Press Release

2008 FOURTH QUARTER AND FULL YEAR RESULTS

FIAT GROUP

FIAT GROUP CLOSES 2008 WITH BEST TRADING PROFIT EVER REPORTED NOTWITHSTANDING SUBSTANTIALLY WEAKENED TRADING CONDITIONS IN THE 4TH QUARTER

- **Revenues of €59.4 billion were up 1.5% over the prior year, with strong performance for first nine months (+8.4% vs 2007) being offset by Q4 declines across most sectors (-17.2% vs 2007).**
- **Trading profit of €3.4 billion was up 4% or €129 million, with gains in agricultural equipment, truck and luxury auto more than offsetting declines in Fiat Group Automobiles, components and construction equipment.**
- **Group trading margin reached 5.7% (2007: 5.5%) with improvements in efficiency and pricing compensating for the impact of volume declines in Q4.**
- **Pre-tax profit dropped 21% to €2.2 billion, reflecting the impact of unusual items (€0.4 billion) and the mark-to-market loss relating to two stock option related equity swaps (€0.3 billion).**
- **Net profit came in at €1.7 billion (16.2% lower than the prior year, 15.0% higher on a like-for-like basis).**
- **Net Industrial Debt of €5.9 billion reflects a higher level of capital expenditure (36% higher than 2007) combined with working capital absorption associated with volume declines in Q4.**
- **Liquidity remains strong at €3.9 billion.**
- **In order to preserve liquidity, the Board will not propose a dividend for 2008, except for dividends on savings shares (€25 million as mandated in the Company's by-laws). The buy-back programme has been placed on hold.**

The Board of Directors of Fiat S.p.A. met today in Turin, under the chairmanship of Luca Cordero di Montezemolo, to approve the Group's fourth quarter and full year 2008 results.

FIAT GROUP
Income Statement – Full Year

(€ millions)	2008	2007
Net revenues	**59,380**	58,529
% change	*1.5*	
Trading profit	**3,362**	3,233
Change	*129*	
Trading margin (%)	**5.7**	5.5
Operating Profit	**2,972**	3,152
Change	*-180*	
Profit before taxes	**2,187**	2,773
Change	*-586*	
Profit for the period (before minority interests)	**1,721**	2,054
Change	*-333*	
EPS (€)		
ordinary shares	**1.290**	1.537
preference shares	**1.290**	1.537
savings shares	**1.445**	1.692

FIAT GROUP
Income Statement – 4th Quarter

(€ millions)	2008	2007
Net revenues	**13,092**	15,816
% change	*-17.2*	
Trading profit	**663**	947
Change	*-284*	
Trading margin (%)	**5.1**	6.0
Operating Profit	**256**	866
Change	*-610*	
Profit before taxes	**-79**	702
Change	*-781*	
Profit for the period (before minority interests)	**180**	597
Change	*-417*	
EPS (€)		
ordinary shares	**0.132**	0.453
preference shares	**0.132**	0.453
savings shares	**0.132**	0.453

- Group revenues were 1.5% higher year-on-year with record first-half performance (+10.9%) being offset in the second-half (-7.7%), especially in the fourth quarter (-17.2% vs 2007):
  - Fiat Group Automobiles (FGA) achieved revenues of €26.9 billion, in line with 2007 (+0.5%), on a total of 2,152,500 cars and light commercial vehicles delivered (-3.6%). Increased deliveries in France (+31%), Germany (+14%) and Brazil (+9%) were offset by declines in other major markets including Italy (-16%). However, FGA continued its trend of increasing market share for Italy (from 31.3% to 31.9%) and Western Europe overall (from 8.0% to 8.2%).
  - Agricultural and Construction Equipment (CNH) revenues were up 7.4% to €12.7 billion (+15.3% in US dollar terms) driven by strong growth in agricultural equipment, especially of higher horsepower tractors and combines. Construction equipment sales declined, with the positive effect of increased demand in Latin America and RoW being more than offset by sharp declines in the North America and Western Europe markets.
  - Trucks and Commercial Vehicles (Iveco) reported full year revenues of €10.8 billion (-3.8%), with the 9.2% decline in unit sales being partially offset by improved pricing and product mix. Particularly positive performance was posted in Latin America with deliveries up 21.6% year-on-year, despite a weakening market in Q4.
- Trading profit increased 4% for the year to €3.4 billion, representing an improvement in trading margin to 5.7% from 5.5%:
  - FGA contributed a trading profit of €691 million, a €112 million decrease on 2007 (2.6% of revenues vs. 3.0% for 2007) with volume declines in Q4 partially offset by reductions in overheads.
  - CNH reported its highest ever trading profit of €1,122 million for the year (8.8% of revenues), up €132 million over 2007 (8.4% of revenues). AG sales growth, mix improvements and pricing actions more than offset higher material costs and weakness in the construction market.
  - Iveco's full year trading profit increased €25 million over 2007 to €838 million. Despite the sharp fall in volumes in the second half, the combined impact of the repositioning of the brand, and reduced production and overhead costs improved margin to 7.8% (2007: 7.3%).
- Reduced business volumes in H2, especially in Q4, yielded an inventory build, in 2008, of approximately €2.1 billion (mostly in the Trucks and Agricultural and Construction businesses) notwithstanding plant stoppages. Most of this abnormality will reverse in the first half of 2009 as agricultural inventories are drawn down against a strong order book. Furthermore, payables reduced €1.5 billion due to lower production levels versus 2007 year-end. This effect, started in Q3 and continued in Q4, was driven by decline in revenues, which is a historical exception to the seasonal trend of our businesses.

Group Results

Group **revenues** for 2008 totalled €59.4 billion, up 1.5% year-over-year. A positive performance in the first half (+10.9%) was followed by a slowdown in demand in the third quarter and a progressively significant decline in volumes in the closing months of 2008.

FIAT GROUP
Revenues by business – Full Year

(€ millions)	*2008*	*2007*
Automobiles (Fiat Group Automobiles, Maserati, Ferrari)	**29,380**	29,015
% change	*1.3*	
Agricultural and Construction Equipment (CNH)	**12,723**	11,843
% change	*7.4*	
Trucks and Commercial Vehicles (Iveco)	**10,768**	11,196
% change	*-3.8*	
Components and Production Systems (FPT, Magneti Marelli, Teksid, Comau)	**13,793**	13,375
% change	*3.1*	
Other Businesses	**1,394**	1,374
% change	*1.5*	
Eliminations	**(8,678)**	(8,274)
Total for the Group	**59,380**	58,529
% change	*1.5*	

For **Q4 2008**, Fiat Group revenues were €13.1 billion, down 17.2% over 2007.

FIAT GROUP
Revenues by business – 4th Quarter

(€ millions)	*2008*	*2007*
Automobiles (Fiat Group Automobiles, Maserati, Ferrari)	**6,333**	7,848
% change	*-19.3*	
Agricultural and Construction Equipment (CNH)	**3,037**	3,060
% change	*-0.8*	
Trucks and Commercial Vehicles (Iveco)	**2,334**	3,268
% change	*-28.6*	
Components and Production Systems (FPT, Magneti Marelli, Teksid, Comau)	**2,754**	3,538
% change	*-22.2*	
Other Businesses	**357**	376
% change	*-5.1*	
Eliminations	**(1,723)**	(2,274)
Total for the Group	**13,092**	15,816
% change	*-17.2*	

Group **trading profit** was €3,362 million for 2008, up 4% over 2007, and the trading margin expanded to 5.7% from 5.5% with a strong contribution from CNH and improved trading performance in Trucks more than offsetting margin declines in other sectors.

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FIAT GROUP Trading profit by business – Full Year		
(€ millions)	*2008*	*2007*
Automobiles (Fiat Group Automobiles, Maserati, Ferrari)	**1,102**	1,093
Change	*9*	
Agricultural and Construction Equipment (CNH)	**1,122**	990
Change	*132*	
Trucks and Commercial Vehicles (Iveco)	**838**	813
Change	*25*	
Components and Production Systems (FPT, Magneti Marelli, Teksid, Comau)	**402**	509
Change	*-107*	
Other Businesses and Eliminations	**(102)**	(172)
Change	*70*	
Total for the Group	**3,362**	3,233
Change	*129*	

For **Q4 2008**, Group trading profit was €663 million, down 30% over Q4 2007. The trading margin declined to 5.1% from 6%.

FIAT GROUP Trading profit by business –4th Quarter		
(€ millions)	*2008*	*2007*
Automobiles (Fiat Group Automobiles, Maserati, Ferrari)	**202**	360
Change	*-158*	
Agricultural and Construction Equipment (CNH)	**241**	228
Change	*13*	
Trucks and Commercial Vehicles (Iveco)	**187**	249
Change	*-62*	
Components and Production Systems (FPT, Magneti Marelli, Teksid, Comau)	**32**	159
Change	*-127*	
Other Businesses and Eliminations	**1**	(49)
Change	*50*	
Total for the Group	**663**	947
Change	*-284*	

Operating profit for 2008 was €2,972 million, compared to €3,152 million for 2007. The difference is attributable to a €129 million improvement in trading profit offset by a €309 million increase in net unusual expenses (€390 million in 2008; €81 million in 2007). Gains on disposals totalled €20 million (€190 million in 2007), restructuring costs were €165 million (€105 million in 2007) and other unusual expenses €245 million (€166 million in 2007). Restructuring costs relate in the main to headcount reduction in Components and Automobiles businesses. Other unusual expenses mainly includes costs relating to the rationalization of strategic suppliers (€74 million) and provisions for residual values risk for used and leased vehicles (€166 million) in FGA and Iveco.

Net financial expense totalled €947 million (€564 million for 2007) and included a €263 million loss resulting from the marking-to-market of two stock option related equity swaps (a €70 million gain was recognised on the swaps for 2007, resulting in a year-over-year net difference of €333 million).

Investment income totalled €162 for the year, down from €185 million in 2007, mainly due to start-up costs for joint venture companies.

Profit before taxes totalled €2,187 million for 2008, compared with €2,773 million for 2007. The €586 million decrease was attributable to lower operating profit (-€180 million), higher net financial expense (+€383 million) and lower investment income (-€23 million).

Income taxes totalled €466 million (€719 million for 2007), representing an effective tax rate of 21% (26% for 2007).

Net profit (before minority interests) was €1,721 million for 2008, compared to €2,054 million for 2007. Excluding the impact of unusual expenses and the mark-to-market of the equity swaps, net profit for 2008 would stand at €2,374 million, a 15% improvement on 2007.

During the year, the Group absorbed approximately €5.8 billion in cash, attributable to higher capital expenditures (€5 billion, up €1.3 billion over 2007) and a €3.6 billion increase in working capital. Reduced business volumes in H2, especially in Q4, yielded an inventory build, in 2008, of approximately €2.1 billion (mostly in the Trucks and Agricultural and Construction businesses) notwithstanding plant stoppages. Most of this abnormality will reverse in the first half of 2009 as agricultural inventories are drawn down against a strong order book. Furthermore, payables reduced €1.5 billion due to lower production levels versus 2007 year-end. This effect, started in Q3 and continued in Q4, was driven by decline in revenues, which is a historical exception to the seasonal trend of our businesses. The Group also distributed €546 million in dividends (including €37 million to minority shareholders of consolidated entities) and made share buy-backs totalling €239 million. **Net industrial debt** consequently rose to €5.9 billion.

At 31 December 2008, Group **liquidity** stood at €3.9 billion (€6.9 billion at year end 2007).

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FIAT GROUP
Key Balance Sheet Data

(€ millions)	*At 31.12.2008*	*At 31.12.2007*
Total assets	**61,772**	60,136
Shareholders' equity (before minority interests)	**11,101**	11,279

FIAT GROUP
Net Debt

(€ millions)	*At 31.12.2008*	*At 31.12.2007*
Financial debt	**(21,379)**	(17,951)
- Asset-backed financing	***(6,663)***	*(6,820)*
- Other debt	***(14,716)***	*(11,131)*
Current financial receivables from financial services companies under joint control (1)	**3**	81
Financial payables net of intersegment balances and current financial receivables from jointly controlled financial entities	**(21,376)**	(17,870)
Other financial assets (liabilities) (2)	**(438)**	515
Liquidity	**3,860**	6,930
Liquidity included in Assets held for sale	**-**	2
Net debt	**(17,954)**	(10,423)
Industrial Activities	**(5,949)**	355
Financial Services	**(12.005)**	(10,778)

(1) This includes current financial receivables from the JV company FGA Capital (formerly Fiat Group Automobiles Financial Services)
(2) This includes the positive and negative fair value of derivative financial instruments

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Change in Net Industrial Debt

(€ millions)	*2008*	*2007*
Cash from Operating Activities before change in working capital	**3,760**	4,081
Cash from Operating Activities	**156**	5,756
Net Industrial Cash Flow (1)	**(5,765)**	2,737
Change in Net Industrial Debt	**(6,304)**	2,128

(1) Change in net industrial debt, excluding any capital increases, dividends, share buy-backs and currency translation impacts

FY 2008

Dividends

Even though the expected net profit of Fiat S.p.A. would allow for a distribution of dividends, the Board of Directors intends to propose to Shareholders, at the Annual General Meeting, that dividends be limited to savings shares only (€24.8 million as mandated by the Company by-laws) in order to strengthen the Group's capital structure and preserve liquidity.

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AUTOMOBILES Net revenues – Full Year		
(€ millions)	*2008*	*2007*
Fiat Group Automobiles	**26,937**	26,812
% change	*0.5*	
Maserati	**825**	694
% change	*18.9*	
Ferrari	**1,921**	1,668
% change	*15.2*	
Eliminations	**(303)**	(159)
Total	**29,380**	29,015
% change	*1.3*	

AUTOMOBILES Trading profit – Full Year		
(€ millions)	*2008*	*2007*
Fiat Group Automobiles	**691**	803
Change	*-112*	
Maserati	**72**	24
Change	*48*	
Ferrari	**339**	266
Change	*73*	
Total	**1,102**	1,093
Change	*9*	
Trading margin (%)	**3.8**	3.8

AUTOMOBILES Net revenues – 4th Quarter		
(€ millions)	*2008*	*2007*
Fiat Group Automobiles	**5,702**	7,218
% change	*-21.0*	
Maserati	**229**	209
% change	*9.6*	
Ferrari	**502**	496
% change	*1.2*	
Eliminations	**(100)**	(75)
Total	**6,333**	7,848
% change	*-19.3*	

AUTOMOBILES Trading profit – 4th Quarter		
(€ millions)	*2008*	*2007*
Fiat Group Automobiles	**65**	233
Change	*-168*	
Maserati	**41**	18
Change	*23*	
Ferrari	**96**	109
Change	*-13*	
Total	**202**	360
Change	*-158*	
Trading margin (%)	**3.2**	4.6

Automobiles

Fiat Group Automobiles

In 2008, **revenues** for **Fiat Group Automobiles** were €26.9 billion, essentially flat (+0.5%) compared to 2007. The decrease in volumes (-3.6%) was offset by improved pricing and mix, in addition to increased sales to joint ventures. Growth in revenues and deliveries in the first half were offset by declines in the second half, particularly in the final quarter, due to a sharp contraction of the global automotive market.

Fiat Group Automobiles delivered a total of 2,152,500 cars and light commercial vehicles, down 3.6% from the prior year. In Western Europe, total deliveries decreased 8.8% to 1,237,900 units.

Deliveries for the Sector declined in Italy (-16%), but strong growth was achieved in France (+30.7%) and Germany (+14.4%), where results ran counter to the trend in market demand. In Spain (-38.7%) and Great Britain (-8.1%), the Sector's performance was in line with the decline in overall demand.

In 2008, the Western European passenger vehicle market was down 8.4% from 2007 with sharp declines in registrations in Italy (-13.4%), Spain (-28.1%) and Great Britain (-11.3%) and more modest declines in Germany (-1.8%) and France (-0.7%). In Brazil, demand increased 10.6% over 2007 with significant growth in the first half (+26.6%) being partly offset by a decline in the closing months of 2008 .

Fiat Group Automobiles continued to make gains in market share for passenger vehicles.

In Italy, market share reached 31.9%, a 0.6 percentage point increase over 2007. In Western Europe, market share increased 0.2 percentage points to 8.2%. During the year, the Fiat brand in particular gained market share in Western Europe, climbing from 6.2% in 2007 to 6.6% in 2008. In Italy alone, market share rose to 25.1% (+0.9 percentage points).

In Brazil, deliveries were up 8.6% over 2007 and the Sector reaffirmed its position as market leader in passenger cars with a 24.9% market share.

A total of 408,700 light commercial vehicles were delivered in 2008, representing a 5.3% growth year-over-year. In Western Europe, where the market declined 10.1%, our deliveries actually rose 1.1% to 241,000 units. Fiat Professional benefited from the contribution of the Fiorino, which went on sale at the end of 2007. Fiat Professional's market share was 12.3% in Western Europe (+0.6 percentage points) and 43.2% for Italy (up 1.1 percentage points from 2007).

For 2008, Fiat Group Automobiles reported **trading profit** of €691 million (2.6% of revenues), a decline of €112 million from the €803 million figure (3% of revenues) recorded in 2007. This decline was entirely attributable to the fourth quarter slump in demand in Western Europe and the economic slowdown in Latin America. The impact on income from the consequent reduction in volumes was only partially compensated by reductions in overheads and production-related costs, including recourse to flexible working arrangements allowed under Italian labour legislation.

For the **fourth quarter**, Fiat Group Automobiles recorded **revenues** of €5.7 billion, a 21% decrease driven by a strong contraction in volumes. **Trading profit** for the period was €65 million compared to €233 million for the same period in 2007.

The Sector delivered a total of 427,500 units during the quarter (-25.2% over Q4 2007). In Western Europe, FGA delivered a total of 251,200 units, a 25.3% decrease. It recorded volume declines in all principal markets with the exception of France, while market share increased to 8.3% for Western Europe (+0.4 percentage points) and in particularly in Italy (31.7%, up 0.7 percentage points).

Fiat Group Automobiles responded to difficult market conditions with the introduction of several new products during the year. Lancia launched the new Delta, which brings back an historic name and represents the brand's return to the mid-size sedan segment, and Alfa Romeo introduced the Alfa MiTo, the sportiest compact available in the European market targeted at making the brand even more accessible to young customers. Both of these stylish and popular models were awarded the Euro NCAP five stars for safety.

The Fiat brand began sales of its first “free space” vehicle, the Qubo, which it followed in the autumn with the launch of the dual-powered (gasoline/natural gas) Grande Punto Natural Power. This model provides evidence of the brand’s commitment to producing environmentally-friendly and efficient vehicles, a commitment further underscored by the three models under the PUR-O2 label (a 500, Croma and Bravo) which are equipped with systems that reduce both consumption and emissions.

Abarth also unveiled several new products: it released a version of the 500 which it followed with the “esseesse” tuning kit and, finally, the limited production 500 Assetto Corse, sold to drivers “competition ready” for the single-make trophy soon to debut.

Fiat Professional’s Fiorino captured the “International Van of the Year 2009” award with two new versions being presented at the beginning of 2008: a passenger version which offers a functional, flexible “free space” interior, and the Combi which offers a mixed passenger/cargo configuration. Fiat Professional also launched Natural Power versions (dual-powered gasoline/natural gas) of both the Ducato and Fiorino.

Alongside the new models, all existing model ranges were upgraded with releases of their respective 2008 models. Of note for Alfa Romeo was the 8C Spider (a limited production model).

Maserati

Maserati reported €825 million in **revenues** for the year, an increase of 18.9% over 2007. This improvement was primarily attributable to the excellent performance of the GranTurismo, including the new S sport version.

Deliveries to the network increased to 8,759 units for the year, up 16.8% over 2007, notwithstanding a decline in the reference market (-25% for the Quattroporte and -20% for the Granturismo segments).

For **2008**, Maserati reported **trading profit** of €72 million (8.7% of revenues), representing a significant improvement (+€48 million) over the €24 million figure (3.5% of revenues) for the previous year, due to increased volumes and cost efficiencies.

For **Q4 2008**, Maserati recorded €229 million in **revenues**, up 9.6% over the same period in 2007, and **trading profit** of €41 million, an increase over the €18 million figure for Q4 2007 due to a favourable sales mix and significant cost containment measures.

During the year, Maserati enhanced its market offer with expansion of the GranTurismo range and the release of the new Quattroporte. The GranTurismo S, designed for the brand’s sportier customers, was presented at the Geneva Motor Show in March. In

September, the new Quattroporte restyled and complemented by the 430 horsepower, 4.7-litre V8 Sport version was unveiled for the public at the Paris Motor Show.

Ferrari

For 2008, **Ferrari** recorded €1,921 million in **revenues**, up 15.2% year-over-year, driven primarily by sales of the 430 Scuderia (launched at the end of 2007), the 599 GTB Fiorano and the newly released Ferrari California, as well as improved pricing and higher revenues from the racing division.

During the year, 6,527 cars were delivered to the sales network (+0.6% up on 2007). These sales volumes underscored the brands exclusiveness in mature markets and confirmed growth levels expected in new markets.

Ferrari closed 2008 with **trading profit** of €339 million (17.6% of revenues), up 27.4% over the €266 million figure (15.9% of revenues) for 2007. This performance is primarily attributable to cost efficiency gains, which include a decrease in the net cost of Formula 1 racing, and a more favourable sales mix, offset in part by the unfavourable U.S. dollar and Sterling exchange rates.

For **Q4 2008**, Ferrari recorded €502 million in **revenues**, in line with the corresponding quarter of 2007. **Trading profit** was €96 million, down from the €109 million figure for the same period in 2007 driven by higher costs for the launch of the Ferrari California, increased depreciation expense associated with new assembly lines for that model and higher R&D costs.

Ferrari's 8-cylinder line-up was expanded in 2008 with the release of the new California, the marque's first ever coupé-cabriolet model. This model's highly innovative features include: a folding hardtop, a central front-mounted engine and a 7-speed dual clutch transmission and F1-style controls.

During 2008, Ferrari also launched the exclusive "One-to-One Personalisation Programme" for the 612 Scaglietti and the 599 GTB Fiorano, which enables customers to purchase a fully personalised version of the car.

On the competition front, Team Ferrari won its sixteenth Formula 1 Constructors' Championship (the eighth such victory in the last ten years). To celebrate this victory, Ferrari launched the limited series 430 Scuderia Spider 16M.

Agricultural and Construction Equipment

AGRICULTURAL AND CONSTRUCTION EQUIPMENT Revenues & Trading Profit – Full Year		
(€ millions)	*2008*	*2007*
Net revenues	**12,723**	11,843
% change	*7.4*	
Trading profit	**1,122**	990
Change	*132*	
Trading margin (%)	**8.8**	8.4

AGRICULTURAL AND CONSTRUCTION EQUIPMENT Revenues & Trading Profit – 4th Quarter		
(€ millions)	*2008*	*2007*
Net revenues	**3,037**	3,060
% change	*-0.8*	
Trading profit	**241**	228
Change	*13*	
Trading margin (%)	**7.9**	7.5

CNH – Case New Holland revenues for 2008 totalled €12.7 billion, an increase of 7.4% over 2007. In US dollar terms, revenues grew by 15.3%. Performance was driven by continuing strong sales growth in the agricultural equipment business especially of higher horsepower tractors and combines. Sales of Construction Equipment declined overall as increases in Latin America and Rest-of-World markets did not offset declines in North America and Western Europe.

In 2008 the global market for agricultural equipment grew by 2%, with an increase in retail unit volumes for tractors and combine harvesters of 1% and 35%, respectively, compared to 2007. Demand for tractors grew strongly in Latin America, was slightly up in Western Europe and flat in Rest-of-World. In North America, sales decreased for under 60hp models and were up for higher-powered units. Combine harvester retail unit sales grew strongly in every region.

CNH's brands were well placed to benefit from the agricultural equipment industry's strong performance. Worldwide tractor market share was up with gains in Latin America, Rest-of-World and in North America for higher-powered models, while share was unchanged in Western Europe. In the fast growing combine market, CNH substantially maintained market share at the global level with an increase in Latin America, stable positions in North America and Western Europe and a slight decline in the Rest-of-World, due to supply constraints.

Construction equipment unit retail sales decreased 11% worldwide in 2008, as strong performance in Latin America and growth in Rest of World markets were more than offset by sharp drops in Western Europe and North America. Industry sales of heavy construction equipment were up by 2%, with strong performance in Latin America and Rest of World, while North America and Western Europe declined significantly. Light construction equipment industry unit retail sales declined by 20%. Declines in North America, Western Europe and in Rest of World were only partially offset by growth in Latin America.

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CNH global market share in the construction equipment was stable on the 2007 level. In the strong Latin American markets, share gain was achieved in light equipment while heavy equipment share declined, constrained by production capacity. In North America and Rest of World, market share was stable in both segments. In the weak Western European market, share slightly declined in both heavy and light equipment to preserve margins.

CNH **trading profit** was €1,122 million in **2008** (8.8% of revenues), an increase of €132 million over the €990 million level (8.4% of revenues) for 2007 (up 21.6% in US dollar terms). Agricultural equipment sales growth, mix improvements and pricing actions more than offset weakness in the construction equipment industry, higher procurement, manufacturing and expediting costs which were caused by increased agricultural volumes, especially in the first 9 months of the year.

CNH **revenues** for **Q4 2008** of €3.0 billion were flat compared to Q4 2007. In US dollar terms, revenues declined 10.2%, as growth in agricultural equipment sales did not offset declines in the Construction equipment business due to poor market conditions in all regions.

CNH closed the **fourth quarter of 2008** with a **trading profit** of €241 million (7.9% of revenues) which is an increase of €13 million over the €228 million level (7.5% of revenues) for Q4 2007. In US dollar terms, trading profit declined 6.9%. The improvement in agricultural equipment was more than offset by the significant decline in volume in the construction equipment business.

During the year, all CNH brands (Case IH, New Holland Agriculture, Steyr, Case, New Holland Construction, Kobelco) continued the launch of new, repowered and up-graded products further widening their product offering.

Case IH expanded its line-up of high-efficiency Axial-Flow Combines, including the Class IX 9120, the biggest combine in North America. The Brand also launched extensions of its Puma and Magnum tractors, including the Stars & Stripes model to mark the launch of the mid-range Magnums, to celebrate 165 years of agricultural equipment production in Racine, Wisconsin. Case IH also introduced a new 120-foot boom Patriot self-propelled sprayer and Module Express Cotton Pickers were launched in Australia. In the fourth quarter, the brand launched new models of the MD and DC Series of Disc Movers.

New Holland Agricultural Equipment launched worldwide the T6000 Series whose T6080 model was awarded with the “2009 Golden Tractor for Design” at the EIMA show in Bologna, Italy, where the 90th anniversary of the launch of the first Fiat tractor was celebrated. New Holland also launched the new 591 hp CR9090 Class IX Combine which set a Guinness world record on September 26 by harvesting 551 tons of wheat in 8 hours, beating the previous record by 19.5 tons. In addition, the brand upgraded its VN2080 Grape Harversters. In the fourth quarter, New Holland launched the T3000 series compact tractors and TK4000 series crawler tractors.

Case Construction Equipment continued to extend the launch of the new Tier 3 CX B Series hydraulic crawler excavators, featuring increased fuel efficiency and productivity, as well as improved operator comfort and ease of maintenance. The excavators also feature electronically controlled, common rail Tier 3 fuel-efficient engines.

New Holland Construction Equipment carried on the renewal of its product offering with the expansion of its excavator family and the introduction of the Blade Runner model, a combination of a crawler excavator and a crawler dozer, as well as the installation of the INDR, a key brand initiative for Integrated Noise and Dust Reduction Cooling System with improved fuel economy and productivity. In addition, New Holland launched four new Tier 3 models of B Series backhoe loaders with new boom, tilting hood and reduced maintenance time and costs.

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TRUCKS AND COMMERCIAL VEHICLES Revenues & Trading Profit – Full Year		
(€ millions)	*2008*	*2007*
Net revenues	**10,768**	11,196
% change	*-3.8*	
Trading profit	**838**	813
Change	*25*	
Trading margin (%)	**7.8**	7.3

TRUCKS AND COMMERCIAL VEHICLES Revenues & Trading Profit – 4th Quarter		
(€ millions)	*2008*	*2007*
Net revenues	**2,334**	3,268
% change	*-28.6*	
Trading profit	**187**	249
Change	*-62*	
Trading margin (%)	**8.0**	7.6

Trucks and Commercial Vehicles

For 2008, **Iveco** reported **revenues** of €10.8 billion, representing a 3.8% year-over-year decrease, mainly due to lower sales volumes in Europe. Volumes decreased significantly in the second half compared to the first.

Iveco delivered 192,143 vehicles, a decrease of 9.2% over 2007. In Western Europe, 125,152 vehicles were delivered, down 15.1% year-over-year. Declines were experienced in all principal European markets, particularly Italy (-19.4%), Spain (-37.5%), Germany (-14.2%), France (-5.7%) and Great Britain (-3.2%). Deliveries in Eastern Europe contracted by 5.4%. There was particularly positive performance, however, in Latin America (+21.6%), where the significant growth experienced in the first nine months of the year (+42%) was followed by a sharp decline in the fourth quarter as a result of the financial crisis beginning to impact the Brazilian market.

In Western Europe, the market for ≥ 2.8 ton vehicles declined 6.9% over 2007, with positive first half performance being offset by a sharp slowdown in orders in the second half of the year. Registrations were down in the light and medium segments, while demand in the heavy segment was in line with 2007. Demand contracted significantly in Spain (-37.5%), was down 6.9% in Italy and 2.5% in Great Britain, with slight decreases in France and Germany.

Iveco's market share in Western Europe stood at 9.9%, -0.5 percentage points vs 2007. Market share in the light vehicle segment decreased 0.3 percentage points, with increased demand in the "van" segment being predominantly met by car-based models. Market share in the medium segment fell 1.3 percentage points, principally due to low-priced competition. Market share for the heavy segment decreased one percentage point. Overall performance in all three segments reflected a less favourable market mix than for 2007. Performance was positive in Spain, despite difficult market conditions (+1.5 percentage points), stable in the UK and France, and negative in Italy and Germany (-0.8 percentage points for both markets).

Iveco's full year **trading profit** was €838 million, €25 million over the €813 million posted in 2007. The drop in sales volumes was offset by better selling prices achieved from competitive repositioning and a reduction in production costs. Measures to contain overheads were implemented during the year in prompt response to the perceived fall in demand. The trading margin rose to 7.8% from 7.3% for 2007.

For **Q4 2008**, Iveco had **revenues** of €2.3 billion, down 28.6% over the same period in 2007 due to the significant drop in sales volumes. **Trading profit** was €187 million, a 24.9% decrease over the €249 million figure for Q4 2007.

During 2008, Iveco launched the new Eurocargo - the brand's mid-sized model – which offers a fully redesigned cabin and upgraded transmission system and is powered by the successful Tector Euro 5 range of engines, making it even more competitive and offering greater productivity. The Eurocargo 4x4 was also fully upgraded.

At the Samoter exhibition, Iveco Astra premiered the RD50 rigid dump truck, which has a payload capacity of 50 metric tons. Iveco Irisbus presented the Crossway Low Entry, a bus with low-entry access for intercity service, and the Crealis, a luxury coach which offers several innovative interior and exterior features.

During the year, Iveco also introduced two light off-road vehicles: the Massif and the Campagnola. The Massif, designed by Giugiaro, is for professional use and is offered in two wheelbase versions each having different configurations. The Campagnola, represents a return of the historic off-road vehicle produced by Fiat for more than 35 years. This model was designed as a people transporter with the look and performance of an authentic off-road vehicle.

In China, Iveco and its Chinese partner SAIC presented the 908, a locally manufactured top-of-the-range heavy vehicle, as well as the 2008 version of the Power Daily in the light commercial segment.

In July, Iveco and a leading global courier company launched a field test of 10 Daily vehicles equipped with dual diesel/electric powerplants. Assuming positive results for the field test, production of this hybrid version of the Daily could begin in 2009.

Iveco received numerous awards during the year: "Truck of the Year" (from *Autodata* magazine in Brazil), "Best Large Van 2008" (from *What Van?* Magazine in the UK) and, for the second year running, "Best Light Truck 2008" (as part of *Van Fleet World Honours*), all for the Daily, and the "Touring Bus 2009" title, which was awarded in Spain to Iveco Irisbus Magelys.

COMPONENTS AND PRODUCTION SYSTEMS Net revenues – Full Year		
(€ millions)	*2008*	*2007*
FPT Powertrain Technologies	**7,000**	7,075
% change	*-1.1*	
Components (Magneti Marelli)	**5,447**	5,000
% change	*8.9*	
Metallurgical Products (Teksid)	**837**	783
% change	*6.9*	
Production Systems (Comau)	**1,123**	1,089
% change	*3.1*	
Eliminations	**(614)**	(572)
Total	**13,793**	13,375
% change	*3.1*	

COMPONENTS AND PRODUCTION SYSTEMS Trading profit – Full Year		
(€ millions)	*2008*	*2007*
FPT Powertrain Technologies	**166**	271
Change	*-105*	
Components (Magneti Marelli)	**174**	214
Change	*-40*	
Metallurgical Products (Teksid)	**41**	47
Change	*-6*	
Production Systems (Comau)	**21**	(23)
Change	*44*	
Total	**402**	509
Change	*-107*	
Trading margin %	**2.9**	3.8

Components and Production Systems

FPT Powertrain Technologies

FPT Powertrain Technologies reported €7 billion in **revenues** for 2008, substantially in line with 2007. Positive performance in the first half (+15.3%) was reversed by the sharp contraction in the closing months of 2008. Sales to external customers and joint ventures accounted for 22% of the total (24% for 2007).

Revenues for the Passenger & Commercial Vehicles (P&CV) product line totalled €3.7 billion (6.2% down on 2007), of which 83% was from sales to other Group companies with the remainder mainly representing sales of diesel engines to external customers. A total of 2,353,000 engines were sold during the year, reflecting a 9.4% decrease. Deliveries of transmission totalled 2,019,000, down 3.5% over the previous year.

Revenues for the Industrial & Marine (I&M) product line totalled €3.4 billion. The 6.1% increase over 2007 was driven by an increase in volumes to CNH and Sevel (the JV in light commercial vehicles). Engine sales totalled 545,000 units, up 8%, primarily to Iveco (accounting for 40%), CNH (24%) and Sevel (25%). In addition, 106,000 transmissions (-14.1%) and 272,000 axles (-9.2%) were sold.

For 2008, FPT reported **trading profit** of €166 million (2.4% of revenues), a €105 million decrease over the €271 million figure (3.8% of revenues) for 2007. This decrease was principally the result of a contraction in volumes, worsening of the sales mix and increases in raw materials prices, in addition to start-up costs for new ventures in China and Brazil. There was also a negative impact from costs recognised in the first quarter of 2008 for production problems with the 1.3 Multijet related to defective components

FIAT GROUP

COMPONENTS AND PRODUCTION SYSTEMS
Net revenues – 4th Quarter

(€ millions)	2008	2007
FPT Powertrain Technologies	**1,295**	1,895
% change	*-31.7*	
Components (Magneti Marelli)	**1,146**	1,315
% change	*-12.9*	
Metallurgical Products (Teksid)	**155**	228
% change	*-32.0*	
Production Systems (Comau)	**303**	297
% change	*2.0*	
Eliminations	**(145)**	(197)
Total	**2,754**	3,538
% change	*-22.2*	

COMPONENTS AND PRODUCTION SYSTEMS
Trading profit – 4th Quarter

(€ millions)	2008	2007
FPT Powertrain Technologies	**11**	87
Change	*-76*	
Components (Magneti Marelli)	**9**	69
Change	*-60*	
Metallurgical Products (Teksid)	**3**	2
Change	*1*	
Production Systems (Comau)	**9**	1
Change	*8*	
Total	**32**	159
Change	*-127*	
Trading margin %	**1.2**	4.5

received from an external supplier. Significant improvements in production costs only partially compensated these negatives.

FPT Powertrain Technologies posted €1.3 billion in **revenues** for **Q4 2008**, representing a 31.7% year-over-year decrease. Sales to external customers and joint ventures accounted for 22% of the total (in line with Q4 2007). Revenues were €0.7 billion for Passenger & Commercial Vehicles (-36%) and €0.6 billion for Industrial & Marine (-25%).

FPT had **trading profit** of €11 million for Q4 2008, down €76 million over the €87 million recorded in Q4 2007, principally attributable to lower volumes, sales mix and higher raw material costs.

During the year, FPT's engine and transmission businesses supported development of the many new products launched by the Group's various brands. In the automotive area, FPT launched the 105hp and 120hp versions of the Euro 5 compliant 16-valve, 1.6-litre Multijet engine on the Fiat Bravo which was followed by introduction of the new 165hp, 2.0-litre diesel (also Euro 5-compliant) and the 1.9-litre Twin Turbo Multijet engines for the Lancia Delta. With 190 horsepower and 400Nm of torque, the 1.9-litre Twin Turbo Multijet is the most powerful engine in its class. An automated 6-speed transmission was also developed for the Bravo for use with the 1.4-litre T-jet and 1.6-litre JTD engines. And production began on a new 1.4-litre, 8V bi-fuel (gasoline/natural gas) engine for the Grande Punto.

FPT also introduced several new gasoline engines: the Fire engine with Stop & Start system for the 500 PUR-O2, the 135hp Fire T-Jet engine for the 500 Abarth and the "esseesse" kit for the Grande Punto, which increases engine output to 180hp. A 1,172 cc version of the Fire was also developed expressly for the Indian market.

FPT completed development on the F1C 4-cylinder, 3-litre common rail turbodiesel engine for Iveco's off-road Massif and Campagnola vehicles, and introduced the 480hp Cursor 13 engine on the Iveco Stralis. During the year, production also began on the F32 engine, for industrial and agricultural application, which was named "Diesel of the Year – 2008" at the Samoter exhibition in Verona, Italy. And numerous on-road (Iveco Eurocargo, Irisbus) and off-road (CNH) applications were developed for the NEF engine. FPT engines also played a key role in Formula 3 competition (where FPT is sole supplier) and speedboat racing where, after its recent return to the sport, the company immediately racked up 2 major wins.

In September, the new M38 manual transmission for light commercial vehicles was launched in both 5-speed and 6-speed versions.

Magneti Marelli

Magneti Marelli reported €5.4 billion in **revenues** for 2008 (+8.9% over 2007), including €451 million in revenues from the Plastic Components and Modules business line which has been part of the Sector since Q2 2008.

Assuming a constant scope of operations, revenues remained substantially unchanged. Positive performance for the first half of 2008 was eroded by the drop in volumes experienced in the fourth quarter resulting from the major crisis affecting the markets. The drop in revenues was experienced in all of the Sector's activities, with the exception of the favourable performance in Poland, attributable to the 500, and sales to certain external customers and good performance in Brazil, where the market recorded a year-on-year increase, despite the contraction in the last few months.

Magneti Marelli reported **trading profit** of €174 million for 2008 (€214 million for 2007). The decrease over 2007 is attributable to the sharp decline in global demand which prevented the Sector from continuing the positive performance of the first nine months, during which period improvements in production costs and positive results in Poland and Brazil compensated for the slowdown in certain geographic markets and an unfavourable product mix. The trading margin for 2008 was 3.2% (4.3% for 2007). On a comparable scope of operations, the trading margin would be 3.7%.

Magneti Marelli reported €1.1 billion in **revenues** for **Q4 2008**. On a comparable scope of operations, the decrease over the same period in 2007 would be 21%. **Trading profit** was €9 million, compared to the €69 million figure for Q4 2007. During the final quarter of 2008, in response to the negative impact on volumes caused by the market crisis, the Sector implemented a range of measures to decrease materials costs, contain overheads and continue improvements in production efficiency.

Constant attention to customer requirements resulted in dozens of new product releases during the year from all business lines. These new products include components for the Lancia Delta (the Reactive Suspension System, InstantNav navigation package, headlights, instrument panels, robotized transmission and exhaust systems), the Alfa MiTo (rear lights, multifunction portable navigator and exhaust system), the 500 Abarth (portable navigator with telemetry package, instrument panel and exhaust systems) and the Maserati GranTurismo (robotised transmission, infotainment system, headlights, rear lights and instrument panel).

In addition to these products, Magneti Marelli also introduced: a complete exhaust system for the Fiat Grande Punto Natural Power; a manifold for the 165hp, 2.0-litre JTD engine; shock absorbers for the Fiat Linea; and, other key components for new models from several major German, French, American and Chinese automakers.

Teksid

Teksid reported **revenues** of €837 million for 2008, up 6.9% year-over-year. Excluding the effects of disposal of the Magnesium business unit in early March 2007 and consolidation of the Aluminium business unit as of September 2007, revenues increased 3% over 2007. The increase was attributable to price increases introduced to offset higher raw material costs which was partly compensated by lower volumes for Cast Iron operations in Europe.

Teksid reported **trading profit** of €41 million, a decrease of €6 million from 2007. On a comparable scope of operations, Teksid would have shown an increase of €9 million.

For **Q4 2008**, Teksid had **revenues** of €155 million, a 32% decrease over the same period in 2007. **Trading profit** was €3 million compared to €2 million for Q4 2007.

Comau

In 2008, **Comau** had **revenues** of €1,123 million, a 3.1% increase over 2007 attributable to gains for the Body Welding business in Europe and Service activities in Latin America, partly offset by a decrease in Service activities in Europe, in line with the reshaping of the Sector’s activities.

Order intake for 2008, totalling €1.1 billion, was substantially in line with the previous year on a comparable scope of operations: contract work was stable, while Service activities benefitted from growth in Mercosur offset by a decline in Europe. The order backlog totalled €523 million at the end of the year, in line with year-end 2007 on a comparable scope of operations.

Benefiting from the positive effects of the restructuring and repositioning of the business initiated in 2006, Comau achieved **trading profit** of €21 million for 2008, a significant improvement over the €23 million loss recorded in 2007. The most significant improvements were for the Body Welding activities in Europe.

For **Q4 2008**, Comau had **revenues** of €303 million, a 2% increase over the same period in 2007. **Trading profit** was €9 million, compared to €1 million in Q4 2007.

Other Businesses

Other Businesses includes the contribution from the Group's publishing businesses, service companies and holding companies. Other Businesses had **revenues** of €1,394 million for 2008, in line with the previous year.

The **trading loss** for the year was €102 million, including the impact of eliminations and consolidation adjustments, a decrease of €70 million over the €172 million loss recognised in 2007 primarily attributable to a reduction in costs related to stock option plans.

For **Q4 2008**, Other Businesses had **revenues** of €357 million, down 5.1%, while **trading profit**, including the impact of eliminations and consolidation adjustments, was €1 million compared to a loss of €49 million for the same period in 2007.

Significant events

In January, Magneti Marelli and Sumi Motherson Group signed a joint venture agreement for the production of automotive lighting and engine control systems in India.

The following month, Magneti Marelli further expanded its presence in India through agreements with SKH Metals Limited and SKH Sheet Metal Components Limited, both part of the Krishna Group. Objective: to create two 50/50 joint ventures for the production of automotive exhaust systems. The first of these two joint ventures is to produce components for Suzuki Maruti India Limited, while the joint venture with SKH Sheet Metal Components Limited has already started to supply exhaust systems to Fiat and Tata.

Also in February, FPT Powertrain Technologies acquired the Tritec Motors plant in Campo Largo, Brazil (near Curitiba in Paraná) from Chrysler L.L.C. for BRL 250 million (approximately €83 million). At this plant, one of the most modern engine production facilities in the world, FPT will produce both gasoline and flex-fuel versions of a new range of mid-size engines.

In early June, the Fiat Group signed master agreements with OJSC-Sollers (formerly Severstal Auto) for the establishment of two further 50/50 joint ventures: one for the manufacture and distribution of Fiat passenger vehicles and the other for the manufacture of FPT Powertrain Technologies F1A diesel engines. The strategic relationship between the two companies was further expanded in November with the signing of a Letter of Intent for collaboration in the launch of Fiat brand B and/or C segment cars in the Russian Federation.

Also in June, Magneti Marelli and Endurance Technologies Pvt. Ltd. signed a joint venture agreement for the production of shock absorbers in India and Thailand. The 50/50 joint venture, located in Chackan (near Pune, Maharashtra), is to become operational during the first quarter of 2009.

At the beginning of July, Fiat Group Automobiles and BMW signed a Memorandum of Understanding to explore potential cooperation in the area of components and platforms for both Mini and Alfa Romeo vehicles.

Also in July, Cummins and the Group's CNH and FPT Powertrain Technologies Sectors reached an agreement to realign the shareholder structure of their two joint ventures in the manufacture of diesel engines. Cummins, in fact, sold its stake in EEA (European Engine Alliance), the 3-way joint venture created in 1996 for production of the NEF engine range, enabling FPT Powertrain Technologies to assume full control of the company. Cummins also agreed to acquire CNH's 50% stake in CDC (Consolidated Diesel Corporation), the 50/50 joint venture operating outside the United States.

In September, Fiat Group Automobiles and the Republic of Serbia reached a definitive joint venture agreement based on the Memorandum of Understanding signed in April. A new company, held 67 percent by FGA and 33 percent by the Serbian Government, will acquire the assets of the Zastava plant in Kragujevac. Once fully operational, the plant will have production capacity of approximately 200,000 cars per year with potential for a further 100,000 units per year. Initial investment in the project will be approximately €700 million, which includes €200 million in contributions from the Serbian government consisting of €100 million in cash, a €50 million loan and other contributions in the form of tax exemptions, training programmes, etc.

Serbia's Ministry for the Economy and Regional Development also signed Memoranda of Understanding with Iveco and Magneti Marelli which serve as the basis of potential collaborations in the production of buses, special use vehicles and automotive components. Two joint working groups have been established to examine various aspects of the initiatives in greater detail. The intention is to establish two companies, each held 70 percent by the respective Fiat Group company, with a target of 2,200 buses per year to be produced by Iveco and automotive components for both the domestic and international markets to be produced by Magneti Marelli.

The Group also approved and entered into other targeted initiatives with the aim of strengthening its production capabilities. Among these initiatives was the restructuring of the Giambattista Vico plant in Pomigliano d'Arco where, during a two month suspension in production, quality and efficiency improvements were implemented, intensive training was given to 6,000 employees and €110 million was invested, €70 million of which was spent on major technology upgrades.

A Memorandum of Understanding was signed between FPT Powertrain Technologies, the Region of Piedmont, the Province of Biella and the City of Verrone (Province of Biella) to expand and upgrade the plant in Verrone, where a new transmission for medium-sized passenger vehicles is to be produced.

In the research area, Fiat signed a master agreement with the Region of Basilicata to establish a centre of excellence in Melfi for the creation and development of innovative production processes.

Along with a commitment to enhancing its industrial and commercial capabilities, the Group continued to invest in improving working conditions for our employees. Despite the current economic difficulties, the Group introduced a supplementary employee healthcare scheme for the Fiat Group's blue collar and non-management white collar employees in Italy.

On January 20, 2009 Fiat S.p.A., Chrysler LLC (Chrysler) and Cerberus Capital Management, the private investment majority owner of Chrysler LLC, announced the signature of a non-binding term sheet to establish a global strategic alliance. The alliance, to be a key element of Chrysler's viability plan, would provide Chrysler with access to competitive, fuel-efficient vehicle platforms, powertrain, and components to be produced at Chrysler manufacturing sites. Fiat would also provide distribution capabilities in key growth markets, as well as substantial cost savings opportunities. In addition, Fiat would provide management services supporting Chrysler's submission of a viability plan to the U.S. Treasury as required. The alliance would also allow Fiat Group and Chrysler to take advantage of each other's distribution networks and to optimize fully their respective manufacturing footprint and global supplier base. As a consideration for Fiat Group's contribution to the alliance of strategic assets, to include: product and platform sharing, including A and B segment (city and small) segment vehicles; technology sharing, including fuel efficient and environmentally friendly powertrain technologies; and access to additional markets, including distribution for Chrysler vehicles in markets outside of North America, Fiat would receive an initial 35 percent equity interest in Chrysler. The alliance does not contemplate that Fiat would make a cash investment in Chrysler or commit to funding Chrysler in the future. The proposed alliance would be consistent with the terms and conditions of the U.S. Treasury financing to Chrysler. Completion of the alliance is subject to due diligence and regulatory approvals, including the U.S. Treasury.

2009 Outlook

As foreseen at the end of the 3rd quarter, the final 3 months of 2008 confirmed a significant and widespread deterioration of trading conditions across most of our businesses and most of our geographies. This deterioration has made it even more difficult to forecast with some degree of accuracy the performance of our sectors in 2009. This uncertainty has been compounded by a severe tightening of credit in all major markets, both at the consumer and corporate level, and has began to create a liquidity squeeze which will ultimately impact the industrial development of most businesses, including and especially ours.

We believe that we will continue to experience erratic fluctuations in market sentiments throughout at the least the first semester. It is for these reasons that we have chosen a strategy of updating the financial markets on a quarterly basis on expected 2009 performance, as evidence materializes about the ultimate shape and quality of the various product demand curves we face.

Notwithstanding this uncertainty, the Group is of the view that the following conditions will materialize in 2009.

- Global demand for our products will decline approximately ~20% compared to 2008.
- Group trading profit will be in excess of €1 billion.
- Restructuring charges of ~€300 million.
- The net result for the Group will be in excess of €300 million.
- Group net industrial cash flow will be in excess of €1 billion, with net industrial debt levels below the €5 billion mark.

While these are yearly objectives, quarter over quarter performance is expected to be uneven, with the first quarter of 2009 being particularly difficult. Improvements should be visible in the remaining 3 quarters of 2009, as the impact of the restructuring initiatives will begin to be felt.

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

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FIAT GROUP

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

Turin, 22 January 2009

Today, at 4:00 p.m. CET, Group management will hold a conference call to present the 2008 fourth quarter and full year 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.fiatgroup.com.

Consolidated Income Statement

Unaudited

(in millions of euros)	Full year 2008	Full year 2007	4th quarter 2008	4th quarter 2007
Net revenues	**59,380**	58,529	**13,092**	15,816
Trading profit	**3,362**	3,233	**663**	947
Gains (losses) on the disposal of investments	**20**	190	**17**	10
Restructuring costs	**165**	105	**165**	51
Other unusual income (expenses)	**(245)**	(166)	**(259)**	(40)
Operating result	**2,972**	3,152	**256**	866
Financial income (expenses)	**(947)**	(564)	**(345)**	(233)
Result from investments:	**162**	185	**10**	69
Result before taxes	**2,187**	2,773	**(79)**	702
Income taxes	**466**	719	**(259)**	105
Net result	**1,721**	2,054	**180**	597
Attributable to:				
Equity holders of the parent	**1,612**	1,953	**163**	570
Minority interests	**109**	101	**17**	27

Statement of Changes in Net Industrial Debt

Unaudited

(in millions of euros)	2008	2007
Net industrial debt at beginning of the year	**355**	(1,773)
- Net result	**1,721**	2,054
- Amortisation and depreciation (net of vehicles sold under buy-back commitments)	**2,805**	2,667
- Change in provisions for risks and charges and other changes	**(766)**	(640)
Cash flows from (used in) operating activities during the year, net of change in working capital	**3,760**	4,081
- Change in working capital	**(3,604)**	1,675
Cash flows from (used in) operating activities during the year	**156**	5,756
- Investments in tangible and intangible assets (net of vehicles sold under buy-back commitments)	**(4,980)**	(3,666)
Cash flows from (used in) operating activities during the year, net of capital expenditures	**(4,824)**	2,090
- Change in the scope of consolidation and other changes	**(941)**	647
Net Industrial cash flow	**(5,765)**	2,737
- Capital increases, (purchase) disposal of treasury stocks and dividends	**(770)**	(700)
- Translation exchange differences	**231**	91
Change in net industrial debt	**(6,304)**	2,128
Net industrial (debt)/cash position at end of the year	**(5,949)**	355

Translation of financial statements denominated in a currency other than Euro

The principal exchange rates used in 2008 and 2007 to translate into euros the financial statements prepared in currencies other than the euros were as follows:

	Average 2008	At 31 December 2008	Average 2007	At 31 December 2007
U.S. dollar	**1.471**	**1.392**	1.370	1.472
Pound sterling	**0.796**	**0.953**	0.684	0.733
Swiss franc	**1.587**	**1.485**	1.643	1.655
Polish zloty	**3.512**	**4.154**	3.784	3.594
Brazilian real	**2.674**	**3.244**	2.670	2.607
Argentine peso	**4.679**	**4.800**	4.309	4.667