

2011 SECOND QUARTER RESULTS



THE NEWLY CONSOLIDATED FIAT-CHRYSLER GROUP (WITH CHRYSLER CONSOLIDATED FROM JUNE 1, 2011) POSTED Q2 REVENUES OF €13.2 BILLION AND TRADING PROFIT OF €25 MILLION. NET INCOME OF €1,237 MILLION BENEFITED FROM A ONE-OFF CAPITAL GAIN RELATING TO THE ACQUISITION OF A CONTROLLING INTEREST IN CHRYSLER (NET OF INTANGIBLE WRITE-OFFS AND OTHER UNUSUAL ITEMS) AMOUNTING TO €1,058 MILLION. NET INDUSTRIAL DEBT TOTALED €3.4 BILLION AND TOTAL CONSOLIDATED LIQUIDITY STOOD AT €19.2 BILLION.

GIVEN THE CONSOLIDATION OF CHRYSLER AND IMPROVED PERFORMANCE OF FIAT'S OTHER BUSINESSES, THE GROUP IS UPGRADING GUIDANCE FOR THE YEAR, WITH EXPECTED REVENUES IN EXCESS OF €8 BILLION, TRADING PROFIT OF ~€2.1 BILLION AND NET INCOME OF ~€1.7 BILLION. NET INDUSTRIAL DEBT FOR THE CONSOLIDATED GROUP IS EXPECTED BETWEEN ~€5.0 AND ~€5.5 BILLION.

FIAT (including Chrysler from June 2011) Income Statement – 2 nd Quarter		
(€ million)	2011	2010 (*)
Net revenues	13,153	9,381
% change	40.2	
Trading profit	525	307
Change	218	
Trading margin (%)	4.0	3.3
Operating profit	1,583	282
Change	1,301	
Profit before taxes	1,361	126
Change	1,235	
Profit/(loss)	1,237	(17)
Change	1,254	
Profit/(loss) ex-unusals	156	8
Change	148	
EPS – ordinary shares (€)	1.074	(0.018)
EPS – preference shares (€)	0.963	(0.018)
EPS – savings shares (€)	0.965	(0.104)

FIAT (including Chrysler from June 2011) Income Statement – 1 st Half		
(€ million)	2011	2010 (*)
Net revenues	22,363	17,984
% change	24.3	
Trading profit	776	537
Change	239	
Trading margin (%)	3.5	3.0
Operating profit	1,834	514
Change	1,320	
Profit before taxes	1,514	265
Change	1,249	
Profit/(loss)	1,274	(4)
Change	1,278	
Profit/(loss) ex-unusals	193	19
Change	174	
EPS – ordinary shares (€)	1.074	(0.018)
EPS – preference shares (€)	1.074	(0.018)
EPS – savings shares (€)	1.182	(0.018)

(*)In accordance with IFRS 5 – Non current assets held for sale and Discontinued Operations, the figures previously reported for Q2 and H1 2010, which related to Fiat Group Pre-Demerge, have been reclassified to exclude the businesses transferred to the Fiat Industrial Group on 1 January 2011 under the Demerge.

FIAT, EXCLUDING CHRYSLER, RECORDED REVENUES OF €10 BILLION (+6.5%), WITH TRADING PROFIT GROWING 22.1% TO €75 MILLION DESPITE DIFFICULT TRADING CONDITIONS IN EUROPE. NET INDUSTRIAL DEBT WAS BELOW €1 BILLION MARK, NOTWITHSTANDING DISBURSEMENTS OF \$1.3 BILLION FOR AN INCREMENTAL 16% INTEREST IN CHRYSLER. STRONG CASH FLOW FROM OPERATIONS AND LIQUIDITY AT €12.2 BILLION.

CHRYSLER CONTRIBUTED STRONGLY TO THE GROUP RESULTS WITH 1 MONTH REVENUES OF €3.3 BILLION AND TRADING PROFIT OF €150 MILLION.

- Revenues of €13.2 billion (€10 billion ex Chrysler) reflect double-digit growth from both Luxury & Performance brands and Components & Production Systems. Fiat Group Automobiles increased by 2.7%.
- Trading profit came in at €25 million. Excluding Chrysler, trading profit was €75 million, with trading margin improving to 3.8% (3.3% for Q2 2010). The €8 million year-over-year increase was mainly driven by strong performance from Components.
- Reported net profit was €1,237 million, reflecting unusual income from measurement of the ownership interest in Chrysler upon consolidation, net of unusual charges, for €1,058 million. Excluding those one-off items and related tax impacts, net profit was €156 million. Excluding Chrysler, net profit ex-unusals was €76 million (up €8 million over Q2 2010).
- Net industrial debt as reported was €3,407 million, of which €979 million (€489 million at end March) is Fiat's excluding Chrysler. Otherwise positive cash flow of €391 million for the period was more than offset by the \$1,268 million (€81 million) paid to Chrysler for an incremental 16% ownership interest (on a fully diluted basis).
- Liquidity as reported was €19.2 billion. Liquidity for Fiat ex-Chrysler was €12.2 billion, €0.9 billion below the 31 March 2011 level, mainly reflecting the disbursement for the 16% stake in Chrysler.
- Given the consolidation of Chrysler and improved performance of Fiat's other businesses, guidance is upgraded for the year (Chrysler contributing 7 months), with consolidated revenues in excess of €8 billion, trading profit of ~€2.1 billion, net income of ~€1.7 billion and net industrial debt between ~€5.0 and ~€5.5 billion. Liquidity is expected to remain high (~€18 billion).

Following the acquisition of an incremental 16% ownership interest (on a fully diluted basis) in Chrysler and, as a result of the potential voting rights associated with options that became exercisable thereafter, Chrysler financial results were consolidated by Fiat from June 1, 2011. Fiat and Chrysler will continue to manage financial matters, including funding and cash management, separately. Moreover, Fiat has no guarantee, support or similar obligation in relation to any Chrysler financing obligations, nor does Fiat have any obligation or commitment to provide funding to Chrysler in the future.

Reported revenues were €13.2 billion. Excluding Chrysler, revenues were up 6.5% to €10 billion with year-on-year increases for all businesses.

- Fiat Group Automobiles (FGA) posted revenues of €7.6 billion (+2.7%), with 568,400 passenger cars and light commercial vehicles shipped during the

quarter (+2.5% vs. Q2 2010). Despite continued weak demand for passenger car in most European markets, the increase was attributable to higher LCV volumes, continued success of the Alfa Romeo Giulietta, strong performance in Brazil, in addition to the contribution from the distribution of Chrysler Group vehicles in Europe. Market share for passenger cars in Europe was down 0.3 percentage points to 7.2%, primarily due to a 0.8 percentage point decline in Italy (share at 29.5%), reflecting the phase-out of certain models and a further reduction in demand for alternative fuel vehicles. Fiat Professional maintained a leading position in Europe with a 14.4% share, its best ever Q2 performance. In Brazil, Fiat remained market leader, with overall share at 22.6% (+2.8 p.p. over nearest competitor).

- Chrysler reported revenues of €3.3 billion for June on worldwide vehicle shipments of 179,000 (514,000 for Q2, up 19% year-on-year). Market share for the quarter was up 1.2 percentage points to 10.6% in the U.S. and 2.0 percentage points to 14.9% in Canada.
- Luxury & Performance brands: Ferrari posted revenues of €589 million, up 20.4%. Maserati revenues were down 3.4% to €168 million, but stable on a constant currency basis.
- Components & Production Systems had revenues of €3.2 billion, a 10.2% increase over Q2 2010. All sectors posted solid year-on-year growth. For Magneti Marelli, in particular, revenues were up 10% to €1.5 billion.

Reported **trading profit** was €525 million. Excluding Chrysler, trading profit of €375 million was €68 million higher than Q2 2010.

- Fiat Group Automobiles achieved trading profit of €187 million (€185 million for Q2 2010), with trading margin at 2.5% unchanged over the prior year. The positive impact of higher volumes and purchasing efficiencies was almost entirely offset by lower cost absorption at Italian passenger car plants.
- Luxury & Performance brands benefited from higher volumes, with Ferrari posting trading profit of €82 million, a €5 million increase over the prior year despite higher R&D spending for new products, and Maserati achieving trading profit of €9 million (€8 million in Q2 2010).
- Components & Production Systems reported trading profit of €110 million, up €46 million year-on-year, with Magneti Marelli nearly double at €50 million (vs. €26 million) and Fiat Powertrain at €46 million (vs. €31 million).

Reported **net industrial debt** at 30 June 2011 was €3,407 million, of which €979 million (€489 million at end March) for Fiat excluding Chrysler. Strong cash flow from operating activities, which exceeded capital expenditure and dividend payments during the period, supported a €391 million reduction in net industrial debt before payment of the consideration for the 16% interest in Chrysler. Capital expenditure for Fiat excluding Chrysler was €794 million, up €144 million over Q2 2010, progressing in line with full-year guidance.

Reported **liquidity** at 30 June 2011 was €19.2 billion, of which €12.2 billion for Fiat ex-Chrysler, €0.9 billion below the 31 March 2011 level. In addition to the disbursement for the 16% stake in Chrysler €1.3 billion in bond maturities were repaid in May and a €1.0 billion bond was issued in April. The quarter-end liquidity position does not reflect proceeds from the recent €1.5 billion bond issuances (settled on July 8, 2011) and disbursement of \$700 million in relation with the purchase of the US Treasury stake in Chrysler and of its rights under the Equity Recapture Agreement and with the purchase of the Canadian interest. In addition, \$1.3 billion is available to Chrysler on an unused committed revolving credit facility.

Given the consolidation of Chrysler and improved performance of its other businesses, Fiat is upgrading **guidance**. For the consolidated group (Chrysler contributing 7 months), full-year revenues are expected to be in excess of €58 billion, trading profit of ~€2.1 billion, and net income of ~€1.7 billion. Capital expenditures for the year, including Chrysler, will be approximately €5.5 billion and net industrial debt should come in between ~€5.0 and ~€5.5 billion. Liquidity is expected to remain high (~€18 billion).

Fiat				Income Statement			
				1 st Half		2 nd Quarter	
				2011		2010 ^(*)	
Fiat as reported	Chrysler	Fiat ex Chrysler	Fiat	(€ million)			
22,363	3,325	19,200	17,984	Net revenues	13,153	3,325	9,990
		6.8		% change			6.5
776	150	626	537	Trading profit	525	150	375
		89		Change			68
		3.3	3.0	Trading margin (%)			3.8
1,834	(73)	1,907	514	Operating profit	1,583	(73)	1,656
		1,393		Change			1,374
1,514	(143)	1,657	265	Profit before taxes	1,361	(143)	1,504
		1,392		Change			1,378
1,274	(143)	1,417	(4)	Profit/(loss)	1,237	(143)	1,380
		1,421		Change			1,397
193	80	113	19	Profit/(loss) ex-unusuals and related taxes	156	80	76
		94		Change			68

(*) In accordance with IFRS 5 – Non current assets held for sale and Discontinued Operations, the figures previously reported for Q2 and H1 2010, which related to Fiat Group Pre-Demerge, have been reclassified to exclude the businesses transferred to the Fiat Industrial Group on 1 January 2011 under the Demerge.

Consolidation of Chrysler at the acquisition date

On 24 May 2011, Fiat exercised its Incremental Equity Call Option to acquire an additional 16% ownership interest (on a fully diluted basis) in Chrysler Group LLC (“Chrysler”) and, as a result of the potential voting rights associated with options that have become exercisable, is deemed to have acquired control of Chrysler for purposes of consolidation (IAS 27). This resulted in the recognition of €2.0 billion in unusual income from the re-measurement of the 30% ownership interest previously held and Fiat’s right to receive an additional 5% ownership interest upon Chrysler’s achievement of the third Performance Event, expected in the fourth quarter of 2011. That amount reflects the fair value of Chrysler’s equity of ~\$8.3 billion (€5.8 billion) based on the \$500 million purchase price agreed to between Fiat and the U.S. Treasury on 3 June 2011 for the purchase of the U.S. Treasury’s 6.031% ownership interest (on a fully diluted basis) in Chrysler. The consolidation of identifiable assets and liabilities of Chrysler, measured at fair value at the acquisition date in accordance with IFRS 3, resulted in the recognition of goodwill of €9.2 billion and 54% non-controlling interests of €3.1 billion, based on the equity value for Chrysler stated above. As a result, Fiat’s consolidated equity increased by a total of €5.1 billion, of which €2.0 billion related to the unusual income referred to above and €3.1 billion to non-controlling interests. Although the measurement of the assets acquired and liabilities assumed has been performed in an exhaustive manner for the purposes of the Half-year Condensed Financial Statements, as allowed by IFRS 3 within 12 months following the transaction, such amounts could be subject to further analysis and possible adjustment.

Group Results – Second Quarter

Group **revenues** for the second quarter totaled €13.2 billion. Excluding Chrysler, revenues were €10 billion up 6.5% over Q2 2010. All businesses reported year-on-year increases with Luxury & Performance brands and Components & Production Systems recording double-digit growth. Fiat Group Automobiles revenues were up 2.7% over Q2 2010.

FIAT Revenues by business – 2 nd Quarter		
(€ million)	2011	2010
Automobiles (Fiat Group Automobiles, Chrysler, Maserati, Ferrari)	11,434	7,927
% change	44.2	
Components & Production Systems (Magnetit Marelli, Fiat Powertrain ^(*) , Teksid, Comau)	3,195	2,899
% change	10.2	
Other Businesses	279	280
% change	-0.4	
Eliminations	(1,755)	(1,725)
Total	13,153	9,381
% change	40.2	
% change ex-Chrysler	6.5	

^(*) Includes the activities of the Passenger & Commercial Vehicles business line of the former FPT Powertrain Technologies sector

Group **trading profit** of €525 million included €150 million reported by Chrysler for June. Excluding Chrysler, trading profit increased by 22% or €68 million, mainly driven by the strong performance of Components. Trading margin was 3.8% (3.3% for Q2 2010).

FIAT Trading Profit/(loss) by business – 2 nd Quarter		
(€ million)	2011	2010
Automobiles (Fiat Group Automobiles, Chrysler, Maserati, Ferrari)	428	270
Change	158	
Components & Production Systems (Magnetit Marelli, Fiat Powertrain ^(*) , Teksid, Comau)	110	64
Change	46	
Other Businesses and Eliminations	(13)	(27)
Change	14	
Total	525	307
Change	218	
Change ex-Chrysler	68	

^(*) Includes the activities of the Passenger & Commercial Vehicles business line of the former FPT Powertrain Technologies sector

Operating profit for Q2 2011 was €1,583 million, impacted by positive net unusuals of €1,058 million. Unusual income totaled €2,020 million, of which €2,017 million relates to fair value re-measurement of the 30% ownership interest held in Chrysler prior to the acquisition of control and of the right to receive an additional 5% ownership interest following Chrysler's achievement of the third Performance Event. Unusual expense totaled €962 million, of which €739 million ex Chrysler (of which €552 million are non-cash charges) largely due to the impact on Fiat's businesses of the strategic realignment with Chrysler's manufacturing and commercial activities, further accelerated following the

increase of Fiat's ownership interest, and to one-off charges mainly related to the realignment of certain minor activities of the Group.

Chrysler recorded an operating loss of €73 million in June 2011, which included €223 million in unusual expenses. As of the date control was acquired, Chrysler recorded an upward revaluation or "step up" of its inventories totaling €220 million in connection with the recognition of the assets acquired and liabilities assumed at fair value. In June, this amount was fully written off due to the rapid inventory turnover and was recorded as a one-off non-cash charge.

In the prior year's Q2, operating profit of €282 million included net unusual expenses of €25 million.

Net financial expense totaled €230 million. Excluding Chrysler, net financial expense was €160 million (€186 million in Q2 2010). Net of the marking-to-market of two stock option-related equity swaps (no impact in Q2 2011 and €19 million loss for Q2 2010) financial expense was substantially in line with Q2 2010, with the cost of maintaining a higher level of liquidity being compensated by the benefit of lower indebtedness and favorable foreign exchange rates impacts.

Profit before taxes was €1,361 million. Excluding Chrysler, profit before taxes was €1,504 million. The €1,378 million increase (ex Chrysler) over Q2 2010 almost entirely reflects higher trading profit (+€68 million) and the €1,306 million positive difference in net unusual items (2011: €1,281 million, 2010: €(25)million)

Income taxes totaled €124 million (€143 million for Q2 2010), and related primarily to taxable income of companies operating outside Italy and employment-related taxes in Italy.

Reported **net profit** for Q2 2011 was €1,237 million (net loss of €17 million for Q2 2010). Excluding unusualls and related tax impacts, net profit was €156 million (€76 million excluding Chrysler, up €68 million on 2010).

Reported **net industrial debt** at 30 June 2011 was €3,407 million, of which €979 million (€489 million at end March) for Fiat excluding Chrysler. Strong cash flow from operating activities, which exceeded capital expenditure and dividend payments during the period, supported a €391 million reduction in net industrial debt before payment of the consideration for the 16% interest in Chrysler. Capital expenditure for Fiat ex-Chrysler was €794 million, up €144 million over Q2 2010, progressing in line with full-year guidance.

Reported **liquidity** at 30 June 2011 was €19.2 billion, of which €12.2 billion for Fiat ex-Chrysler, €0.9 billion below the 31 March 2011 level. In addition to the disbursement for the 16% stake in Chrysler €1.3 billion in bond maturities were repaid in May and a €1.0 billion bond was issued in April. The quarter-end liquidity position does not reflect proceeds from

the recent €1.5 billion bond issuances (settled on July 8, 2011) and disbursement of \$700 million in relation with the purchase of the US Treasury stake in Chrysler and of its rights under the Equity Recapture Agreement and with the purchase of the Canadian interest. In addition, \$1.3 billion is available to Chrysler on an unused committed revolving credit facility.

FIAT						
Net Debt						
(€ million)	30.06.2011			31.03.2011	31.12.2010 ^(*)	
	Fiat as reported	Chrysler	Fiat ex Chrysler	Fiat	Fiat	
Financial debt	(25,925)	(9,460)	(16,465)	(16,398)	(20,804)	
- Asset-backed financing	(787)	(80)	(707)	(697)	(533)	
- Financial payables to Fiat Industrial	-	-	-	-	(2,865)	
- Other debt	(25,138)	(9,380)	(15,758)	(15,701)	(17,406)	
Current financial receivables from jointly-controlled financial services companies ⁽¹⁾	17	-	17	14	12	
Financial receivables from Fiat Industrial	-	-	-	-	5,626	
Financial payables, net of current financial receivables from jointly-controlled Financial Services entities	(25,908)	(9,460)	(16,448)	(16,384)	(15,166)	
Other financial assets/(liabilities) ⁽²⁾	381	(8)	389	438	261	
Liquidity ⁽³⁾	19,257	7,040	12,217	13,057	12,152	
Liquidity included in Assets held for sale	1	-	1	-	-	
Net Debt	(6,269)	(2,428)	(3,841)	(2,889)	(2,753)	
	Industrial Activities	(3,407)	(2,428)	(979)	(489)	(542)
	Financial Services	(2,862)	-	(2,862)	(2,400)	(2,211)

(*) Amounts for 2010 take into account effects from the demerger on 1 January 2011.
(1) Includes current financial receivables from the JV FGA Capital.
(2) Includes the positive and negative fair value of derivative financial instruments.
(3) Includes Cash and cash equivalents and Current securities.

FIAT								
Change in Net Industrial debt								
(€ million)	2 nd Quarter 2011			2 nd Quarter 2010 ^(*)	1 st Half 2011			1 st Half 2010 ^(*)
	Fiat as reported	Chrysler	Fiat ex Chrysler	Fiat	Fiat as reported	Chrysler	Fiat ex Chrysler	Fiat
Cash from Operating Activities before change in working capital	809	235	574	737	1,468	235	1,233	1,159
Cash from Operating Activities	2,167	709	1,458	1,239	2,596	709	1,887	1,347
Net Industrial Cash Flow ⁽¹⁾	1,078	553	525	235	1,177	553	624	(187)
Change in Net Industrial Debt⁽²⁾	942	551	391	45	995	551	444	(741)

(*) Amounts referred to Fiat post-Demerger
(1) Change in net industrial debt, excluding any capital increases, dividends, share buy-backs and currency translation impacts.
(2) Does not include consolidation of €3,860 million of Chrysler's net debt before 16% Fiat equity subscription and the effect of such equity subscription (offset at consolidated level)

FIAT				
Key Balance Sheet data				
(€ million)	30.06.2011	31.03.2011	31.12.2010 ^(*)	
Total assets	78,479	43,399	73,442	
Total equity	11,975	7,718	12,461	
of which non controlling interests	3,199	180	917	

(*) Amounts reported in the 2010 Fiat Group Financial Statements and relating to Fiat Group pre-Demerger.

Group results – First Half

Group **revenues** for the H1 2011 totaled €22.4 billion. Excluding Chrysler, revenues were €19.2 billion up 6.8% over H1 2010. All businesses reported year-on-year increases with Luxury & Performance brands and Components & Production Systems recording double-digit growth. Fiat Group Automobiles revenues were up 2.6% over H1 2010.

FIAT Revenues by business – 1 st Half		
(€ million)	2011	2010
Automobiles (Fiat Group Automobiles, Chrysler, Maserati, Ferrari)	19,025	15,261
% change	24.7	
Components & Production Systems (Magnetit Marelli, Fiat Powertrain ⁽¹⁾ , Teksid, Comau)	6,201	5,348
% change	15.9	
Other Businesses	530	542
% change	-2.2	
Eliminations	(3,393)	(3,167)
Total	22,363	17,984
% change	24.3	
% change ex-Chrysler	6.8	

⁽¹⁾ Includes the activities of the Passenger & Commercial Vehicles business line of the former FPT Powertrain Technologies sector

Group **trading profit** of €776 million included €150 million reported by Chrysler for June. Excluding Chrysler, trading profit increased by 16.6% or €89 million, mainly driven by the strong performance of Components. Trading margin was 3.3% (3.0% for H1 2010).

FIAT Trading Profit/(loss) by business – 1 st Half		
(€ million)	2011	2010
Automobiles (Fiat Group Automobiles, Chrysler, Maserati, Ferrari)	620	466
Change	154	
Components & Production Systems (Magnetit Marelli, Fiat Powertrain ⁽¹⁾ , Teksid, Comau)	171	106
Change	65	
Other Businesses and Eliminations	(15)	(35)
Change	20	
Total	776	537
Change	239	
Change ex-Chrysler	89	

⁽¹⁾ Includes the activities of the Passenger & Commercial Vehicles business line of the former FPT Powertrain Technologies sector

Operating profit for H1 2011 was €1,834 million impacted by positive net unusuals of €1,058 million. Included in these results is Chrysler's June 2011 operating loss of €73 million which reflects €223 million in unusual expenses (inventory adjustments as outlined above). In the prior year (H1 2010), operating profit was €514 million and included net unusual expenses of €23 million.

Net financial expense totaled €368 million with Chrysler's net financial expense of €70 million. Excluding Chrysler, net financial expense was €298 million (€328 million in H1 2010) and included a €23 million gain in the mark-to-market value of two stock option-

related equity swaps (€32 million loss for H1 2010). Net of that item, financial expense increased €25 million over the prior year, mainly reflecting the cost of maintaining a higher level of liquidity.

Profit before taxes was €1,514 million. Excluding Chrysler, profit before taxes was €1,657 million. The €1,392 million increase over H1 2010 almost entirely reflects higher trading profit (+€89 million) and the €1,304 million positive year-over-year difference in net unusual items.

Income taxes totaled €240 million (€269 million for H1 2010), and related primarily to taxable income of companies operating outside Italy and employment-related taxes in Italy.

Reported **net profit** for H1 2011 was €1,274 million (net loss of €4 million for H1 2010). Excluding unusuals and related tax impacts, net profit was €193 million (€113 million excluding Chrysler, up €94 million on 2010).

Net industrial debt at 30 June 2011 was €3,407 million, of which €979 million for Fiat excluding Chrysler compared to €542 million at 2010 end. Net of the consideration for the 16% interest in Chrysler the cash flow over the first half of 2011 would have been positive by €444 million.

AUTOMOBILES – 2 nd Quarter Net revenues		
(€ million)	2011	2010
Fiat Group Automobiles	7,550	7,350
% change	2.7	
Chrysler	3,325	-
Maserati	168	174
% change	-3.4	
Ferrari	589	489
% change	20.4	
Eliminations	(198)	(86)
Total	11,434	7,927
% change	44.2	

AUTOMOBILES – 2 nd Quarter Trading profit/(loss)		
(€ million)	2011	2010
Fiat Group Automobiles	187	185
Change	2	
Chrysler	150	-
Maserati	9	8
Change	1	
Ferrari	82	77
Change	5	
Total	428	270
Change	158	
Trading margin %	3.7	3.4

Automobiles

Fiat Group Automobiles

Second Quarter

Fiat Group Automobiles (FGA) closed the quarter with **revenues** of approximately €7.6 billion, up 2.7% over the second quarter of 2010, despite continued weak demand for passenger cars in the European market. Top-line growth was driven by higher volumes, in particular for light commercial vehicles, the success of the Alfa Romeo Giulietta, strong performance in Brazil and the contribution from the distribution of Chrysler Group vehicles in Europe.

Fiat Group Automobiles shipped¹ a total of 568,400 passenger cars and light commercial vehicles during the quarter, representing a 2.5% increase over the second quarter of 2010. For passenger cars, a total of 452,100 units were shipped,

substantially in line with the prior year, and included approximately 7,900 Chrysler Group units (mainly Jeep®) for which FGA is general distributor in most European markets. For light commercial vehicles, a total of 116,300 units were shipped during the quarter, a 17.2% increase over the same period in 2010.

During the quarter, the **European passenger car** market (EU27+EFTA) registered a year-over-year contraction (-1.7%), with 3.7 million units sold to end customers. Performance was uneven across markets, however, reflecting differences in the phase-out of incentives programs and in macroeconomic conditions. In Germany, a robust economic recovery drove a 7.6% increase in demand (13.9% for the first quarter), particularly in the upper segments. In Italy, weak demand continued with the overall market remaining in line with low Q2 2010 levels.

The French and UK markets recorded declines of 6.5% and 5.2%, respectively. For both markets, these results were widely expected given the timing and nature of the termination of incentives. For the fourth consecutive quarter, Spain recorded a year-on-year decline in

¹ "Shipments": New Cars & LCVs invoiced to third party customers (invoices to dealer network, importers & direct invoices to customer such as car rental companies, fleets, Public Administrations)

AUTOMOBILES – 1 st Half Net revenues		
(€ million)	2011	2010
Fiat Group Automobiles	14,565	14,190
% change	2.6	
Chrysler	3,325	-
Maserati	303	301
% change	0.7	
Ferrari	1,080	903
% change	19.6	
Eliminations	(248)	(133)
Total	19,025	15,261
% change	24.7	

AUTOMOBILES – 1 st Half Trading profit/(loss)		
(€ million)	2011	2010
Fiat Group Automobiles	317	338
Change	-21	
Chrysler	150	-
Maserati	18	12
Change	6	
Ferrari	135	116
Change	19	
Total	620	466
Change	154	
Trading margin %	3.3	3.1

excess of 20% attributable to macroeconomic conditions and government policies that are particularly unfavorable to the auto sector.

During the second quarter, FGA shipped a total of 252,700 passenger cars in Europe, a 7.6% decline over 2010. Significantly higher volumes in Germany (+15.9%) and the UK (+17.6%) only partially offset the declines experienced in France (-16.2%), Spain (-38.9%) and minor European markets (-8.6% in aggregate). In Italy, shipments were down 8.5%.

For Alfa Romeo, shipments in Europe were up about 30% on the back of the strong contribution from the Alfa Romeo Giulietta. For Lancia, shipments were in line with the prior year, while Fiat brand experienced a decline attributable primarily to the phase-out of certain models.

FGA's overall market share in Europe was 7.2% for the quarter, down 0.3 percentage points year-

over-year. In Italy, share was 29.5% compared with 30.3% for Q2 2010. This result reflected the above-mentioned phase-out of certain models and a further reduction in the relative contribution of alternative fuel passenger cars to overall demand (5% compared with 12% in Q2 2010), in addition to the fact that the positive contribution of the newly-launched Fiat Freemont and Lancia Ypsilon, which have both enjoyed critical and commercial success, only had a marginal impact on the quarter. In the UK, FGA's market share was substantially unchanged at 3.0%. However, year-on-year share was up 0.1 percentage points in Germany (to 3.6%), share was down 0.4 percentage points in Spain and 0.7 percentage points in France. Of particular note was the strong performance in the Netherlands, where FGA improved share for the sixth consecutive quarter with registrations up 43% (against overall market growth of 18%), confirming its leadership for vehicles with low CO₂ emissions.

Fiat brand was the most heavily impacted by the product and market conditions described above, with overall share in Europe down from 6.1% to 5.4%. The Fiat Panda reached the production milestone of 2 million units confirming European leadership in its segment, followed once again by the Fiat 500 which gained more than 2 percentage points. The Grande Punto MyLife recorded a 0.8 percentage point gain in the most competitive

segment in Europe, re-entering the top-10 ranking. And finally, the Fiat Freemont achieved better than expected results with over 13,000 orders received since launch.

Lancia maintained its share unchanged at 0.7% with volumes for the new Ypsilon only benefiting the final part of the quarter. Orders to date exceeded 15,000 units.

Alfa Romeo, on the other hand, increased European market share 0.3 percentage points to 1% with the Giulietta continuing the success experienced since launch.

FGA recorded a significant increase in the number of **light commercial vehicles** shipped for the second quarter. In Europe, volumes were up 23.8% year-on-year to 64,700 units, significantly outpacing overall market growth. Double-digit growth was achieved in Germany (+40.5%) and France (+15.0%), continuing the positive trend experienced in the first quarter. In Italy, where the market recorded a slight recovery, volumes for FGA were up 30.6%. Volumes were stable in the UK, while in Spain shipments fell 17.4% year-on-year.

Fiat Professional's market share in Europe was 14.4%² (+0.6 percentage points), representing the best second quarter performance in the brand's history. Share gains were recorded in major markets, with share in Italy at 45.5% (+0.8 percentage points), in Germany at 14.7% (+2.2 percentage points), an all-time quarterly record, and in France at 10.9% (+0.8 percentage points). Share was down slightly year-on-year for both the UK at 3.6% (-0.4 p.p.) and Spain at 8.6% (-0.3 p.p.).

Driving this performance was the Fiat Ducato, with registrations up approximately 17% to 37,400 units driven by the new range of engines.

In Brazil, demand for passenger cars and light commercial vehicles was up significantly over the prior year (+15.4%), with similar levels of performance in each segment, and 860,000 registrations representing another year-over-year record.

Shipments of passenger cars and light commercial vehicles once again exceeded 200,000 units, up 6.9% over Q2 2010. FGA recorded an overall market share of 22.6% (down 0.7 percentage points year-over-year but up 0.5 percentage points over Q1). FGA strengthened its leadership position, increasing the gap over its nearest competitor to 2.8 percentage points.

In Argentina, FGA shipments increased over 40% with the market growing 34.2%. Overall market share was 10.4%, with a share gain in the LCV segment.

² Due to the unavailability of data from Italy since January 2011, figures reported for 2011 for that country are an extrapolation. As they are not current market figures, the possibility of a margin of error for EU total exists.

Fiat Group Automobiles closed Q2 2011 with a **trading profit** of €187 million, substantially in line with Q2 2010 (€185 million). The positive impact of higher volumes and purchasing efficiencies was almost entirely offset by lower cost absorption at Italian passenger car plants.

May saw the commercial launch of the new Fiat 500 TwinAir (both standard and cabriolet versions) in Europe. The name "TwinAir" now designates not just the two-cylinder turbo engine but also a dedicated product range whose unique styling and content fully express the "fun to drive" characteristics of the vehicles.

Following the success of the first open house campaign at the end of May, the new Freemont, the first Fiat vehicle to come out of the alliance with Chrysler Group, was officially presented to the press. The Fiat Freemont is the "Official Car" of Italy's national football team (Fiat will be Top Sponsor for the next 4 years).

For Lancia, sales of the restyled Delta with new trim packages and engine options began in April. In June, following the world debut at the Geneva Motor Show, the new Lancia Ypsilon was launched commercially.

In April, Jeep® presented the Grand Cherokee with the new 3.0 liter turbodiesel MultiJet II engine, as well as the new Jeep® Compass and Wrangler Unlimited.

In Germany, FGA received several major awards, with the Fiat 500 achieving the highest score for "customer satisfaction" in the J. D. Power and Associates "Vehicle Owner Satisfaction Study" and the Alfa Romeo 4C Concept car voted as the "Most Attractive Concept Car of the Year" by the readers of Auto Bild magazine.

Alfa Romeo was also recognized for best advertising campaign of the year for the Giulietta at the NC AWARDS.

The New Fiat Ducato was launched in May. The five generations of this best-selling van have received international awards and more than 2.2 million units have been sold since 1981. The Ducato range has a well-structured and diversified offering with ~2,000 different combinations of chassis, engine and mechanics. It also offers record-low consumption and CO₂ emission levels (~15% reduction compared with Euro 4 engines). In addition to the extensive range of Euro 5 diesel engines ranging 115-177 hp, a CNG version is also available.

First Half

Fiat Group Automobiles closed the first half with **revenues** of €14.6 billion, up 2.6% over the first six months of 2010, driven by improved sales mix and favorable currency movements particularly in the first quarter (+1.5% at constant exchange rates).

A total of 1,087,000 passenger cars and light commercial vehicles were shipped during the first half, substantially in line with the same period for 2010. The slight fall for passenger cars (-2.7% to 869,000 units) was compensated for by increased sales for light commercial vehicles, which reached 218,000 units (+12.5% over the first six months of 2010).

Passenger car demand in Europe was down 1.8% for the first half, in line with performance in the first quarter. For the main European markets, demand was higher in Germany (+10.5%) and France (+1%, entirely due to performance in the first quarter), but extremely weak performance was recorded in Italy (-13.1%), the UK (-7.1%) and Spain (-26.8%). For the rest of Europe, overall demand remained in line with H1 2010, although with significant variations by market.

FGA shipped 498,000 passenger cars in Europe, with the 9.4% reduction over the prior year being heavily influenced by performance in Italy, where shipments were down 14.8%. Growth in Germany (+20.5%) and the UK (+5.0%) fully offset declines in France (-10.7%) and Spain (-28.9%). For the rest of Europe, shipments were stable year-over-year.

FGA's European market share was down 0.9 percentage points for the first six months to 7.2%, influenced heavily by performance in Q1 2011 (-1.5 percentage points to 7.1%) compared to Q1 2010, which benefited from the residual impact of eco-incentives in Italy. By individual market, share was down in Italy (-1.7 percentage points) and France (-0.4 percentage points), but substantially in line with 2010 in Germany and the UK.

Double-digit growth was recorded for light commercial vehicles in Europe, with shipments up 14.5% for the first half. Increases were achieved in all major markets except Spain, where year-over-year performance was flat. Shipments were up 42.0% in Germany, 6.7% in Italy, 15.4% in France and 9.2% in the UK. Market share remained substantially stable at 13.6%³, despite a less favorable market mix. FGA improved share in all major markets: Italy up 0.4 p.p. to 46.2%, Germany up 1.9 p.p. to 13.6%, France up 0.5 p.p. to 10%, the UK up 0.1 p.p. to 3.7% and Spain up 0.6 p.p. to 9.2%.

³ Due to the unavailability of data from Italy since January 2011, figures reported for that country are an extrapolation. As they are not current market figures, the possibility of a margin of error for EU total exists.

In Brazil, shipments for passenger cars and light commercial vehicles increased 7.4% to 383,000 units. Fiat Group Automobiles maintained its market leadership, for both cars and light commercial vehicles, achieving an overall share of 22.4% with the market up 9.5%.

In Argentina, FGA shipped a total of 43,400 units during the first half and achieved a market share of 10.2% (market up 30.7%).

For H1 2011, Fiat Group Automobiles had **trading profit** of €317 million (€338 million reported for H1 2010).

Chrysler

Chrysler's financial results were consolidated by Fiat beginning June 1, 2011. For the month of June 2011, Chrysler had net revenues of €3,325 million on worldwide vehicle shipments of 179,000, of which the U.S. and Canada accounted for 83%. Trading profit was €150 million.

Commercial performance for Chrysler for both Q2 and H1 2011 is discussed below to give a more complete view of its activities.

Second Quarter

Worldwide vehicle shipments totaled 514,000 for Q2 2011, representing a 19% increase over Q2 2010. U.S. vehicle shipments were 368,000 (up 18% over Q2 2010). Canada vehicle shipments were 74,000 (up 15%). Vehicle shipments in other regions totaled 72,000 (up 28%).

Worldwide vehicle sales⁴ were 486,000 in Q2 2011, a 19% increase compared to Q2 2010. Vehicle sales increased 20% for Q2 2011 in both the U.S. and Canada to 353,000 and 72,000, respectively, which outpaced the growth of the U.S. and Canadian markets overall.

Chrysler's U.S. market share was 10.6% in Q2 2011, compared to 9.4% in Q2 2010. Jeep had 104,000 vehicle sales during the quarter, up 64% year-over-year, with all five Jeep models contributing to the increase, led by the 2011 Jeep Grand Cherokee (+196%) and the Jeep Compass and Patriot (up 112% combined). Dodge, Chrysler Group's number 1 selling brand, posted vehicle sales of 128,000 during the quarter, up 8% from Q2 2010. Contributing to the increase was the all-new Dodge Durango with approximately 15,000 vehicle sales during the period. Ram truck brand posted a 25% increase in vehicle sales, with gains recorded for all pickup segments (light-duty, heavy-duty and chassis cab).

⁴ "Sales" represents preliminary results for sales to end customers as reported by Chrysler dealer network.

Vehicle sales for the Ram truck brand totaled 63,000 in Q2 2011. Chrysler brand vehicle sales totaled 53,000, with a 13% year-over-year decrease primarily reflecting reduced fleet volumes and lower Chrysler 300 vehicle sales as a result of the changeover from the 2010 model year vehicle to the all-new 2011 model year vehicle, which began arriving in dealerships in March 2011. The decrease was partially offset by vehicle sales of the new Chrysler 200 (including convertible) which totaled 23,000 units.

In Canada, market share was up 2.0 percentage points to 14.9%. Key performers in Canada included the Jeep Grand Cherokee (+298%), the Jeep Wrangler (+55%) and the Dodge Journey (+54%), the number 1 crossover vehicle in Canada.

Vehicle sales in other markets during the second quarter increased 14% over the prior year, with notable performance in Mexico (+9%).

First Half

Chrysler's worldwide vehicle shipments totaled 999,000 units in H1 2011, a 23% increase over H1 2010 primarily reflecting higher retail demand attributable to the launch of 16 all-new or significantly refreshed vehicles in 2010. U.S. vehicle shipments totaled 727,000 in H1 2011, representing a 25% increase over H1 2010. Vehicle shipments in Canada were 141,000 in H1 2011 (up 14%). For other regions, vehicle shipments totaled 131,000 for the first half of 2011 (up 21%).

Chrysler's worldwide vehicle sales totaled 880,000 in H1 2011, an increase of 19% compared to H1 2010. Vehicle sales in the U.S. and Canada increased 21% and 15% for the first half to 640,000 and 122,000 vehicles, respectively, which outpaced the growth of the U.S. and Canadian markets overall.

Chrysler's U.S. market share was 9.9% in H1 2011, compared to 9.2% in H1 2010. Jeep vehicle sales totaled 189,000, an increase of 49% over H1 2010 with the Jeep Grand Cherokee increasing 114%. Dodge posted vehicle sales of 230,000 for the first half of 2011, up 15% from the prior year, partially attributable to the launch of the all-new Dodge Durango, as well as stronger performance for the Dodge Challenger, Grand Caravan and Nitro. The Ram truck brand posted an increase in vehicle sales of 31% to 120,000. Chrysler brand vehicle sales totaled 96,000, a year-over-year decrease of 11%, primarily reflecting reduced fleet volumes and lower Chrysler 300 vehicle sales as a result of the changeover from the 2010 model year vehicle to the all-new 2011 model year vehicle, which began arriving in dealerships in March 2011. The decrease was partially offset by vehicle sales of the new Chrysler 200 (including convertible) which totaled 32,000 vehicles.

In Canada, total market share was up 1.6 percentage points for the first half of 2011 to 14.8%. Key performers in Canada included the Jeep Grand Cherokee (+130%), the Jeep Wrangler (+34%), Jeep Compass (41%) and the Dodge Journey (+53%).

H1 2011 vehicle sales in other markets increased 9% over the prior year. Strong first half performance was recorded for Mexico (+8%).

During the first half of 2011, Chrysler premiered the all-new 2011 Chrysler 300 sedan, the redesigned Jeep Compass, the 2011 Chrysler 200 Convertible, the 2012 Jeep Grand Cherokee SRT8, 2012 Chrysler 300 SRT8 and the 2012 Fiat 500 Cabrio, and celebrated Jeep®'s 70th anniversary with special anniversary models. Chrysler officially elevated its in-house Street and Racing Technology (SRT®) team to a distinct company performance brand that promises to maintain its successful formula of designing, engineering and building benchmark American high-performance vehicles for Chrysler, Jeep and Dodge.

The Chrysler brand launched a new advertising campaign during Super Bowl XLV with a spot showcasing the new Chrysler 200 sedan and the "Imported from Detroit" tagline. The spot garnered worldwide media coverage and was honored with five awards at the Cannes Lions 58th International Festival of Creativity.

The 2011 Chrysler Town & Country and Dodge Challenger ranked the highest in the minivan and mid-size sport car segments, respectively, in the J.D. Power and Associates 2011 U.S. Initial Quality StudySM (IQS) released on June 23.

Deliveries of the Fiat 500 Prima Edizione, the first Fiat cars to be sold in North America since 1983, began in the U.S. and Canada during the first quarter.

Maserati

For **Q2 2011**, **Maserati** reported €168 million in **revenues** (€174 million in Q2 2010).

A total of 1,746 vehicles were delivered to the network, a 2.9% increase over the 1,697 units delivered in Q2 2010.

The second quarter closed with **trading profit** of €9 million, representing an increase of €1 million over Q2 2010.

At the Shanghai Motor Show in April, Maserati gave the Asian premiere of its new top-of-the-range coupe, the GranTurismo MC Stradale, a model based on the protagonist of Maserati's single-make championship, the MC Trofeo.

For **H1 2011**, Maserati reported **revenues** of €303 million, substantially in line with the same period for the prior year (+2.3% at constant exchange rates).

Deliveries to the network were up 10.7% year-over-year to 3,213 vehicles.

The increase was driven by particularly strong performance in the USA and China, which experienced increases of 22% and 124%, respectively. Volume increases and efficiency gains contributed to **trading profit** of €18 million, up significantly over the €12 million recorded for Q2 2010.

Ferrari

For **Q2 2011**, **Ferrari** reported **revenues** of €589 million, a 20.4% increase over the same period in 2010 driven primarily by higher volumes for both 8-cylinder and 12-cylinder models. In addition to the continued success of the California (+12% for the quarter), also of note was the positive contribution of the two limited series 599 GTO and SA Aperta models. On the other hand, deliveries of the FF (latest addition to the product range) did not start until June.

A total of 1,886 cars were delivered to the network during the quarter, representing a 16.8% increase over Q2 2010. Volumes were higher for both 8-cylinder models (+18.7% year-over-year) and 12-cylinder models (+4.8%).

North America maintained its position as Ferrari's no. 1 market with 487 vehicles delivered during the period, accounting for 26% of total sales (+25.8% vs. 2010). Performance was particularly strong in China, Hong Kong and Taiwan with 225 vehicles delivered, more than double the prior year. In Europe, the most notable performance was in the UK with 141 vehicles delivered during the period (+32% vs. 2010).

Ferrari closed the quarter with a **trading profit** of €82 million (€77 million for Q2 2010) a €5 million increase over the prior year despite higher R&D spending for new products.

For the **first half**, Ferrari recorded **revenues** of €1,080 million, a gain of 19.6% over the same period in 2010.

A total of 3,577 cars were delivered to the network during the first half, representing an 11.8% increase over H1 2010. Volumes were higher for both 8-cylinder models (+12.7% year-over-year) and 12-cylinder models (+6.4% over H1 2010).

North America maintained its position as Ferrari's no. 1 market with 939 vehicles delivered during the period, accounting for 26% of total sales (+23.2% vs. 2010). Volumes were also higher in China, Hong Kong and Taiwan with 378 vehicles delivered, accounting for 10.6% of total sales (+116% vs. 2010). Performance was also excellent in the UK with 289 vehicles delivered to the network (+54% over the prior year).

Ferrari achieved **trading profit** of €135 million for the first half, an increase of €19 million over the €116 million recorded for the first six months of 2010, reflecting higher volumes and a more favorable product mix.

COMPONENTS & PRODUCTION SYSTEMS – 2 nd Quarter		
Net revenues		
(€ million)	2011	2010
Components (Magnetit Marelli)	1,540	1,400
% change	10.0	
Fiat Powertrain ⁽¹⁾	1,240	1,220
% change	1.6	
Metallurgical Products (Teksid)	249	201
% change	23.9	
Production Systems (Comau)	356	256
% change	39.1	
Eliminations	(190)	(178)
Total	3,195	2,899
% change	10.2	

⁽¹⁾ Includes the activities of the Passenger & Commercial Vehicles business line of the former FPT Powertrain Technologies sector

COMPONENTS & PRODUCTION SYSTEMS – 2 nd Quarter		
Trading profit/(loss)		
(€ million)	2011	2010
Components (Magnetit Marelli)	50	26
Change	24	
Fiat Powertrain ⁽¹⁾	46	31
Change	15	
Metallurgical Products (Teksid)	11	6
Change	5	
Production Systems (Comau)	3	1
Change	2	
Total	110	64
Change	46	
Trading margin %	3.4	2.2

⁽¹⁾ Includes the activities of the Passenger & Commercial Vehicles business line of the former FPT Powertrain Technologies sector

Components & Production Systems

Magnetit Marelli

For Q2 2011, Magnetit Marelli reported revenues of €1,540 million, an increase of 10% over Q2 2010.

In Europe, growth was primarily driven by higher sales for the Lighting business line and the positive performance of the LCV segment. Growth was also recorded in Brazil, North America and China.

All business lines recorded year-over-year volume growth for the quarter with the exception of Plastic Components and Modules. Performance for the principal lines was as follows:

Lighting

Revenues totaled €449 million for Q2 2011, an increase of approximately 13% over the same period for the prior year. The growth was primarily attributable to performance in the German market and a recovery in the NAFTA region.

Engine Controls

Revenues for Q2 2011 of €261 million were substantially in line with the same period for the prior year (€256 million). Marginal declines in Brazil and China were compensated for by performance in Europe where revenues were up 4% on the back of growth in volumes of gasoline direct injection (GDI) applications to external customers.

COMPONENTS & PRODUCTION SYSTEMS – 1 st Half		
Net revenues		
(€ million)	2011	2010
Components (Magneti Marelli)	3,026	2,673
% change	13.2	
Fiat Powertrain ^(*)	2,436	2,106
% change	15.7	
Metallurgical Products (Teksid)	476	372
% change	28.0	
Production Systems (Comau)	633	484
% change	30.8	
Eliminations	(370)	(287)
Total	6,201	5,348
% change	15.9	

^(*) Includes the activities of the Passenger & Commercial Vehicles business line of the former FPT Powertrain Technologies sector

COMPONENTS & PRODUCTION SYSTEMS – 1 st Half		
Trading profit/(loss)		
(€ million)	2011	2010
Components (Magneti Marelli)	84	45
Change	39	
Fiat Powertrain ^(*)	69	54
Change	15	
Metallurgical Products (Teksid)	14	6
Change	8	
Production Systems (Comau)	4	1
Change	3	
Total	171	106
Change	65	
Trading margin %	2.8	2.0

^(*) Includes the activities of the Passenger & Commercial Vehicles business line of the former FPT Powertrain Technologies sector

Electronic Systems

Revenues for Q2 2011 were €183 million, up 14% over the same period in 2010, with good sales performance for telematics in Europe attributable to new applications developed for both Fiat and external customers, and the Body Computer line for applications relative to the Start&Stop system on Fiat Group models.

Magneti Marelli reported Q2 **trading profit** of €50 million, compared to €26 million for Q2 2010. The improvement was driven by higher sales volumes and greater manufacturing efficiencies, which more than compensated cost pressures from increased materials prices.

Significant developments during the quarter included launch of the strategic partnership between Magneti Marelli and Mopar, Chrysler Group's aftermarket division. Under the agreement, Magneti Marelli products and know-how will be made available to Mopar distributors to provide complete service and assistance support for all brands. Magneti Marelli parts have been available at approximately 2,300 Chrysler dealers since April.

For **H1 2011**, Magneti Marelli reported **revenues** of €3,026 million, up 13.2% over the same period in 2010.

For the first half of the year, all businesses recorded sales increases with particularly good performance for the Lighting business line (revenues up 17%), Electronic Systems (+15%) and Engine Controls (+4%).

Magneti Marelli closed the first half with a **trading profit** of €84 million, compared to €45 million for H1 2010, attributable to higher volumes, cost containment actions and industrial efficiencies.

Fiat Powertrain⁵

Fiat Powertrain reported revenues of €1,240 million for Q2 2011, representing a 1.6% increase over the prior year. The figure for Q2 2010 (€1,220 million) included the impact of initial consolidation of Fiat Powertrain Polska Sp.z.o.o. (formerly Fiat-GM Powertrain Polska). On a like-for-like basis, the increase was 10.6%.

A total of 658,000 engines (+5.7%) and 645,000 transmissions (+7.9%) were sold during the quarter.

Sales to external customers and joint ventures accounted for 15.3% of total revenues (14.8% for Q2 2010).

Fiat Powertrain closed Q2 2011 with a **trading profit** of €46 million. The increase over the €31 million figure for Q2 2010 was primarily attributable to higher volumes and a more favorable mix.

For gasoline engines, Fiat Powertrain has accelerated development of solutions for further reductions in polluting emissions to be imposed by the Euro 6 standards.

Following its launch on the Fiat 500, the 85 hp turbo version of the TwinAir engine was applied on the new Ypsilon. For that same engine, development is underway for introduction, in the first half of 2012, of a variable displacement oil pump to improve both consumption and emissions. Development also continued on the naturally-aspirated 65 hp version (first application on the new Panda at the beginning of 2012). This variant will also adopt the innovative second-generation MultiAir II technology for the first time, enabling further optimization of emissions and consumption.

The technological excellence of the two-cylinder TwinAir was recognized with the prestigious "International Engine of the Year 2011" awarded by a jury of 76 international journalists. The engine was also judged best in the under 1 liter category, as well as receiving the "Green Engine of the Year" and "Best New Engine of the Year" awards.

For diesel engines, development continued on upgrading existing technologies to Euro 5+ standards, which are an intermediate step prior to introduction of the stricter Euro 6 standards in 2014. The 95 hp version of the 1.3 MultiJet with variable geometry turbo-compressor was launched on the new Ypsilon.

For transmissions, the TCT version of the C635 family was launched on the 170 hp 1.4 Turbo MultiAir and 2.0 MultiJet versions of the Giulietta. Development also continued on

⁵ Includes the activities of the Passenger & Commercial Vehicles business line of the former FPT Powertrain Technologies.

Dry Dual Clutch Transmission technology and manual transmissions for application on Chrysler vehicles.

Fiat Powertrain reported **revenues** of €2,436 million for **H1 2011**, representing a 15.7% increase over the prior year (H1 2010: €2,106 million).

A total of 1,293,000 engines (+7.3%) and 1,253,000 transmissions (+6.6%) were sold during the first half.

Sales to external customers and joint ventures accounted for 15.8% of total revenues (12.1% for H1 2010).

Fiat Powertrain closed H1 2011 with a **trading profit** of €69 million. The increase over the €54 million recorded for H1 2010 was primarily attributable to higher volumes and a more favorable mix.

Teksid

Teksid recorded €249 million in **revenues** for **Q2 2011**, a 23.9% increase over the second quarter of 2010, which was attributable to higher volumes for the Cast Iron business unit (17.7%) driven by positive performance in Mercosur, NAFTA and Europe.

Teksid closed the quarter with **trading profit** of €11 million, compared to a profit of €6 million for Q2 2010, primarily as a result of volume increases.

Teksid's **revenues** for **H1 2011** were €476 million, up 28% over the first six months of 2010, reflecting higher sales volumes for the Cast Iron business unit (+19.8%) in Mercosur, NAFTA and Europe while revenues were down 6.5% overall for the Aluminum business unit.

Teksid closed the first half with a **trading profit** of €14 million, compared to a profit of €6 million for H1 2010.

Comau

Comau reported **revenues** of €356 million for **Q2 2011**, up 39.1% year-over-year. The increase was principally attributable to the Powertrain Systems and Robotics operations and positive performance in China.

Order intake for the period totaled €289 million, representing a decrease of 3.5% over the second quarter of 2010, when there was a particularly high level of orders for Powertrain Systems in North America.

Activity levels for the Services operations in Latin America were substantially in line with the previous year.

Comau closed the quarter with **trading profit** of €3 million, compared to a trading profit of €1 million for the corresponding period in 2010. The increase was attributable to the Powertrain Systems and Body Welding operations.

Revenues for **H1 2011** were €633 million, up 30.8% year-over-year, mainly due to the positive performance of the Powertrain Systems and Robotics operations and activities in China.

Order intake for the period, totaling €966 million, represented a 49% increase over the first half of 2010. At 30 June 2011, the order backlog totaled €840 million, a 33% increase over year-end 2010. The increase was attributable to performance for the Powertrain Systems and Robotics activities in particular.

Comau closed the first half with **trading profit** of €4 million, compared to a trading profit of €1 million for the corresponding period in 2010. The improvement was mainly attributable to the Powertrain Systems and Robotics operations.

Other Businesses

Other Businesses includes the contribution from the Group's publishing businesses, service companies and holding companies. In Q2 2011, Other Businesses had **revenues** of €279 million, in line with Q2 2010.

Other Businesses reported a **trading loss** of €13 million, including the impact of eliminations and consolidation adjustments, compared to a loss of €27 million for the same period in 2010.

For **H1 2011**, Other Businesses reported revenues of €530 million (down 2.2% over the prior year) and a **trading loss** of €15 million (including the impact of eliminations and consolidation adjustments) compared with a loss of €35 million for H1 2010.

Significant Events

On April 12th, Fiat announced that Chrysler had achieved the second Performance Event (i.e., at least USD 1.5 billion in cumulative revenues from sales outside the NAFTA region and formalization of certain cooperation agreements) with Fiat's ownership interest in Chrysler consequently increasing from 25% to 30%. Achievement of the third and last Performance Event (homologation of a car based on a Fiat platform with an EPA label of 40 miles per gallon) is expected by the end of 2011.

On May 24th, concurrently with the closing of the refinancing of Chrysler's debt and the full repayment by Chrysler of its debt to the U.S. and Canadian governments, Fiat, through its wholly-owned subsidiary Fiat North America LLC, paid USD 1,268 million for exercise of the Incremental Equity Call Option to Chrysler, which in turn issued 261,225 Class A Membership Interests to Fiat, representing a 16% ownership interest (on a fully diluted basis). As a result, Fiat's interest in Chrysler increased from 30% to 46%.

On May 27th, Fiat notified the U.S. Treasury of its intention to exercise the option to purchase the U.S. Treasury's entire 6% ownership interest in Chrysler. On June 3rd, the exercise price was set at USD 500 million. As part of the negotiations, the U.S. Treasury also agreed to sell its rights, under the Equity Recapture Agreement ("ERA") entered into between the U.S. Treasury and VEBA on 10 June 2009, to Fiat for a consideration of USD 75 million. The holder of rights under the ERA is entitled to any economic benefits associated with the Voluntary Employees' Beneficiary Association (VEBA) ownership interest in Chrysler that exceed the threshold amount of USD 4.25 billion plus interest of 9% per annum from 1 January 2010. Under the ERA, any income received by VEBA on its ownership interest in Chrysler in excess of that threshold is to be transferred to the holder together with all remaining interests. In addition, the holder has the right to acquire VEBA's entire ownership interest in Chrysler at a price equivalent to the specified threshold amount, less any income already received by VEBA on that interest. Completion of both transactions was subject to receipt of the requisite regulatory approvals.

Furthermore, Fiat has addressed to Canada a non-binding expression of interest concerning the purchase of the 1.5% fully-diluted ownership interest in Chrysler held by Canada.

On July 21st, following receipt of the required regulatory approvals, Fiat purchased the 6% fully-diluted ownership interest held in Chrysler by the U.S. Treasury and paid the relevant price of USD 500 million. On the same date, the U.S. Treasury assigned Fiat its rights under the Equity Recapture Agreement and Fiat paid the agreed compensation of USD 75

million, USD 15 million of which was paid to Canada in accordance with arrangements between the U.S. Treasury and Canada.

In addition, on July 21st Fiat acquired the 1.5% fully-diluted ownership interest held in Chrysler by Canada. The consideration for such interest was USD 125 million.

As a result of these transactions, Fiat's interest in Chrysler is 53.5% on a fully-diluted basis.

On May 12th, Fiat Group Automobiles and PSA Peugeot Citroën announced plans to extend their SevelSud JV in Italy for the manufacture of light commercial vehicles to 2019. The two partners agreed not to renew their SevelNord JV in France, which expires 2017, due to changes in their respective future product strategies.

On June 27th, Fiat Powertrain and Suzuki Motor Corporation signed an agreement under which Fiat Powertrain will supply its 120 hp 1.6 MultiJet II diesel engine for the new Suzuki SX4, replacing Fiat Powertrain's 135 hp 2.0 liter engine used on the current SX4 platform. This agreement expands and strengthens the long-term partnership between the two groups.

On April 1st, Fiat closed a €1 billion bond issue due 1 April 2016 with a fixed coupon of 6.375%.

On July 8th, Fiat completed the issue of other two bonds, the first for €900 million (fixed coupon of 6.125% due July 2014) and the second for €600 million (fixed coupon of 7.375% due July 2018).


All the notes were issued by Fiat Finance and Trade Ltd. S.A. (a wholly-owned subsidiary of Fiat S.p.A.) under its Global Medium Term Note program and are listed on the Irish Stock Exchange. A rating of Ba1 was assigned by Moody's Investors Service, BB by Standard & Poor's and BB+ by Fitch.

2011 Outlook

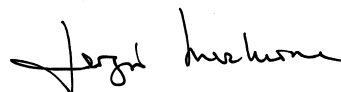
The consolidation of Chrysler effective June 1, 2011 and the improvement in trading conditions for most of Fiat's other businesses, except for its European mass market car activities, require an upgrading of guidance for the full year (Chrysler contributing 7 months) as follows:

- Revenues in excess of €58 billion;
- Trading profit of ~€2.1 billion;
- Net profit at around €1.7 billion;
- Net industrial debt between ~€5.0 and ~€5.5 billion;
- Liquidity expected at ~€18 billion;
- Capital expenditure of approximately €5.5 billion

While working on achievement of its financial targets, Fiat will continue its strategy of targeted alliances to optimize capital commitments and reduce risks.



John Elkann
Chairman



Sergio Marchionne
Chief Executive Officer

The managers responsible for preparing the Company's financial reports, Alessandro Baldi and Antonio Picca Piccon, declare, pursuant to Article 154-bis (2) of Legislative Decree 58/98, that the accounting information contained in this press release corresponds to the results documented in the books, accounting and other records of the company.

This press release, and in particular the section entitled "2011 Outlook", contains forward-looking statements. These statements are based on the Group's current expectations and projections about future events and, by their nature, are subject to inherent risks and uncertainties. They relate to events and depend on circumstances that may or may not occur or exist in the future and, as such, undue reliance should not be placed on them. Actual results may differ materially from those expressed in such statements as a result of a variety of factors, including: volatility and deterioration of capital and financial markets, changes in commodity prices, changes in general economic conditions, economic growth and other changes in business conditions, weather, floods, earthquakes or other natural disasters, changes in government regulation (in each case, in Italy or abroad), production difficulties, including capacity and supply constraints and many other risks and uncertainties, most of which are outside of the Group's control.

Turin, 26 July 2011

The Board of Directors met today at the headquarters of Fiat Automoveis S.A. in Betim, Brazil.

Today, at 6.00 p.m. CET, management will hold a conference call to present the 2011 second quarter and first half results to financial analysts and institutional investors. The call can be followed live and a recording will be available later on the Group's website: www.fiatspa.com.

Consolidated Income Statement

Unaudited

(€ million)	2nd Quarter 2011	2nd Quarter 2010 (*)	1 st Half 2011	1 st Half 2010 (*)
Net revenues	13,153	9,381	22,363	17,984
Cost of sales	11,151	8,026	19,060	15,443
Selling, general and administrative costs	1,102	781	1,890	1,489
Research and development costs	332	253	610	486
Other income (expenses)	(43)	(14)	(27)	(29)
TRADING PROFIT/(LOSS)	525	307	776	537
Gains (losses) on the disposal of investments	3	1	7	2
Restructuring costs	38	21	42	21
Other unusual income (expenses)	1,093	(5)	1,093	(4)
OPERATING PROFIT/(LOSS)	1,583	282	1,834	514
Financial income (expenses)	(230)	(186)	(368)	(328)
Result from investments:	8	30	48	79
Share of the profit/(loss) of investees accounted for using the equity method	24	35	62	82
Other income (expenses) from investments	(16)	(5)	(14)	(3)
PROFIT/(LOSS) BEFORE TAXES	1,361	126	1,514	265
Income taxes	124	143	240	269
PROFIT/(LOSS) FROM CONTINUING OPERATIONS	1,237	(17)	1,274	(4)
Post-tax profit/(loss) from Discontinued Operations	-	130	-	96
PROFIT/(LOSS) FOR THE PERIOD	1,237	113	1,274	92

PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO:

Owners of the parent	1,308	90	1,337	65
Non-controlling interests	(71)	23	(63)	27

PROFIT/(LOSS) FROM CONTINUING OPERATIONS FOR THE PERIOD ATTRIBUTABLE TO:

Owners of the parent	1,308	(30)	1,337	(23)
Non-controlling interests	(71)	13	(63)	19

(*) In accordance with IFRS 5, as a result of the Demerger, which took effect from 1 January 2011, the figures for the second quarter and first half of 2010 have been reclassified.

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

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

	1 st Half 2011		At 31 December 2010	1 st Half 2010	
	Average	At 30 June		Average	At 30 June
US dollar	1,403	1,445	1.336	1.327	1.227
Brazilian real	2,288	2,260	2.218	2.384	2.208
Polish zloty	3,953	3,990	3.975	4.002	4.147
Argentine peso	5,675	5,930	5.303	5.130	4.821
Pound sterling	0,868	0,903	0.861	0.870	0.817
Swiss franc	1,269	1,207	1.250	1.436	1.328

Consolidated statement of financial position

Unaudited

(€ million)

At 30 June 2011 At 31 December 2010 (*)

ASSETS		
Intangible assets	16,837	4,350
Property, plant and equipment	18,864	9,601
Investments and other financial assets:	2,572	1,653
Investments accounted for using the equity method	1,500	1,465
Other investments and financial assets	1,072	188
Leased assets	186	-
Defined benefit plan assets	82	20
Deferred tax assets	1,737	1,678
Total Non-current assets	40,278	17,302
Inventories	8,854	4,443
Trade receivables	3,417	2,259
Receivables from financing activities	3,459	2,866
Financial receivables from Discontinued Operations	-	5,626
Current tax receivables	576	353
Other current assets	1,920	1,528
Current financial assets:	837	735
Current investments	43	34
Current securities	201	185
Other financial assets	593	516
Cash and cash equivalents	19,056	11,967
Total Current assets	38,119	29,777
Assets held for sale and Discontinued Operations	82	34,854
Elimination of financial receivables from/debt payable to Discontinued Operations	-	(8,491)
TOTAL ASSETS	78,479	73,442
Total assets adjusted for asset-backed financing transactions	77,692	64,588
EQUITY AND LIABILITIES		
Equity:	11,975	12,461
Issued capital and reserves attributable to owners of the parent	8,776	11,544
Non-controlling interest	3,199	917
Provisions:	14,749	4,924
Employee benefits	6,614	1,704
Other provisions	8,135	3,220
Debt:	25,925	20,804
Asset-backed financing	787	533
Debt payable to the Discontinued Operations	-	2,865
Other debt	25,138	17,406
Other financial liabilities	212	255
Trade payables	15,629	9,345
Current tax payables	503	181
Deferred tax liabilities	1,241	135
Other current liabilities	8,240	3,908
Liabilities held for sale and Discontinued Operations	5	29,920
Elimination of financial receivables from/debt payable to Discontinued Operations	-	(8,491)
TOTAL EQUITY AND LIABILITIES	78,479	73,442
Total equity and liabilities adjusted for asset-backed financing transactions	77,692	64,588

(*) Amounts relate to Fiat pre Demerger.

Consolidated Statement of Cash Flows

Unaudited

(€ million)	1 st Half 2011	1 st Half 2010 (*)
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	11,967	12,226
B) CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES DURING THE PERIOD:		
Profit/(loss) for Continuing Operations for the period	1,274	(4)
Amortisation and depreciation (net of operating lease)	1,285	1,068
(Gains) losses from disposal of non-current assets	(12)	(7)
Other non-cash items (a)	(1,266)	24
Dividends received	81	57
Change in provisions	30	8
Change in deferred income taxes	(29)	(52)
Change in items due to buy-back commitments (b)	75	44
Change in operating lease items (c)	(8)	-
Change in working capital	1,125	282
Cash flows from (used in) the operating activities of Discontinued Operations	-	1,314
TOTAL	2,555	2,734
C) CASH FLOWS FROM (USED IN) INVESTMENT ACTIVITIES:		
Investments in:		
Property, plant and equipments and intangible assets (net of operating lease)	(1,507)	(1,229)
Investments in consolidated subsidiaries and other investments	(108)	(78)
Cash and cash equivalents from consolidation of Chrysler, net of consideration paid for 16% ownership interest	5,624	-
Proceeds from the sale of non-current assets	181	38
Net change in receivables from financing activities	(665)	(562)
Change in other current securities	(12)	17
Other changes	(50)	213
Cash flows from (used in) the investing activities of Discontinued Operations	-	(476)
TOTAL	3,463	(2,077)
D) CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:		
Bonds issued	1,000	-
Repayment of bonds	(1,325)	(1,021)
Issuance of medium-term borrowings	1,110	594
Repayment of medium-term borrowings	(2,159)	(407)
Changes in net financial receivables from Fiat Industrial group	2,761	-
Net change in other financial payables and other financial assets/liabilities	-	(114)
Capital increase	7	1
Dividends paid	(174)	(237)
Cash flows from (used in) the financing activities of Discontinued Operations	-	1,122
TOTAL	1,220	(62)
Translation exchange differences	(148)	518
E) TOTAL CHANGE IN CASH AND CASH EQUIVALENTS	7,090	1,113
F) CASH AND CASH EQUIVALENTS	19,057	13,339
of which cash and cash equivalents included in Assets held for sale and Discontinued Operations	1	1,937
F) CASH AND CASH EQUIVALENTS AT END OF PERIOD	19,056	11,402

(*) In accordance with IFRS 5, as a result of the Demerger, which took effect from 1 January 2011, the figures for the first half of 2010 have been reclassified.

- (a) Includes reversal of the net gain recognized in H1 2011 in relation to the Chrysler transaction of €2,017 million and reversal of unusual non-cash charges. For H1 2011, the item also includes reversal of a €21 million gain (€36 million loss for H1 2010) in the fair value of two equity swaps on a basket of Fiat S.p.A. and Fiat Industrial S.p.A. ordinary shares.
- (b) Cash from vehicles sold under buy-back commitments for the periods reported above, net of amounts already recognized through profit and loss, is included in a separate line item under operating activities, which also includes the change in working capital.
- (c) Cash from operating leases is stated in a separate line item, which also includes investments, depreciation, write-downs and changes in inventory.