the same logic of creating value, compatible with the objectives of achieving financial equilibrium and an improvement in its rating.

In this respect, capital means the value brought into Fiat S.p.A. by its shareholders (share capital plus the additional paid-in capital reserve less treasury shares), equal to €5,289 million at 31 December 2012 (€5,259 million at 31 December 2011) and the value generated by the Group in terms of the results achieved in operations (retained earnings and other reserves), equal in total, before the result for the year, to €3,252 million at 31 December 2012 and €2,927 million at 31 December 2011, excluding gains and losses recognised directly in equity and non-controlling interests.

Treasury Shares

Treasury shares consist of 34,577,766 Fiat S.p.A. ordinary shares for an amount of €259 million (38,568,458 ordinary shares for an amount of €289 million at 31 December 2011). The number of Treasury shares has decreased by 4,000,000 since 31 December 2011 due to the granting to the Chief Executive Officer of the shares vested under the 2009 Stock Grant Plan (see Note 25 of the Consolidated Financial Statements at 31 December 2011) and has increased by 9,308 shares as a result of the conversion of the preference and savings shares discussed above.

In addition, at their annual general meeting of 4 April 2012 Shareholders of Fiat S.p.A. renewed their authorisation for the purchase and sale of treasury shares, including through subsidiaries. The previous authorisation provided on 30 March 2011 was revoked. The authorisation provides for the purchase of a maximum number of shares not to exceed the legally established percentage of share capital or an aggregate value of €1.2 billion, inclusive of the €259 million in Fiat S.p.A. shares already held and enabled Fiat to purchase certain preference and savings shares from the shareholders who exercised their withdrawal right following the conversion. As announced, the buy-back program is currently on hold and Fiat has no obligation to buy back shares under the authorisation. The buy-back authorisation is valid for a period of 18 months and any buy-backs must be carried out in the manner established by law and at a price which is within 10% of the reference price published by Borsa Italiana on the date prior to the purchase.

On 20 February 2013, the Board of Directors proposed to Shareholders to revoke the previous resolution, for the part not already utilized at the date of the General Meeting, and approve a new resolution for the purchase of own shares for a further period of 18 months and for an amount not to exceed the legally established percentage of share capital (at the current par value of €3.58 per share) and the maximum counter value of approximately €1.2 billion, inclusive of the reserves allocated for treasury shares already held for €259 million. Such authorisation is requested in order to service the incentive plans based on financial instruments approved by Fiat S.p.A. and, more generally, in order for the Company to benefit from any eventual strategic investment opportunities for all purposes permissible under applicable law.

Capital reserves

At 31 December 2012, capital reserves amounting to €137 million (€147 million at 31 December 2011) were reduced by €10 million as a consequence of the conversion of preference and saving shares.

Revenue reserves

The main revenue reserves are as follows:

- the legal reserve of Fiat S.p.A. of €529 million at 31 December 2012 (€524 million at 31 December 2011);
- retained earnings of €3,256 million at 31 December 2012 (retained earnings of €1,952 million at 31 December 2011);
- the profit attributable to owners of the parent of €348 million at 31 December 2012 (a profit of €1,334 million for the year ended 31 December 2011);
- the reserve for share-based payments of €54 million at 31 December 2012 (€52 million at 31 December 2011).

  Please note that, as discussed in Notes 25 e 26 of the Annual report at 31 December 2011, with the Demerger by Fiat Industrial, the equity awards underlying the outstanding stock option and stock grant plans at 31 December 2010 was adjusted by allowing the beneficiaries to receive one ordinary Fiat share and one ordinary Fiat Industrial share for each right held, with the pre-established option exercise price (for stock option plans) and the free granting of shares (for the stock grant plan) remaining unchanged. In accordance with IFRS 2 – *Share based payment*, this change required that the stock option and stock grant plans be accounted for as compound financial instruments and in particular that the Reserve for share-based payments at that date be separated into a liability component (the counterparty's right to receive one Fiat Industrial S.p.A. share) and an equity component (the counterparty's right to receive one Fiat S.p.A. share). 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 additionally be serviced by the use of Treasury shares held by Fiat S.p.A. and the Fiat Industrial ordinary shares that were allotted as a result of the Demerger. The alignment of the equity awards underlying the above plans had led to the reclassification of a portion of this reserve (amounting to €62 million) to Other provisions for employees and liabilities for share-based payments. On the day on which the Fiat Industrial S.p.A. shares were first listed, this amount represented the portion of the book value of the Reserve for share-based payments attributable to each plan and relating to the component of the plans which will be serviced by Fiat Industrial S.p.A. shares, calculated on the basis of the weighting of the quotations of the two shares at that date.

Other comprehensive income

Other comprehensive income may be analysed as follows:

(€ million)	2012	2011
Gains/(losses) on cash flow hedging instruments arising during the year	91	(162)
Gains/(losses) on cash flow hedging instruments reclassified to profit or loss	93	2
Gains/(losses) on cash flow hedging instruments	**184**	**(160)**
Gains/(losses) on available-for-sale financial assets arising during the year	27	(42)
Gains/(losses) on available-for-sale financial assets reclassified to profit or loss	-	-
Gains/(Losses) on available-for-sale financial assets	**27**	**(42)**
Exchange gains/(losses) on translating foreign operations arising during the year	(359)	452
Exchange gains/(losses) on translating foreign operations reclassified to profit or loss	-	-
Exchange gains/(losses) on translating foreign operations	**(359)**	**452**
Share of Other gains/(losses) of entities accounted for using the equity method arising during the year	4	(45)
Share of Other gains/(losses) of entities accounted for using the equity method reclassified to profit or loss	17	(18)
Share of Other gains/(losses) of entities accounted for using the equity method	**21**	**(63)**
Tax effect of the other components of Other comprehensive income	**(24)**	**15**
Total Other comprehensive income, net of tax	**(151)**	**202**

The losses recognised directly in equity for the fair value adjustment of available-for-sale financial assets are due to a decrease in the fair value of the assets to which this relates.

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

			2012			2011
(€ million)	Pre-tax balance	Tax income/ (expense)	Net balance	Pre-tax balance	Tax income/ (expense)	Net balance
Gains/(losses) on cash flow hedging instruments	184	(24)	160	(160)	14	(146)
Gains/(losses) on available-for-sale financial assets	27	-	27	(42)	1	(41)
Exchange gains/(losses) on translating foreign operations	(359)	-	(359)	452	-	452
Share of Other gains/(losses) of entities accounted for using the equity method	21	-	21	(63)	-	(63)
Total Other comprehensive income	**(127)**	**(24)**	**(151)**	**187**	**15**	**202**

Non-controlling interest

The non-controlling interest of €4,114 million at 31 December 2012 (€3,533 million at 31 December 2011) refers mainly to the following subsidiaries:

(% held by non-controlling interest)	At 31 December 2012	At 31 December 2011
Chrysler Group LLC	41.5	46.5
Ferrari S.p.A.	10.0	10.0
Teksid S.p.A.	15.2	15.2

The following table shows the effects of changes in Fiat Group's interest in its subsidiaries on the Group's equity:

(€ million)	2012	2011
Profit/(loss) for the period attributable to owners of the parent	**348**	**1,334**
Acquisition of 7.5% (fully-diluted) in Chrysler	-	(83)
Acquisition of 5% (fully-diluted) in Chrysler	35	-
Net transfers from/(to) non-controlling interests	35	(83)
Total Profit/(loss) for the year and transfers from (to) non-controlling interest	**383**	**1,251**

25. Share-based compensation

The following share-based compensation plans relating to managers of Group companies and the Chief Executive Officer of Fiat S.p.A. were in place at 31 December 2012 and 2011.

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

On 26 July 2004, the Board of Directors granted the Chief Executive Officer, as a part of his variable compensation in that position, options to purchase 10,670,000 Fiat S.p.A. ordinary shares at a price of €6.583 per share. Options are vested and exercisable at any time until 1 January 2016. Following the demerger of Fiat Industrial, the beneficiary now has the right to receive one ordinary Fiat S.p.A. share and one ordinary Fiat Industrial S.p.A. share for each original option, with the option exercise price remaining unchanged.

At 31 December 2012, the features of the stock option plan are as follows:

Plan	Beneficiary	Date of amendment	Expiry date	Strike price (€)	N° of options granted	Vesting date	Vested 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 are exercisable from the date on which the 2010 financial statements were approved. The additional 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 are exercisable 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. Finally, with regard to the above incentive plans and in consideration of the proposed Demerger, by applying the rules of the respective plans, on 21 July 2010, the Board approved the realignment of the plan with respect to the shares underlying the plan in strict relation to the allotment ratio for the Demerger granting to the beneficiary one ordinary Fiat S.p.A. share and one ordinary Fiat Industrial S.p.A. share for each original option, with the option exercise price remaining unchanged.

The contractual terms of the plan are as follows:

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

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

With specific reference to the options granted to under the November 2006 Stock Option Plan, for which vesting was subject to the achievement of pre-established profitability targets, only the first tranche of those rights had vested as the profitability targets originally established for the 3-year period 2008-2010 were not met.

A summary of the terms of the stock option plans outstanding at 31 December 2012 is as follows:

	Managers' compensation			Compensation to the Chief Executive Officer		
Exercise price (€)	Options outstanding at 31 December 2012	Options outstanding at 31 December 2011	Average remaining contractual life (years)	Options outstanding at 31 December 2012	Options outstanding at 31 December 2011	Average remaining contractual life (years)
6.583	-	-	-	10,670,000	10,670,000	3.0
13.370	1,576,875	1,636,875	1.8	6,250,000	6,250,000	1.8
Total	**1,576,875**	**1,636,875**		**16,920,000**	**16,920,000**	

Changes during the year 2012 were as follows:

	Managers' compensation		Compensation to the Chief Executive Officer	
	Number of options	Average exercise price (€)	Number of options	Average exercise price (€)
Outstanding at the beginning of the year	1,636,875	13.37	16,920,000	9.09
Granted	-	-	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Expired	(60,000)	13.37	-	-
Outstanding at 31 December 2012	**1,576,875**	**13.37**	**16,920,000**	**9.09**
Exercisable at 31 December 2012	**1,576,875**	**13.37**	**16,920,000**	**9.09**
Exercisable at 31 December 2011	**1,636,875**	**13.37**	**16,920,000**	**9.09**

As they were already fully vested at 31 December 2010, the above stock option plans did not lead to any nominal cost for 2012 and 2011.

Stock Grant plans linked to Fiat S.p.A. and Fiat Industrial S.p.A ordinary shares.

Following the vesting of the rights granted under the plans approved by Shareholders in their Annual General Meeting on 27 March 2009 and on 26 March 2010 and as amended, at the beginning of 2012 the Fiat Chief Executive Officer was assigned with 4,000,000 of Fiat S.p.A. ordinary shares and 4,000,000 of Fiat Industrial S.p.A. ordinary shares.

On 4 April 2012, General Shareholders Meeting resolved to approve the adoption of a Long Term Incentive Plan (the "*Retention LTI*"), in the form of *stock grants*.

As a result of the Shareholders' resolution the Company attributed the Chief Executive Officer with 7 million rights, representative of an equal number of Fiat S.p.A. ordinary shares. The rights will vest ratably, one third on 22 February 2013, one third on 22 February 2014 and one third on 22 February 2015, subject to the requirement that the Chief Executive Officer remains in office.

The Plan is to be serviced through treasury shares without issuing new shares. The Company has the right to substitute, in whole or in part, shares vested under the Plan with a cash payment calculated on the basis of the Official Price of those shares published by Borsa Italiana on the date of vesting fulfilment.

At 31 December 2012, the contractual terms of the Plan were therefore as follows:

Plan	Beneficiary	Number of shares	Vesting date	Vesting portion
Retention LTI	Chief Executive Officer	7,000,000 Fiat S.p.A.	22 February 2013	2,333,333
			22 February 2014	2,333,333
			22 February 2015	2,333,333

Changes during 2012 were as follows:

	2012	
	Number of Fiat S.p.A. shares	Average Fair value at the grant date (in euro)
Outstanding shares unvested at the beginning of the year	-	-
Granted	7,000,000	4.205
Forfeited	-	-
Vested	-	-
Outstanding shares unvested at the end of the year	**7,000,000**	**4.205**

In 2012, a nominal cost of €9 million was recognised in the income statement for this plan.

Restricted Stock Unit Plans issued by Chrysler Group LLC

During 2009, the U.S. Treasury's Office of the *Special Master for Troubled Asset Relief Program Executive Compensation* (the "Special Master") and the Compensation Committee of Chrysler approved the *Chrysler Group LLC Restricted Stock Unit Plan* ("RSU Plan"), which authorised the issuance of Restricted Stock Units ("RSUs") to certain key employees. RSUs represent a contractual right to receive a payment in an amount equal to the fair market value of one Chrysler unit, as defined in the RSU plan. The fair value of each RSU is based on the fair value of the membership interests of Chrysler. RSUs granted to employees generally vest if the participant is continuously employed by Chrysler through the third anniversary of the grant date.

Further, during 2009 Chrysler established the *Chrysler Group LLC 2009 Directors' Restricted Stock Unit Plan* ("Directors' RSU Plan"). In April 2012, the Compensation Committee amended and restated the Chrysler Group LLC 2009 Directors' Restricted Stock Unit Plan to allow grants having a one year vesting term to be granted on an annual basis. Prior to the change, Director RSUs were granted at the beginning of a three-year performance period and vested in three equal tranches on the first, second, and third anniversary of the date of grant, subject to the participant remaining a member of the Chrysler Board of Directors on each vesting date. Under the plan, settlement of the awards is made within 60 days of the Director's cessation of service on the board of directors and awards are paid in cash; however, upon completion of an IPO, Chrysler has the option to settle the awards in cash or shares. The value of the awards is recorded as compensation expense over the requisite service periods and is measured at fair value.

The liability from the vast majority of these awards is classified as Other current liabilities (Note 30). The liability is remeasured and adjusted to fair value at each reporting date. The expense recognised for these awards for the year ended 31 December 2012 and during the seven month period from June to December 2011 approximated €28 million and €2 million, respectively.

Deferred Phantom Shares issued by Chrysler Group LLC

During 2009 the Special Master approved the *Chrysler Group LLC Deferred Phantom Share Plan* ("DPS Plan") which authorized the issuance of phantom shares of the company ("Phantom Shares"). Under the DPS Plan, Phantom Shares were granted to certain key employees as well as to the Chief Executive Officer in connection with his role as a member of the Chrysler Group Board of Directors. The grant to the Chief Executive Officer was economically identical to the RSUs issued to the other members of the Chrysler Group Board except that it was issued under the DPS Plan to comply with certain structural requirements applicable under *Troubled Asset Relief Program* ("TARP"). The Phantom Shares vested immediately on the grant date and will be settled in cash. Chrysler began making payments of certain of these awards during the first quarter of 2012. The expense recognised in connection with these plans during the year ended 31 December 2012 and during the seven-month period from June to December 2011 approximated €2 million and €3 million, respectively.

Changes impacting Compensation of Chrysler Group LLC beginning in 2012

In February 2012, the Compensation Committee adopted the 2012 Long-Term Incentive Plan (the "2012 LTIP"). The 2012 LTIP covers senior Chrysler Group executives (other than the Chief Executive Officer). It is designed to retain talented professionals and reward their performance through annual grants of phantom equity in the form of restricted share units ("LTIP RSUs") and performance share units ("PSUs"). LTIP RSUs may be granted annually, while PSUs are generally granted at the beginning of a three-year performance period. The Compensation Committee has discretion to grant additional PSU awards during the three-year performance period. The LTIP RSUs vest over three years in one-third increments on the anniversary of their grant date, while the PSUs vest at the end of the three-year performance period only if the Company meets or exceeds certain three-year cumulative company performance targets. If the Company does not fully achieve these targets, the PSUs will be deemed forfeited. Once vested, LTIP RSUs and PSUs will be settled in cash or, in the event Chrysler conducts an IPO, in cash or shares of publicly traded stock, at the Compensation Committee's discretion. Settlement will be made as soon as practicable after vesting, but in any case no later than 15 March of the year following vesting. The expense recognised in connection with these plans during the year ended 31 December 2012 was €24 million.

26. Provisions for employee benefits

This note refers to provisions for employee benefits determined in accordance with IAS 19 - *Employee Benefits* issued in February 1998 and subsequent amendments; for the effects relating to the adoption of the amendment to IAS 19 issued in June 2011, reference should be made to the note - *Accounting standards and amendments not yet applicable and not early adopted by the Group*. Indications on estimated impacts deriving from an adoption of the new rules from 1 January 2012 are in any case provided hereinafter to improve comprehension.

A detail of provisions for employee benefits is as follows:

(€ million)	At 31 December 2012	At 31 December 2011
Pension benefits	**2,679**	2,863
Health care and life insurance plans	**1,875**	1,922
Employee leaving entitlements in Italy	**761**	793
Other post-employment benefits	**147**	145
Total Post-employment benefits	**5,462**	5,723
Other provisions for employees and liabilities for share based payments	**906**	1,006
Other long-term employee benefits	**326**	297
Total Provision for employee benefits	**6,694**	**7,026**
Defined benefit plan assets	**94**	85
Total Defined benefits plan assets	**94**	**85**

Provisions for employee benefits consist of the benefits which will be provided after the completion of employment such as pensions, health care and life insurance plans and the benefits which will be provided during an employee's working life.

The Group provides post-employment benefits for their active employees and retirees. The way these benefits are provided varies according to the legal, fiscal and economic conditions of each country in which the Group operates and may change periodically. The plans are classified by the Group on the basis of the type of benefit provided as follows: Pension benefits, health care and life insurance plans, Reserve for Employee leaving entitlements in Italy (TFR) and Other post-employment benefits.

Moreover, Group companies additionally provide post-employment benefits under defined contribution plans. In this case, the Group pays contributions to public or private pension insurance plans on a legally mandatory, contractual, or voluntary basis, and by paying these contributions the Group fulfils all of its obligations. The Group recognises the cost for defined contribution plans over the period in which the employee renders service and classifies this by function in Cost of sales, Selling, general and administrative costs and Research and development costs. In 2012 this costs totalled €807 million (€938 million in 2011).

Pension benefits

Group companies sponsor both non-contributory and contributory defined benefit pension plans. The non-contributory pension plans cover certain employees (hourly and salaried) primarily in the United States, Canada and Mexico and certain employees and retirees in the UK. Benefits are based on a fixed rate for each year of service. Additionally, contributory benefits are provided to certain salaried employees under the salaried employees' retirement plans. These plans provide benefits based on the employee's cumulative contributions, years of service during which the employee contributions were made and the employee's average salary during the five consecutive years in which the employee's salary was highest in the fifteen years preceding retirement.

Liabilities arising from these plans are usually funded by contributions made by the employer and, at times by the employees, into a separate company or fund which independently administers the plan assets and from which the employee benefits are paid. The Group's funding policy is to contribute amounts to the plan equal to the amounts required to satisfy the minimum funding requirements prescribed by the laws and regulations of each individual country. Prudently, the Group makes discretionary contributions in addition to the funding requirements. If these funds are overfunded, that is if they present a surplus compared to the requirements of law, the Group companies concerned may not be required to contribute to the plan as long as the fund is in surplus.

The investment strategies and objectives for pension assets reflect a balance of liability hedging and return-seeking investment consideration. The investment objectives are to minimize the volatility of the value of the pension assets relative to pension liabilities and to ensure pension assets are sufficient to pay plan obligations. The objective of minimizing the volatility of assets relative to liabilities is addressed primarily through asset diversification, partial asset–liability matching and hedging. Assets are broadly diversified across many asset classes to achieve risk–adjusted returns that, in total, lower asset volatility relative to the liabilities. Additionally, in order to minimize pension asset volatility relative to the pension liabilities, a portion of the pension plan assets are generally allocated to fixed income investments.

Assets are actively managed, primarily, by external investment managers. Investment managers are not permitted to invest outside of the asset class or strategy for which they have been appointed. The Group uses investment guidelines to ensure investment managers invest solely within the mandated investment strategy. Certain investment managers use derivative financial instruments to mitigate the risk of changes in interest rates and foreign currencies impacting the fair values of certain investments. Derivative financial instruments may also be used in place of physical securities when it is more cost effective and/or efficient to do so.

Sources of potential risk in the pension plan assets relate to market risk, interest rate risk and operating risk. Market risk is mitigated by diversification strategies and as a result, there are no significant concentrations of risk in terms of sector, industry, geography, market capitalization, or counterparty. Interest rate risk is mitigated by partial asset–liability matching. The fixed income target asset allocation partially matches the bond–like and long–dated nature of the pension liabilities. Interest rate increases generally will result in a decline in fixed income assets while reducing the present value of the liabilities. Conversely, interest rate decreases generally will increase fixed income assets, partially offsetting the related increase in the liabilities.

In the United Kingdom, the Group participates amongst others in a pension plan financed by various entities belonging to the Group, called the "*Fiat Group Pension Scheme*". Under this plan, participating employers make contributions on behalf of their active employees, retirees, and employees who have left the Group but have not yet retired.

Health care and life insurance plans
Liabilities arising from these plans comprise obligations for health care and life insurance plans granted to employees and to retirees of the Group working in the United States and Canada (relating to Chrysler). These plans are unfunded.

Reserve for Employee leaving entitlements in Italy ("TFR")
Until 31 December 2006, the scheme underlying the Employee leaving entitlements in Italy (TFR) of the Italian Group companies was classified as a defined benefit plan. The legislation regarding this scheme 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 for those benefits accruing prior to 1 January 2007 (and not yet settled by the balance sheet date), while after that date the scheme is classified as a defined contribution plan.

The provision for Employee leaving entitlements in Italy consists of the residual obligation for the benefit due to employees of Italian companies until 31 December 2006, having more than 50 employees and accrued over the employee's working life for the others and settled when an employee leaves. Under certain conditions the entitlement may be partially advanced to an employee during its working life. This is an unfunded defined benefit plan.

Other post-employment benefits
Other post-employment benefits includes loyalty bonuses, which are due to employees who reach a specified period of service and are generally settled when an employee leaves the company; for French entities, there is the Indemnité de depart à la retraite, a plan similar to the Italian TFR. These schemes are unfunded.

Other provisions for employees and liabilities for share based payments
Other provisions for employees and liabilities for share based payments consist of the best estimate at the balance sheet date of other employee benefits. At 31 December 2012, liabilities for share-based payments include €125 million relating to the underlying portion of the stock option and stock grant plans to be serviced with Fiat Industrial shares as resulting from the Demerger and discussed in Note 24 and 25. In accordance with IFRS 2 and IAS 39, the component of the plans which will be serviced by Fiat Industrial S.p.A. shares was initially reclassified from the reserve for share-based payments in equity and measured on the basis of the pro-rata proportion of the book value of that reserve, calculated by taking into account the weighting of the stock market prices of Fiat and Fiat Industrial shares on the day on which the Fiat Industrial S.p.A. shares were first quoted. At the same time, the liability was adjusted to fair value with a corresponding entry made to Earning reserves. For the stock grant plan, the fair value of the liability is equal to the market price (stock exchange price) of the Fiat Industrial shares. For the stock option plans it was considered appropriate to calculate this amount by allocating a strike price to the options equal to the nominal value of the Fiat Industrial shares. After initial recognition, any changes in the fair value of this liability and the notional charge still to vest for the stock grants are recognised in profit or loss.

Other long-term employee benefits
Other long-term employee benefits represent the obligation for those benefits paid during employment generally after providing a certain period of service in the company or when a specified event occurs; the liability incorporates the probability of payment and the time period over which the payment will be made.

In 2012 and in 2011 changes in Other provisions for employees and in Other long-term employee benefits were as follows:

(€ million)	At 31 December 2011	Provision	Utilisation and release to income	Change in the scope of consolidation	Exchange rate differences and other differences	At 31 December 2012
Other provisions for employees	**1,006**	847	(837)	-	(110)	**906**
Other long-term employee benefits	**297**	52	(25)	-	2	**326**
Total	**1,303**	**899**	**(862)**	**-**	**(108)**	**1,232**

(€ million)	At 31 December 2010 (*)	Provision	Utilisation and release to income	Change in the scope of consolidation	Exchange rate differences and other differences	At 31 December 2011
Other provisions for employees	**491**	566	(557)	351	155	**1,006**
Other long-term employee benefits	**124**	17	(33)	173	16	**297**
Total	**615**	**583**	**(590)**	**524**	**171**	**1,303**

(*) The balances at 31 December 2010 relate to Fiat Group post demerger to Fiat Industrial.

The main assumptions used to determine the net liability for the pension benefits were as follows:

	At 31 December 2012			At 31 December 2011		
(In %)	USA	Canada	UK	USA	Canada	UK
Discount rate	**4.0**	**3.9**	**4.6**	5.0	4.1	5.1
Future salary increase rate	**3.0**	**3.5**	**3.0**	3.8	3.5	2.7
Inflation rate	**n/a**	**n/a**	**3.0**	n/a	n/a	2.7
Expected long term rate of return on plan assets	**7.5**	**7.0**	**7.0**	7.5	7.0	7.0

The main assumptions used to determine the net liability for other post-employment benefits were as follows:

	At 31 December 2012			At 31 December 2011		
(In %)	USA	Canada	Italy	USA	Canada	Italy
Discount rate	**4.1**	**3.9**	**3.4**	5.1	4.2	4.4
Future salary increase rate	**n/a**	**2.7**	**2.5**	n/a	2.7	3.2
Inflation rate	**n/a**	**n/a**	**2.0**	n/a	n/a	2.0
Weighted average ultimate healthcare cost trend rate	**8.0**	**3.7**	**n/a**	8.5	3.7	n/a

The discount rates are used in measuring the obligation and the interest component of net period cost. The Group selects these rates on the basis of the yields on high-quality fixed income investments for which the timing and amounts of payments match the timing and amounts of the projected pension and other post-employment plan.

The expected long-term rate of return on plan assets assumption is developed using a consistent approach across all plans. This approach primarily considers various inputs from a range of advisors for long-term capital market returns, inflation, bond yields and other variables, adjusted for specific aspects of our investment strategy.

The annual rate of increase in the per capita cost of covered U.S. health care benefits assumed for 2012 was 8.0%. The annual rate was assumed to decrease gradually to 5.0% after 2017 and remain at that level thereafter. The annual rate of increase in the per capita cost of covered Canadian health care benefits assumed for 2012 was 3.7%. The annual rate was assumed to remain at 3.7% thereafter.

The assumed health care cost trend rate has a significant effect on the amounts reported for postretirement health care and life insurance benefits. A one percentage point change in the assumed health care cost trend rate for U.S. and Canada combined would have the following effects as of 31 December 2012:

(€ million)	One percentage point increase	One percentage point decrease
Effect on the aggregate of the service costs and interest cost	4	(3)
Effect on defined benefit obligation	63	(53)

The amounts recognised in the statement of financial position for post-employment benefits plans at 31 December 2012 and 2011 are as follows:

	Pension benefits		Healthcare and life insurance plans		Employee leaving entitlements		Other post-employment benefits	
(€ million)	At 31 December 2012	At 31 December 2011	At 31 December 2012	At 31 December 2011	At 31 December 2012	At 31 December 2011	At 31 December 2012	At 31 December 2011
Present value of funded obligations	**26,853**	25,106	**-**	-	**-**	-	**-**	-
Fair Value of plan assets	**(20,048)**	(20,004)	**-**	-	**-**	-	**-**	-
	6,805	5,102	**-**	-	**-**	-	**-**	-
Present value of unfunded obligations	**119**	95	**2,289**	2,070	**795**	763	**164**	156
Unrecognised actuarial gains/(losses)	**(4,333)**	(2,419)	**(413)**	(148)	**(34)**	30	**(15)**	(8)
Unrecognised past service cost	**(6)**	-	**(1)**	-	**-**	-	**(2)**	(3)
Unrecognised assets	**-**	-	**-**	-	**-**	-	**-**	-
Net liability	**2,585**	**2,778**	**1,875**	**1,922**	**761**	**793**	**147**	**145**
Amounts at year end:								
Liabilities	2,679	2,863	1,875	1,922	761	793	147	145
Assets	**(94)**	(85)	**-**	-	**-**	-	**-**	-
Net liability	**2,585**	**2,778**	**1,875**	**1,922**	**761**	**793**	**147**	**145**
Actuarial losses and minor to be recognised upon adoption of IAS 19 Revised	**4,339**	-	**414**	-	**34**	-	**17**	-
Net liability to be recognised at 1 January 2013 under IAS 19 Revised	**6,924**	-	**2,289**	-	**795**	-	**164**	-

The amounts recognised in the income statement for defined benefit plans in 2012 and in 2011 are as follows:

(€ million)	Pension benefits 2012	Pension benefits 2011	Healthcare and life insurance plans 2012	Healthcare and life insurance plans 2011	Employee leaving entitlements 2012	Employee leaving entitlements 2011	Other Post-employment benefits 2012	Other Post-employment benefits 2011
Current service cost	270	120	23	9	-	-	8	8
Interest costs	1,203	667	103	57	19	21	5	6
Expected return on plan assets	(1,434)	(816)	-	-	-	-	-	-
Net actuarial losses/(gains) recognised	30	4	-	(4)	-	-	(1)	1
(Negative)/positive past service costs	2	-	(6)	-	-	-	(2)	(68)
Losses/(gains) on curtailments and settlements	1	36	-	-	-	-	(1)	-
Other (income)/losses	-	-	-	1	-	-	-	(1)
Total Costs/(gains)	**72**	**11**	**120**	**63**	**19**	**21**	**9**	**(54)**
Actual return on plan assets	**1,887**	**286**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**
Estimated impacts from IAS 19 Revised: (*)								
Surplus exp. return on plan assets vs int. cost	(230)	-	-	-	-	-	-	-
Decrease in EBIT	**(230)**	-	**-**	-	**-**	-	**-**	-
Additional impact from discounting net liability	(240)	-	-	-	-	-	-	-
Increase in financial expenses	**(240)**	-	**-**	-	**-**	-	**-**	-
Estimated decrease in net income	**(470)**	-	**-**	-	**-**	-	**-**	-

(*) As if IAS 19R was adopted effective 1 January 2012

Changes in the present value of Post-employment obligations are as follows:

(€ million)	Pension benefits 2012	Pension benefits 2011	Healthcare and life insurance plans 2012	Healthcare and life insurance plans 2011	Employee leaving entitlements 2012	Employee leaving entitlements 2011	Other 2012	Other 2011
Present value of obligations at the beginning of the year	**25,201**	**522**	**2,070**	**1**	**763**	**811**	**156**	**127**
Change in scope of consolidation	-	20,933	-	1,754	4	(3)	-	101
Current service cost	270	120	23	9	-	-	8	8
Interest costs	1,203	667	103	57	19	21	5	6
Employee contribution	9	5	-	5	-	-	-	-
Actuarial (gains)/losses	2,477	1,659	282	134	71	7	10	(1)
Benefits paid	(1,796)	(990)	(145)	(82)	(62)	(73)	(13)	(18)
Exchange rate differences	(402)	2,255	(38)	190	-	-	2	2
(Negative)/positive past service cost	9	-	(6)	-	-	-	(2)	(69)
(Gains)/losses on curtailments	-	-	-	-	-	-	(1)	-
(Gains)/losses on settlements	1	36	-	2	-	-	-	-
Other changes	-	(6)	-	-	-	-	(1)	-
Present value of obligations at the end of the year	**26,972**	**25,201**	**2,289**	**2,070**	**795**	**763**	**164**	**156**

Changes in the fair value of plan assets are as follows:

(€ million)	Pension benefits 2012	2011	Healthcare and life insurance plans 2012	2011
Fair value of plan assets at the beginning of the year	**20,004**	**327**	**-**	**-**
Change in scope of consolidation	-	18,317	-	26
Expected return on plan assets	1,434	816	-	-
Company contributions	217	221	-	-
Employee contributions	9	5	-	-
Actuarial gains/(losses)	453	(530)	-	-
Benefits paid	(1,782)	(985)	-	-
Exchange rate differences	(287)	1.830	-	1
(Gains)/losses on settlements	-	-	-	(27)
Other changes	-	3	-	-
Fair value of plan assets at the end of the year	**20,048**	**20,004**	**-**	**-**

Change in the scope of consolidation occurred in 2011 related to the initial acquisition of control of Chrysler. As required under IFRS 3 – *Business Combinations*, in measuring assets acquired and liabilities assumed of Chrysler, Fiat recognised the assets and liabilities from post-employment benefits of Chrysler at the present value of the obligation less the fair value of any plan assets, including all actuarial gains and losses and past service costs that arose before the acquisition date.

For the year ended 31 December 2012, the actuarial losses arising from calculating the present value of the obligation mainly had arisen from a reduction in the discount rates used by Chrysler as compared to the discount rate used for the year ended 31 December 2011, which was partially offset by the actual return on plan assets during the year.

For the year ended 31 December 2011, the actuarial losses mainly had arisen from a reduction in the discount rates used by Chrysler at the end of the seven-month period June-December 2011 compared to those used at the date of acquisition of control and from certain changes to the mortality tables made by Chrysler in North America.

In 2011, a net gain of €69 million shown in Other post-employment benefits relates to a plan amendment associated with the termination of the Chrysler legal services plan in 2013. This gain has been included in the income statement within Other unusual income. The losses on settlements for Pension plan of €36 million were a special early retirement cost.

Plan assets may be summarised as follows:

(in %)	At 31 December 2012	At 31 December 2011
Equity securities	22%	25%
Debt investments	48%	43%
Properties occupied by third parties	-	-
Other assets	30%	32%

Equity securities are invested broadly in U.S., developed international and emerging market equity securities. Debt investments are fixed income investments which comprise primarily long duration U.S. Treasury and global government bonds, as well as U.S., developed international and emerging market companies debt securities diversified by sector, geography and through a wide range of market capitalisation. Other assets include private equity, real estate and hedge funds. Private equity investments include those in limited partnerships that invest primarily in operating companies that are not publicly traded on a stock exchange. Real estate investments include those in limited partnerships that invest in various commercial and residential real estate projects both domestically and internationally. Hedge fund investments include those seeking to maximise absolute return using a broad range of strategies to enhance returns and provide additional diversification. Plan assets do not include treasury shares of Fiat S.p.A. or properties occupied by Group companies.

Provided that the above plan assets are measured at fair value at 31 December 2012, there was no exposure to sovereign debt securities which might have suffered impairment losses.

The present value of the defined benefit obligations, the fair value of plan assets and the surplus or deficit of the plans at the end of 2012 and the four previous years are as follows:

(€ million)	At 31 December 2012	At 31 December 2011	At 31 December 2010 (*)	At 31 December 2009	At 31 December 2008
Present value of obligation:					
Pension benefits	**26,972**	25,201	522	2,568	2,267
Health care and life insurance plans	**2,289**	2,070	1	794	848
Employee leaving entitlements in Italy	**795**	763	811	1,001	1,062
Others	**164**	156	127	258	288
Fair value of plan assets:					
Pension benefits	**20,048**	20,004	327	1,796	1,554
Health care and life insurance plans	**-**	-	-	46	39
Surplus (deficit) of the plan:					
Pension benefits	**(6,924)**	(5,197)	(195)	(772)	(713)
Health care and life insurance plans	**(2,289)**	(2,070)	(1)	(748)	(809)
Employee leaving entitlements in Italy	**(795)**	(763)	(811)	(1,001)	(1,062)
Others	**(164)**	(156)	(127)	(258)	(288)

(*) The balances at 31 December 2010 relate to Fiat Group post demerger to Fiat Industrial.

The best estimate of expected contributions to pension benefits and health care and life insurance plans for 2013 is as follows:

(€ million)	2013
Pension benefits	**793**
Health care and life insurance plans	**145**
Others	**5**
Total expected contributions	**943**

Employer contributions to funded pension plans of Chrysler are expected to be €757 million in 2013, of which €486 million (€399 million to U.S. plans and €87 million to Canadian plans) represent the discretionary contributions and €271 million (€5 million to U.S. plans and e €266 million to Canadian plans) will be made to satisfy minimum funding requirement.

In July 2012, a U.S. pension funding relief measure known as the Moving Ahead for Progress in the 21st Century Act ("MAP-21") was signed into law. The aim of MAP-21 is to ease employer funding obligations so that assets are available for capital improvements, workforce expansions and other economic growth stimuli. Under MAP-21, employers can calculate defined benefit pension plan liabilities for funding purposes using discount rates based on a 25-year average of interest rates, which has the effect of increasing discount rates and reducing minimum funding requirements. Previously, the discount rates used to calculate liabilities were solely based upon a two-year average of interest rates, which resulted in higher minimum funding requirements due to recent interest rates being low. The change in discount rates used to determine our minimum funding requirements did not impact the reported funded status of our U.S. plans of Chrysler.

Additionally, during the second half of 2012, Canadian pension regulators extended the filing deadline for actuarial valuation reports to 28 February 2013. Required contributions are due within sixty days following the filing deadline.

27. Other provisions

Changes in Other provisions are as follows:

(€ million)	At 31 December 2011	Charge	Utilisation	Release to income	Translation differences	Other changes	At 31 December 2012
Warranty provision	**3,530**	1,941	(1,621)	(182)	(51)	-	**3,617**
Restructuring provision	**340**	54	(76)	(56)	-	(1)	**261**
Investment provision	**24**	-	-	-	(1)	(10)	**13**
Other risks	**4,704**	8,049	(7,438)	(323)	(63)	(30)	**4,899**
Total Other provisions	**8,598**	**10,044**	**(9,135)**	**(561)**	**(115)**	**(41)**	**8,790**

The effect of discounting these provisions is €11 million in 2012.

The warranty provision represents the best estimate of commitments given by the Group for contractual, legal, or constructive obligations arising from product warranties given for a specified period of time beginning at the date of sale to the end customer. This estimate is principally based on assumptions regarding the lifetime warranty costs of each vehicle and each model year of that vehicle line, as well as historical claims experience for our vehicles. The provision also includes management's best estimate of the costs that are expected to be incurred in connection with product defects that could result in a general recall of vehicles, which is estimated by making an assessment of the historical occurrence of defects on a case-by-case basis.

The restructuring provision at 31 December 2012 consists of termination benefits of €194 million (€208 million at 31 December 2011) payable to employees in connection with restructuring plans, manufacturing rationalisation costs of €21 million (€26 million at 31 December 2011) and other costs of €46 million (€106 million at 31 December 2011). These provisions are related to the following activities (in € million): car mass-market operations 178, Components and Production Systems 40, Other activities 43.

The provision for other risks represents the amounts provided by the individual companies of the Group in connection mainly with contractual and commercial risks and disputes. Details of this item are as follows:

(€ million)	At 31 December 2012	At 31 December 2011
Sales incentives	**2,622**	2,288
Legal proceedings and other disputes	**528**	608
Commercial risks	**393**	400
Environmental risks	**36**	41
Indemnities	**62**	66
Other reserves for risk and charges	**1,258**	1,301
Total Other risks	**4,899**	**4,704**

A description of these follows:

- *Sales incentives* - this provision relates to sales incentives that are offered on a contractual basis to the Group's dealer networks, primarily on the basis of that dealers will achieve a specific cumulative level of sales transactions during the calendar year. This provision is estimated based on the information available regarding the sales made by the dealers during the calendar year. The provision also includes sales incentives such as cash rebates announced by the Group and provided by dealers to customers, for which the dealers are reimbursed. The Group records this provision when it is probable that the incentive will be provided and the Group's inventory is sold to its dealers. The Group estimates this provision based on the expected use of these rebates with respect to the volume of vehicles that has been sold to the dealers.

- *Legal proceedings and other disputes* - this provision represents management's best estimate of the liability to be recognised by the Group with regard to:
  - Legal proceedings arising in the ordinary course of business with dealers, customers, suppliers or regulators (such as contractual or patent disputes).
  - Legal proceedings involving claims with active and former employees.
  - Legal proceedings involving different tax authorities.

  None of these provisions is individually significant. Each Group company recognises a provision for legal proceedings when it is deemed probable that the proceedings will result in an outflow of resources. In determining their best estimate of the liability, each Group company evaluates their legal proceedings on a case-by-case basis to estimate the probable losses that typically arise from events of the type giving rise to the liability. Their estimate takes into account, as applicable, the views of legal counsel and other experts, the experience of the Group and others in similar situations and the Group's intentions with regard to further action in each proceeding. Fiat's consolidated provision combines these individual provisions established by each of the Group's companies.
- *Commercial risks* - this provision includes the amount of obligations arising in connection with the sale of products and services such as maintenance contracts. An accrual is recorded when the expected costs to complete the services under these contracts exceed the revenues expected to be realised.
- *Environmental risks* – this provision represents management's best estimate of the Group's probable environmental obligations. Amounts included in the estimate comprise direct costs to be incurred by the Fiat Group in connection with environmental obligations associated with current or formerly owned facilities and sites. This provision also includes costs related to claims on environmental matters.
- *Indemnities* - the provision for indemnities relates to contractual indemnities provided by the Group in connection with divestitures. These liabilities primarily arise from indemnities relating to contingent liabilities in existence at the time of the sale, as well as those covering any possible breach of the representations and warranties provided in the contract and, in certain instances, environmental or tax matters. These provisions were determined estimating the amount of the expected outflow of resources, taking into consideration the relevant level of probability of occurrence.
- *Other reserves for risk and charges* – this provision includes, among others, the estimated product liability costs arising from personal injuries alleged to be the result of product defects. The valuation of the reserve is actuarially determined on an annual basis based on, among other factors, the number of vehicles sold and product liability claims incurred.

28. Debt

Breakdown of debt by category and by maturity is as follows:

(€ million)	At 31 December 2012 due within one year	due between one and five years	due beyond five years	Total	At 31 December 2011 due within one year	due between one and five years	due beyond five years	Total
Asset-backed financing	436	13	-	**449**	688	19	3	**710**
Bonds	1,389	8,295	3,032	**12,716**	1,954	5,650	4,080	**11,684**
Borrowings from banks	2,489	5,084	566	**8,139**	2,042	2,705	2,836	**7,583**
Payables represented by securities	516	1,220	3,137	**4,873**	420	1,077	3,460	**4,957**
Other	981	352	379	**1,712**	969	453	416	**1,838**
Total Other debt	5,375	14,951	7,114	**27,440**	5,385	9,885	10,792	**26,062**
Total Debt	**5,811**	**14,964**	**7,114**	**27,889**	**6,073**	**9,904**	**10,795**	**26,772**

Debt increased by €1,117 million at 31 December 2012. At 31 December 2012, Debt includes €10,312 million (€10,537 million at 31 December 2011) of Chrysler debt.

Asset-backed financing represents the amount of financing received through factoring transactions which do not meet IAS 39 derecognition requirements and is recognised as an asset in the statement of financial position under Current receivables and other current assets (Note 19). Asset-backed financing decreased by €261 million in 2012.

The increase in Other debt amounts to €1,378 million in 2012: the Group issued new bonds for €2,535 million during the year and repaid bonds on maturity for €1,450 million; medium and long-term borrowings that were repaid amount to €1,528 million; while medium and long-term loans obtained by the Group during the year amounted to €1,925 million.

The annual effective interest rates and the nominal currencies of debt at 31 December 2012 are as follows:

	Interest rate					
(€ million)	less than 5%	from 5% to 7.5%	from 7.5% to 10%	from 10% to 12.5%	greater than 12.5%	Total at 31 December 2012
Euro	4,523	5,862	2,253	98	-	**12,736**
US Dollar	642	2,384	6,170	8	217	**9,421**
Brazilian Real	1,165	965	723	89	-	**2,942**
Canadian Dollar	53	82	725	-	-	**860**
Swiss Franc	10	684	-	-	-	**694**
Mexican Peso	-	-	459	-	-	**459**
Chinese Renminbi	4	321	-	-	-	**325**
Polish Zloty	14	145	-	11	-	**170**
Argentine Peso	-	-	64	5	84	**153**
British Pound	88	-	-	-	-	**88**
Other	36	-	1	1	3	**41**
Total Debt	**6,535**	**10,443**	**10,395**	**212**	**304**	**27,889**

For further information on the management of interest rate and currency risk reference should be made to Note 35.

The fair value of Debt at 31 December 2012 amounts approximately to €28,360 million (approximately €25,239 million at 31 December 2011). These amounts have been determined using the quoted market price of financial instruments, if available, or discounting the related future cash flows and using the interest rates stated in Note 19, suitably adjusted to take account of the Group's current creditworthiness.

At 31 December 2012, debt secured by assets of the Fiat Group excluding Chrysler amounts to €363 million (€372 million at 31 December 2011), of which €276 million (€281 million at 31 December 2011) due to creditors for the above mentioned assets acquired under finance leases. The total carrying amount of assets acting as security for loans amounts to €296 million at 31 December 2012 (€318 million at 31 December 2011).

At 31 December 2012, debt secured by assets of Chrysler amounts to €5,530 million (€5,751 million at 31 December 2011), and includes €4,665 million (€4,780 million at 31 December 2011) relating to the principal amount of the *Secured Senior Notes* and the *Senior Secured Credit Facility* (the "*Tranche B Term Loan*" and the "*Revolving Credit Facility*", which at 31 December 2012 was undrawn), €183 million (€205 million at 31 December 2011) was due to creditors for assets acquired under finance leases and other debt and financial commitments for €682 million (€766 million at 31 December 2011).

In addition, at 31 December 2012 the Group's assets include current receivables to settle Asset-backed financing of €449 million (€679 million at 31 December 2011), see Note 19.

Bonds

The bond issues outstanding at 31 December 2012 are as follows:

	Currency	Face value of outstanding bonds (in million)	Coupon	Maturity	Outstanding amount (€ million)
GLOBAL MEDIUM TERM NOTES:					
Fiat Finance and Trade Ltd S.A. (1)	EUR	900	6.125%	8-lug-14	900
Fiat Finance and Trade Ltd S.A. (1)	EUR	1,250	7.625%	15-set-14	1,250
Fiat Finance and Trade Ltd S.A. (1)	EUR	1,500	6.875%	13-feb-15	1,500
Fiat Finance and Trade Ltd S.A. (2)	CHF	425	5.000%	7-set-15	352
Fiat Finance and Trade Ltd S.A. (1)	EUR	1,000	6.375%	1-apr-16	1,000
Fiat Finance and Trade Ltd S.A. (1)	EUR	1,000	7.750%	17-ott-16	1,000
Fiat Finance and Trade Ltd S.A. (2)	CHF	400	5.250%	23-nov-16	331
Fiat Finance and Trade Ltd S.A. (1)	EUR	850	7.000%	23-mar-17	850
Fiat Finance North America Inc. (1)	EUR	1,000	5.625%	12-giu-17	1,000
Fiat Finance and Trade Ltd S.A. (1)	EUR	600	7.375%	09-lug-18	600
Other					7
TOTAL GLOBAL MEDIUM TERM NOTES:					**8,790**
OTHER BONDS:					
Fiat Finance and Trade Ltd S.A. (1)	EUR	1,000	6.625%	15-feb-13	1,000
Chrysler Group LLC (Senior Secured Notes) (3)	USD	1,500	8.000%	15-giu-19	1,137
Chrysler Group LLC (Senior Secured Notes) (3)	USD	1,700	8.250%	15-giu-21	1,288
TOTAL OTHER BONDS					**3,425**
HEDGING EFFECT AND AMORTISED COST VALUATION					**501**
TOTAL BONDS					**12,716**

(1) Bond for which a listing on the Irish Stock Exchange was obtained.
(2) Bond for which a listing on the SIX Swiss Exchange was obtained.
(3) The Secured Senior Notes were issued at par on 24 May 2011 and initially sold in a private placement to qualified institutional buyers and non-US persons as defined by US Securities Act. On 29 December 2011, in accordance with the indenture, Chrysler commenced an offer to exchange the "*Secured Senior Notes*" outstanding for notes having substantially identical terms as those originally issued and the same principal amount but will not contain restrictions on transfer. The offer to exchange the "*Secured Senior Notes*" expired on 1 February 2012. Substantially all of the Notes were tendered for "*Secured Senior Notes*".

Changes in bonds during 2012 are mainly due to:

- the issue by Fiat Finance and Trade Ltd S.A. as part of the Global Medium Term Notes Programme of guaranteed 5.00% notes at par having a principal of CHF 425 million and due September 2015;
- the issue by Fiat Finance and Trade Ltd S.A. as part of the Global Medium Term Notes Programme of guaranteed 7.00% notes at par having a principal of €850 million and due March 2017;
- the issue by Fiat Finance and Trade Ltd S.A. as part of the Global Medium Term Notes Programme of guaranteed 7.75% notes at par having a principal of €600 million and due October 2016;
- the issue by Fiat Finance and Trade Ltd S.A. as part of the Global Medium Term Notes Programme of guaranteed 5.25% notes at par having a principal of CHF 400 million and due November 2016;

- as the result of the reopening of the €600 million 7.75% notes issue due October 2016, as part of the Global Medium Term Notes Programme, Fiat Finance and Trade Ltd S.A. has issued a further €400 million of notes with an issue price of 101.116% and a yield to maturity of 7.40%, increasing the total principal amount of the bond to €1 billion;
- the repayment on maturity of a bond having a nominal value of €1,250 million issued by Fiat Finance and Trade Ltd S.A. in 2009 as part of the Global Medium Term Notes Programme;
- the repayment on maturity of a bond having a nominal value of €200 million issued by Fiat Finance and Trade Ltd S.A. in 2009 as part of the Global Medium Term Notes Programme.

Following the repayment on 15 February 2013 of the bond issued by Fiat Finance and Trade Ltd. S.A. having a nominal value of €1 billion, bearing fixed interest at 6.625%, the bonds issued by the Fiat Group excluding Chrysler are currently governed by the terms and conditions of the Global Medium Term Note Programme (GMTN Programme). A maximum of €15 billion may be used under this Program, of which notes of approximately €8.8 billion have been issued to 31 December 2012; the Program is guaranteed by Fiat S.p.A. The issuers taking part in the program include, amongst others, Fiat Finance and Trade Ltd. S.A. for an amount outstanding of €7.8 billion and Fiat Finance North America Inc. with a bond having a nominal value of €1 billion.

Whereas Chrysler remains separate from the rest of the Fiat Group from a financial management standpoint and manages its own treasury services, obtaining funding from the market and managing cash directly, the Fiat Group intends to repay the bonds issued by Fiat Finance and Trade Ltd S.A. and by Fiat Finance North America Inc. in cash at maturity by utilising available liquid resources. The companies in the Fiat Group may from time to time buy back bonds on the market that have been issued by the Group, also for purposes of their cancellation. Such buybacks, if made, depend upon market conditions, the financial situation of the Group and other factors which could affect such decisions.

Chrysler may redeem, at any time, all or any portion of the Secured Senior Notes on not less than 30 and not more than 60 days' prior notice mailed to the holders of the Notes to be redeemed.

- Prior to 15 June 2015, the 2019 Secured Senior Notes ("2019 Notes") will be redeemable at a price equal to the principal amount of the 2019 Notes being redeemed, plus accrued and unpaid interest to the date of redemption and a "make–whole" premium calculated under the indenture. At any time prior to 15 June 2014, Chrysler may also redeem up to 35% of the aggregate principal amount of the 2019 Notes, at a redemption price equal to 108% of the principal amount of the 2019 Notes being redeemed, plus accrued and unpaid interest to the date of redemption with the net cash proceeds from certain equity offerings. On and after 15 June 2015, the 2019 Notes are redeemable at redemption prices specified in the indenture, plus accrued and unpaid interest to the date of redemption. The redemption price is initially 104% of the principal amount of the 2019 Notes being redeemed for the twelve months beginning 15 June 2015, decreasing to 102% for the year beginning 15 June 2016 and to par on and after 15 June 2017.
- Prior to 15 June 2016, the 2021 Secured Senior Notes ("2021 Notes") will be redeemable at a price equal to the principal amount of the 2021 Notes being redeemed, plus accrued and unpaid interest to the date of redemption and a "make–whole" premium calculated under the indenture. At any time prior to 15 June 2014, Chrysler may also redeem up to 35% of the aggregate principal amount of the 2021 Notes, at a redemption price equal to 108.25% of the principal amount of the 2021 Notes being redeemed, plus accrued and unpaid interest to the date of redemption with the net cash proceeds from certain equity offerings. On and after 15 June 2016, the 2021 Notes are redeemable at redemption prices specified in the indenture, plus accrued and unpaid interest to the date of redemption. The redemption price is initially 104.125% of the principal amount of the 2021 Notes being redeemed for the twelve months beginning 15 June 2016, decreasing to 102.75% for the year beginning 15 June 2017, to 101.375% for the year beginning 15 June 2018 and to par on and after 15 June 2019.

The bonds issued by Fiat and Chrysler are subject to different terms and conditions, which vary by issuer and, in some cases, by individual issuance. The prospectuses and/or indentures relating to the principal bond issues are available on the Group's website at www.fiatspa.com under "*Investor Relations – Financial Publications*" and at www.chryslergroupllc.com under "*Investor Relations – SEC filings*". These documents are unaudited.

The bonds issued by Fiat Finance and Trade Ltd S.A. and by Fiat Finance North America Inc. impose covenants on the issuer and, in certain cases, on Fiat S.p.A. as guarantor, which is standard international practice for similar bonds issued by companies in the same industry sector as the Group. Such covenants include: (i) negative pledge clauses which require that, in case any security interest upon assets of the issuer and/or Fiat S.p.A. is granted in connection with other bonds or debt securities having the same ranking, such security should be equally and rateably extended to the outstanding bonds; (ii) *pari passu* clauses, under which the bonds rank and will rank *pari passu* with all other present and future unsubordinated and unsecured obligations of the issuer and/or Fiat S.p.A.; (iii) periodic disclosure obligations; (iv) cross-default clauses which require immediate repayment of the bonds under certain events of default on other financial instruments issued by the Group's main entities; and, (v) other clauses that are generally applicable to securities of a similar type. A breach of these covenants can lead to the early repayment of the notes. In addition, the agreements for the bonds guaranteed by Fiat S.p.A. contain clauses which could lead to requirement to make early repayment if there is a change of the controlling shareholder of Fiat S.p.A. which leads to a resulting downgrading by the ratings agencies.

In addition, the indenture of the Secured Senior Notes issued by Chrysler Group LLC includes negative covenants which limited Chrysler's ability and, in certain instances, the ability of certain of its subsidiaries to, (i) pay dividends or make distributions on the Company's capital stock or repurchase the Company's capital stock; (ii) make certain payments; (iii) create certain liens to secure indebtedness; (iv) enter into sale and leaseback transactions; (v) engage in transactions with affiliates; (vi) merge or consolidate with certain companies and (vii) transfer and sell assets.

The indenture provides for customary events of default, including but not limited to, (i) non-payment; (ii) breach of covenants in the indenture; (iii) payment defaults or acceleration of other indebtedness; (iv) a failure to pay certain judgments and (v) certain events of bankruptcy, insolvency and reorganisation. If certain events of default occur and are continuing, the trustee or the holders of at least 25% in principal amount of the notes outstanding under one of the series may declare all of the notes of that series to be due and payable immediately, together with accrued interest, if any.

Chrysler's Secured Senior Notes are secured by liens junior to the Senior Credit Facilities on substantially all of Chrysler Group LLC's assets and the assets of its U.S. subsidiary guarantors, including 100% of the equity interests in Chrysler's U.S. subsidiaries and 65% of the equity interests in its non U.S. subsidiaries held directly by Chrysler Group LLC and its U.S. subsidiary guarantors.

Borrowing from banks

At 31 December 2012, the item Borrowings from banks includes for €2,265 million (€2,333 million at 31 December 2011) a $3 billion term loan ("*Tranche B Term Loan*") that is repayable in quarterly instalments of principal amount of $7.5 million, with the remaining balance of $2,827.5 million due in May 2017.

Medium/Long term committed credit lines (expiring after twelve months) currently available to the treasury companies of Fiat Group excluding Chrysler amount to approximately €2.8 billion at 31 December 2012, of which approximately €2 billion were undrawn. This amount does not include committed credit lines available to fund scheduled investments of the Fiat Group excluding Chrysler operating entities with residual maturity after twelve months, of which €1.5 billion was still undrawn at 31 December 2012.

The €1.95 billion syndicated credit facility of Fiat contains typical covenants for contracts of this type and size, such as financial covenants (Net Debt/EBITDA and EBITDA/Net Interest ratios related to industrial activities) and negative pledge, pari passu, cross default and change of control clauses. The failure to comply with these covenants, in certain cases if not suitably remedied, can lead to the requirement to make early repayment of the outstanding loans. Similar covenants are contemplated for loans granted by the European Investment Bank for a total of €1.1 billion, in order to fund the Group's investments.

In addition, the above syndicated credit facility, currently contemplates limits to the capability to extend guarantees or loans to Chrysler and make the increase of Fiat shareholding in Chrysler above the 60% threshold conditional to prior testing of the Net Debt/EBITDA ratio.

At 31 December 2012, Chrysler has secured revolving credit facility ("*Revolving Credit Facility*") amounting to approximately €1 billion ($1.3 billion), fully undrawn at that date and maturing in May 2016.

Chrysler's senior credit facilities, which include the above mentioned *Tranche B Term Facility* and the *Revolving Credit Facility*, are secured by a senior priority security interest in substantially all of Chrysler Group LLC's assets and the assets of its U.S. subsidiary guarantors, subject to certain exceptions. The collateral includes 100% of the equity interests in Chrysler's U.S. subsidiaries and 65% of the equity interests in its non U.S. subsidiaries held directly by Chrysler Group LLC and its U.S. subsidiary guarantors.

The senior secured credit agreement includes negative covenants, including but not limited to: (i) limitations on incurrence, repayment and prepayment of indebtedness; (ii) limitations on incurrence of liens; (iii) limitations on making certain payments; (iv) limitations on transactions with affiliates, swap agreements and sale and leaseback transactions; (v) limitations on fundamental changes, including certain asset sales and (vi) restrictions on certain subsidiary distributions. In addition, the *Senior Secured Credit Agreement* requires Chrysler to maintain a minimum ratio of "borrowing base" to "covered debt" (as defined in the Facility), as well as a minimum liquidity of $3.0 billion, which includes any undrawn amounts on the *Revolving Credit Facility*.

The senior secured credit agreement contains a number of events of default related to: (i) failure to make payments when due; (ii) failure to comply with covenants; (iii) breaches of representations and warranties; (iv) certain changes of control; (v) cross–default with certain other debt and hedging agreements and (vi) the failure to pay certain material judgements.

Payables represented by securities

At 31 December 2012, the item Payables represented by securities includes the *VEBA Trust Note* of €3,863 million (€3,908 million at 31 December 2011), which represents Chrysler's financial liability to the International Union, United Automobile, Aerospace, and Agricultural Implement Workers of America ("UAW") Retiree Medical Benefits Trust ("*VEBA Trust*") having a face value of $4,874 million (€3,694 million). This financial liability was recognised by Chrysler in connection with the settlement of obligations related to postretirement healthcare benefits for certain UAW retirees. The *VEBA Trust Note* has an implied interest rate of 9.0% and requires annual payments of principal and interest through 15 July 2023.

At 31 December 2012, Chrysler's Payables represented by securities also includes the *Canadian Health Care Trust Notes* totalling €864 million (€820 million at 31 December 2011), which represents Chrysler's financial liability to the *Canadian Health Care Trust* arising from the settlement of postretirement health care benefits for represented employees, retirees and dependants of *Chrysler Canada Inc.'s National Automobile, Aerospace, Transportation and General Workers Union of Canada* ("CAW"). These notes were issued in four tranches maturing up to 2024.

Other

At 31 December 2012, payables for finance leases included in the item Other of Total Debt amount to €459 million and may be analysed as follows:

	At 31 December 2012				At 31 December 2011			
(€ million)	due within one year	due between one and five years	due beyond five years	Total	due within one year	due between one and five years	due beyond five years	Total
Minimum future lease payments	90	246	215	**551**	80	286	238	**604**
Interest expense	(20)	(57)	(15)	**(92)**	(22)	(69)	(27)	**(118)**
Present value of minimum lease payments	**70**	**189**	**200**	**459**	**58**	**217**	**211**	**486**

At 31 December 2012, the Fiat Group excluding Chrysler had outstanding financial lease agreements for certain Property, plant and equipment whose overall net carrying amount totals €268 million (€297 million at 31 December 2011) (Note 16).

As discussed in Note 16, finance lease payables also relate to suppliers' assets recognised in the consolidated financial statements in accordance with IFRIC 4.

Net financial position

In compliance with Consob Regulation issued on 28 July 2006 and in conformity 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 the Group at 31 December 2012 is as follows:

	At 31 December 2012					At 31 December 2011				
(€ million)	Fiat Group excluding Chrysler	Chrysler	Elimination	Total Fiat Group	of which Related parties	Fiat Group excluding Chrysler	Chrysler	Elimination	Total Fiat Group	of which Related parties
A. Cash and cash equivalents	8,854	8,803	-	17,657	-	10,106	7,420	-	17,526	-
B. Current securities (securities held for trading)	256	-	-	256	-	199	-	-	199	-
C. Liquidity (C) = (A+B)	**9,110**	**8,803**	**-**	**17,913**	**-**	**10,305**	**7,420**	**-**	**17,725**	**-**
D. Receivables from financing activities (Current financial receivables)	**3,724**	**12**	**(9)**	**3,727**	**201**	**3,958**	**20**	**(10)**	**3,968**	**197**
of which: From jointly-controlled financial services entities	58	-	-	58	58	21	-	-	21	21
of which: financial receivables for intragroup leased assets (IFRIC 4)	-	9	(9)	-	-	-	10	(10)	-	-
E. Other financial assets	**474**	**45**	**-**	**519**	**-**	**430**	**127**	**-**	**557**	**-**
F. Debt	**17,586**	**10,312**	**(9)**	**27,889**	**272**	**16,245**	**10,537**	**(10)**	**26,772**	**331**
of which: financial payables for intragroup leased assets (IFRIC 4)	9	-	(9)	-	-	10	-	(10)	-	-
G. Other financial liabilities	**159**	**42**	**-**	**201**	**-**	**329**	**100**	**-**	**429**	**-**
H. Net financial position (H) = (C+D+E-F-G)	**(4,437)**	**(1,494)**	**-**	**(5,931)**	**(71)**	**(1,881)**	**(3,070)**	**-**	**(4,951)**	**(134)**

The item Receivables from financing activities includes the entire portfolio of the consolidated financial services entities, classified as current assets as they will be realised during the normal operating cycle of these companies.

The following is reconciliation between the Net financial position as presented in the above table and Net debt as presented in the Report on Operations:

	At 31 December 2012			At 31 December 2011		
(€ million)	Fiat Group excluding Chrysler	Chrysler	Total Fiat Group	Fiat Group excluding Chrysler	Chrysler	Total Fiat Group
Consolidated net debt as presented in the Report on Operations	**(8,103)**	**(1,497)**	**(9,600)**	**(5,818)**	**(3,080)**	**(8,898)**
Less: Current financial receivables, excluding those due from jointly controlled financial services companies, amounting to €58 million at 31 December 2012 (€21 million at 31 December 2011), and financial receivables for leased assets under IFRIC 4	3,666	3	3,669	3,937	10	3,947
Net financial position	**(4,437)**	**(1,494)**	**(5,931)**	**(1,881)**	**(3,070)**	**(4,951)**

Reference should be made to Notes 19, 20, 21 and 22 and the information provided in this Note for a further analysis of the items in the table.

29. Trade payables

Trade payables of €16,558 million at 31 December 2012 increased by €140 million over 31 December 2011. An analysis by due date of trade payables is as follows:

(€ million)	At 31 December 2012 due within one year	due between one and five years	due beyond five years	Total	At 31 December 2011 due within one year	due between one and five years	due beyond five years	Total
Trade payables	16,557	1	-	**16,558**	16,402	13	3	**16,418**

The carrying amount of Trade payables is considered in line with their fair value.

30. Other current liabilities

An analysis of Other current liabilities is as follows:

(€ million)	At 31 December 2012	At 31 December 2011
Advances on buy-back agreements	**1,198**	1,681
Indirect tax payables	**1,233**	1,289
Accrued expenses and deferred income	**1,920**	1,737
Payables to personnel	**728**	672
Social security payables	**321**	313
Amounts due to customers for contract work (Note 18)	**178**	110
Other	**2,203**	1,736
Total Other current liabilities	**7,781**	**7,538**

An analysis of Other current liabilities (excluding Accrued expenses and deferred income) by due date is as follows:

(€ million)	At 31 December 2012 due within one year	due between one and five years	due beyond five years	Total	At 31 December 2011 due within one year	due between one and five years	due beyond five years	Total
Total Other current liabilities (excluding Accrued expenses and deferred income)	5,124	703	34	**5,861**	5,012	763	26	**5,801**

The item Advances on buy-back agreements amounting to €1,198 million refers to agreements entered into by the Group during the year or which still remain effective at the balance sheet date. The item Advances on buy-back agreements represents the following:

- at the date of the sale, the price received for the product is recognised as an advance in liabilities;
- subsequently, since the difference between the original sales price and the repurchase price is recognised in the income statement as operating lease instalments on a straight-line basis over the lease term, the balance represents the remaining lease instalments yet to be recognised in income plus the repurchase price.

Indirect tax payables includes among other taxes on commercial transactions accrued by the Brazilian subsidiary FIASA for which the company (as well as a number of important industrial groups which operate in Brazil) is awaiting the decision by the Supreme Court against its claim alleging the regime of double taxation. In March 2007, FIASA received a preliminary trial court decision allowing the payment of such tax on a taxable base consistent with the company's position. Since it is a preliminary decision and the amount may be required to be paid to the tax authorities at any time, the difference between the tax payments as preliminary allowed and the full amount determined as required by the legislation still in force is recognised as liability. Timing for the Supreme Court decision is not predictable.

Deferred income also includes the revenues not yet recognised in relation to the separately-priced extended warranties and service contracts offered by Chrysler. These revenues will be recognised in profit or loss over the contract period in proportion to the costs expected to be incurred based on historical information.

The carrying amount of Other current liabilities is considered in line with their fair value.

31. Explanatory notes to the Statement of Cash Flows

The Statement of cash flows sets out changes in cash and cash equivalents during the year. As required by IAS 7 – *Statement of Cash Flows*, cash flows are separated into operating, investing and financing activities. The effects of changes in exchange rates on cash and cash equivalents are shown separately under the line item Translation exchange differences.

Cash flows from (used in) operating activities mostly derive from the Group's industrial activities.

The cash flows generated by the sale of vehicles under buy-back commitments, net of the amounts included in Profit/(loss) for the year, are included under operating activities in a single line item which includes changes in working capital arising from these transactions.

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

For 2012, Other non-cash items (positive for €47 million) mainly include the reversal of impairment losses on fixed assets and of the share of the profit or loss of investees accounted for using the equity method.

For 2011, Other non-cash items (a negative balance of €1,106 million) included the reversal of the following non-cash items:

- unusual income totalling €2,017 million arising from remeasurement of the 30% interest previously held in Chrysler and Fiat's right to receive an additional 5% on the occurrence of the final *Performance Event*, which took place in early January 2012;
- impairment losses on property, plant and equipment and other intangible assets amounting to €713 million;
- the unusual expenses of €220 million arising on the revaluation of the inventories of Chrysler on initial consolidation as the consequence of measuring the identifiable assets acquired and identifiable liabilities assumed at fair value, recognised in profit or loss for the period;
- the negative change in fair value of €110 million arising from the equity swaps on the ordinary shares of Fiat S.p.A. and Fiat Industrial S.p.A.;
- the share of the profit or loss of investees accounted for using the equity method and the impairment losses recognised during the period for investments measured at cost totalling €123 million;
- the other unusual income of €69 million resulting from changes in Other post-employment benefits in Chrysler in North America.

Cash flows for income tax payments net of refunds amount to €475 million in 2012 (€532 million in 2011).

Interest of €1,914 million was paid and interest of €635 million was received in 2012 (interest of €1,569 million was paid in 2011 and interest of €793 million was received in 2011 with reference to the Fiat Group as a whole). Amounts indicated are inclusive of interest rate differentials paid or received on interest rate derivatives.

In 2011, the item Cash and cash equivalents from the consolidation of Chrysler, net of consideration paid for the additional 16% ownership interest, consisted of the cash and cash equivalents arising from the consolidation of Chrysler at the Acquisition date amounting to €6,505 million net of the consideration paid for the acquisition of the additional 16% ownership interest, amounting to €881 million ($1,268 million).

Finally, following occurrence of the *Ecological Event*, the rights associated with *Fiat's Class B Membership Interests* increased from 30% to 35% in January 2012 without the payment of cash; this transaction was therefore not included in the Statement of cash flows for 2012. Similarly, in 2011, following the occurrence of the *Technology Event* and the *Distribution Event*, the rights associated with *Fiat's Class B membership interests* increased from 20% to 25% in January 2011 and from 25% to 30% in April 2011 without the payment of cash; these transactions were not included in the Statement of cash flows for 2011. The purchases in 2011 of the additional 6.031% and 1.508% fully-diluted ownership interests in Chrysler from the U.S. Treasury and the Canadian government, at respective prices of $500 million and $125 million (€351 million and €87 million, respectively), had been classified under (Purchase)/sale of ownership interests in subsidiaries.

32. Guarantees granted, commitments and contingent liabilities

Guarantees granted
At 31 December 2012 the Group had pledged guarantees on the debt or commitments of third parties totalling €50 million (€40 million at 31 December 2011), as well as guarantees of €25 million on related party debt (€30 million at 31 December 2011).

With reference to Chrysler, in accordance with the terms of the Ally Auto Finance Operating Agreement ("Ally Agreement"), Ally provides wholesale and retail financing to Chrysler's dealers and retail customers in the U.S. and Canada in accordance with its usual and customary lending standards. Chrysler's agreement with Ally is not exclusive. Ally provides consumer and dealer financing to other manufacturers. Chrysler's dealers and retail customers also obtain financing from other financing sources.

From time to time, Chrysler works with Ally and certain other lenders to subsidize interest rates or cash at the inception of a financing arrangement to incentivize customers to purchase Chrysler vehicles, a practice known as "subvention." Under the Ally agreement, Chrysler must first offer all subvention programs to Ally, and is required to ensure that Ally finances a specified minimum percentage of the vehicles Chrysler sells in North America under rate subvention programs in which it elects to participate. Chrysler may, from time to time, offer lease products to retail customers through Ally, but Ally is not obligated to offer lease products.

Under the Ally Agreement, Chrysler is required to repurchase Ally-financed dealer inventory, upon certain triggering events and with certain exceptions, in the event of an actual or constructive termination of a dealer's franchise agreement, including in certain circumstances when Ally forecloses on all assets of a dealer securing financing provided by Ally. These obligations exclude vehicles that have been damaged or altered, that are missing equipment or that have excessive mileage or an original invoice date that is more than one year prior to the repurchase date.

As of 31 December 2012, the maximum potential amount of future payments required to be made to Ally under this guarantee was approximately €6.2 billion and was based on the aggregate repurchase value of eligible vehicles financed by Ally in Chrysler's U.S. and Canadian dealer stock. If vehicles are required to be repurchased under this arrangement, the total exposure would be reduced to the extent the vehicles can be resold to another dealer. The fair value of the guarantee was less than €0.1 million at 31 December 2012, which considers both the likelihood that the triggering events will occur and the estimated payment that would be made net of the estimated value of inventory that would be reacquired upon the occurrence of such events. The estimates are based on historical experience.

The Ally Agreement is effective through 30 April 2013, with automatic one-year renewals unless either party elects not to renew. Chrysler has notified Ally of its election not to renew the Ally Agreement for an additional term. On 6 February 2013, Chrysler signed a 10-year private-label agreement, subject to early termination in certain circumstances, with Santander Consumer USA Inc. to provide a full range of wholesale and retail financing services to Chrysler and Fiat customers and dealers which will be provided under the Chrysler Capital brand name. The new financing service is scheduled to launch 1 May 2013. Under the agreement, Santander Consumer USA Inc. has also provided Chrysler with consideration in the form of a non-refundable upfront payment which is payable prior to the launch of the new financing service, as well as on-going revenue sharing opportunities and commitments with respect to available funding, approval and penetration rates, price competitiveness and certain exclusivity rights. Santander Consumer USA Inc. will bear the risk of loss on loans contemplated by the agreement and the parties will share in any residual gains and losses in respect of consumer leases, subject to specific provisions including caps on Chrysler's participation in gain and losses contained in the Master Agreement. Ally Financial Inc. will continue to provide financial services to Chrysler and Fiat customers and dealers until 30 April 2013.

Other Repurchase Obligations
In accordance with the terms of other wholesale financing arrangements in Mexico, Chrysler is required to repurchase dealer inventory financed under these arrangements, upon certain triggering events and with certain exceptions, including in the event of an actual or constructive termination of a dealer's franchise agreement. These obligations exclude certain vehicles including, but not limited to, vehicles that have been damaged or altered, that are missing equipment or that have excessive mileage.

As of 31 December 2012, the maximum potential amount of future payments required to be made in accordance with these other wholesale financing arrangements was approximately €246 million and was based on the aggregate repurchase value of eligible vehicles financed through such arrangements in the respective dealer's stock. If vehicles are required to be repurchased through such arrangements, the total exposure would be reduced to the extent the vehicles can be resold to another dealer. The fair value of the guarantee was less than €0.1 million at 31 December 2012, which considers both the likelihood that the triggering events will occur and the estimated payment that would be made net of the estimated value of inventory that would be reacquired upon the occurrence of such events. The estimates are based on historical experience.

Other commitments and important contractual rights

The Group has important commitments and rights deriving from outstanding agreements, summarised in the following.

Teksid

Fiat S.p.A. is subject to a put contract with Renault in reference to the original investment of 33.5% in Teksid, now 15.2%. In particular, Renault would acquire the right to exercise a sale option to Fiat on its interest in Teksid, in the following cases:

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

The exercise price of the option is established as follows:

- for the original 6.5% of the share capital of Teksid, the initial investment price as 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.

Chrysler

As a result of the occurrence of the *Ecological Event* in early January 2012, at the date of this Annual report, Fiat holds a 58.5% membership interest in Chrysler; the remaining 41.5% is held by the VEBA Trust, the fund that provides certain health benefits to former employees of Chrysler. In addition Fiat is the holder of the VEBA Trust Call Option, pursuant to which it is entitled to acquire 40% of the membership interests currently held by the VEBA Trust, provided that Fiat is entitled to purchase no more than 8% of such membership interests in any six-month period. This option may be exercised from 1 July 2012 to 30 June 2016. For the VEBA Trust Call Option, prior to a Chrysler IPO the exercise price is determined using a defined market-based multiple (the average multiple of a basket of certain automotive manufacturers, not to exceed the trading multiple for Fiat) applied to Chrysler's EBITDA for the four most recent quarters less Chrysler's net industrial debt. If there has been a Chrysler IPO, the price is to be based on the trading price for Chrysler's ordinary shares. On 3 July 2012, Fiat notified VEBA of Fiat's exercise of its option to purchase a portion of VEBA's ownership interest in Chrysler. That tranche represents approximately 3.3% of Chrysler's outstanding equity. On 26 September 2012, Fiat announced that Fiat North America (a wholly-owned subsidiary) was seeking a declaratory judgment from the Delaware Court of Chancery to confirm the price to be paid for the stake, since the parties had not reached an agreement on the purchase price. On 3 January 2013, Fiat notified VEBA of its exercise of its option to purchase a second tranche of the interest held in Chrysler Group LLC by VEBA, representing approximately 3.3% of Chrysler's outstanding equity. In the event the transactions are completed as contemplated, Fiat will hold 65.17% of the outstanding equity in Chrysler.

In addition, on 21 July 2011 the U.S. Treasury assigned Fiat its rights under the *Equity Recapture Agreement*. The *Equity Recapture Agreement* provides Fiat the rights to the economic benefit associated with the membership interests held by the VEBA Trust once the VEBA Trust receives proceeds, including certain distributions, in excess of $4.25 billion plus interest of 9% per annum from 1 January 2010 ("Threshold Amount"). Once the VEBA Trust receives the Threshold Amount, any additional proceeds payable to the VEBA trust for Chrysler membership interest and any membership interest retained by the VEBA Trust are to be transferred to Fiat for no further consideration. In addition, Fiat has the right to acquire VEBA Trust's entire membership interest in Chrysler at a price equivalent to the specified Threshold Amount, less any proceeds already received by the VEBA Trust on that interest. These rights have been recognised in the Group's Statement of Financial Position at €57 million ($75 million).

If the VEBA Trust seeks to transfer its membership interests, it must provide notice to Fiat and Fiat will have an irrevocable non–transferable first option to purchase all or a portion of the offered securities at the same price and on the same terms and conditions as those negotiated by the VEBA Trust.

In accordance with paragraph AG81 of IAS 39 – *Financial Instruments: recognition and measurement*, both of options and rights have been recognised in the Consolidated financial statements at cost, since (i) the variability in the range of reasonable fair value estimates is significant for these instruments and (ii) the probabilities that are used to weight the various estimates in the range of fair values cannot be reasonably established and used in estimating fair value.

VM Motori
Following the acquisition of the 50% interest in the VM Motori group, the Fiat Group is party to a put and call agreement with General Motors under which two years after the date of this acquisition Fiat will have the right to buy the residual interest in VM Motori from General Motors. Furthermore, General Motors has a put option to sell its interest in VM Motori to Fiat if certain conditions occur.

Operating lease contracts
The Group has entered operating lease contracts for the right to use industrial buildings and equipment with an average term of 10-20 years and 3-5 years, respectively. At 31 December 2011 the total future minimum lease payments under non-cancellable lease contracts are as follows:

	At 31 December 2012				At 31 December 2011			
(€ million)	due within one year	due between one and five years	due beyond five years	Total	due within one year	due between one and five years	due beyond five years	Total
Future minimum lease payments under operating lease agreements	147	347	222	**716**	136	325	227	**688**

During 2012, the Group has recorded costs for lease payments of € 184 million (€118 million in 2011).

Contingent liabilities
As a global group with a diverse business portfolio, the Group is exposed to numerous legal risks, particularly in the areas of product liability, competition and antitrust law, environmental risks and tax matters, dealer and supplier relationships, intellectual property rights. The outcome of any proceedings cannot be predicted with certainty. These proceedings seek recovery for damage to property, personal injuries and in some cases include a claim for exemplary or punitive damage. It is therefore possible that legal judgments could give rise to expenses that are not covered, or not fully covered, by insurers' compensation payments and could affect the Group's financial position and results.

At 31 December 2012, contingent liabilities estimated by the Group for which no provisions have been recognised since an outflow of resources is not considered to be probable and for which a reliably estimate can be made amount to approximately €100 million (approximately €100 million at 31 December 2011). Furthermore, contingent assets and expected reimbursement in connection with these contingent liabilities for approximately €16 million (€14 million at 31 December 2011) have been estimated but not recognised.

Instead, when it is probable that an outflow of resources embodying economic benefits will be required to settle obligations and this amount can be reliably estimated, the Group recognises specific provisions for this purpose (see Note 27).

Furthermore, in connection with significant asset divestitures carried out in prior years, the Group 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 refer principally to potential liabilities arising from possible breaches of representations and warranties provided in the contracts and, in certain instances, environmental or tax matters, generally for a limited period of time. At 31 December 2012, potential obligations with respect to these indemnities were approximately €430 million (approximately €430 million at 31 December 2011). Against these obligations, at 31 December 2012 provisions of €62 million (€66 million 31 December 2011) have been made which are classified as Other provisions. The Group has provided certain other indemnifications that do not limit potential payment; it is not possible to estimate a maximum amount of potential future payments that could result from claims made under these indemnities.

33. Segment reporting
As a result of the acquisition of the majority ownership of Chrysler group and consistent with the objective of enhancing the operational integration of Fiat and Chrysler, and as already announced, Fiat has undertaken significant organizational changes that became effective from 1 September 2011. The new organization of the Mass-market Brands is based on four operating regions (the "regions") that deal with the development, production and sale of "mass-market brands" passenger cars, light commercial vehicles and related parts and services in specific geographical areas: NAFTA (U.S., Canada and Mexico), LATAM (South and Central America, excluding Mexico), APAC (Asia and Pacific countries) and EMEA (Europe, Middle East and Africa). In addition, there are two further operating segments, the first of which designs, manufactures and sells luxury and performance cars (Ferrari and Maserati) and the other that produces and sells components and production systems for the automotive industry (Magneti Marelli, Teksid and Comau). Both segments operate on a worldwide basis.

Under the Group's new organization, these regions and operating segments reflect the elements of the Group that are regularly reviewed by the Group's Chief Executive Officer together with the Group Executive Council for making strategic decisions, allocating resources and assessing performance. The Group Executive Council was formed on 1 September 2011 and includes the senior operating and corporate leadership of Fiat and Chrysler.

Based on the new structure of the Group, starting from 2012, the operations of the mass-market brands, which were previously reported under the sectors Fiat Group Automobiles, Fiat Powertrain and Chrysler, are now attributed to the four regions as described above. The Luxury and Performance Brands, as well as the Components and Production Systems sectors are reported under two groupings based on their similarities and relative size. The figures for 2011 presented for comparative purposes have been restated accordingly.

In more details, the regions and the operating segments identified by the Group are the following:

- NAFTA primarily earns its revenues from the design, development, production, distribution and sale of automobiles under the Chrysler, Jeep, Dodge, Ram, SRT and Fiat brand names, and from sales of the related parts and accessories (under the Mopar brand name) in the United States, Canada and Mexico.
- LATAM mainly earns its revenues from the production and sale of passenger cars and light commercial vehicles and related spare parts under the Fiat and Fiat Professional brand names in South and Central America, excluding Mexico, and from the distribution of Chrysler group brand cars in the same region; in addition, it provides financial services to the dealer network in Brazil and Argentina, and to the dealer network and end customers of Fiat Industrial group for the sale of trucks and commercial vehicles in the same countries.
- APAC mainly earns its revenues from the sale of cars, engines and transmissions and related spare parts under the Chrysler group and Fiat brands mostly in China, Japan, Australia and India. These activities are carried out by the region through both subsidiaries and joint ventures.
- EMEA earns its revenues from the design, development, production and sale of passenger cars and light commercial vehicles under the Fiat, Alfa Romeo, Lancia/Chrysler, Abarth and Fiat Professional brand names and the sale of the related spare parts in Europe, Middle East and Africa, and from the distribution of Chrysler group brand vehicles in the same areas. In addition, the region provides financial services related to the sale of cars and light commercial vehicles in Europe, primarily through the 50/50 joint venture FGA Capital set up with the Crédit Agricole group included within associates consolidated with the equity method.
- The Luxury and Performance Brands grouping (Ferrari and Maserati sectors) earns its revenues from the production and sale of luxury sport cars under the Ferrari and Maserati brands, from managing the Ferrari racing team and from providing financial services offered in conjunction with the sale of Ferrari brand cars.
- The Components and Production Systems (Magneti Marelli, Teksid and Comau) grouping earns its revenues from the production and sale of lighting components, engine control units, suspensions, shock absorbers, electronic systems, and exhaust systems and from activities in the plastic moulding components and in the after-market carried out under the Magneti Marelli brand name, cast iron components for engines, gearboxes, transmissions and suspension systems, and aluminium cylinder heads (Teksid), in addition to the design and production of industrial automation systems and related products for the automotive sector (Comau).

As stated in the Section Format of the financial statements, in addition to assessing the performance of its operating segments on the basis of Trading profit, beginning 2012, the Group also began assessing performance on the basis of Earnings before Interest and Taxes (EBIT) and has decided to report it as a separate line item in the income statement in place of Operating profit. The comparative amounts have been restated accordingly. EBIT consists of Trading profit/(loss), Result from investments, and other income/(expense) classified as unusual and was deemed more appropriate than Operating profit as an indicator of performance for the Group and its operating segments, since it also takes into account the Result from investments. Trading profit, on the other hand, which remains unchanged, reflects the result from normal operating activities before taking account of the Result from investments and unusual items such as Gains/(losses) on the disposal of investments, Restructuring costs and other income/(expense) classified as unusual.

Transactions among regions generally are presented on a "where-sold" basis, which reflects the profit/(loss) on the ultimate sale to the external customer sale within the region. This presentation generally eliminates the effect of the legal entity transfer price within the regions. For the regions which also provide financial services activities, revenues and costs also include interest income and expense and other financial income and expense arising from those activities.

Revenues, Trading profit/(loss) and EBIT of the other operating segments are those directly generated by or attributable to the segment as the result of its usual business activities and include revenues from transactions with third parties as well as those arising from transactions with regions and other operating segments, recognised at normal market prices. For Luxury and Performance Brands segment which also provides financial services activities, revenues and costs include interest income and expense, and other financial income and expense arising from those activities.

Other activities include the result of the activities and businesses that are not an operating segment under IFRS 8, the Unallocated items and adjustments include consolidation adjustments and eliminations in addition to financial income and expense and income taxes that are not attributable to the performance of the segments and are subject to separate assessment by the Chief Executive Officer. However Chrysler currently has, and is expected to continue to have, separate fiscal and treasury management, including funding and cash management.

Starting from 2012, operating assets are no longer included in the data reviewed by the Chief Executive Officer, consequently, as permitted by IFRS 8, the related information is not provided.

Details of the income statement by segment for the years ended 31 December 2012 and 2011 are as follows:

	Car Mass-Market brands				Performance and Luxury Brands	Components and Production Systems	Other activities	Unallocated items & adjustments	Fiat Group	of which: Fiat Group excluding Chrysler
(€ million)	NAFTA	LATAM	APAC	EMEA						
2012										
Segment revenues	43,521	11,062	3,128	17,800	2,898	8,030	979	(3,461)	**83,957**	**35,566**
Revenues from transactions with regions and other operating segments	(27)	(89)	(2)	(543)	(11)	(2,341)	(448)	3,461	-	(893)
Revenues from external customers	**43,494**	**10,973**	**3,126**	**17,257**	**2,887**	**5,689**	**531**	**-**	**83,957**	**34,673**
Trading profit/(loss)	**2,693**	**1,063**	**260**	**(704)**	**392**	**176**	**(85)**	**19**	**3,814**	**355**
Profit/(loss) from investments	-	-	(5)	160	-	2	(52)	2	107	110
Unusual income/(expense)	48	(31)	-	(194)	-	(11)	(12)	(44)	(244)	(261)
EBIT	**2,741**	**1,032**	**255**	**(738)**	**392**	**167**	**(149)**	**(23)**	**3,677**	**204**
Financial income/(expense)									(1,641)	(825)
Profit/(loss) before taxes									**2,036**	**(621)**
Income taxes									625	420
Profit/(loss) for the period									**1,411**	**(1,041)**

	Car Mass-Market brands				Performance and Luxury Brands	Components and Production Systems	Other activities	Unallocated items & adjustments	Fiat Group	of which: Fiat Group excluding Chrysler
(€ million)	NAFTA	LATAM	APAC	EMEA						
2011 (*)										
Segment revenues	19,830	10,562	1,513	19,591	2,699	8,122	1,068	(3,826)	**59,559**	**37,382**
Revenues from transactions with regions and other operating segments	(4)	(60)	(5)	(660)	(13)	(2,633)	(451)	3,826	-	(288)
Revenues from external customers	**19,826**	**10,502**	**1,508**	**18,931**	**2,686**	**5,489**	**617**	**-**	**59,559**	**37,094**
Trading profit/(loss)	**1,008**	**1,356**	**88**	**(557)**	**352**	**217**	**(74)**	**2**	**2,392**	**1,047**
Profit/(loss) from investments	4	-	(25)	160	-	(15)	5	2	131	130
Unusual income/(expense)	75	(25)	-	(544)	6	(312)	(39)	1,783 (**)	944	1,089
EBIT	**1,087**	**1,331**	**63**	**(941)**	**358**	**(110)**	**(108)**	**1,787**	**3,467**	**2,266**
Financial income/(expense)									(1,282)	(796)
Profit/(loss) before taxes									**2,185**	**1,470**
Income taxes									534	464
Profit/(loss) for the period									**1,651**	**1,006**

(*) Amounts reported for 2011 include the consolidation of Chrysler from 1 June 2011.
(**) Includes €2,017 million unusual income from measurement of the stake in Chrysler upon acquisition date, net of the related revaluation of Chrysler's inventories of €220 million which was recognized in the income statement in June.

Unallocated items, and in particular financial income /(expenses), are not attributed to the regions and operating segments as they do not fall under the scope of their operational responsibilities and are therefore assessed separately. These items arise from the management of treasury assets and liabilities by the treasuries of Fiat and Chrysler, which work independently and separately within the Group.

The Group's treasury assets and liabilities are as follows, as also reported in the Report on Operations:

		At 31 December 2012			At 31 December 2011		
(€ million)	Notes	Fiat Group with Chrysler	Chrysler	Fiat Group excluding Chrysler	Fiat Group with Chrysler	Chrysler	Fiat Group excluding Chrysler
Debt:	(28)	(27,889)	(10,312)	(17,586)	(26,772)	(10,537)	(16,245)
Asset-backed financing	(28)	(449)	-	(449)	(710)	(31)	(679)
Other debt	(28)	(27,440)	(10,312)	(17,137)	(26,062)	(10,506)	(15,566)
Current financial receivables from jointly-controlled financial services companies (a)		58	-	58	21	-	21
Intersegment financial receivables (b)		-	9	-	-	10	-
Debt, net of current financial receivables from jointly-controlled financial services companies		**(27,831)**	**(10,303)**	**(17,528)**	**(26,751)**	**(10,527)**	**(16,224)**
Other financial assets (c)	(21)	519	45	474	557	127	430
Other financial liabilities (c)	(21)	(201)	(42)	(159)	(429)	(100)	(329)
Current securities	(20)	256	-	256	199	-	199
Cash and cash equivalents	(22)	17,657	8,803	8,854	17,526	7,420	10,106
Net debt		**(9,600)**	**(1,497)**	**(8,103)**	**(8,898)**	**(3,080)**	**(5,818)**
Industrial Activities		*(6,545)*	*(1,497)*	*(5,048)*	*(5,529)*	*(3,080)*	*(2,449)*
Financial Services		*(3,055)*	*-*	*(3,055)*	*(3,369)*	*-*	*(3,369)*
Cash, cash equivalents and current securities		17,913	8,803	9,110	17,725	7,420	10,305
Undrawn committed credit lines	(28)	2,935	985	1,950	2,955	1,005	1,950
Total available liquidity		**20,848**	**9,788**	**11,060**	**20,680**	**8,425**	**12,255**

(a) Includes current financial receivables from FGA Capital.
(b) Includes the value of intercompany agreements recognized as finance leases (IFRIC 4).
(c) Includes fair value of derivative financial instruments.

34. Information by geographical area

The Group's parent company has its registered office in Italy. In 2012, revenues earned from external customers may be analysed as follows:

(€ million)	2012	2011
Italy	7,275	9,258
Rest of the world	76,682	50,301
Total revenues from external customers	**83,957**	**59,559**

Revenues earned from external customers in the Rest of the world in 2012 arise mainly from (in €million): United States, Canada and Mexico 45,170 (21,423 in 2011), Brazil for 9,834 (9,860 in 2011), Germany 3,167 (3,158 in 2011), China 2,697 (1,557 in 2011), France 2,055 (2,251 in 2011), UK 1,429 (1,321 in 2011), Turkey for 1,236 (1,357 in 2011), and Spain for 873 (1,019 in 2011).

In 2012 and 2011, no single external customer of the Group accounted for 10% or more of consolidated revenues.

Total Non-current assets located in Italy (excluding financial assets, deferred tax assets and defined benefit assets) totalled €9,855 million at 31 December 2012 (€9,569 million at 31 December 2011). The total of such assets located in the Rest of the world totalled €33,352 million at 31 December 2012 (€31,360 million 31 December 2011). Non-current assets located in the Rest of the world may be analysed as follows (in €million): United States, Canada and Mexico 26,733 (25,165 in 2011) Brazil 2,306 (2,463 in 2011) Poland 1,455 (1,511 in 2011) Serbia 985 (463 in 2011) China 273 (272 in 2011) France 204 (322 in 2011), and Germany 150 (170 in 2011).

35. Qualitative and quantitative information on financial risks

The Group is exposed to the following financial risks connected with its operations:

- credit risk, arising both from its normal commercial relations with final customers and dealers, and its financing activities;
- liquidity risk, with particular reference to the availability of funds and access to the credit market and to financial instruments in general;
- financial market risk (principally relating to exchange rates, interest rates and commodity prices), since the Group operates at an international level in different currencies and uses financial instruments which generate interests. The Group is also exposed to the risk of changes in the price of certain commodities and of certain listed shares.

These risks could significantly affect the Group's financial position and results, and for this reason the Group systematically identifies, and monitors these risks, in order to detect potential negative effects in advance and take the necessary action to mitigate them, primarily through its operating and financing activities and if required, through the use of derivative financial instruments.

Financial instruments held by the funds that manage pension plan assets are not included in this analysis (see the Note 26).

The following section provides qualitative and quantitative disclosures on the effect that these risks may have upon the Group. The quantitative data reported in the following do not have any predictive value, in particular the sensitivity analysis on finance market risks does not reflect the complexity of the market or the reaction which may result from any changes that are assumed to take place.

Credit risk

Credit risk is the risk of economic loss arising from the failure to collect a receivable. Credit risk encompasses the direct risk of default and the risk of a deterioration of the creditworthiness of the counterparty, as well as concentration risks.

The Group's credit risk differs in relation to the activities carried out. In particular, dealer financing and operating and financial lease activities that are carried out through the Group's financial services companies are exposed both to the direct risk of default and the deterioration of the creditworthiness of the counterparty, while the sale of vehicles and spare parts is mostly exposed to the direct risk of default of the counterparty. These risks are however mitigated by the fact that collection exposure is spread across a large number of counterparties and customers.

Taken overall, however, the credit risk regarding the Group's trade receivables and receivables from financing activities is concentrated in the European Union and Latin America markets for Fiat excluding Chrysler and in the North American market for Chrysler.

In order to test for impairment, significant receivables from corporate customers and receivables for which collectability is at risk are assessed individually, while receivables from end customers or small business customers are grouped into homogeneous risk categories. A receivable is considered impaired when there is objective evidence that the Group will be unable to collect all amounts due specified in the contractual terms. Objective evidence may be provided by the following factors: significant financial difficulties of the counterparty, the probability that the counterparty will be involved in an insolvency procedure or will default on its instalment payments, the restructuring or renegotiation of open items with the counterparty, changes in the payment status of one or more debtors included in a specific risk category and other contractual breaches. The calculation of the amount of the impairment loss is based on the risk of default by the counterparty, which is determined by taking into account all the information available as to the customer's solvency, the fair value of any guarantees received for the receivable and the Group's historical experience.

The maximum credit risk to which the Group is theoretically exposed at 31 December 2012 is represented by the carrying amounts of financial assets in the financial statements and the nominal value of the guarantees provided on liabilities and commitments to third parties as discussed in Note 32.

Dealers and final customers for which the Group provides financing are subject to specific assessments of their creditworthiness under a detailed scoring system; in addition to carrying out this screening process, the Group also obtains financial and non-financial guarantees for risks arising from credit granted for the sale of cars, whose amount depends on the amount of the assets sold. These guarantees are further strengthened where possible by reserve of title clauses on financed vehicle sales to the sales network and on vehicles assigned under finance leasing agreements.

Receivables for financing activities amounting to €3,727 million at 31 December 2012 contain balances totalling €7 million (€5 million at 31 December 2011), which have been written down on an individual basis. Of the remainder, balances totalling €107 million are past due by up to one month (€70 million at 31 December 2011), while balances totalling €62 million are past due by more than one month (€62 million at 31 December 2011). In the event of instalment payments, even if only one instalment is overdue, the whole amount of the receivable is classified as such.

Trade receivables and Other receivables amounting to €4,478 million at 31 December 2012 contain balances totalling €39 million (€78 million at 31 December 2011) which have been written down on an individual basis. Of the remainder, balances totalling €216 million are past due by up to one month (€314 million at 31 December 2011), while balances totalling €307 million are past due by more than one month (€313 million at 31 December 2011).

Provided that Current securities and Cash and cash equivalents are measured at fair value, there was no exposure to sovereign debt securities at 31 December 2011 which might lead to significant repayment risk.

Liquidity risk

Liquidity risk arises if the Group is unable to obtain the funds needed to carry out its operations under economic conditions. Any actual or perceived limitations on the Group's liquidity may affect the ability of counterparties to do business with the Group or may require additional amounts of cash and cash equivalents to be allocated as collateral for outstanding obligations.

The continuation of a difficult economic situation in the markets in which the Group operates and the uncertainties that characterise the financial markets, necessitate giving special attention to the management of liquidity risk. In that sense measures taken to generate funds through operations and to maintain a conservative level of available liquidity are an important factor for ensuring operational flexibility and addressing strategic challenges over the next few years.

The two main factors that determine the Group's liquidity situation are on the one hand the funds generated by or used in operating and investing activities and on the other the debt lending period and its renewal features or the liquidity of the funds employed and market terms and conditions.

The Group has adopted a series of policies and procedures whose purpose is to optimise the management of funds and to reduce liquidity risk as follows:

- centralising the management of receipts and payments, where it may be economical in the context of the local civil, currency and fiscal regulations of the countries in which the Group is present;
- maintaining a conservative level of available liquidity;
- diversifying the means by which funds are obtained and maintaining a continuous and active presence in the capital markets;
- obtaining adequate credit lines;
- monitoring future liquidity on the basis of business planning.

From an operating point of view the Group manages liquidity risk by monitoring cash flows and keeping an adequate level of funds at its disposal. The operating cash flows, main funding operations and liquidity of the Fiat Group excluding Chrysler are centrally managed in the Group's treasury companies with the aim of ensuring effective and efficient management of the Group's funds. These companies obtain funds on the financial markets by means which may assume different technical forms.

Chrysler manages the cash generated by its operations and coverage of its funding requirements independently. In this respect Fiat has pledged no guarantee, commitment or similar obligation in relation to any of Chrysler's financing obligations, nor has it assumed any kind of obligation or commitment to fund Chrysler in the future.

Details of the repayment structure of the Group's financial assets and liabilities are provided in Note 19 - Current Receivables and Other current assets and in Note 28 - Debt. Details of the repayment structure of derivative financial instruments are provided in Note 21.

The Group believes that the funds currently available to the treasuries of Fiat and Chrysler, in addition to those that will be generated from operating and financing activities, will enable the Fiat Group to satisfy the requirements of its investing activities and working capital needs, fulfil its obligations to repay its debt at the natural due dates and ensure an appropriate level of operating and strategic flexibility.

Financial market risks

The Group is exposed to the risks from fluctuations in foreign currency exchange and interest rates, the commodity prices associated with business operations, and, finally, the risk of a change in the price of certain shares.

The Group exposure to currency risk arises both in connection with the geographical distribution of the Group's industrial activities compared to the markets in which it sells its products, and in relation to the use of external borrowing denominated in foreign currencies.

The Group exposure to interest rate risk arises from the need to fund industrial and financial operating activities and the necessity to deploy surplus funds. Changes in market interest rates may have the effect of either increasing or decreasing the Group's net profit/(loss), thereby indirectly affecting the costs and returns of financing and investing transactions.

The Group's exposure to commodity price risk arises from the risk of changes occurring in the price of certain raw materials used in production. Changes in the price of raw materials could have a significant effect on the Group's results by indirectly affecting costs and product margins.

The Group regularly assesses its exposure to finance market risk and manages those risks through the use of derivative financial instruments in accordance with its established risk management policies.

The Group's policy permits derivatives to be used only for managing the exposure to fluctuations in exchange and interest rates as well as commodities prices connected with future cash flows and assets and liabilities, and not for speculative purposes.

The Group utilises derivative financial instruments designated as fair value hedges, mainly to hedge:

- the currency risk on financial instruments denominated in foreign currency;
- the interest rate risk on fixed rate loans and borrowings.

The instruments used for these hedges are mainly currency swaps, and interest rate swaps and combined interest rate and currency financial instruments.

The Group uses derivative financial instruments as cash flow hedges for the purpose of pre-determining:

- the exchange rate at which forecasted transactions denominated in foreign currencies will be accounted for;
- the interest paid on borrowings, both to match the fixed interest received on loans (customer financing activity), and to achieve a pre-defined mix of floating versus fixed rate funding structured loans;
- the price of certain commodities.

The exchange rate exposure on forecasted commercial flows is hedged by currency swaps, forward contracts and currency options. Interest rate exposures are usually hedged by interest rate swaps and, in limited cases, by forward rate agreements. Exposure to changes in the price of commodities is generally hedged by using commodity swaps.

Counterparties to these agreements are major and diverse financial institutions.

Information on the fair value of derivative financial instruments held at the balance sheet date is provided in Note 21.

Quantitative information on currency risk

The Group is exposed to risk resulting from changes in exchange rates, which can affect its earnings and equity. In particular:

- Where a Group company incurs costs in a currency different from that of its revenues, any change in exchange rates can affect the Operating result of that company. In 2012, the total trade flows exposed to currency risk amounted to the equivalent of 10% of the Group's turnover.
- The principal exchange rates to which the Group is exposed are the following:
  - USD/CAD, relating to sales in Canadian Dollars made by Chrysler in Canada;
  - EUR/USD, relating to sales in US Dollars made by Italian companies (in particular, companies belonging to the Performance and Luxury Brands operating segment) and to sales in Euro made by Chrysler;
  - GBP, AUD, MXN, CHF, CNY, ARS and VEF in relation to sales in the UK, Australian, Mexican, Swiss, Chinese, Argentinian and Venezuelan markets;
  - PLN and TRY, relating to manufacturing costs incurred in Poland and Turkey;
  - USD/BRL, EUR/BRL, relating to Brazilian manufacturing operations and the related import and export flows.

  Taken overall trade flows exposed to changes in these exchange rates in 2012 made up approximately 85% of the exposure to currency risk from trade transactions.
- It is the Group's policy to use derivative financial instruments to hedge a certain percentage, on average between 55% and 85%, of the forecast trading transaction exchange risk exposure for the coming 12 months (including such risk beyond that date where it is believed to be appropriate in relation to the characteristics of the business) and to hedge completely the exposure resulting from firm commitments.
- Group companies may find themselves with trade receivables or payables denominated in a currency different from the functional currency of the company itself. In addition, in a limited number of cases, it may be convenient from an economic point of view, or it may be required under local market conditions, for companies to obtain finance or use funds in a currency different from the functional currency. Changes in exchange rates may result in exchange gains or losses arising from these situations. It is the Group's policy to hedge fully, whenever possible, the exposure resulting from receivables, payables and securities denominated in foreign currencies different from the company's functional currency.
- Certain of the Group's subsidiaries are located in countries which are not members of the European monetary union, in particular the United States, Brazil, Canada, Poland, Serbia, Turkey, Mexico, Argentina, the Czech Republic, India, China and South Africa. As the Group's reference currency is the Euro, the income statements of those entities are converted into Euros using the average exchange rate for the period, and while revenues and margins are unchanged in local currency, changes in exchange rates may lead to effects on the converted balances of revenues, costs and the result in Euro.
- The assets and liabilities of consolidated companies whose money of account is different from the Euro may acquire converted values in Euros which differ as a function of the fluctuation in exchange rates. The effects of these changes are recognised directly in the item Cumulative Translation Adjustments reserve, included in Other Comprehensive income (see Note 24).

The Group monitors its principal exposure to conversion exchange risk, although there was no specific hedging in this respect at the balance sheet date.

There have been no substantial changes in 2012 in the nature or structure of exposure to currency risk or in the Group's hedging policies.

The potential loss in fair value of derivative financial instruments held for currency risk management (currency swaps/forwards, currency options, interest rate and currency swaps) at 31 December 2012 resulting from a hypothetical, unfavourable and instantaneous change of 10% in the exchange rates of the leading foreign currencies with the Euro would have been approximately €690 million (€625 million at 31 December 2011).

Receivables, payables and future trade flows whose hedging transactions have been analysed were not considered in this analysis. It is reasonable to assume that changes in exchange rates will produce the opposite effect, of an equal or greater amount, on the underlying transactions that have been hedged.

Quantitative information on interest rate risk

The manufacturing companies and treasuries of the Group make use of external funds obtained in the form of financing and invest in monetary and financial market instruments. In addition, Group companies make sales of receivables resulting from their trading activities on a continuing basis. Changes in market interest rates can affect the cost of the various forms of financing, including the sale of receivables, or the return on investments, and the employment of funds, causing an impact on the level of net financial expenses incurred by the Group.

In addition, the financial services companies provide loans (mainly to customers and dealers), financing themselves using various forms of direct debt or asset-backed financing (e.g. factoring of receivables). Where the characteristics of the variability of the interest rate applied to loans granted differ from those of the variability of the cost of the financing obtained, changes in the current level of interest rates can affect the Operating result of those companies and the Group as a whole.

In order to manage these risks, the Group uses interest rate derivative financial instruments, mainly interest rate swaps and forward rate agreements, when available in the market, with the object of mitigating, under economically acceptable conditions, the potential variability of interest rates on net profit/(loss).

In assessing the potential impact of changes in interest rates, the Group separates out fixed rate financial instruments (for which the impact is assessed in terms of fair value) from floating rate financial instruments (for which the impact is assessed in terms of cash flows).

The fixed rate financial instruments used by the Group consist principally of part of the portfolio of the financial services companies (basically customer financing and financial leases) and part of debt (including subsidised loans and bonds).

The potential loss in fair value of fixed rate financial instruments (including the effect of interest rate derivative financial instruments) held at 31 December 2012, resulting from a hypothetical, unfavourable and instantaneous change of 10% in market interest rates, would have been approximately €100 million (€140 million at 31 December 2011). The change over the previous year is mainly attributable to interest rate levels used as based for sensitivity analysis.

Floating rate financial instruments consist principally of cash and cash equivalents, loans provided by the financial services companies to the sales network and part of debt. The effect of the sale of receivables is also considered in the sensitivity analysis as well as the effect of hedging derivative instruments.

A hypothetical, unfavourable and instantaneous change of 10% in short-term interest rates at 31 December 2012, applied to floating rate financial assets and liabilities, operations for the sale of receivables and derivative financial instruments, would have caused increased net expenses before taxes, on an annual basis, of approximately €10 million (€10 million at 31 December 2011).

This analysis is based on the assumption that there is a general and instantaneous change of 10% in interest rates across homogeneous categories. A homogeneous category is defined on the basis of the currency in which the financial assets and liabilities are denominated.

Quantitative information on commodity price risk

The Group has entered into derivative contracts for certain commodities to hedge its exposure to commodity price risk associated with buying raw materials used in its normal operations.

In connection with the commodity price derivative contracts outstanding at 31 December 2012, a hypothetical, unfavourable and instantaneous change of 10% in the price of the commodities at that date would have caused a fair value loss of €51 million (€58 million at 31 December 2011).

Quantitative information on other risks on derivative financial instruments

As described in Note 21, the Group holds derivative financial instruments, whose value is linked to the price of listed shares (equity swaps on Fiat S.p.A. and Fiat Industrial S.p.A. shares). Although these transactions were entered into for hedging purposes, they do not qualify for hedge accounting under IFRS. As a consequence, the variability of the underlying values could have an effect on the Group's net profit/(loss).

In the event of a hypothetical, unfavourable and instantaneous change of 10% in the underlying values, the potential loss in fair value of outstanding derivative financial instruments at 31 December 2012 linked to the Fiat S.p.A. and Fiat Industrial S.p.A share price would have been approximately €20 million (€17 million at 31 December 2011). The change over the previous year is due to the different price of the share at the end of the year (which is used as a basis for the simulation).

36. Fair value measurement

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

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

The following table provides an analysis under this hierarchy of the financial instruments measured at fair value at 31 December 2012:

(€ million)	Note	Level 1	Level 2	Level 3	Total
Assets at fair value available for sale:					
Investments at fair value with changes directly in other comprehensive income	(17)	142	-	-	**142**
Investments at fair value through profit or loss	(17)	153	-	-	**153**
Other non-current securities	(17)	48	-	12	**60**
Current securities available-for-sale	(20)	83	-	-	**83**
Financial assets at fair value held-for-trading:					
Current investments		32	-	-	**32**
Current securities held for trading	(20)	173	-	-	**173**
Other financial assets	(21)	-	492	9	**501**
Total Assets		**631**	**492**	**21**	**1,144**
Other financial liabilities	(21)	-	(199)	(2)	**(201)**
Total Liabilities		**-**	**(199)**	**(2)**	**(201)**

The other financial assets and liabilities classified in Level 3 relate to certain derivatives on commodities for which fair value is not directly determined on the basis of observable market data.

In 2012, there were no transfers from Level 1 to Level 2 or vice versa.

The following table provides changes in Level 3 in 2012:

(€ million)	Other non-current securities	Other financial assets/ (liabilities)
Balances at 31 December 2011	**12**	**(27)**
Gains/(Losses) recognised in Other comprehensive income/(loss)	-	40
(Gains)/Losses recognised in profit or loss	-	(28)
Increases/(Decreases)	-	22
Balances at 31 December 2012	**12**	**7**

In 2012, there were no transfers from Level 3 to other levels or vice versa.

37. Related party transactions

Pursuant to IAS 24, the related parties of Fiat Group are entities and individuals capable of exercising control, joint control or significant influence over Fiat Group and its subsidiaries, companies belonging to the Exor Group, (including the Fiat Industrial group) and unconsolidated subsidiaries, associates or joint ventures of Fiat Group. In addition, members of Fiat Group Board of Directors, Board of Statutory Auditors and executives with strategic responsibilities and their families are also considered related parties.

The Group carries out transactions with unconsolidated subsidiaries, jointly-controlled entities, associates and other related parties, on commercial terms that are normal in the respective markets, considering the characteristics of the goods or services involved. Transactions carried out by the Group with unconsolidated subsidiaries, jointly-controlled entities, associates and other related parties are primarily of those a commercial nature, which have had an effect on revenues, cost of sales, and trade receivables and payables; these transactions regard in particular:

- the sale of motor vehicles to the jointly-controlled entities Tofas-Turk Otomobil Fabrikasi A.S. and FGA Capital group;
- the sale of engines, other components and production systems to the jointly-controlled entities Società Europea Veicoli Leggeri-Sevel S.p.A. and Société Européenne de Véhicules Légers du Nord-Sevelnord Société Anonyme and, to the Chrysler Group in the first 5 months of 2011 and companies of the Fiat Industrial group;
- the provision of services, recharges of research costs and the sale of goods to the jointly-controlled entities Fiat India Automobiles Limited and GAC FIAT Automobiles Co Ltd;
- the purchase of motor vehicles from the jointly-controlled entities Società Europea Veicoli Leggeri-Sevel S.p.A., Tofas-Turk Otomobil Fabrikasi A.S, Société Européenne de Véhicules Légers du Nord-Sevelnord Société Anonyme and FGA Capital group and, to the Chrysler Group in the first 5 months of 2011;
- the purchase of engines from the jointly-controlled entity Fiat India Automobiles Limited and from the VM Motori group;
- the purchase of commercial vehicles from the Fiat Industrial Group;
- the purchase of goods for the high range and deluxe upholstery of the Group's automobiles from Poltrona Frau group, a company listed on the Italian Stock Exchange in which Fiat S.p.A. Board member Luca Cordero di Montezemolo holds an indirect investment.

The most significant financial transactions with related parties generated receivables from financing activities of the Group's financial services companies due from jointly-controlled entities and asset-backed financing relating to amounts due to FGA Capital for the sale of receivables which do not qualify for derecognition under IAS 39. At 31 December 2012 and at 31 December 2011, Receivables from financing activities due from related parties also included receivables due from Fiat Industrial group companies mainly arising from customer factoring provided by the Group's financial services companies. On the other hand, Debt due to related parties included certain balances due to Fiat Industrial group companies, mainly relating to factoring and dealer financing in Latin America.

In accordance with IAS 24, transactions with related parties also include compensation payable to Directors, Statutory Auditors and managers with strategic responsibilities.

The amounts of the transactions with related party recognised in the 2012 and 2011 income statements are as follows:

(€ million)	2012 Net Revenues	2012 Cost of sales	2012 Selling, general and administrative costs	2012 Financial income/ (expenses)	2011 Net Revenues	2011 Cost of sales	2011 Selling, general and administrative costs	2011 Financial income/ (expenses)
Tofas-Turk Otomobil Fabrikasi A.S.	1,115	1,227	4	-	1,257	1,289	10	-
Società Europea Veicoli Leggeri-Sevel S.p.A.	470	1,526	-	-	465	1,603	-	-
FGA Capital group	200	82	12	(28)	207	80	14	(34)
Fiat India Automobiles Limited	38	-	1	-	42	14	-	-
GAC FIAT Automobiles Co Ltd	147	-	-	-	42	3	-	-
Société Européenne de Véhicules Légers du Nord-Sevelnord Société Anonyme (*)	24	218	-	-	32	265	-	-
VM Motori group	-	215	-	-	-	115	-	-
Other	8	4	-	-	4	4	-	-
Total jointly-controlled entities	**2,002**	**3,272**	**17**	**(28)**	**2,049**	**3,373**	**24**	**(34)**
Chrysler Group (**)	-	-	-	-	165	310	-	-
To-dis S.r.l.	48	2	-	-	51	3	-	-
Arab American Vehicles Company S.A.E.	24	-	-	-	-	-	-	-
Other	6	1	7	-	2	-	10	-
Total associates	**78**	**3**	**7**	**-**	218	313	10	-
Fiat Industrial group	676	264	1	-	663	428	1	72
Tata Steel IJmuiden BV	-	-	-	-	-	55	-	-
Poltrona Frau group	-	18	-	-	-	25	-	-
Directors, Statutory Auditors and Key Management	-	-	57	-	-	-	58	-
Other	1	18	7	-	2	7	3	-
Total other related parties and Fiat Industrial group	**677**	**300**	**65**	**-**	**665**	**515**	**62**	**72**
Total unconsolidated subsidiaries	**36**	**99**	**27**	**3**	**38**	**71**	**21**	**2**
Total of which related parties	**2,793**	**3,674**	**116**	**(25)**	**2,970**	**4,272**	**117**	**40**
Total	**83,957**	**71,474**	**6,731**	**(1,641)**	**59,559**	**50,704**	**5,047**	**(1,282)**
Effect on Total (%)	**3.3%**	**5.1%**	**1.7%**		**5.0%**	**8.4%**	**2.3%**	

(*) Investment classified as Asset held for sale.
(**) The revenues and cost of sales relating to the Chrysler group refer in 2011 to the first five months.

Non-financial assets and liabilities originated by related party transactions outstanding at 31 December 2012 and 31 December 2011 are as follows:

	At 31 December 2012				At 31 December 2011			
(€ million)	Trade receivables	Trade payables	Other current assets	Other current liabilities	Trade receivables	Trade payables	Other current assets	Other current liabilities
Tofas-Turk Otomobil Fabrikasi A.S.	32	257	-	2	26	262	-	-
Società Europea Veicoli Leggeri-Sevel S.p.A.	23	396	3	5	44	615	12	10
FGA Capital group	64	147	12	85	63	104	19	80
Fiat India Automobiles Limited	96	5	2	-	102	6	2	-
GAC FIAT Automobiles Co Ltd	23	4	-	-	18	3	-	-
Société Européenne de Véhicules Légers du Nord-Sevelnord Société Anonyme (*)	1	55	-	-	1	35	-	-
VM Motori group	-	20	-	-	-	34	-	-
Other	7	17	1	-	4	2	1	-
Total jointly-controlled entities	**246**	**901**	**18**	**92**	**258**	**1,061**	**34**	**90**
Arab American Vehicles Company S.A.E.	11	3	-	-	10	5	-	-
Other	29	4	-	27	10	6	-	24
Total associates	**40**	**7**	**-**	**27**	**20**	**11**	**-**	**24**
Fiat Industrial group	74	30	27	45	97	30	28	13
Tata Steel IJmuiden BV	-	-	-	-	-	10	-	-
Poltrona Frau group	-	5	-	-	-	7	-	-
Directors, Statutory Auditors and Key Management	-	-	-	14	-	-	-	-
Other	-	11	-	-	-	7	-	-
Total other related parties and Fiat Industrial group	**74**	**46**	**27**	**59**	**97**	**54**	**28**	**13**
Total unconsolidated subsidiaries	**24**	**15**	**4**	**1**	**36**	**13**	**8**	**3**
Total of which related parties	**384**	**969**	**49**	**179**	**411**	**1,139**	**70**	**130**
Total	**2,702**	**16,558**	**2,163**	**7,781**	**2,625**	**16,418**	**2,088**	**7,538**
Effect on Total (%)	**14.2%**	**5.9%**	**2.3%**	**2.3%**	**15.7%**	**6.9%**	**3.4%**	**1.7%**

(*) Investment classified as Asset held for sale.

Financial assets and liabilities originated by related party transactions outstanding at 31 December 2012 and 31 December 2011 are as follows:

(€ million)	At 31 December 2012 Current Receivables from financing activities	At 31 December 2012 Asset-backed financing	At 31 December 2012 Other debt	At 31 December 2011 Current Receivables from financing activities	At 31 December 2011 Asset-backed financing	At 31 December 2011 Other debt
FGA Capital group	88	56	96	32	92	118
Società Europea Veicoli Leggeri-Sevel S.p.A.	24	-	4	45	-	-
Other	5	-	-	37	-	-
Total jointly-controlled entities	**117**	**56**	**100**	**114**	**92**	**118**
Global Engine Alliance LLC	-	-	4	2	-	4
Total associates	**-**	**-**	**4**	**2**	**-**	**4**
Fiat Industrial group	18	5	87	43	9	68
Total other related parties and Fiat Industrial group	**18**	**5**	**87**	**43**	**9**	**68**
Total unconsolidated subsidiaries	**66**	**-**	**20**	**38**	**-**	**40**
Total of which related parties	**201**	**61**	**211**	**197**	**101**	**230**
Total	**3,727**	**449**	**27,440**	**3,968**	**710**	**26,062**
Effect on Total (%)	**5.4%**	**13.6%**	**0.8%**	**5.0%**	**14.2%**	**0.9%**

Guarantees granted and other commitments to related parties

Other guarantees pledged in favour of related parties at 31 December 2012 and 2011 are as follows:

(€ million)	At 31 December 2012	At 31 December 2011
Total jointly-controlled entities	5	8
Total other related parties and Fiat Industrial group	7	10
Total unconsolidated subsidiaries	13	12
Total of which related parties	**25**	**30**

Emoluments to Directors, Statutory Auditors and Key Management

The fees of the Director and Statutory Auditors of Fiat S.p.A. for carrying out their respective functions, including those in other consolidated companies, are as follows:

(in € thousands)	2012	2011
Directors (a)	22,780	24,570
Statutory auditors	229	260
Total Emoluments	**23,009**	**24,830**

(a) This amount includes the notional compensation cost arising from stock grants granted to the Chief Executive Officer.

The aggregate compensation payable to executives with strategic responsibilities was approximately €34 million for 2012. This is inclusive of an amount of €5 million as the Fiat Group's contribution to State and employer defined contribution pension funds.

38. Non-recurring transactions

Pursuant to Consob Communication DEM/6064293 of 28 July 2006, the Group did not carry out any significant non-recurring operations in 2012.

39. Transactions resulting from unusual and/or abnormal operations

Pursuant to Consob Communication DEM/6064293 of 28 July 2006, the Group did not carry out any unusual and/or abnormal operations in 2012 as defined in that Communication (for the definition of these see the Section –Format of the financial statements).

40. Other information

Pursuant to Articles 70 (8) and 71 (1-bis) of the Consob Issuer Regulations, the Board of Directors approved the opt-out from the obligation to publish an information document for significant transactions (e.g., significant mergers, spin-offs, share capital increases by means of in-kind contributions of assets, acquisitions and disposals).

41. Subsequent events

- On 9 January 2013, Chrysler Group announced that it had received a demand from the VEBA, pursuant to the Shareholder Agreement, seeking registration of approximately 16.6% of Chrysler Group's outstanding equity interests currently owned by VEBA.
- On 18 January 2013, Fiat Group Automobiles S.p.A. (FGA) and Mazda Motor Corporation (Mazda) signed a final agreement for the development and manufacture of a new roadster for the Mazda and Alfa Romeo brands, based on Mazda's next-generation MX-5 rear-wheel-drive architecture. Each model will be powered by proprietary engines unique to the respective brands. Both vehicles will be manufactured at the Mazda plant in Hiroshima, Japan. Production of the Alfa Romeo model is scheduled to begin in 2015.
- On 6 February 2013, Chrysler signed a 10-year private-label agreement, subject to early termination in certain circumstances, with Santander Consumer USA Inc. to provide a full range of wholesale and retail financing services to Chrysler and Fiat customers and dealers which will be provided under the Chrysler Capital brand name. The new financing service is scheduled to launch 1 May 2013. Under the agreement, Santander Consumer USA Inc. has also provided Chrysler with consideration in the form of a non-refundable upfront payment which is payable prior to the launch of the new financing service, as well as on-going revenue sharing opportunities and commitments with respect to available funding, approval and penetration rates, price competitiveness and certain exclusivity rights. Santander Consumer USA Inc. will bear the risk of loss on loans contemplated by the agreement and the parties will share in any residual gains and losses in respect of consumer leases, subject to specific provisions including caps on Chrysler's participation in gains and losses contained in the Master Agreement. Ally Financial Inc. will continue to provide financial services to Chrysler and Fiat customers and dealers until 30 April 2013.

20 February 2013

On behalf of the Board of Directors

/s/ John Elkann

John Elkann

CHAIRMAN

Appendix I
Fiat Group Companies
at 31 December 2012

In accordance with Article 126 of Consob Regulation 11971 of 14 May 1999, as subsequently amended, a complete list of Group companies and significant investments at 31 December 2012 is provided on the following pages.

Companies in the list are grouped according to type of control, method of consolidation and classification by operating segment (pursuant to IFRS 8).

For each company, the following information is provided: name, location of registered office, country and share capital stated in original currency. Additionally, the percentage consolidated and the percentage interest held directly by Fiat S.p.A. or its subsidiary is also shown.

The column on the far right shows the percentage of voting rights exercisable at an ordinary general meeting, where such percentage differs from the percentage of shares held.

Name	Registered Office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
CONTROLLING COMPANY								
Parent Company								
Fiat S.p.A.	Turin	Italy	4,476,441,927	EUR	--	--	--	--
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS								
Business Auto: Car Mass-Market brands								
NAFTA								
0847574 B.C. Unlimited Liability Company	Vancouver	Canada	1	CAD	58.54	New CarCo Acquisition Canada Ltd.	100.000	
Auburn Hills Mezzanine LLC	Wilmington	U.S.A.	100	USD	58.54	CHRYSLER GROUP REALTY COMPANY LLC	100.000	
Auburn Hills Owner LLC	Wilmington	U.S.A.	100	USD	58.54	Auburn Hills Mezzanine LLC	100.000	
Autodie LLC	Wilmington	U.S.A.	10,000,000	USD	58.54	Chrysler Group LLC	100.000	
CG EC2 LLC	Wilmington	U.S.A.	0	USD	58.54	CG EC1 LLC	100.000	
Chrysler Canada Cash Services Inc.	Toronto	Canada	1,000	CAD	58.54	Chrysler Group LLC	100.000	
Chrysler Canada Inc.	Windsor	Canada	0	CAD	58.54	0847574 B.C. Unlimited Liability Company	100.000	
Chrysler de Mexico S.A. de C.V.	Santa Fe	Mexico	238,621,186	MXN	58.54	Chrysler Mexico Holding, S. de R.L. de C.V. Chrysler Group Minority LLC	99.996 0.004	
CHRYSLER GROUP AUTO TRANSPORT LLC	Wilmington	U.S.A.	100	USD	58.54	Chrysler Group LLC	100.000	
CHRYSLER GROUP DEALER CAPITAL LLC	Wilmington	U.S.A.	0	USD	58.54	Chrysler Group LLC	100.000	
CHRYSLER GROUP INTERNATIONAL LLC	Wilmington	U.S.A.	0	USD	58.54	Chrysler Group LLC	100.000	
CHRYSLER GROUP INTERNATIONAL SERVICES LLC	Wilmington	U.S.A.	0	USD	58.54	Chrysler Group LLC	100.000	
Chrysler Group LLC	Wilmington	U.S.A.	0	USD	58.54	FIAT NORTH AMERICA LLC	58.538	
Chrysler Group Minority LLC	Wilmington	U.S.A.	0	USD	58.54	Chrysler Group LLC	100.000	
CHRYSLER GROUP REALTY COMPANY LLC	Wilmington	U.S.A.	168,769,528	USD	58.54	Chrysler Group LLC	100.000	
Chrysler Group Service Contracts LLC	Wilmington	U.S.A.	100,000,000	USD	58.54	Chrysler Group LLC	100.000	
CHRYSLER GROUP TRANSPORT LLC	Wilmington	U.S.A.	0	USD	58.54	Chrysler Group LLC	100.000	
CHRYSLER GROUP VANS LLC	Wilmington	U.S.A.	0	USD	58.54	Chrysler Group LLC	100.000	
Chrysler Investment Holdings LLC	Wilmington	U.S.A.	173,350,999	USD	58.54	Chrysler Group LLC	100.000	
Chrysler Lease Receivables 1 Inc.	Windsor	Canada	100	CAD	58.54	Chrysler Canada Inc.	100.000	
Chrysler Lease Receivables 2 Inc.	Windsor	Canada	100	CAD	58.54	Chrysler Canada Inc.	100.000	

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS (continued)

Name	Registered Office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
Chrysler Lease Receivables Limited Partnership	Windsor	Canada	0	CAD	58.54	Chrysler Canada Inc.	99.990	
						Chrysler Lease Receivables 1 Inc.	0.005	
						Chrysler Lease Receivables 2 Inc.	0.005	
Chrysler Mexico Holding, S. de R.L. de C.V.	Santa Fe	Mexico	3,377,922,033	MXN	58.54	Chrysler Mexico Investment Holdings Cooperatie U.A.	99.900	
						CarCo Intermediate Mexico LLC	0.100	
CPK Interior Products Inc.	Windsor	Canada	1,000	CAD	58.54	Chrysler Canada Inc.	100.000	
Global Engine Manufacturing Alliance LLC	Wilmington	U.S.A.	300,000	USD	58.54	Chrysler Group LLC	100.000	
New CarCo Acquisition Canada Ltd.	Toronto	Canada	1,000	CAD	58.54	New CarCo Acquisition Holdings Canada Ltd.	100.000	
New CarCo Acquisition Holdings Canada Ltd.	Toronto	Canada	1,000	CAD	58.54	Chrysler Group LLC	100.000	
Operadora G.C. S.A. de C.V.	Santa Fe	Mexico	99,999	MXN	58.54	Chrysler Mexico Holding, S. de R.L. de C.V.	99.999	
						Chrysler de Mexico S.A. de C.V.	0.001	
				LATAM				
Banco Fidis S.A.	Betim	Brazil	428,660,600	BRL	100.00	Fidis S.p.A.	75.000	
						Fiat Automoveis S.A. - FIASA	25.000	
Chrysler Argentina S.R.L.	Buenos Aires	Argentina	29,335,170	ARS	58.54	Chrysler Group LLC	98.000	
						Chrysler Group Minority LLC	2.000	
Chrysler Chile Importadora Ltda	Santiago	Chile	41,800,000	CLP	58.54	Chrysler Group LLC	99.990	
						Chrysler Group Minority LLC	0.010	
Chrysler de Venezuela LLC	Wilmington	U.S.A.	132,474,694	USD	58.54	CG Venezuela UK Holdings Limited	100.000	
CHRYSLER GROUP DO BRASIL COMERCIO DE VEICULOS Ltda.	São Paulo	Brazil	31,517,999	BRL	58.54	Chrysler Group LLC	100.000	
Fiat Auto Argentina S.A.	Buenos Aires	Argentina	476,464,366	ARS	100.00	Fiat Automoveis S.A. - FIASA	100.000	
Fiat Auto S.A. de Ahorro para Fines Determinados	Buenos Aires	Argentina	109,535,149	ARS	100.00	Fiat Auto Argentina S.A.	100.000	
Fiat Automoveis S.A. - FIASA	Betim	Brazil	1,069,492,850	BRL	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Credito Compania Financiera S.A.	Buenos Aires	Argentina	272,285,370	ARS	100.00	Fidis S.p.A.	100.000	
FPT Powertrain Technologies do Brasil - Industria e Comércio de Motores Ltda	Campo Largo	Brazil	197,792,500	BRL	100.00	Fiat Automoveis S.A. - FIASA	100.000	
TCA - Tecnologia em Componentes Automotivos SA	Jaboatao do Guararapes	Brazil	70,840,185	BRL	100.00	Fiat Automoveis S.A. - FIASA	100.000	
				APAC				
Chrysler (Hong Kong) Automotive Limited	Hong Kong	People's Rep.of China	10,000,000	EUR	58.54	Chrysler Group LLC	100.000	
Chrysler Asia Pacific Investment Co. Ltd.	Shanghai	People's Rep.of China	4,500,000	CNY	58.54	Chrysler (Hong Kong) Automotive Limited	100.000	
Chrysler Australia Pty. Ltd.	Mulgrave	Australia	143,629,774	AUD	58.54	Chrysler Group LLC	100.000	
Chrysler Group (China) Sales Co. Ltd.	Beijing	People's Rep.of China	10,000,000	EUR	58.54	Chrysler (Hong Kong) Automotive Limited	100.000	

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS (continued)

Name	Registered Office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
Chrysler India Automotive Private Limited	Chennai	India	99,990	INR	58.54	Chrysler Netherlands Distribution B.V.	99.990	
						CHRYSLER GROUP DUTCH OPERATING LLC	0.010	
Chrysler Japan Co., Ltd.	Tokyo	Japan	100,000,000	JPY	58.54	Chrysler Group LLC	100.000	
Chrysler Korea, Ltd.	Seoul	South Korea	32,639,200,000	KRW	58.54	Chrysler Group LLC	100.000	
Chrysler South East Asia Pte. Ltd.	Singapore	Singapore	3,010,513	SGD	58.54	Chrysler Group LLC	100.000	
Fiat Automotive Finance Co. Ltd.	Shanghai	People's Rep.of China	500,000,000	CNY	100.00	Fidis S.p.A.	100.000	
FIAT GROUP AUTOMOBILES INDIA Private Limited	Mumbai	India	112,100,000	INR	100.00	Fiat Group Automobiles S.p.A.	99.990	
						FGA Investimenti S.p.A.	0.010	
Fiat Group Automobiles Japan K.K.	Minatu-Ku. Tokyo	Japan	420,000,000	JPY	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Powertrain Technologies (Shanghai) R&D Co. Ltd.	Shanghai	People's Rep.of China	10,000,000	EUR	100.00	Fiat Powertrain Technologies SpA	100.000	
Mopar (Shanghai) Auto Parts Trading Co. Ltd.	Shanghai	People's Rep.of China	5,000,000	USD	58.54	Chrysler Asia Pacific Investment Co. Ltd.	100.000	
EMEA								
Abarth & C. S.p.A.	Turin	Italy	1,500,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Alfa Romeo Automobiles S.p.A.	Turin	Italy	120,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Alfa Romeo U.S.A. S.p.A.	Turin	Italy	120,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
C.R.F. Società Consortile per Azioni	Orbassano	Italy	45,000,000	EUR	100.00	Fiat Group Automobiles S.p.A.	75.000	
						Fiat Gestione Partecipazioni S.p.A.	20.000	
						Fiat Powertrain Technologies SpA	5.000	
CG Venezuela UK Holdings Limited	Slough Berkshire	United Kingdom	100	GBP	58.54	Chrysler Group LLC	100.000	
Chrysler & Jeep Vertriebsgesellschaft mbH	Berlin	Germany	25,600	EUR	100.00	Fiat Group Automobiles Germany AG	100.000	
Chrysler Austria GmbH	Vienna	Austria	4,300,000	EUR	58.54	Chrysler Deutschland GmbH	100.000	
CHRYSLER BALKANS d.o.o. Beograd	Beograd	Serbia	500	EUR	58.54	Chrysler Group LLC	100.000	
Chrysler Belgium Luxembourg NV/SA	Brussels	Belgium	28,262,700	EUR	58.54	Chrysler Group LLC	99.998	
						Chrysler Group Minority LLC	0.002	
Chrysler Czech Republic s.r.o.	Prague	Czech Republic	55,932,000	EUR	58.54	Chrysler Group LLC	99.964	
						Chrysler Group Minority LLC	0.036	
Chrysler Danmark ApS	Glostrup	Denmark	1,000,000	EUR	58.54	Chrysler Group LLC	100.000	
Chrysler Deutschland GmbH	Berlin	Germany	20,426,200	EUR	58.54	Chrysler Group LLC	100.000	
Chrysler Espana S.L.	Alcalá De Henares	Spain	16,685,690	EUR	58.54	Chrysler Group LLC	100.000	
Chrysler France S.A.S.	Trappes	France	460,000	EUR	58.54	Chrysler Group LLC	100.000	
Chrysler Group Egypt Limited	New Cairo	Egypt	240,000	EGP	58.54	Chrysler Group LLC	99.000	
						Chrysler Group Minority LLC	1.000	
Chrysler Group Middle East FZ-LLC	Dubai	United Arab Emirates	300,000	AED	58.54	CHRYSLER GROUP INTERNATIONAL LLC	100.000	
Chrysler International GmbH	Stuttgart	Germany	25,000	EUR	58.54	Chrysler Group LLC	100.000	
Chrysler Italia S.r.l.	Rome	Italy	100,000	EUR	58.54	Chrysler Group LLC	100.000	
Chrysler Jeep International S.A.	Brussels	Belgium	1,860,000	EUR	58.54	Chrysler Group LLC	99.998	
						Chrysler Group Minority LLC	0.002	

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS (continued)

Name	Registered Office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
Chrysler Management Austria GmbH	Gossendorf	Austria	75,000	EUR	58.54	Chrysler Austria GmbH	100.000	
Chrysler Mexico Investment Holdings Cooperatie U.A.	Amsterdam	Netherlands	0	EUR	58.54	Chrysler Investment Holdings LLC	99.990	
						Chrysler Group Minority LLC	0.010	
Chrysler Nederland B.V.	Utrecht	Netherlands	19,000	EUR	58.54	Chrysler Group LLC	100.000	
Chrysler Netherlands Distribution B.V.	Amsterdam	Netherlands	90,000	EUR	58.54	Chrysler Netherlands Holding Cooperatie U.A.	100.000	
Chrysler Polska Sp. z o.o.	Warsaw	Poland	30,356,000	PLN	58.54	Chrysler Group LLC	100.000	
Chrysler Russia SAO	Moscow	Russia	574,665,000	RUB	58.54	Chrysler Group LLC	99.999	
						Chrysler Group Minority LLC	0.001	
Chrysler South Africa (Pty) Limited	Centurion	South Africa	200	ZAR	58.54	Chrysler Group LLC	100.000	
Chrysler Sweden AB	Kista	Sweden	100,000	SEK	58.54	Chrysler Group LLC	100.000	
Chrysler Switzerland GmbH	Schlieren	Switzerland	2,000,000	CHF	58.54	Chrysler Group LLC	100.000	
Chrysler UK Limited	Slough Berkshire	United Kingdom	46,582,132	GBP	58.54	Chrysler Group LLC	100.000	
Customer Services Centre S.r.l.	Turin	Italy	2,500,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Easy Drive S.r.l.	Turin	Italy	10,400	EUR	100.00	Fiat Group Automobiles S.p.A.	99.000	
						Fiat Center Italia S.p.A.	1.000	
Fabbrica Italia Pomigliano S.p.A.	Pomigliano d'Arco	Italy	50,000,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
FGA Austro Car GmbH	Vienna	Austria	35,000	EUR	100.00	Fiat Group Automobiles Austria GmbH	100.000	
FGA Investimenti S.p.A.	Turin	Italy	2,000,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
FGA Versicherungsservice GmbH	Heilbronn	Germany	26,000	EUR	100.00	Fiat Group Automobiles Germany AG	51.000	
						Rimaco S.A.	49.000	
Fiat Auto Poland S.A.	Bielsko-Biala	Poland	660,334,600	PLN	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Auto Var S.r.l.	Turin	Italy	7,370,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Automobil Vertriebs GmbH	Frankfurt	Germany	8,700,000	EUR	100.00	Fiat Group Automobiles Germany AG	100.000	
Fiat Automobiles S.p.A.	Turin	Italy	120,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
FIAT AUTOMOBILES SERBIA d.o.o. Kragujevac	Kragujevac	Serbia	30,703,528,514	RSD	66.67	Fiat Group Automobiles S.p.A.	66.670	
Fiat Center (Suisse) S.A.	Meyrin	Switzerland	13,000,000	CHF	100.00	Fiat Group Automobiles Switzerland S.A.	100.000	
Fiat Center Italia S.p.A.	Turin	Italy	2,000,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat CR Spol. S.R.O.	Prague	Czech Republic	1,000,000	CZK	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat France	Trappes	France	235,480,520	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles Austria GmbH	Vienna	Austria	37,000	EUR	100.00	Fiat Group Automobiles S.p.A.	98.000	
						FGA Investimenti S.p.A.	2.000	
Fiat Group Automobiles Belgium S.A.	Auderghem	Belgium	14,000,000	EUR	100.00	Fiat Group Automobiles S.p.A.	99.998	
						Fiat Group Automobiles Switzerland S.A.	0.002	
Fiat Group Automobiles Central and Eastern Europe KFT.	Budapest	Hungary	150,000,000	HUF	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles Denmark A/S	Glostrup	Denmark	55,000,000	DKK	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles Germany AG	Frankfurt	Germany	82,650,000	EUR	100.00	Fiat Group Automobiles S.p.A.	99.000	
						Fiat Group Automobiles Switzerland S.A.	1.000	
Fiat Group Automobiles Hellas S.A.	Argyroupoli	Greece	62,783,499	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS (continued)

Name	Registered Office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
Fiat Group Automobiles Ireland Ltd.	Dublin	Ireland	5,078,952	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles Maroc S.A.	Casablanca	Morocco	1,000,000	MAD	99.95	Fiat Group Automobiles S.p.A.	99.950	
Fiat Group Automobiles Netherlands B.V.	Lijnden	Netherlands	5,672,250	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles Portugal, S.A.	Alges	Portugal	1,000,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles S.p.A.	Turin	Italy	770,000,000	EUR	100.00	Fiat S.p.A.	100.000	
Fiat Group Automobiles South Africa (Proprietary) Ltd	Bryanston	South Africa	640	ZAR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles Spain S.A.	Alcalá De Henares	Spain	8,079,280	EUR	100.00	Fiat Group Automobiles S.p.A.	99.998	
						Fiat Group Automobiles Switzerland S.A.	0.002	
Fiat Group Automobiles Sweden AB	Kista	Sweden	10,000,000	SEK	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles Switzerland S.A.	Schlieren	Switzerland	21,400,000	CHF	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles UK Ltd	Slough Berkshire	United Kingdom	44,600,000	GBP	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Marketing & Corporate Communication S.p.A.	Turin	Italy	100,000,000	EUR	100.00	Fiat Gestione Partecipazioni S.p.A.	100.000	
FIAT NORTH AMERICA LLC	Wilmington	U.S.A.	0	USD	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Powertrain Technologies Poland Sp. z o.o.	Bielsko-Biala	Poland	269,037,000	PLN	100.00	Fiat Powertrain Technologies SpA	100.000	
Fiat Powertrain Technologies SpA	Turin	Italy	525,000,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Professional S.p.A.	Turin	Italy	120,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Real Estate Germany GmbH	Frankfurt	Germany	25,000	EUR	100.00	Fiat Automobil Vertriebs GmbH	100.000	
Fiat SR Spol. SR.O.	Bratislava	Slovack Republic	33,194	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fidis S.p.A.	Turin	Italy	250,000,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
i-FAST Automotive Logistics S.r.l.	Turin	Italy	1,250,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
i-FAST Container Logistics S.p.A.	Turin	Italy	2,500,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
International Metropolitan Automotive Promotion (France) S.A.	Trappes	France	2,977,680	EUR	100.00	Fiat France	99.997	
Italian Automotive Center S.A.	Auderghem	Belgium	10,000,000	EUR	100.00	Fiat Group Automobiles Belgium S.A.	99.988	
						Fiat Group Automobiles S.p.A.	0.012	
Italian Motor Village Ltd.	Slough Berkshire	United Kingdom	1,500,000	GBP	100.00	Fiat Group Automobiles UK Ltd	100.000	
Italian Motor Village S.A.	Alges	Portugal	50,000	EUR	100.00	Fiat Group Automobiles Portugal, S.A.	100.000	
Italian Motor Village, S.L.	Alcalá De Henares	Spain	1,454,420	EUR	100.00	Fiat Group Automobiles Spain S.A.	100.000	
Lancia Automobiles S.p.A.	Turin	Italy	120,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Mecaner S.A.	Urdùliz	Spain	3,000,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Motor Village Austria GmbH	Vienna	Austria	37,000	EUR	100.00	Fiat Group Automobiles Austria GmbH	100.000	
Officine Maserati Grugliasco S.p.A.	Turin	Italy	500,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Sata-Società Automobilistica Tecnologie Avanzate S.p.A.	Melfi	Italy	276,640,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Società di Commercializzazione e Distribuzione Ricambi S.p.A. in liquidation	Turin	Italy	100,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS (continued)

Name	Registered Office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
		Business Auto: Performance and Luxury Brands						
Ferrari								
Ferrari S.p.A.	Modena	Italy	20,260,000	EUR	90.00	Fiat S.p.A.	90.000	
410 Park Display Inc.	Englewood Cliffs	U.S.A.	100	USD	90.00	Ferrari N.America Inc.	100.000	
Ferrari Central / East Europe GmbH	Wiesbaden	Germany	1,000,000	EUR	90.00	Ferrari S.p.A.	100.000	
Ferrari Financial Services AG	Munich	Germany	1,777,600	EUR	81.00	Ferrari Financial Services S.p.A.	100.000	
Ferrari Financial Services Japan KK	Tokyo	Japan	130,450,000	JPY	81.00	Ferrari Financial Services S.p.A.	100.000	
Ferrari Financial Services S.p.A.	Modena	Italy	5,100,000	EUR	81.00	Ferrari S.p.A.	90.000	
Ferrari Financial Services, Inc.	Wilmington	U.S.A.	1,000	USD	81.00	Ferrari Financial Services S.p.A.	100.000	
Ferrari GE.D. S.p.A.	Modena	Italy	11,570,000	EUR	90.00	Ferrari S.p.A.	100.000	
Ferrari Japan KK	Tokyo	Japan	160,050,000	JPY	90.00	Ferrari S.p.A.	100.000	
Ferrari Management Consulting (Shanghai) CO., LTD	Shanghai	People's Rep.of China	2,100,000	USD	90.00	Ferrari S.p.A.	100.000	
Ferrari Maserati Cars International Trading (Shanghai) Co. Ltd.	Shanghai	People's Rep.of China	3,000,000	USD	53.10	Ferrari S.p.A.	59.000	
Ferrari N.America Inc.	Englewood Cliffs	U.S.A.	200,000	USD	90.00	Ferrari S.p.A.	100.000	
Ferrari North Europe Limited	Slough Berkshire	United Kingdom	50,000	GBP	90.00	Ferrari S.p.A.	100.000	
Ferrari South West Europe S.A.R.L.	Levallois-Perret	France	172,000	EUR	90.00	Ferrari S.p.A.	100.000	
GSA-Gestions Sportives Automobiles S.A.	Meyrin	Switzerland	1,000,000	CHF	90.00	Ferrari S.p.A.	100.000	
Iniziativa Fiorano S.r.l.	Modena	Italy	90,000	EUR	90.00	Ferrari S.p.A.	100.000	
Mugello Circuit S.p.A.	Scarperia	Italy	10,000,000	EUR	90.00	Ferrari S.p.A. Ferrari GE.D. S.p.A.	90.000 10.000	
Maserati								
Maserati S.p.A.	Modena	Italy	40,000,000	EUR	100.00	Fiat S.p.A.	100.000	
Maserati (Suisse) S.A.	Schlieren	Switzerland	250,000	CHF	100.00	Maserati S.p.A.	100.000	
Maserati Deutschland GmbH	Wiesbaden	Germany	500,000	EUR	100.00	Maserati S.p.A.	100.000	
Maserati GB Limited	Slough Berkshire	United Kingdom	20,000	GBP	100.00	Maserati S.p.A.	100.000	
Maserati Japan KK	Tokyo	Japan	18,000,000	JPY	100.00	Maserati S.p.A.	100.000	
Maserati North America Inc.	Englewood Cliffs	U.S.A.	1,000	USD	100.00	Maserati S.p.A.	100.000	
Maserati West Europe societé par actions simplifiée	Paris	France	37,000	EUR	100.00	Maserati S.p.A.	100.000	
		Components and Production Systems						
Marelli								
Magneti Marelli S.p.A.	Corbetta	Italy	254,325,965	EUR	99.99	Fiat S.p.A.	99.990	100.000
ABC Industria, Comercio, Importacao e Exportacao de Componentes Automotivos Ltda	Sao Bernardo do Campo	Brazil	1,000	BRL	99.99	Magneti Marelli Cofap Companhia Fabricadora de Pecas Magneti Marelli Cofap Autopecas Ltda	99.900 0.100	

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS (continued)

Name	Registered Office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
Administracion Magneti Marelli Sistemi Sospensioni Mexicana S.R.L. de C.V.	Mexico City	Mexico	3,000	MXN	51.49	Magneti Marelli Promatcor Sistemi Sospensioni Mexicana S.R.L. de C.V.	99.000	
						Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V.	1.000	
Automotive Lighting Brotterode GmbH	Brotterode	Germany	7,270,000	EUR	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Italia S.p.A.	Venaria Reale	Italy	12,000,000	EUR	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting LLC	Farmington Hills	U.S.A.	25,001,000	USD	99.99	Magneti Marelli Holding U.S.A. Inc.	100.000	
Automotive Lighting o.o.o.	Rjiasan	Russia	36,875,663	RUB	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Polska Sp. z o.o.	Sosnowiec	Poland	83,500,000	PLN	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Rear Lamps France S.a.s.	Saint Julien du Sault	France	5,134,480	EUR	99.99	Automotive Lighting Italia S.p.A.	100.000	
Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V.	El Marques Queretaro	Mexico	50,000	MXN	99.99	Magneti Marelli Holding U.S.A. Inc.	100.000	
Automotive Lighting Reutlingen GmbH	Reutlingen	Germany	1,330,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Automotive Lighting S.R.O.	Jihlava	Czech Republic	927,637,000	CZK	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting UK Limited	Chadwell Heath	United Kingdom	40,387,348	GBP	99.99	Magneti Marelli S.p.A.	100.000	
Centro Ricerche Plast-Optica S.p.A.	Amaro	Italy	1,033,000	EUR	75.49	Automotive Lighting Italia S.p.A.	75.500	
CHANGCHUN MAGNETI MARELLI POWERTRAIN COMPONENTS Co.Ltd.	Changchun	People's Rep.of China	5,600,000	EUR	51.00	Magneti Marelli S.p.A.	51.000	
Ergom do Brasil Ltda	Itauna	Brazil	6,402,500	BRL	99.99	Plastic Components and Modules Automotive S.p.A.	100.000	
Ergom Soffiaggio S.r.l.	Leno	Italy	45,900	EUR	84.99	Plastic Components and Modules Automotive S.p.A.	85.000	
Fiat CIEI S.p.A. in liquidation	Corbetta	Italy	220,211	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Hefei Magneti Marelli Exhaust Systems Co.Ltd.	Anhui	People's Rep.of China	3,900,000	EUR	51.00	Magneti Marelli S.p.A.	51.000	
Industrial Yorka de Mexico S.A. de C.V.	Mexico City	Mexico	50,000	MXN	99.99	Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V.	98.000	
						Industrial Yorka de Tepotzotlan S.A. de C.V.	2.000	
Industrial Yorka de Tepotzotlan S.A. de C.V.	Mexico City	Mexico	50,000	MXN	99.99	Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V.	99.000	
						Industrial Yorka de Mexico S.A. de C.V.	1.000	
Industrias Magneti Marelli Mexico S.A. de C.V.	Tepotzotlan	Mexico	50,000	MXN	99.99	Magneti Marelli Sistemas Electronicos Mexico S.A.	99.998	
						Servicios Administrativos Corp. IPASA S.A.	0.002	
Magneti Marelli After Market Parts and Services S.p.A.	Corbetta	Italy	7,000,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Aftermarket GmbH	Heilbronn	Germany	100,000	EUR	99.99	Magneti Marelli After Market Parts and Services S.p.A.	100.000	

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS (continued)

Name	Registered Office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
Magneti Marelli Aftermarket Sp. z o.o.	Katowice	Poland	2,000,000	PLN	99.99	Magneti Marelli After Market Parts and Services S.p.A.	100.000	
Magneti Marelli Argentina S.A.	Buenos Aires	Argentina	700,000	ARS	99.99	Magneti Marelli S.p.A.	95.000	
						Magneti Marelli France S.a.s.	5.000	
Magneti Marelli Automotive Components (Changsha) Co. Ltd	Changsha	People's Rep.of China	5,400,000	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Automotive Components (WUHU) Co. Ltd.	Wuhu	People's Rep.of China	32,000,000	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Automotive d.o.o. Kragujevac	Kragujevac	Serbia	154,200,876	RSD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Automotive Electronics (Guangzhou) Co. Limited	Guangzhou	People's Rep.of China	16,100,000	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Automotive Lighting (Foshan) Co. Ltd	Guangzhou	People's Rep.of China	10,800,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Cofap Autopecas Ltda	São Paulo	Brazil	7,554,539	BRL	99.99	Magneti Marelli After Market Parts and Services S.p.A.	100.000	
Magneti Marelli Cofap Companhia Fabricadora de Pecas	Santo Andre	Brazil	46,284,200	BRL	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Conjuntos de Escape S.A.	Buenos Aires	Argentina	7,480,071	ARS	99.99	Magneti Marelli S.p.A.	95.000	
						Magneti Marelli Argentina S.A.	5.000	
Magneti Marelli d.o.o. Kragujevac	Kragujevac	Serbia	1,363,504,543	RSD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli do Brasil Industria e Comercio SA	Hortolandia	Brazil	40,568,427	BRL	99.86	Magneti Marelli S.p.A.	99.872	99.990
Magneti Marelli Espana S.A.	Llinares del Valles	Spain	781,101	EUR	99.99	Magneti Marelli Iberica S.A.	100.000	
Magneti Marelli Exhaust Systems Polska Sp. z o.o.	Sosnowiec	Poland	15,000,000	PLN	99.99	Automotive Lighting Polska Sp. z o.o.	100.000	
Magneti Marelli France S.a.s.	Trappes	France	42,672,960	EUR	99.99	Magneti Marelli S.p.A.	99.999	
						Ufima S.A.S.	0.001	
Magneti Marelli GmbH	Russelsheim	Germany	200,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Holding U.S.A. Inc.	Wixom	U.S.A.	10	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Iberica S.A.	Santpedor	Spain	389,767	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli India Private Ltd	Haryana	India	20,000,000	INR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli International Trading (Shanghai) Co. LTD	Shanghai	People's Rep.of China	200,000	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Japan K.K.	KohoKu-Ku-Yokohama	Japan	60,000,000	JPY	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Mako Elektrik Sanayi Ve Ticaret Anonim Sirketi	Bursa	Turkey	50,005	TRY	99.93	Magneti Marelli S.p.A.	99.840	
						PLASTIFORM PLASTIK SANAY ve TICARET A.S.	0.052	
						Sistemi Comandi Meccanici Otomotiv Sanayi Ve Ticaret A.S.	0.052	

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS (continued)

Name	Registered Office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
Magneti Marelli Motopropulsion France SAS	Argentan	France	37,002	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli North America Inc.	Wilmington	U.S.A.	40,223,205	USD	99.99	Magneti Marelli Cofap Companhia Fabricadora de Pecas	100.000	
Magneti Marelli of Tennessee LLC	Auburn Hills	U.S.A.	1,300,000	USD	99.99	Magneti Marelli Holding U.S.A. Inc.	100.000	
Magneti Marelli Powertrain (Shanghai) Co. Ltd.	Shanghai	People's Rep.of China	17,500,000	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Powertrain India Private Limited	Haryana	India	450,000,000	INR	51.00	Magneti Marelli S.p.A.	51.000	
Magneti Marelli Powertrain Slovakia s.r.o.	Bratislava	Slovack Republic	7,000,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Powertrain U.S.A. LLC	Sanford	U.S.A.	25,000,000	USD	99.99	Magneti Marelli Holding U.S.A. Inc.	100.000	
Magneti Marelli Promatcor Sistemi Sospensioni Mexicana S.R.L. de C.V.	Mexico City	Mexico	3,000	MXN	51.00	Sistemi Sospensioni S.p.A.	51.000	
Magneti Marelli Repuestos S.A.	Buenos Aires	Argentina	2,012,000	ARS	99.99	Magneti Marelli After Market Parts and Services S.p.A.	52.000	
						Magneti Marelli Cofap Autopecas Ltda	48.000	
Magneti Marelli Sistemas Automotivos Industria e Comercio Ltda	Contagem	Brazil	206,834,874	BRL	99.99	Magneti Marelli S.p.A.	66.111	
						Automotive Lighting Reutlingen GmbH	33.889	
Magneti Marelli Sistemas Electronicos Mexico S.A.	Tepotzotlan	Mexico	50,000	MXN	99.99	Magneti Marelli S.p.A.	99.998	
						Servicios Administrativos Corp. IPASA S.A.	0.002	
Magneti Marelli Slovakia s.r.o.	Bratislava	Slovack Republic	70,006,639	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli South Africa (Proprietary) Limited	Johannesburg	South Africa	1,950,000	ZAR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Suspension Systems Bielsko Sp. z.o.o.	Bielsko-Biala	Poland	70,050,000	PLN	99.99	Sistemi Sospensioni S.p.A.	100.000	
Magneti Marelli Um Electronic Systems Private Limited	Haryana	India	390,000,000	INR	51.00	Magneti Marelli S.p.A.	51.000	
Malaysian Automotive Lighting SDN. BHD	Bayan Lepas	Malaysia	6,000,000	MYR	79.99	Automotive Lighting Reutlingen GmbH	80.000	
Plastic Components and Modules Automotive S.p.A.	Grugliasco	Italy	10,000,000	EUR	99.99	Plastic Components and Modules Holding S.p.A.	100.000	
Plastic Components and Modules Holding S.p.A.	Grugliasco	Italy	10,000,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Plastic Components and Modules Poland S.A.	Sosnowiec	Poland	21,000,000	PLN	99.99	Plastic Components and Modules Automotive S.p.A.	100.000	
Plastic Components Fuel Systems Poland Sp. z o.o.	Sosnowiec	Poland	29,281,500	PLN	99.99	Plastic Components and Modules Poland S.A.	100.000	
PLASTIFORM PLASTIK SANAY ve TICARET A.S.	Bursa	Turkey	715,000	TRY	99.93	Magneti Marelli Mako Elektrik Sanayi Ve Ticaret Anonim Sirketi	100.000	
Servicios Administrativos Corp. IPASA S.A.	Col. Chapultepec	Mexico	1,000	MXN	99.99	Magneti Marelli Sistemas Electronicos Mexico S.A.	99.990	
						Industrias Magneti Marelli Mexico S.A. de C.V.	0.010	

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS (continued)

Name	Registered Office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
Sistemi Sospensioni S.p.A.	Corbetta	Italy	37,622,179	EUR	99.99	Magneti Marelli S.p.A.	100.000	
SNIARICERCHE S.P.A. in liquidation	Pisticci	Italy	880,000	EUR	99.99	Plastic Components and Modules Holding S.p.A.	95.000	
						Plastic Components and Modules Automotive S.p.A.	5.000	
Tecnologia de Iluminacion Automotriz S.A. de C.V.	Chihuahua	Mexico	50,000	MXN	99.99	Automotive Lighting LLC	100.000	
Ufima S.A.S.	Trappes	France	44,940	EUR	99.99	Magneti Marelli S.p.A.	65.020	
						Fiat Gestione Partecipazioni S.p.A.	34.980	
Teksid								
Teksid S.p.A.	Turin	Italy	71,403,261	EUR	84.79	Fiat S.p.A.	84.791	
Compania Industrial Frontera S.A. de C.V.	Frontera	Mexico	50,000	MXN	84.79	Teksid Hierro de Mexico S.A. de C.V.	99.800	
						Teksid Inc.	0.200	
Fonderie du Poitou Fonte S.A.S.	Ingrandes-sur-Vienne	France	26,958,464	EUR	84.79	Teksid S.p.A.	100.000	
Funfrap-Fundicao Portuguesa S.A.	Cacia	Portugal	13,697,550	EUR	70.89	Teksid S.p.A.	83.607	
Teksid Aluminum S.r.l.	Carmagnola	Italy	5,000,000	EUR	100.00	Fiat S.p.A.	100.000	
Teksid do Brasil Ltda	Betim	Brazil	202,602,013	BRL	84.79	Teksid S.p.A.	100.000	
Teksid Hierro de Mexico S.A. de C.V.	Frontera	Mexico	716,088,300	MXN	84.79	Teksid S.p.A.	100.000	
Teksid Inc.	Wilmington	U.S.A.	100,000	USD	84.79	Teksid S.p.A.	100.000	
Teksid Iron Poland Sp. z o.o.	Skoczow	Poland	115,678,500	PLN	84.79	Teksid S.p.A.	100.000	
Comau								
Comau S.p.A.	Grugliasco	Italy	48,013,959	EUR	100.00	Fiat S.p.A.	100.000	
COMAU (KUNSHAN) Automation Co. Ltd.	Kunshan	People's Rep.of China	3,000,000	USD	100.00	Comau S.p.A.	100.000	
Comau (Shanghai) Engineering Co. Ltd.	Shanghai	People's Rep.of China	5,000,000	USD	100.00	Comau S.p.A.	100.000	
Comau (Shanghai) International Trading Co. Ltd.	Shanghai	People's Rep.of China	200,000	USD	100.00	Comau S.p.A.	100.000	
Comau Argentina S.A.	Buenos Aires	Argentina	500,000	ARS	100.00	Comau S.p.A.	55.280	
						Comau do Brasil Industria e Comercio Ltda.	44.690	
						Fiat Argentina S.A.	0.030	
Comau Canada Inc.	Windsor	Canada	100	CAD	100.00	Comau Inc.	100.000	
Comau Deutschland GmbH	Boblingen	Germany	1,330,000	EUR	100.00	Comau S.p.A.	100.000	
Comau do Brasil Industria e Comercio Ltda.	Betim	Brazil	102,742,653	BRL	100.00	Comau S.p.A.	100.000	
Comau Estil Unl.	Luton	United Kingdom	107,665,056	USD	100.00	Comau S.p.A.	100.000	
Comau France S.A.S.	Trappes	France	6,000,000	EUR	100.00	Comau S.p.A.	100.000	
Comau Inc.	Southfield	U.S.A.	100	USD	100.00	Comau S.p.A.	100.000	
Comau India Private Limited	Pune	India	239,935,020	INR	100.00	Comau S.p.A.	99.990	
						Comau Deutschland GmbH	0.010	
Comau Pico Iaisa S.de R.L. de C.V.	Tepotzotlan	Mexico	17,181,062	MXN	100.00	Comau Pico Mexico S.de R.L. de C.V.	100.000	

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS (continued)

Name	Registered Office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
Comau Pico Mexico S.de R.L. de C.V.	Tepotzotlan	Mexico	99,349,172	MXN	100.00	Comau S.p.A.	100.000	
Comau Pico Pitex S.de R.L. C.V.	Tepotzotlan	Mexico	62,204,118	MXN	100.00	Comau Pico Mexico S.de R.L. de C.V.	100.000	
Comau Pico Trebol S.de R.L. de C.V.	Tepotzotlan	Mexico	16,168,211	MXN	100.00	Comau Pico Mexico S.de R.L. de C.V.	100.000	
Comau Poland Sp. z o.o.	Bielsko-Biala	Poland	3,800,000	PLN	100.00	Comau S.p.A.	100.000	
Comau Romania S.R.L.	Oradea	Romenia	10,315,170	RON	100.00	Comau S.p.A.	100.000	
Comau Russia OOO	Moscow	Russia	4,770,225	RUB	100.00	Comau S.p.A.	99.000	
						Comau Deutschland GmbH	1.000	
Comau Service Systems S.L.	Madrid	Spain	250,000	EUR	100.00	Comau S.p.A.	100.000	
Comau U.K. Limited	Telford	United Kingdom	2,502,500	GBP	100.00	Comau S.p.A.	100.000	
Other Activities: Holding companies and Other companies								
BMI S.p.A.	Genoa	Italy	124,820	EUR	88.00	Editrice La Stampa S.p.A.	88.000	
Deposito Avogadro S.p.A.	Turin	Italy	5,100,000	EUR	100.00	Fiat Gestione Partecipazioni S.p.A.	100.000	
Editrice La Stampa S.p.A.	Turin	Italy	5,700,000	EUR	100.00	Fiat S.p.A.	100.000	
Fiat Argentina S.A.	Buenos Aires	Argentina	5,292,117	ARS	100.00	Fiat Services S.p.A.	90.961	
						Fiat do Brasil S.A.	9.029	
						SGR-Sociedad para la Gestion de Riesgos S.A.	0.009	
						Fiat Auto Argentina S.A.	0.001	
Fiat do Brasil S.A.	Nova Lima	Brazil	42,212,488	BRL	100.00	Fiat Partecipazioni S.p.A.	99.998	
						Fiat Services S.p.A.	0.002	
Fiat Financas Brasil Ltda	Nova Lima	Brazil	2,469,701	BRL	100.00	Fiat Finance S.p.A.	99.994	
						Fiat do Brasil S.A.	0.006	
Fiat Finance and Trade Ltd S.A.	Luxembourg	Luxembourg	251,494,000	EUR	100.00	Fiat Finance S.p.A.	60.003	
						Fiat S.p.A.	39.997	
Fiat Finance et Services S.A.	Trappes	France	3,700,000	EUR	100.00	Fiat Services S.p.A.	99.997	
Fiat Finance Canada Ltd.	Calgary	Canada	10,099,885	CAD	100.00	Fiat Finance and Trade Ltd S.A.	100.000	
Fiat Finance North America Inc.	Wilmington	U.S.A.	190,090,010	USD	100.00	Fiat Finance and Trade Ltd S.A.	100.000	
Fiat Finance S.p.A.	Turin	Italy	224,440,000	EUR	100.00	Fiat S.p.A.	100.000	
Fiat Gestione Partecipazioni S.p.A.	Turin	Italy	614,071,587	EUR	100.00	Fiat S.p.A.	100.000	
Fiat GmbH	Ulm	Germany	200,000	EUR	100.00	Fiat Services S.p.A.	100.000	
Fiat Group Purchasing France S.a.r.l.	Trappes	France	7,700	EUR	100.00	Fiat Group Purchasing S.r.l.	100.000	
Fiat Group Purchasing Poland Sp. z o.o.	Bielsko-Biala	Poland	300,000	PLN	100.00	Fiat Group Purchasing S.r.l.	100.000	
Fiat Group Purchasing S.r.l.	Turin	Italy	600,000	EUR	100.00	Fiat Gestione Partecipazioni S.p.A.	100.000	
Fiat Iberica S.A.	Madrid	Spain	2,797,054	EUR	100.00	Fiat Services S.p.A.	100.000	
Fiat Information Technology, Excellence and Methods S.p.A.	Turin	Italy	500,000	EUR	100.00	Fiat Services S.p.A.	100.000	
Fiat Partecipazioni France Société par actions simplifiée	Trappes	France	37,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Partecipazioni S.p.A.	Turin	Italy	150,679,554	EUR	100.00	Fiat S.p.A.	100.000	
Fiat Polska Sp. z o.o.	Warsaw	Poland	25,500,000	PLN	100.00	Fiat Gestione Partecipazioni S.p.A.	100.000	

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS (continued)

Name	Registered Office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
Fiat Services Belgium N.V.	Zedelgem	Belgium	62,000	EUR	100.00	Fiat U.K. Limited	99.960	
						Fiat Services S.p.A.	0.040	
Fiat Services d.o.o. Kragujevac	Kragujevac	Serbia	15,047,880	RSD	100.00	Fiat Services S.p.A.	100.000	
Fiat Services Polska Sp. z o.o.	Bielsko-Biala	Poland	3,600,000	PLN	100.00	Fiat Services S.p.A.	100.000	
Fiat Services S.p.A.	Turin	Italy	3,600,000	EUR	100.00	Fiat Gestione Partecipazioni S.p.A.	100.000	
Fiat Servizi per l'Industria S.c.p.a.	Turin	Italy	1,652,669	EUR	90.70	Fiat Partecipazioni S.p.A.	51.000	
						Fiat Group Automobiles S.p.A.	25.500	
						Fiat S.p.A.	5.000	
						Teksid S.p.A.	2.000	
						C.R.F. Società Consortile per Azioni	1.500	
						Comau S.p.A.	1.500	
						Editrice La Stampa S.p.A.	1.500	
						Fiat Services S.p.A.	1.500	
						Magneti Marelli S.p.A.	1.500	
Fiat U.K. Limited	Basildon	United Kingdom	750,000	GBP	100.00	Fiat Services S.p.A.	100.000	
Fiat U.S.A. Inc.	New York	U.S.A.	16,830,000	USD	100.00	Fiat S.p.A.	100.000	
Fiat-Revisione Interna S.c.p.a.	Turin	Italy	300,000	EUR	84.00	Fiat S.p.A.	71.000	
						Fiat Group Automobiles S.p.A.	13.000	
Neptunia Assicurazioni Marittime S.A.	Lausanne	Switzerland	10,000,000	CHF	100.00	Rimaco S.A.	100.000	
Nexta Srl	Turin	Italy	50,000	EUR	100.00	Editrice La Stampa S.p.A.	100.000	
Publikompass S.p.A.	Milan	Italy	3,068,000	EUR	100.00	Editrice La Stampa S.p.A.	100.000	
Rimaco S.A.	Lausanne	Switzerland	350,000	CHF	100.00	Fiat Gestione Partecipazioni S.p.A.	100.000	
Risk Management S.p.A.	Turin	Italy	120,000	EUR	100.00	Fiat Gestione Partecipazioni S.p.A.	100.000	
Sadi Polska-Agencja Celna Sp. z o.o.	Bielsko-Biala	Poland	500,000	PLN	100.00	Servizi e Attività Doganali per l'Industria S.p.A.	100.000	
Servizi e Attività Doganali per l'Industria S.p.A.	Turin	Italy	520,000	EUR	100.00	Fiat Services S.p.A.	100.000	
SIRIO - Sicurezza Industriale Società consortile per azioni	Turin	Italy	120,000	EUR	86.44	Fiat Gestione Partecipazioni S.p.A.	58.048	
						Fiat Group Automobiles S.p.A.	16.017	
						Magneti Marelli S.p.A.	1.841	
						Fiat Powertrain Technologies SpA	1.314	
						Sata-Società Automobilistica Tecnologie Avanzate S.p.A.	0.833	
						C.R.F. Società Consortile per Azioni	0.768	
						Fiat S.p.A.	0.751	
						Comau S.p.A.	0.729	
						Ferrari S.p.A.	0.729	
						Teksid S.p.A.	0.664	
						Fiat Services S.p.A.	0.593	
						Sistemi Sospensioni S.p.A.	0.551	
						Teksid Aluminum S.r.l.	0.540	
						Fiat Servizi per l'Industria S.c.p.a.	0.503	
						Fabbrica Italia Pomigliano S.p.A.	0.417	
						Fiat Finance S.p.A.	0.406	

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS (continued)

Name	Registered Office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
						Fidis S.p.A.	0.325	
						Editrice La Stampa S.p.A.	0.273	
						Automotive Lighting Italia S.p.A.	0.255	
						Officine Maserati Grugliasco S.p.A.	0.167	
						Fiat Group Marketing & Corporate Communication S.p.A.	0.103	
						Fiat Group Purchasing S.r.l.	0.103	
						Fiat Partecipazioni S.p.A.	0.103	
						Servizi e Attività Doganali per l'Industria S.p.A.	0.103	
						Plastic Components and Modules Automotive S.p.A.	0.065	
						Fiat-Revisione Interna S.c.p.a.	0.061	
						Fiat Center Italia S.p.A.	0.045	
						Abarth & C. S.p.A.	0.039	
						Maserati S.p.A.	0.039	
						Orione-Società Industriale per la Sicurezza e la Vigilanza Consortile per Azioni	0.039	
						Risk Management S.p.A.	0.039	
						Sisport Fiat S.p.A. - Società sportiva dilettantistica	0.039	
						Magneti Marelli After Market Parts and Services S.p.A.	0.037	
						Customer Services Centre S.r.l.	0.022	
						Easy Drive S.r.l.	0.022	
						Fiat Auto Var S.r.l.	0.022	
						Fiat Information Technology, Excellence and Methods S.p.A.	0.022	
						i-FAST Automotive Logistics S.r.l.	0.020	
						i-FAST Container Logistics S.p.A.	0.020	
Sisport Fiat S.p.A. - Società sportiva dilettantistica	Turin	Italy	889,049	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
JOINTLY-CONTROLLED ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD								
Business Auto: Car Mass-Market brands								
APAC								
Fiat India Automobiles Limited	Ranjangaon	India	17,951,596,600	INR	50.00	Fiat Group Automobiles S.p.A.	50.000	
GAC FIAT Automobiles Co. Ltd.	Changsha	People's Rep.of China	1,800,000,000	CNY	50.00	Fiat Group Automobiles S.p.A.	50.000	
EMEA								
FGA CAPITAL S.p.A.	Turin	Italy	700,000,000	EUR	50.00	Fiat Group Automobiles S.p.A.	50.000	
FAL Fleet Services S.A.S.	Trappes	France	3,000,000	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FC France S.A.	Trappes	France	11,360,000	EUR	50.00	FGA CAPITAL S.p.A.	99.999	
FGA Bank G.m.b.H.	Vienna	Austria	5,000,000	EUR	50.00	FGA CAPITAL S.p.A.	50.000	
						Fidis S.p.A.	25.000	

JOINTLY-CONTROLLED ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD (continued)

Name	Registered Office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
FGA Bank Germany GmbH	Heilbronn	Germany	39,600,000	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CAPITAL BELGIUM S.A.	Auderghem	Belgium	3,718,500	EUR	50.00	FGA CAPITAL S.p.A.	99.999	
FGA Capital Danmark A/S	Glostrup	Denmark	14,154,000	DKK	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CAPITAL HELLAS S.A.	Argyroupoli	Greece	1,200,000	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CAPITAL IFIC SA	Alges	Portugal	10,000,000	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CAPITAL IRELAND Public Limited Company	Dublin	Ireland	132,562	EUR	50.00	FGA CAPITAL S.p.A.	99.994	
FGA Capital Netherlands B.V.	Lijnden	Netherlands	3,085,800	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CAPITAL RE Limited	Dublin	Ireland	1,000,000	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA Capital Services Spain S.A.	Alcalá De Henares	Spain	25,145,299	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA Capital Spain E.F.C. S.A.	Alcalá De Henares	Spain	26,671,557	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CAPITAL UK LTD.	Slough Berkshire	United Kingdom	50,250,000	GBP	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CONTRACTS UK LTD.	Slough Berkshire	United Kingdom	19,000,000	GBP	50.00	FGA CAPITAL S.p.A.	100.000	
FGA Distribuidora Portugal S.A.	Alges	Portugal	500,300	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA INSURANCE HELLAS S.A.	Argyroupoli	Greece	60,000	EUR	49.99	FGA CAPITAL HELLAS S.A.	99.975	
FGA Leasing GmbH	Vienna	Austria	40,000	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA Leasing Polska Sp. z o.o.	Warsaw	Poland	24,384,000	PLN	50.00	FGA CAPITAL S.p.A.	100.000	
FGA WHOLESALE UK LTD.	Slough Berkshire	United Kingdom	20,500,000	GBP	50.00	FGA CAPITAL S.p.A.	100.000	
Fiat Bank Polska S.A.	Warsaw	Poland	125,000,000	PLN	50.00	FGA CAPITAL S.p.A.	100.000	
Fidis Finance (Suisse) S.A.	Schlieren	Switzerland	24,100,000	CHF	50.00	FGA CAPITAL S.p.A.	100.000	
FL Auto Snc	Trappes	France	8,954,581	EUR	50.00	FC France S.A.	99.998	
FL Location SNC	Trappes	France	76,225	EUR	49.99	FC France S.A.	99.980	
Leasys S.p.A.	Turin	Italy	77,979,400	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FER MAS Oto Ticaret A.S.	Istanbul	Turkey	5,500,000	TRY	37.64	Tofas-Turk Otomobil Fabrikasi A.S.	99.418	
FIAT POWERTRAIN TECHNOLOGIES SOLLERS Investment Company B.V.	Amsterdam	Netherlands	250,000	EUR	50.00	Fiat Powertrain Technologies SpA	50.000	
FIAT POWERTRAIN TECHNOLOGIES SOLLERS Limited Liability Company	Zavolzhje	Russia	10,000	RUB	50.00	FIAT POWERTRAIN TECHNOLOGIES SOLLERS Investment Company B.V.	100.000	
G.E.I.E. Gisevel	Paris	France	15,200	EUR	50.00	Fiat France	50.000	
G.E.I.E.-Sevelind	Paris	France	15,200	EUR	50.00	Fiat France	50.000	
Koc Fiat Kredi Tuketici Finansmani A.S.	Istanbul	Turkey	30,000,000	TRY	37.86	Tofas-Turk Otomobil Fabrikasi A.S.	100.000	
PLATFORM Arastirma Gelistirme Tasarim ve Ticaret A.S.	Bursa	Turkey	1,000,000	TRY	37.48	Tofas-Turk Otomobil Fabrikasi A.S.	99.000	
Società Europea Veicoli Leggeri-Sevel S.p.A.	Atessa	Italy	68,640,000	EUR	50.00	Fiat Group Automobiles S.p.A.	50.000	
(*) Société Européenne de Véhicules Légers du Nord-Sevelnord Société Anonyme	Paris	France	80,325,000	EUR	50.00	Fiat Group Automobiles S.p.A.	50.000	
Tofas-Turk Otomobil Fabrikasi A.S.	Levent	Turkey	500,000,000	TRY	37.86	Fiat Group Automobiles S.p.A.	37.856	

(*) Asset held for sale.

JOINTLY-CONTROLLED ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD (continued)

Name	Registered Office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
VM Motori S.p.A.	Cento	Italy	21,008,000	EUR	50.00	Fiat Powertrain Technologies SpA	50.000	
VM North America Inc.	Auburn Hills	U.S.A.	1,000	USD	50.00	VM Motori S.p.A.	100.000	
Components and Production Systems								
Marelli								
JCMM Automotive d.o.o.	Beograd	Serbia	1,223,910,473	RSD	50.00	Plastic Components and Modules Automotive S.p.A.	50.000	
Magneti Marelli Motherson Auto System Limited	New Delhi	India	1,150,000,000	INR	50.00	Magneti Marelli S.p.A.	33.478	0.000
						Magneti Marelli Motherson India Holding B.V.	33.043	100.000
Magneti Marelli Motherson India Holding B.V.	Amsterdam	Netherlands	2,000,000	EUR	50.00	Magneti Marelli S.p.A.	50.000	
Magneti Marelli SKH Exhaust Systems Private Limited	New Delhi	India	95,000,000	INR	50.00	Magneti Marelli S.p.A.	50.000	
Magneti Marelli Talbros Chassis Systems Pvt. Ltd.	Haryana	India	100,600,000	INR	50.00	Sistemi Sospensioni S.p.A.	50.000	
SAIC MAGNETI MARELLI Powertrain Co. Ltd	Shanghai	People's Rep.of China	12,000,000	EUR	50.00	Magneti Marelli S.p.A.	50.000	
SKH Magneti Marelli Exhaust Systems Private Limited	New Delhi	India	95,450,000	INR	46.62	Magneti Marelli S.p.A.	46.621	50.000
tema.mobility in liquidation	Turin	Italy	850,000	EUR	50.00	Magneti Marelli S.p.A.	50.000	
Zhejiang Wanxiang Magneti Marelli Shock Absorbers Co. Ltd.	Zhenjiang-Jangsu	People's Rep.of China	100,000,000	CNY	50.00	Magneti Marelli S.p.A.	50.000	
Teksid								
Hua Dong Teksid Automotive Foundry Co. Ltd.	Zhenjiang-Jangsu	People's Rep.of China	385,363,500	CNY	42.40	Teksid S.p.A.	50.000	
SUBSIDIARIES ACCOUNTED FOR USING THE EQUITY METHOD								
Business Auto: Car Mass-Market brands								
NAFTA								
Alhambra Chrysler Jeep Dodge, Inc.	Wilmington	U.S.A.	1,272,700	USD	58.54	Chrysler Group LLC	100.000	
Bessemer Chrysler Jeep Dodge, Inc.	Wilmington	U.S.A.	3,590,000	USD	58.54	Chrysler Group LLC	100.000	
CG EC1 LLC	Wilmington	U.S.A.	0	USD	58.54	Chrysler Group LLC	100.000	
Downriver Dodge, Inc.	Wilmington	U.S.A.	604,886	USD	58.54	Chrysler Group LLC	100.000	
Gwinnett Automotive Inc.	Wilmington	U.S.A.	3,505,019	USD	58.54	Chrysler Group LLC	100.000	
La Brea Avenue Motors, Inc.	Wilmington	U.S.A.	7,373,800	USD	58.54	Chrysler Group LLC	100.000	
McKinney Dodge, Inc.	Wilmington	U.S.A.	2,858,463	USD	58.54	Chrysler Group LLC	100.000	
North Tampa Chrysler Jeep Dodge, Inc.	Wilmington	U.S.A.	1,014,700	USD	58.54	Chrysler Group LLC	100.000	
Superstition Springs Chrysler Jeep, Inc.	Wilmington	U.S.A.	675,400	USD	58.54	Chrysler Group LLC	100.000	

SUBSIDIARIES ACCOUNTED FOR USING THE EQUITY METHOD (continued)

Name	Registered Office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
			APAC					
Chrysler Group Taiwan Sales Ltd.	Taipei	Taiwan	229,500,000	TWD	29.85	Chrysler Group LLC	51.000	
			EMEA					
AC Austro Car Handelsgesellschaft m.b.h. & Co. OHG	Vienna	Austria	0	EUR	100.00	FGA Austro Car GmbH	100.000	
Alfa Romeo Inc.	Orlando	U.S.A.	3,000,000	USD	100.00	Fiat Group Automobiles S.p.A.	100.000	
Chrysler Jeep Ticaret A.S.	Istanbul	Turkey	5,357,000	TRY	58.49	Chrysler Group LLC	99.920	
GESTIN POLSKA Sp. z o.o.	Bielsko-Biala	Poland	500,000	PLN	100.00	Fiat Auto Poland S.A.	100.000	
Italcar SA	Casablanca	Morocco	4,000,000	MAD	99.85	Fiat Group Automobiles Maroc S.A.	99.900	
Sirio Polska Sp. z o.o.	Bielsko-Biala	Poland	1,350,000	PLN	100.00	Fiat Auto Poland S.A.	100.000	
			Components and Production Systems					
Marelli								
Cofap Fabricadora de Pecas Ltda	Santo Andre	Brazil	75,720,716	BRL	68.26	Magneti Marelli do Brasil Industria e Comercio SA	68.350	
Magneti Marelli Shock Absorbers (India) Private Limited	Pune	India	768,999,990	INR	99.99	Magneti Marelli S.p.A.	100.000	
			Other Activities: Holding companies and Other companies					
Fabbrica Italia Mirafiori S.p.A.	Turin	Italy	200,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat (China) Business Co., Ltd.	Beijing	People's Rep.of China	3,000,000	USD	100.00	Fiat Gestione Partecipazioni S.p.A.	100.000	
Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	Turin	Italy	300,000	EUR	99.54	Fiat Gestione Partecipazioni S.p.A.	66.000	
						Fiat Group Automobiles S.p.A.	16.000	
						Comau S.p.A.	3.000	
						Fiat Powertrain Technologies SpA	3.000	
						Fiat S.p.A.	3.000	
						Fiat Services S.p.A.	3.000	
						Magneti Marelli S.p.A.	3.000	
						Teksid S.p.A.	3.000	
Iveco Motors of China Limited in liquidation	Shanghai	People's Rep.of China	300,000	USD	100.00	Fiat Gestione Partecipazioni S.p.A.	100.000	
SGR-Sociedad para la Gestion de Riesgos S.A.	Buenos Aires	Argentina	150,000	ARS	99.96	Rimaco S.A.	99.960	
SUBSIDIARIES VALUED AT COST								
			Business Auto: Car Mass-Market brands					
			NAFTA					
CarCo Intermediate Mexico LLC	Wilmington	U.S.A.	1	USD	58.54	Chrysler Mexico Investment Holdings Cooperatie U.A.	100.000	
CG Co-Issuer Inc.	Wilmington	U.S.A.	100	USD	58.54	Chrysler Group LLC	100.000	
CG MID LLC	Wilmington	U.S.A.	0	USD	58.54	Chrysler Group LLC	100.000	
CHRYSLER GROUP DUTCH OPERATING LLC	Wilmington	U.S.A.	0	USD	58.54	CNI CV	100.000	
Chrysler Receivables 1 Inc.	Windsor	Canada	100	CAD	58.54	Chrysler Canada Inc.	100.000	

SUBSIDIARIES VALUED AT COST (continued)

Name	Registered Office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
Chrysler Receivables 2 Inc.	Windsor	Canada	100	CAD	58.54	Chrysler Canada Inc.	100.000	
Chrysler Receivables Limited Partnership	Windsor	Canada	0	CAD	58.54	Chrysler Canada Inc.	99.990	
						Chrysler Receivables 1 Inc.	0.005	
						Chrysler Receivables 2 Inc.	0.005	
Fundacion Chrysler, I.A.P.	Santa Fe	Mexico	0	MXN	58.54	Chrysler de Mexico S.A. de C.V.	100.000	
Superstition Springs MID LLC	Wilmington	U.S.A.	0	USD	58.54	CG MID LLC	100.000	
The Chrysler Foundation	Bingham Farms	U.S.A.	0	USD	58.54	Chrysler Group LLC	100.000	
LATAM								
(*) CMP Componentes e Modulos Plasticos Industria e Comercio Ltda.	Contagem	Brazil	25,007,977	BRL	100.00	Fiat Automoveis S.A. - FIASA	100.000	
EMEA								
Banbury Road Motors Limited	Slough Berkshire	United Kingdom	100	GBP	100.00	Fiat Group Automobiles UK Ltd	100.000	
Chrysler Netherlands Holding Cooperatie U.A.	Amsterdam	Netherlands	0	EUR	58.54	CNI CV	99.000	
						CHRYSLER GROUP DUTCH OPERATING LLC	1.000	
Chrysler UK Pension Trustees Limited	Slough Berkshire	United Kingdom	1	GBP	58.54	Chrysler UK Limited	100.000	
CNI CV	Amsterdam	Netherlands	0	EUR	58.54	Chrysler Group LLC	99.000	
						Chrysler Group Minority LLC	1.000	
CODEFIS Società consortile per azioni	Turin	Italy	120,000	EUR	51.00	Fiat Group Automobiles S.p.A.	51.000	
Consorzio Servizi Balocco	Turin	Italy	10,000	EUR	91.37	Fiat Group Automobiles S.p.A.	77.800	
						Ferrari S.p.A.	5.300	
						Fiat Powertrain Technologies SpA	4.500	
						Maserati S.p.A.	2.800	
						Abarth & C. S.p.A.	1.500	
FAS FREE ZONE Ltd. Kragujevac	Kragujevac	Serbia	2,281,603	RSD	66.67	FIAT AUTOMOBILES SERBIA DOO KRAGUJEVAC	100.000	
FGA Russia S.r.l.	Turin	Italy	1,682,028	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Auto Espana Marketing Instituto Agrupacion de Interes Economico	Alcalá De Henares	Spain	30,051	EUR	95.00	Fiat Group Automobiles Spain S.A.	95.000	
Fiat Auto Marketing Institute (Portugal) ACE	Alges	Portugal	15,000	EUR	80.00	Fiat Group Automobiles Portugal, S.A.	80.000	
Fiat Motor Sales Ltd	Slough Berkshire	United Kingdom	1,500,000	GBP	100.00	Fiat Group Automobiles UK Ltd	100.000	
OOO "CABEKO"	Nizhniy Novgorod	Russia	283,165,038	RUB	100.00	FGA Russia S.r.l.	99.541	
						Fiat Group Automobiles S.p.A.	0.459	
Business Auto: Performance and Luxury Brands								
Ferrari								
Ferrari Australasia Pty Limited	Lane Cove	Australia	2,000,100	AUD	90.00	Ferrari S.p.A.	100.000	
Scuderia Ferrari Club S.c. a r.l.	Maranello	Italy	105,000	EUR	84.99	Ferrari S.p.A.	94.438	

(*) Asset held for sale.

SUBSIDIARIES VALUED AT COST (continued)

Name	Registered Office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
Components and Production Systems								
Marelli								
Automotive Lighting Japan K.K.	KohoKu-Ku-Yokohama	Japan	10,000,000	JPY	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Magneti Marelli Automotive Components (India) Limited in liquidation	Pune	India	125,000,000	INR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Comandos Mecanicos Industria e Comercio Ltda	Itauna	Brazil	1,000	BRL	99.99	Magneti Marelli Sistemas Automotivos Industria e Comercio Ltda	99.900	
						Fiat do Brasil S.A.	0.100	
Sistemi Comandi Meccanici Otomotiv Sanayi Ve Ticaret A.S.	Bursa	Turkey	90,000	TRY	99.89	Magneti Marelli Mako Elektrik Sanayi Ve Ticaret Anonim Sirketi	99.956	
Comau								
Consorzio Fermag in liquidation	Bareggio	Italy	144,608	EUR	68.00	Comau S.p.A.	68.000	
Other Activities: Holding companies and Other companies								
Fiat Common Investment Fund Limited	London	United Kingdom	2	GBP	100.00	Fiat U.K. Limited	100.000	
Fiat Danismanlik Ve Temsilcilik Limited Sirketi	Istanbul	Turkey	120,000	TRY	100.00	Fiat Gestione Partecipazioni S.p.A.	99.979	
						Fiat Partecipazioni S.p.A.	0.021	
Fiat Oriente S.A.E. in liquidation	Cairo	Egypt	50,000	EGP	100.00	Fiat Gestione Partecipazioni S.p.A.	100.000	
Fiat Partecipazioni India Private Limited	New Delhi	India	28,605,400	INR	100.00	Fiat Gestione Partecipazioni S.p.A.	99.825	
						Fiat Group Purchasing S.r.l.	0.175	
Fides Corretagens de Seguros Ltda	Belo Horizonte	Brazil	365,525	BRL	100.00	Rimaco S.A.	99.998	
Isvor Fiat India Private Ltd. in liquidation	New Delhi	India	1,750,000	INR	99.54	Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	100.000	
New Business 28 S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Gestione Partecipazioni S.p.A.	100.000	
New Business 29 S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Gestione Partecipazioni S.p.A.	100.000	
New Business 30 S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Gestione Partecipazioni S.p.A.	100.000	
New Business 31 S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Gestione Partecipazioni S.p.A.	100.000	
New Business 32 S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Gestione Partecipazioni S.p.A.	100.000	
New Business 33 S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Gestione Partecipazioni S.p.A.	100.000	
New Business 34 S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Gestione Partecipazioni S.p.A.	100.000	
OOO Sadi Rus	Nizhniy Novgorod	Russia	2,700,000	RUB	100.00	Sadi Polska-Agencja Celna Sp. z o.o.	90.000	
						Fiat Services Polska Sp. z o.o.	10.000	
Orione-Società Industriale per la Sicurezza e la Vigilanza Consortile per Azioni	Turin	Italy	120,000	EUR	97.51	Fiat Gestione Partecipazioni S.p.A.	76.722	
						Fiat S.p.A.	18.003	
						Editrice La Stampa S.p.A.	0.439	
						Comau S.p.A.	0.220	
						Fabbrica Italia Pomigliano S.p.A.	0.220	
						Ferrari S.p.A.	0.220	
						Fiat Finance S.p.A.	0.220	
						Fiat Powertrain Technologies SpA	0.220	

SUBSIDIARIES VALUED AT COST (continued)

Name	Registered Office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
						Fiat Services S.p.A.	0.220	
						Fiat Servizi per l'Industria S.c.p.a.	0.220	
						Magneti Marelli S.p.A.	0.220	
						Sisport Fiat S.p.A. - Società sportiva dilettantistica	0.220	
						Teksid S.p.A.	0.220	
						Fiat Group Automobiles S.p.A.	0.219	
ASSOCIATED COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD								
Business Auto: Car Mass-Market brands								
NAFTA								
Global Engine Alliance LLC	Wilmington	U.S.A.	1,500,000	USD	19.51	Chrysler Group LLC	33.330	
APAC								
Hangzhou IVECO Automobile Transmission Technology Co., Ltd.	Hangzhou	People's Rep.of China	348,999,999	CNY	33.33	Fiat Gestione Partecipazioni S.p.A.	33.333	
Haveco Automotive Transmission Co. Ltd.	Zhajiang	People's Rep.of China	200,010,000	CNY	33.33	Fiat Gestione Partecipazioni S.p.A.	33.330	
EMEA								
Arab American Vehicles Company S.A.E.	Cairo	Egypt	6,000,000	USD	28.68	Chrysler Group LLC	49.000	
Utymat S.A.	Santa Margarita I Els Monjos	Spain	4,644,453	EUR	37.50	FGA Investimenti S.p.A.	37.500	
Other Activities: Holding companies and Other companies								
Iveco-Motor Sich, Inc.	Zaporozhye	Ucraina	26,568,000	UAH	38.62	Fiat Gestione Partecipazioni S.p.A.	38.618	
Otoyol Sanayi A.S. in liquidation	Samandira-Kartal/ Istanbul	Turkey	52,674,386	TRY	27.00	Fiat Gestione Partecipazioni S.p.A.	27.000	
Rizzoli Corriere della Sera MediaGroup S.p.A.	Milan	Italy	762,019,050	EUR	10.09	Fiat S.p.A.	10.093	10.497
ASSOCIATED COMPANIES VALUED AT COST								
Business Auto: Car Mass-Market brands								
NAFTA								
United States Council for Automotive Research LLC	Southfield	U.S.A.	100	USD	19.51	Chrysler Group LLC	33.330	
EMEA								
Consorzio per la Reindustrializzazione Area di Arese S.r.l. in liquidation	Arese	Italy	20,000	EUR	30.00	Fiat Group Automobiles S.p.A.	30.000	
Consorzio Prode	Naples	Italy	51,644	EUR	20.00	C.R.F. Società Consortile per Azioni	20.000	
Consorzio Scuola Superiore per l'Alta Formazione Universitaria Federico II in liquidation	Naples	Italy	127,500	EUR	20.00	C.R.F. Società Consortile per Azioni	20.000	
Fidis Rent GmbH	Frankfurt	Germany	50,000	EUR	49.00	Fiat Group Automobiles Germany AG	49.000	

ASSOCIATED COMPANIES VALUED AT COST (continued)

Name	Registered Office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
Innovazione Automotive e Metalmeccanica Scrl	Santa Maria Imbaro	Italy	115,000	EUR	24.52	Fiat Group Automobiles S.p.A.	17.391	
						C.R.F. Società Consortile per Azioni	6.957	
						Sistemi Sospensioni S.p.A.	0.174	
New Holland Fiat (India) Private Limited	Mumbai	India	12,485,547,400	INR	3.59	Fiat Group Automobiles S.p.A.	3.593	51.035
Tecnologie per il Calcolo Numerico - Centro Superiore di Formazione S.c. a r.l.	Trento	Italy	100,000	EUR	25.00	C.R.F. Società Consortile per Azioni	25.000	
Turin Auto Private Ltd. in liquidation	Mumbai	India	43,300,200	INR	50.00	FGA Investimenti S.p.A.	50.000	
Business Auto: Performance and Luxury Brands								
Ferrari								
Senator Software Gmbh	Munich	Germany	25,565	EUR	39.69	Ferrari Financial Services AG	49.000	
Components and Production Systems								
Marelli								
Auto Componentistica Mezzogiorno - A.C.M. Melfi Società Consortile a responsabilità limitata	Turin	Italy	40,000	EUR	24.25	Plastic Components and Modules Automotive S.p.A.	16.500	
						Sistemi Sospensioni S.p.A.	7.750	
Bari Servizi Industriali S.c.r.l.	Modugno	Italy	24,000	EUR	25.00	Magneti Marelli S.p.A.	25.000	
Flexider S.p.A.	Turin	Italy	4,080,000	EUR	25.00	Magneti Marelli S.p.A.	25.000	
L.U.C.I. SRL	Amaro	Italy	11,600	EUR	26.03	Centro Ricerche Plast-Optica S.p.A.	34.483	
Mars Seal Private Limited	Mumbai	India	400,000	INR	24.00	Magneti Marelli France S.a.s.	24.000	
Matay Otomotiv Yan Sanay Ve Ticaret A.S.	Bursa	Turkey	3,800,000	TRY	28.00	Magneti Marelli S.p.A.	28.000	
Other Activities: Holding companies and Other companies								
ANFIA Automotive S.c.r.l.	Turin	Italy	20,000	EUR	25.00	C.R.F. Società Consortile per Azioni	10.000	
						Fiat Group Automobiles S.p.A.	5.000	
						Fiat Powertrain Technologies SpA	5.000	
						Magneti Marelli S.p.A.	5.000	
Consorzio per lo Sviluppo delle Aziende Fornitrici in liquidation	Turin	Italy	241,961	EUR	21.34	Fiat Gestione Partecipazioni S.p.A.	10.672	
						Fiat Group Automobiles S.p.A.	10.672	
FMA-Consultoria e Negocios Ltda	São Paulo	Brazil	1	BRL	50.00	Fiat do Brasil S.A.	50.000	
Maxus MC2 S.p.A.	Turin	Italy	219,756	EUR	20.00	Fiat Partecipazioni S.p.A.	20.000	
Parco Industriale di Chivasso Società Consortile a responsabilità limitata	Chivasso	Italy	10,000	EUR	36.70	Fiat Partecipazioni S.p.A.	25.800	
						Plastic Components and Modules Automotive S.p.A.	10.900	
Società Editrice Mercantile - S.E.M. S.R.L.	Genoa	Italy	3,000,000	EUR	40.00	Editrice La Stampa S.p.A.	40.000	
To-dis S.r.l.	Turin	Italy	510,000	EUR	45.00	Editrice La Stampa S.p.A.	45.000	
Zastava-Kamioni D.O.O.	Kragujevac	Serbia	1,673,505,893	RSD	33.68	Fiat Gestione Partecipazioni S.p.A.	33.677	

Name	Registered Office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
OTHER COMPANIES VALUED AT COST								
Business Auto: Car Mass-Market brands								
EMEA								
Centro di Eccellenza su Metodi e Sistemi per le Aziende Competitive	Fisciano	Italy	225,000	EUR	16.00	C.R.F. Società Consortile per Azioni	16.000	
Consorzio Calef (Consorzio per la ricerca e lo sviluppo delle applicazioni industriali laser e del fascio elettronico)	Rotondella	Italy	90,131	EUR	11.57	C.R.F. Società Consortile per Azioni	5.787	
						Fiat Group Automobiles S.p.A.	5.787	
Consorzio Technapoli	Naples	Italy	1,626,855	EUR	11.11	C.R.F. Società Consortile per Azioni	11.110	
Business Auto: Performance and Luxury Brands								
Ferrari								
Nuova Didactica S.c. a r.l.	Modena	Italy	112,200	EUR	14.73	Ferrari S.p.A.	16.364	
Components and Production Systems								
Marelli								
Editori Riuniti S.p.A. in liquidation	Rome	Italy	441,652	EUR	13.11	Plastic Components and Modules Holding S.p.A.	13.110	
Other Activities: Holding companies and Other companies								
Consorzio Edicola Italiana	Milan	Italy	60,000	EUR	16.67	Editrice La Stampa S.p.A.	16.667	
Consorzio Lingotto	Turin	Italy	9,612	EUR	17.90	Fiat Partecipazioni S.p.A.	12.500	
						Fiat S.p.A.	5.400	
Distretto Meccatronico Regionale Della Puglia S.c.a r.l. "MEDIS Scarl"	Bari	Italy	150,000	EUR	13.33	C.R.F. Società Consortile per Azioni	6.667	
						Magneti Marelli S.p.A.	6.667	
Ercole Marelli & C. S.p.A. in liquidation	Milan	Italy	9,633,000	EUR	13.00	Fiat Partecipazioni S.p.A.	13.000	
Expo 2000 - S.p.A. in liquidation	Turin	Italy	2,205,930	EUR	18.95	Fiat Gestione Partecipazioni S.p.A.	18.949	
Fin.Priv. S.r.l.	Milan	Italy	20,000	EUR	14.29	Fiat S.p.A.	14.285	

Appendix II
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 related to 2012 for audit and other services provided by the independent auditors and members of their network.

(€ thousand)	Service Provider	Fiat Group Entity		2012 Fees
Audit	Reconta Ernst & Young S.p.A.	Parent Company – Fiat S.p.A.	(1)	**3,170**
	Reconta Ernst & Young S.p.A.	Subsidiaries		**3,061**
	Reconta Ernst & Young network	Subsidiaries		**4,123**
Attestation	Reconta Ernst & Young S.p.A.	Parent Company – Fiat S.p.A.	(2)	**680**
	Reconta Ernst & Young S.p.A.	Subsidiaries		**-**
	Reconta Ernst & Young network	Subsidiaries	(3)	**147**
Other services	Reconta Ernst & Young S.p.A.	Parent Company – Fiat S.p.A.		**-**
	Reconta Ernst & Young S.p.A.	Subsidiaries		**62**
	Reconta Ernst & Young network	Subsidiaries	(4)	**824**
Total Reconta Ernst & Young S.p.A. & network				**12,067**
Audit	Deloitte & Touche	Subsidiaries	(5)	**8,230**

(1) Includes €3,053,000 fees for the ISA 600 audit procedures on Chrysler Group LLC reporting package consolidated into Fiat.
(2) Attestation related to the review of Internal Control Over Financial Reporting.
(3) Issuance of Comfort Letters connected with bond issues.
(4) Review of some aspects of internal control system and Tax related activities.
(5) Audit of 2012 Chrysler Group consolidated accounts.

Attestation of the Consolidated 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 Richard Palmer, as the executive officer 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 consolidated financial statements at 31 December 2012.

2. The assessment of the adequacy of the administrative and accounting procedures used for the preparation of the consolidated financial statements at 31 December 2012 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 consolidated financial statements at 31 December 2012:

   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 Council, 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 and its consolidated subsidiaries as of 31 December 2012 and for the year then ended

   3.2 the report on operations includes a reliable operating and financial review of the Company and of the Group as well as a description of the main risks and uncertainties to which they are exposed.

20 February 2013

/s/ Sergio Marchionne

Sergio Marchionne

CHIEF EXECUTIVE OFFICER

/s/ Richard Palmer

Richard Palmer

EXECUTIVE OFFICER RESPONSIBLE FOR THE PREPARATION OF THE COMPANY'S FINANCIAL STATEMENTS