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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

P.F.
5/31/03

Form 6-K

**REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO
RULE 13a-16 OR 15D-16 UNDER THE SECURITIES
EXCHANGE ACT OF 1934**



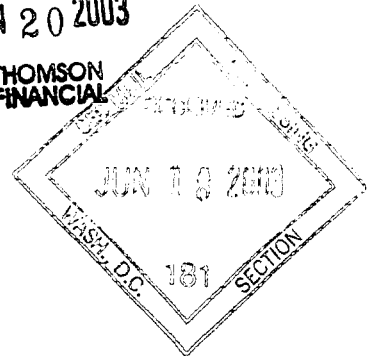
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For the month of May 2003

PROCESSED

JUN 20 2003

THOMSON
FINANCIAL



FIAT S.p.A.

(Translation of registrant's name into English)

Via Nizza 250

Torino, Italy 10126

(Address of principal executive offices)

Indicate by checkmark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

NOTE: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's "home country"), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

Indicate by checkmark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No



Information furnished on this form:

EXHIBITS

<u>Exhibit</u>	<u>Description</u>	<u>Page Number</u>
1	Consolidated and Statutory Financial Statements at December 31, 2002	4

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: May 29, 2003

FIAT S.p.A.

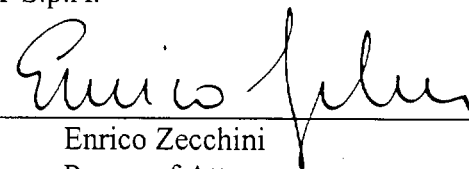
By: 
Enrico Zecchini
Power of Attorney

EXHIBIT 1



Consolidated and Statutory Financial Statements
at December 31, 2002

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This report has been translated into English from the original version in Italian.

In case of doubt, the Italian version prevails.



Consolidated and Statutory Financial Statements at December 31, 2002

Stockholders' Meeting

Stockholders are invited to attend the meeting of the stockholders to be held at the Fiat Historical Center, 20 Via Chiabrera, Turin at 1:00 p.m. on May 10, 2003 on the first call and, if necessary, at 1:00 p.m. on May 13, 2003 on the second call, to resolve on the following

Agenda

1. Financial Statements at December 31, 2002 and Report on Operations; pertinent and related resolutions.
2. Motion to purchase treasury shares and modalities of their disposition.
3. Appointment of the Board of Directors after determining the number of its Members and their fees.
4. Appointment of the Board of Statutory Auditors, its Chairman and determination of the relevant fees.
5. Appointment of the Independent Auditors for the 2003-2005 period.

Fiat S.p.A.

Head Office: 250 Via Nizza, Turin, Italy
Paid-in Capital: 3,082,128,000 euros
Entered in the Turin Company Register
Fiscal code: 00469580013



For the first time since 1943, the Company's Annual Report does not include the name of Giovanni Agnelli.

For 60 years — first as Vice Chairman, then as Chairman and finally, from 1996, as Honorary Chairman — Giovanni Agnelli was at the center of the Company's history, providing a constant point of reference not only for Fiat's stockholders and employees, but also for its industrial, financial and commercial partners.

During these long years, he used his charisma and his wisdom to help Fiat play a key role in the arenas of international business and economics.

Even under the most difficult of circumstances, Giovanni Agnelli never shied away from his duties nor from the responsibility to provide continuity for the Company's development.

He was always ready to offer enlightened guidance and encouragement when the Group was called upon to tackle its biggest challenges and resume its path to growth.

For Fiat, this is his greatest legacy.

Board of Directors and Control Bodies

Board of Directors

Chairman Umberto Agnelli (1)
Vice Chairman Alessandro Barberis (1)
Chief Executive Officer Giuseppe Morchio (1)

Directors Angelo Benessia (2)
Luca Cordero di Montezemolo
Flavio Cotti (2)
John Philip Elkann (1)
Gabriele Galateri di Genola (*)
Franzo Grande Stevens (1) (3)
Hermann Josef Lamberti (2)
Virgilio Marrone
Daniel John Winteler

(1) Member of the Compensation Committee

(2) Member of the Audit Committee

(3) Secretary of the Board

(*) Mr. Galateri di Genola resigned effective April 13, 2003

Board of Statutory Auditors

Statutory Auditors Cesare Ferrero – Chairman
Giorgio Ferrino
Lamberto Jona Celesia

Alternate Auditors Giorgio Giorgi
Natale Ignazio Girolamo
Piero Locatelli

Independent Auditors Deloitte & Touche Italia S.p.A.

Report on Operations



Overview

Dear Stockholders:

The substantial loss incurred for the year is the result of two factors: the disappointing operating results reported by the Automobile Sector, which were offset only in part by the positive performance of other Sectors, and even more significantly, the burdensome costs that had to be shouldered to restore the Group to health and help it regain forward momentum.

Notable among these costs were the charges incurred to restructure the Group's industrial operations, especially those of Fiat Auto. The extraordinary provisions booked to adjust the carrying value of our assets to reflect changing market conditions also had an impact on the bottom line. Additional sacrifices were required due to divestitures, which produced a net loss that was caused primarily by the sale, at market prices, of the General Motors shares held by the Group.

Lastly, negative results reported by companies in which the Group holds equity investments and the writedowns required to mark to market the equity securities held by the insurance companies also contributed to the consolidated loss.

It is important to keep in mind, however, that the extraordinary charges recognized in the financial statements will require only modest cash outlays in future years.

As stipulated in the agreements with the lending banks, the Group used capital increases, asset divestitures and a decrease in working capital requirements to achieve a substantial reduction in net borrowings.

At a meeting held on February 28, 2003, the Board of Directors accepted the resignation of Group Chairman Paolo Fresco and appointed a new Chairman, Vice Chairman and Chief Executive Officer.

The current year will be one of transition for Fiat, as it bridges the gap between the disappointments of 2002 and the renewed growth that it expects to enjoy in 2004.

The Group will have to work toward its goals in a very difficult and complex economic environment.

As the repeated interest rate cuts put into effect by the monetary authorities on both continents demonstrate, there are significant threats to prospects for growth, both in Europe and the United States. The current conflict in the Middle East has produced even more uncertainty. A further weakening of consumer and business confidence would have a negative impact on the global economic recovery.

The strategic goal that we are pursuing in this environment is to heal Fiat and restore its strength as an industrial group that is focused on its automotive businesses.

The divestiture of Toro Assicurazioni, while consistent with these goals, clearly represents a great sacrifice. Nevertheless, it is an indispensable step that must be taken not only to pay down debt, but also to allow for the Group's future growth.

The capital increases that Fiat Auto and CNH carried out to fund their industrial plans are in line with the same strategy.

Moreover, the increasingly close cooperation with General Motors is yielding a further increase in the substantial synergies that have already been realized. Additional benefits will be achieved through the sharing of components and the development of common platforms, which will help lower manufacturing costs.

Naturally, all Sectors will devote great attention to technological innovation and product development, which must include a steady effort to improve the Group's environmental performance. During the second half of 2003, Fiat Auto will start marketing the new models that it unveiled recently at the International Geneva Motor Show. They mark the beginning of a complete renewal of the model lineup. Meanwhile, Iveco is working on major additions to its product line, and CNH is about to launch a new generation of agricultural machines.

Fiat's success in increasing its competitiveness will also require major contributions from its industrial and commercial partners. The Sectors will have to develop increasingly close collaborative relationships with their suppliers, if they are to achieve ever more ambitious goals in the areas of cost control, innovation and quality, while at the same time reorganizing their sales networks, making customer satisfaction part of everyday practice and a reference point for the development of our products.

The commitment to bring lasting strength to our balance sheet and provide fresh momentum to our industrial operations, making them again a reliable source of financial resources, will remain at the center of our efforts.

As we pursue this goal, we can count on the trust and active collaboration we have developed with the lending banks. The sale of Fidis, with the resulting decrease in gross indebtedness, is just the most recent example of the support that these credit institutions are providing to the Group at this delicate juncture.

For our part, we will continue to work tirelessly to comply with the objectives set forth in the agreements we signed with the lending banks in 2002. All Sectors will be required to keep their costs under rigorous control and make every effort to improve their operating results and cash flow.

The most important contribution to building a new Fiat will come from its employees. The Group can rely on the great store of knowledge possessed by its people, on their ability to innovate and on their sense of belonging. It intends to maximize these assets and help its employees express their full potential. Managers throughout the organization will strive to rebuild their staff's confidence and motivation.

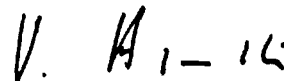
We will continue to make every effort to minimize the social impact of the current restructuring process, in accordance with the Framework Agreement signed with the Italian Government. To that end, we will use all available tools. Staff downsizing is a painful necessity that must be undertaken to enable the Group to cope with changing market conditions and help it meet its all-important profitability goals as quickly as possible.

We are faced with another difficult year, but we are aware that the task of reengineering Fiat and restoring its health can be accomplished only over the medium to long term.

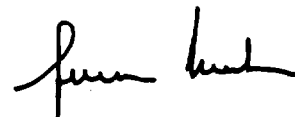
We must be realistic and acknowledge that the structural components of our problems have not yet been completely eliminated. We are still faced with a long uphill battle.

We will address the challenges of the coming months with maximum determination, confident in the strength of our employees and our partners and the support of the entire Italian economy.

Turin, March 27, 2003



Umberto Agnelli
Chairman



Giuseppe Morchio
Chief Executive Officer



The Fiat Group

The Fiat Group's manufacturing and service activities, which are centered on its traditional automotive business, serve customers in more than 190 countries around the globe.

Automotive Activities

They account for 72% of total sales (before intercompany eliminations) and 64% of net invested capital. They include three business lines:

1 – Automobiles

The Group's automobile operations are conducted primarily by its Automobile Sector, which includes Fiat Auto Holdings B.V and its subsidiaries. The Sector markets automobiles under the Fiat, Lancia and Alfa Romeo brands and light commercial vehicles under the Fiat brand.

The Automobile Sector provides financing services to its dealers and suppliers and offers motorists a comprehensive line of mobility services.

Ferrari and Maserati are also part of the Fiat Group. They produce luxury sports cars that excel for their exclusive characteristics, technology and performance.

2 – Agricultural and Construction Equipment

This Sector, which is led by CNH Global N.V., is active in the field of tractors and agricultural equipment through the Case IH, New Holland and Steyr brands and in the construction equipment business through the Case, FiatAllis, Fiat Kobelco, Kobelco, New Holland Construction and O&K brands. The Sector's financial services provide support to end customers and to its dealers.

3 – Commercial Vehicles

Iveco N.V. is the lead company of the Commercial Vehicles Sector. This Sector designs, produces and sells complete lines of commercial vehicles (Iveco and Seddon Atkinson brands), busses (Iveco and Irisbus brands), firefighting vehicles (Camiva, Iveco and Magirus brands) and diesel engines (Aifo brand). Through its Transolver subsidiary, the Sector provides a full range of financial services.

Other Industrial Sectors

These Sectors include Components, Production Systems, Metallurgical Products and Aviation. Their products and areas of business are listed below.

- Automotive modules and components for lighting systems, exhaust systems, suspensions and shock absorbers, and engine control units.
- Industrial automation systems for the automotive industry in the areas of product and process engineering, logistics and management, manufacturing, installation, production startup and maintenance.
- Engine blocks, cylinder heads and other components for cast-iron engines; cast-iron components for transmissions, gearboxes and suspensions; and magnesium bodywork components.
- Components and systems for airplane and helicopter engines, turbines for ship propulsion, propulsion systems for rocket boosters and satellites, and aircraft engine overhaul services.

Other non Industrial Sectors

These Sectors, which include Insurance, Services and Publishing and Communications, engage in the following businesses:

- Complete line of casualty insurance, life insurance and bankassurance products. Through Toro Targa Assicurazioni, a joint venture with Fiat Auto, the Insurance Sector sells insurance through the Fiat dealer network.
- Services in the areas of personnel administration, temporary staffing, engineering and facility management, administrative and corporate finance consulting, information and communication technology, purchasing, and e-procurement.
- Publication of the *La Stampa* newspaper and sale of advertising space for multimedia customers.

Highlights of Results

Financial and operating highlights of the Fiat Group

<i>(in millions of euros)</i>	2002	2001	2000	1999	1998
Consolidated revenues	55,649	58,006	57,555	48,123	45,769
Operating result	(762)	318	855	788	746
EBITDA	(1,341)	3,408	5,125	3,836	3,631
EBIT	(3,955)	528	2,073	1,482	1,321
Result before taxes	(4,817)	(497)	1,050	1,024	1,442
Net result before minority interest	(4,263)	(791)	578	506	916
Group interest in net result	(3,948)	(445)	664	353	621
Net financial position (indebtedness)	(3,780)	(6,035)	(6,467)	(4,031)	1,420
Stockholders' equity before minority interest	8,679	13,607	15,209	14,767	15,120
Group interest in stockholders' equity	7,641	12,170	13,320	12,874	12,998
Net invested capital	12,459	19,642	21,676	18,798	13,700
Cash flow (net result before minority interest plus depreciation and amortization)	(1,649)	2,089	3,630	2,860	3,226
Capital expenditures	2,771	3,438	3,236	2,712	2,418
Research and development	1,748	1,817	1,725	1,406	1,264
Operating result/net revenues (ROS)	(1.4%)	0.5%	1.5%	1.6%	1.6%
Operating result/average net invested capital (ROI)	(4.7%)	1.5%	4.2%	4.8%	5.4%
Net result before minority interest/net revenues	(7.7%)	(1.4%)	1.0%	1.1%	2.0%
Net result/Group interest in average stockholders' equity (ROE)	(39.9%)	(3.5%)	5.1%	2.7%	4.7%
Number of employees	186,492	198,764	223,953	221,319	220,549



Statistical data by geographical region

	Number of companies	Number of employees	Number of facilities	Number of R&D centers
Italy	269	87,789	68	67
Europe excluding Italy	415	51,733	68	33
North America	123	14,739	31	12
Mercosur	59	21,782	16	8
Other regions	117	10,449	33	7
Total	983	186,492	216	127

Financial and Operating Highlights by Sector

	Net revenues		Operating result		EBIT		Net result before minority interest	
	2002	2001	2002	2001	2002	2001	2002	2001
	(in millions of euros)	(in millions of euros)	(in millions of euros)	(in millions of euros)	(in millions of euros)	(in millions of euros)	(in millions of euros)	(in millions of euros)
Automobiles (Fiat Auto Holdings)	22,147	24,440	(1,343)	(549)	(2,214)	(1,061)	(2,739)	(1,442)
Agricultural and Construction Equipment (CNH Global)	10,513	10,777	163	209	165	122	(211)	(291)
Commercial Vehicles (Iveco)	9,136	8,650	102	271	(409)	46	(493)	(123)
Ferrari	1,208	1,058	70	62	44	62	22	47
Components (Magneti Marelli)	3,288	4,073	(16)	(74)	(348)	208	(435)	82
Production Systems (Comau)	2,320	2,218	(101)	60	(247)	30	(302)	(36)
Metallurgical Products (Teksid)	1,539	1,752	27	15	(137)	(67)	(214)	(125)
Aviation (FiatAvio)	1,534	1,636	210	186	183	495	116	425
Insurance (Toro Assicurazioni)	4,916	5,461	147	68	(203)	(134)	9	152
Services (Business Solutions)	1,965	1,805	67	73	(140)	608	(119)	497
Publishing and Communications (Itedi)	360	347	3	(2)	1	(4)	(5)	(6)
Miscellanea and eliminations	(3,277)	(4,211)	(91)	(1)	(650)	223	108	29
Total for the Group	55,649	58,006	(762)	318	(3,955)	528	(4,263)	(791)

	Cash flow		Capital expenditures		Net invested capital		Number of employees	
	2002	2001	2002	2001	2002	2001	2002	2001
	(in millions of euros)	(in millions of euros)	(in millions of euros)	(in millions of euros)	(in millions of euros)	(in millions of euros)		
Automobiles (Fiat Auto Holdings)	(1,780)	(292)	1,115	1,331	1,254	2,340	49,544	55,174
Agricultural and Construction Equipment (CNH Global)	330	262	431	615	5,140	6,597	28,528	28,127
Commercial Vehicles (Iveco)	(70)	287	587	718	1,582	1,979	38,113	35,340
Ferrari	99	123	176	125	142	122	2,896	2,566
Components (Magneti Marelli)	(245)	289	148	240	524	1,073	20,716	24,228
Production Systems (Comau)	(238)	27	20	38	163	378	18,186	17,243
Metallurgical Products (Teksid)	(121)	(16)	78	151	250	788	7,368	13,827
Aviation (FiatAvio)	185	514	130	41	618	587	5,049	5,243
Insurance (Toro Assicurazioni)	56	199	13	29	652	533	3,098	3,213
Services (Business Solutions)	(77)	567	14	32	478	648	7,900	7,171
Publishing and Communications (Itedi)	3	1	3	6	40	49	923	934
Miscellanea and eliminations	209	128	56	112	1,616	4,548	4,171	5,698
Total for the Group	(1,649)	2,089	2,771	3,438	12,459	19,642	186,492	198,764

Stockholders

Financial Communications

The Group pursues a policy of open communication with individual and institutional investors. In the course of the year, its investor relations program offers presentations, live or through conference call, after the regular publication of Group results or other events requiring direct communications with the market. In addition, the program includes several seminars, which furnish a more in-depth understanding of the operating performance and strategies of the principal Group Sectors, and numerous meetings and roadshows, which permit more direct contact between the financial community and the Group's top management.

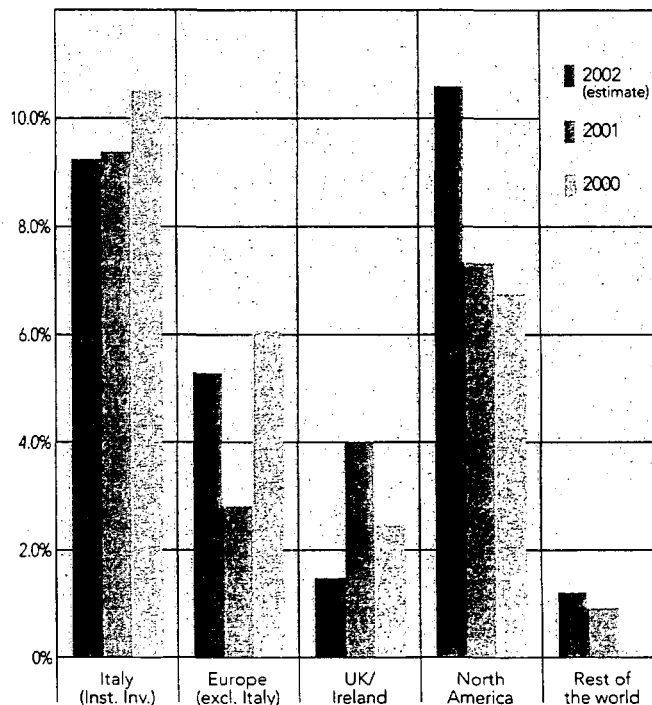
For holders of Fiat shares:

Toll-free telephone number in Italy: **800-804027**
 Website: www.fiatgroup.com
 E-mail addresses: investor.relations@geva.fiatgroup.com
servizio.titoli@fiatgroup.com

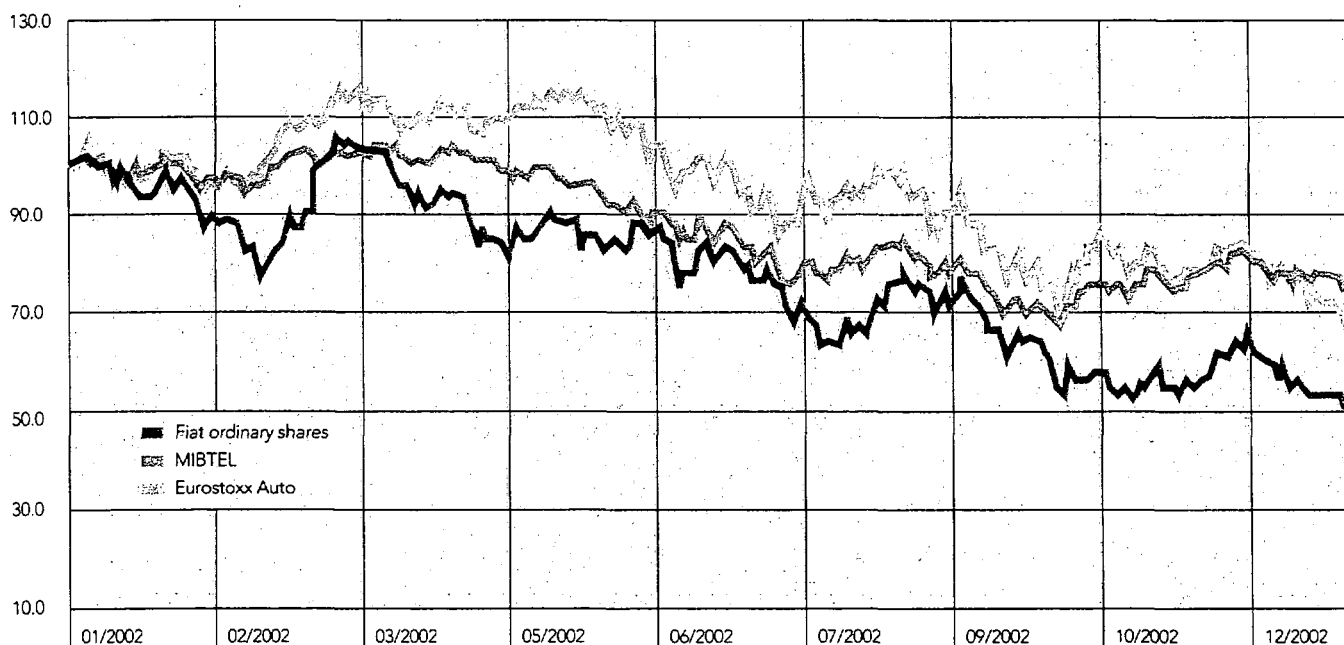
For holders of ADRs:

Toll-free telephone number in the USA or Canada: **800 900 11 35**
 Outside USA or Canada: **781 575 43 28**
 Website: www.adr.com

Stockholders according to country of domicile

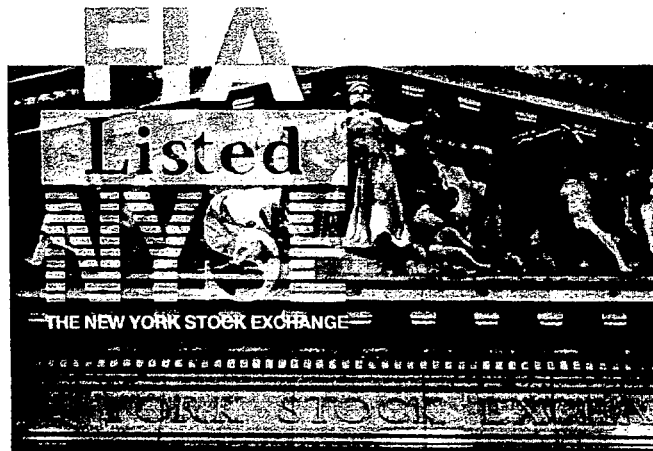


Performance of FIAT stock with respect to MIBTEL index and Eurostoxx Auto since January 1, 2002 (01/01/02 = 100)

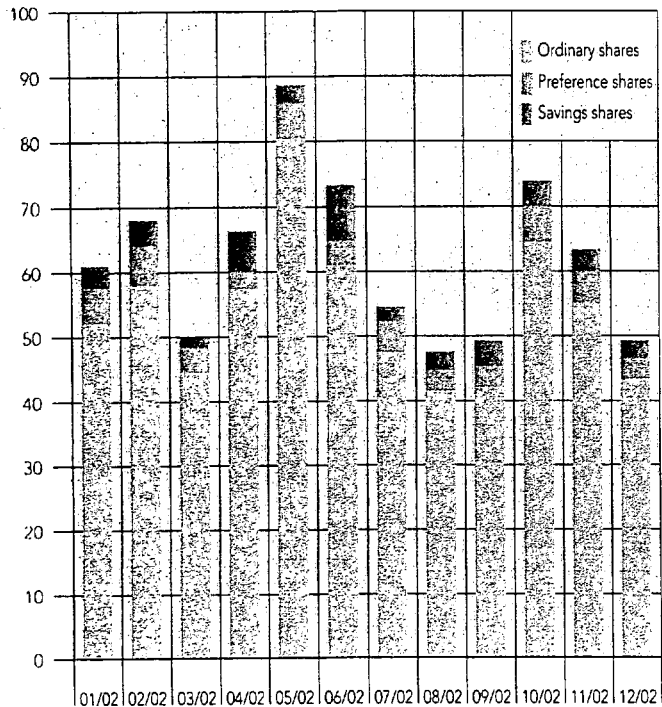


Financial market trends in 2002 were characterized by acute volatility and extremely negative performance overall due to the global economic slowdown and unstable international political situation. In particular, the general decline in investor and consumer confidence impacted the

Dow Jones European automotive stock index, whose downturn worsened in the second half of the year. It was in this context that the challenges currently facing the Fiat Group and the changes it is undergoing influenced its stock price, which suffered more than its competitors'.



Average monthly trading volume (in millions of shares)



Highlights per share (in euros)	2000	2001	2002
Cash flow per share	6.622	3.856	(2.911)
Earnings per share	1.186	(0.841)	(6.660)
Dividend per share (*)			
ordinary and preference shares	0.620	0.310	-
savings shares	0.775	0.465	-
Stockholders' equity per share at 12/31	24.321	22.462	13.489
Official price per share	12.29.00	12.28.01	12.30.02
ordinary shares	26.340	17.921	7.704
preference shares	17.606	12.267	4.348
savings shares	15.149	11.459	4.183

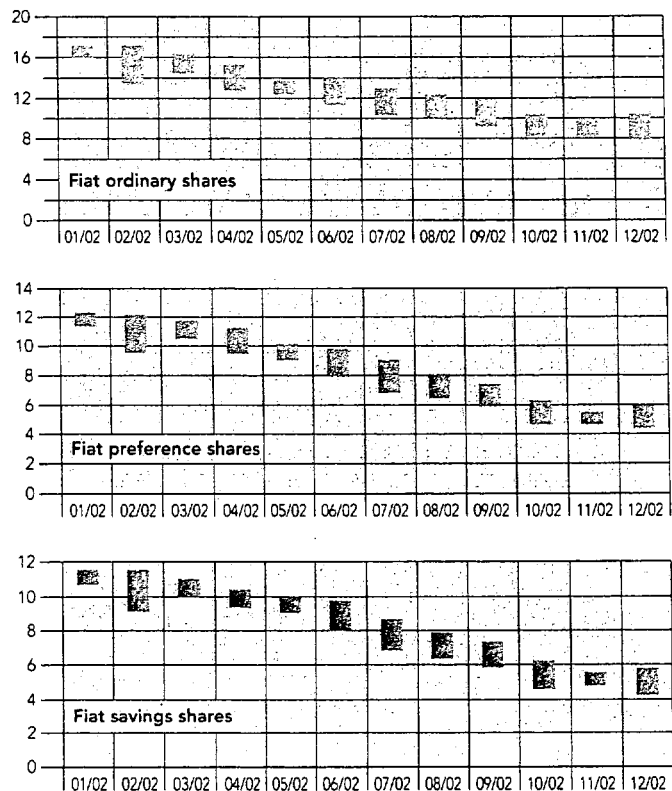
(*) Reflects the distribution of earnings attributable to the respective year.

Stockholder base at December 31, 2002

Ordinary shares	433,220,490
IFI-IFIL	30.4%
Generali Group	3.1%
Dodge & Cox	3.8%
Sanpaolo IMI Group	2.6%
Mediobanca	3.1%
Libyan Arab Foreign Inv. Co.	3.0%
Deutsche Bank Group	2.8%
Pictet & C	2.8%
Southeastern Asset Manag	2.7%
Other International Institutional Investors	9.4%
Other Italian Institutional Investors	5.5%
Other Stockholders	30.8%
Preference shares	103,292,310
IFI-IFIL	30.1%
International Institutional Investors	6.6%
Italian Institutional Investors	9.5%
Other Stockholders	53.8%
Savings shares	79,912,800
International Institutional Investors	4.0%
Italian Institutional Investors	6.2%
Other Stockholders	89.8%

N.B.: The holdings of Italian and international institutional investors have been estimated on the basis of surveys commissioned by the Company.

Minimum and maximum monthly price (in euros)



Customers and Products

CUSTOMERS

Customer care and customer satisfaction are considered core values at the Fiat Group.

The Sectors have launched specific training programs for the dealership and customer care network to bring about a radical change in the corporate culture.

A series of special indicators and surveys have been used for several years to monitor customer satisfaction and the extent to which the Group's products and services meet customer needs.

Fiat Auto

In an increasingly competitive automobile market, the challenge is won with quality products and prompt, reliable service. This is why Fiat Auto has dedicated a specific Business Unit to manage and develop customer services.

The Consumer Services Business Unit is active in three distinct areas to cover all phases of the relationship with customers. The first is dedicated to financing of purchases and leasing, with a choice of flexible solutions based on the specific needs of customers, ranging from traditional installment payments to the latest financing packages combined with maintenance and infomobility services.

The second area features mobility services, which offer motorists the following options: roadside assistance, car repair, scheduled maintenance, and rent-a-car services. Business customers are offered the following services: satellite monitoring of corporate fleets, credit card management, database management, and market research.

The third and final area features corporate fleet leasing, dedicated to satisfying the needs of small and large businesses in this particular sector.

During 2002, Fiat Auto also undertook a rigorous process of restructuring of its dealer network.

This process entailed revision of its distribution strategy, especially in terms of its contact with end customers and the services offered to them, and reinforcement of its partnership relationship with dealers network.

These actions are part of a broader program to strengthen the new corporate identity, which is aimed at maximizing the value of Group brands.

CNH Global

CNH's customer satisfaction indices continued to rise in 2002. Its successful launch of new products in both the agricultural and construction equipment segments account for a 2.5% improvement in customer satisfaction worldwide. At the same time, worldwide customer loyalty to CNH products, brands, and dealerships improved by 3.1%, reflecting customer recognition.



Expansion of customer services has continued with the establishment of a New Holland Customer Response Center (CRC) in Toronto to serve customers in the United States and Canada. This new center complements the London CRC and allows CNH to offer the best assistance to Sector customers in all of its most important markets.

Iveco

Iveco decided to equip its authorized assistance centers with cutting-edge diagnostic equipment to simplify and automate the troubleshooting process.

To ensure consistently excellent service, Iveco launched the "teleservices project": all authorized assistance centers are connected online to an expert center located at the Iveco Customer Support Center in Turin.

Iveco will be able to handle any technical emergency by using telediagnosis, teleprogramming, and telemanagement systems. The expert center is staffed by a group of engineers with expert knowledge of electronics and diagnostic systems.

Iveco also launched an innovative training program called "DEEC" (Dealer Electronic Excellence Community): it plans to use this program to provide its dealers with technology updates in real time by exploiting the speed of the Web.

In 2002 Iveco also completed implementation of the Ramses Project on its primary network, culminating the total automation of its integrated restocking system, spare parts catalogue, stock monitoring, and dealership spare parts sales.

PRODUCTS

In 2002 the Group's automotive Sectors demonstrated their vitality by introducing a large number of new products. These models are highly diversified in terms of their concept and use, but share the ability to introduce innovation in their respective market segments.

Fiat Auto

In June 2002, Fiat introduced the new Ulysse multipurpose vehicle, which features a totally new style, interiors, powertrain, and safety equipment. The biggest event of the year for the Fiat brand was introduction of the Stilo Multi Wagon in the fall: versatile and modular, this car rounded out the Stilo line and thus the choice of models offered by Fiat in segment C, introducing features and equipment to this segment that had previously been the exclusive prerogative of vehicles in higher classes.

With the introduction of the new Thesis and Phedra models, Lancia can now offer customers in the elite segment a flagship and multipurpose vehicle that combine the refined elegance, comfort, and cutting-edge technical solutions that are a tradition of the brand. These two models marked the start of a thorough renewal of the Lancia line, that will continue in 2003 with the launch of the new Ypsilon, which was presented to great acclaim at the recent Geneva Motor Show.

At Alfa Romeo, 2002 witnessed the birth of the GTA versions, a famous mark in the motor racing tradition. In fact, the 147 GTA, 156 GTA, and Sportwagon GTA are vehicles that combine driving pleasure with high sports performance.

Alfa Romeo also adopted the first second generation common rail engine: the 1.9 JTD 16 valve Multijet installed on the 147 and the 156. Characterized by high power, great elasticity, and reduced emissions, this engine represents an innovation of similar magnitude to that of the first common rail engine Unijet introduced in 1997, and it is the fruit of Fiat's research, that gave birth in 2003 to the small 1.3 JTD 16v Multijet, which is destined to be used on the Group's future compact models.

CNH Global

Renewal of the product line in the **agricultural equipment segment** made major progress with the introduction of products capable of guaranteeing higher profit margins than the models they replaced.

The newly launched vehicles include the New Holland TG and the Case IH MX Magnum, the first tractors produced on global platforms, which share many components in absolute respect of their different brand identities.

Case IH further expanded its line by entering the baler sector and introducing new series of tractors: JX Maxxima, JXU Maxxima, and MXM Maxxum. This last model is targeted at the important 100-200 horsepower market segment, which is growing strongly.

New Holland introduced the innovative CR combine, based on twin rotor technology, and the CS, conceived expressly to address the needs of farmers who also work in the livestock sector.

CNH agricultural equipment received many awards in both Europe and America.

A renewed line of products was also introduced in the **construction equipment segment**. The Fiat Kobelco joint venture created in July consolidated the position of CNH as the third largest maker of construction equipment in the world. Among the advantages of this new global alliance are the acquisition of Japanese technology for crawler excavators; in-house production of mini-excavators, a class of products that is growing strongly; and the possibility of accessing new geographical areas that were previously uncovered. Finally, the Case brand expanded its product line with new excavators and wheel loaders.

Iveco

In the **light commercial vehicle segment**, Iveco introduced the Daily HPI. The strong point of this vehicle is its new 2.3 liter engine that develops either 96 or 116 horsepower, featuring 4 valves per cylinder and a second generation common rail fuel injection system that guarantees the Daily will perform even more brilliantly while consuming less fuel.

Introduction of the new Daily contributed significantly to consolidation of Iveco's position as co-leader in Europe.

Instead, in the **heavy range vehicle segment**, Iveco launched the Stralis Active Space at the beginning of 2002. This vehicle features a highly innovative line, a modular cabin offering maximum comfort, and intensive use of electronics to reduce consumption even further.

An immediate, widespread success on the market, partly because of the high performance of its powerful and reliable Cursor 10/13 engines, the Stralis Active Space was conferred with the prestigious international "Truck of the Year 2003" award.

Innovation and Technology

Overall, more than 13,200 people at 127 centers in Italy and abroad worked on the Group's research and development projects in 2002. Total expenditures came to 1,748 million euros, equivalent to 3.5% of manufacturing revenues.

Fiat Research Center

The Fiat Research Center has a wealth of sophisticated equipment, a staff of over 950 employees, and a network of over 1000 partners (universities, Italian and international research institutions and industries). In 2002, the FRC distinguished itself for its extremely significant technological achievements, transferring over 250 of them to clients and receiving various awards, including:

- "The Economist Innovation Award – 2002," in the "Energy and Environment" category for its work on development of diesel common rail engine technology;
- "Legambiente 2002" for the Hybrid Methane-Powered Engine, awarded as the most promising technology for reducing fuel consumption and emissions;
- "Ferrari Technology Awards" as the best technological partner in 2002.

During the year, 43 new projects financed with Italian government and European Union funds were approved. It also filed 72 patents and 7 software copyrights.

The major achievements of 2002 are reviewed below:

■ Multijet

The Multijet system represents the second generation of the common rail, with dramatically improved performance. It was initially applied on Fiat vehicles in 2002, being featured in the 1.9 liter diesel engines installed on Alfa Romeo models. In the first half of 2003, the 1.3 Multijet 16V engine will equip the new Fiat city cars.

■ Monitoring of laser welding

A key component for the use of laser technology in welding is a monitoring system that reports the quality of welds in real time. The FRC system differs from other systems available on the market thanks to the ease of installing it on production systems and using it.

■ Dual clutch hybrid powertrain

The architecture of dual clutch transmission (DCT) represents a promising solution that combines the high transmission efficiency typical of automatic transmissions and a high standard of driving comfort.

The dual clutch transmission can also be combined with a motor generator to create a highly efficient, comfortable, and competitively priced minimal hybrid (ECODRIVER). Two operating prototypes in the C segment (Fiat Stilo) and E segment (Lancia Thesis) are currently under development with this new type of transmission.

■ Methane-powered busses

The Iveco methane-powered bus engine has been upgraded from 260 horsepower to 310 horsepower to guarantee that a

18 meter long vehicle will have sufficient acceleration in the continuous stop-and-go conditions of city traffic. This engine fully satisfies Euro 4 and EEV (Environmentally Enhanced friendly Vehicles) emissions standards, which represent the target for commercial vehicles, and reduces noise emissions by about 2 dB with respect to the equivalent diesel version.

The collaboration of Irisbus, Iveco, and FRC allowed the Turin Transit Authority (ATM) to introduce the first models in the last quarter of 2002.

Elasis

With over 1000 employees and 260 million euros in investments, Elasis is the largest research and development company in Southern Italy and one of the most complete and well-equipped advanced engineering companies in the European automobile sector.

In 2002, it continued designing new vehicles for Group companies, while also developing a new skills center for process engineering.

Its design work was concentrated on the new compact model for the Alfa Romeo Business Unit, a new vehicle for the FIAT Commercial Vehicles Business Unit, and structural design of the aluminum space frame to be used on the Ferrari 137.

Work continued on development of virtual reality immersion techniques and tools, including a physical seating simulator that can be reconfigured electronically and around which a virtual vehicle can be visualized.

A prototype was developed for the electronic control systems to reproduce the behavior of control systems and develop control logics that can reduce development time and costs and improve product quality.

A version of the FIRE engine was developed and created in the powertrain sector on behalf of Fiat-GM Powertrain. This version, an 8V, EVO engine is capable of reducing fuel consumption by 11% with respect to current FIRE versions while also improving its performance. This version will be installed on future Fiat and Lancia models.

Work with public agencies to improve highway safety expanded during the year. In partnership with the Province of Milan, it created an integrated system for management of accident data obtained from the 188 municipalities in the province and monitoring of traffic conditions on major arteries. A similar system is being developed for the Province of Perugia and the City of Naples.

A project in collaboration with the Società Autostrade Meridionali got underway for active management of safety on the A3 motorway (Naples – Pompei – Salerno).

In the information technology and communication area, the partnership with ISVOR – FIAT was consolidated, with ELASIS functioning as the skills center for technological and e-learning issues. The most important project executed for its client ISVOR was creation of an Internet services portal (e-dotto).

Environment

Once again, the Fiat Group confirmed its commitment in 2002 to protect the environment through continuous improvements in its production processes and the development of products that are increasingly compatible with the environment.

The measures taken by Fiat Group operating Sectors and the results they achieved are described in detail in its Environmental Report, which has been published together with the Consolidated and Statutory Financial Statements for the past eleven years.

The most noteworthy achievements realized during the year are reviewed below:

Traditional engines. With the assistance of the Fiat Research Center, Fiat developed new low consumption and low emission gasoline and diesel-powered engines that expand the family of Euro 4-compliant powertrains, joining those introduced in 2001.

Notable among them is the 1.3 Multijet diesel-powered engine, which will be produced by Fiat-GM Powertrain, the joint venture of Fiat Auto and General Motors, starting from 2003.

This innovative, extremely compact engine can even be installed on small cars and guarantees 10% lower fuel consumption and 50% lower emissions as compared with the best performance of other Fiat Auto powertrains.

Iveco itself introduced cutting-edge powertrain solutions that feature low fuel consumption and emissions and low noise levels, applying them at the industrial level on its lines of heavy, medium, and light commercial vehicles.

Methane engines. The Program Agreement signed in 2001 by the Italian Ministry of the Environment, Fiat, and the petroleum industry association (Unione Petrolifera) became operational in 2002 when the largest cities of Italy signed the "Convention" that effectively launched the Methane Gas Project. The objective of this project is to plan the organic growth of distribution points on Italian territory and subsidize the purchase of methane-powered vehicles by professional customers.

Fiat Auto launched its new Bipower (methane and gasoline powered) Ducato, Doblò, and Doblò Cargo vehicles, which join the previously introduced Multipla Bipower and will be flanked in mid-2003 by the Punto Bipower. Iveco and the Fiat Research Center jointly developed a new version of the 310 horsepower methane-powered, Euro 4-compliant engine for articulated busses. Moreover, Iveco's current line of 2.8 and 9 liter compressed natural gas-powered engines, which have been upgraded in compliance with the Euro 4 standard, will be joined in 2003 by the Cursor 8 CNG and Tector CNG versions.

In the mass transportation sector, Irisbus introduced the new 18-meter CityClass and Europolis 9.4-meter compressed natural gas (CNG) methane-powered busses.

Completing the order for 150 methane-powered busses purchased by the City of Turin, 50 18-meter CityClass CNG busses were delivered in 2002, following the 100 12-meter CityClass busses delivered between 2001 and 2002.

Electric and hybrid propulsion systems. The hybrid vehicle prototypes previously developed by the Fiat Research Center (electric-gasoline and electric-methane gas) were joined by a hybrid solution added in 2002, the result of collaboration with Iveco and applied to diesel engines for light commercial vehicles.

Hydrogen propulsion systems. In 2002, the Company continued its research on alternative powertrains, confirming its commitment to the development of fuel cell powered vehicles. The Seicento Elettra Fuel Cell Phase II was developed, representing evolution of the model introduced in 2001. In 2002, simulated operating tests of the hydrogen-powered Irisbus bus continued.

Production processes. Thanks to refinement of "environmental management" techniques and implementation of programs for the continuous improvement of production units, the average indices of water and waste recycling continued to rise in 2002, accompanied by further reductions in wastes sent to landfills.

Mobility. In 2002, the Fiat Research Center, in collaboration with Fiat Auto and Iveco, developed the "Online Fleets" project to quantify the benefits offered by mobile telecommunications to the regulation of traffic flows, streamlining of car use, and reduction of urban and suburban air pollution.

The Company is also committed to the study of mobility systems that complement traditional public and private transportation systems. Accordingly, it developed its participation in the Car Sharing Project of the City of Turin. All the vehicles available to the public have a minimum environmental impact.

Communication. In 2002 the New Mobility Web site, (www.newmobility.fiatauto.com), joined the existing internal and external communication systems of the Fiat Group. This Web site illustrates the new principles applicable to environmentally compatible transportation and describes corporate initiatives in the field of research, environmental protection and safety.

Overview of the main environmental achievements of the Fiat Group's Italian industrial facilities over more than a decade

	1991	2001	2002
Water recirculation index	44.6%	67.5%	69.9%
Recycled waste	61.0%	75.4%	77.8%
Waste to controlled landfills	37.0%	10.7%	7.6%
Solvent emissions from paint shops	144.0g/m ²	77.78g/m ²	77.4g/m ²

Human Resources

At December 31, 2002, the Group had 186,492 employees, compared with 198,764 at the end of 2001.

The Group hired 17,600 new employees in 2002 — 4,700 in Italy and 12,900 in other countries.

A total of 25,572 employees (10,300 in Italy and 15,272 in other countries) left the Company.

Business acquisitions and divestitures resulted in a net decrease of 3,900 employees. An additional 400 employees left as a result of outsourcing arrangements.

The geographical distribution of the Group's staff shows that the number of employees working outside Italy has increased slightly to 53% of the total workforce, broken down as follows: 28% in Europe and 25% in the rest of the world.

Organizational Changes. Fiat Auto completed the development of an organizational model based on Business Units, defining the applicable operating procedures. CNH has adopted a new organization for Manufacturing and Sales of its Agriculture Equipment operations with separate responsibility on the basis of three geographical areas: North America, Australia and New Zealand; Europe, Africa and Asia; and Latin America.

ENHANCING THE VALUE OF HUMAN RESOURCES

The skill level possessed by the Group's staff is demonstrated by the high number of professionals it includes (27,800 in total, 40% of whom work outside Italy).

Hiring Qualified Resources. The Group is devoting increasing attention to recruiting, selecting, hiring and developing recent college graduates. To that end, it continued to provide support for the Automotive Engineering School at Turin's Politecnico University. This School, which was in its fourth year of operation in 2002, is now offering a specialized degree program. In 2002, the Group hired about 900 recent college graduates from all over the world. These new employees are being offered special programs designed to encourage their career and professional development.

Leadership. The process of assessing the leadership skills of the top managers of the Fiat Group was completed in 2002. In 2003, this program will be gradually expanded to include all senior managers.

Management Review. In 2002, about 6,000 employees went through the management review process, which is designed to assess both quantitatively and qualitatively their ability to deal effectively with business issues.

People Satisfaction. Over 36,000 employees participated in the People Satisfaction Survey, which was offered in 31 countries and 13 languages. The satisfaction index decreased one percentage point from the previous year.

Professional Development and Training. In 2002, the Group invested a total of 121 million euros in training programs

designed to support professional development and the operations of its companies around the world.

Isvor Fiat, which acts as the corporate university of the Fiat Group, also sells its services to noncaptive clients. In 2002, Isvor Fiat was especially active, offering 2,400 training, consulting and professional support programs representing a total of 530,000 man days.

An additional 32,000 employees received a total of 79,000 hours of distance- and open-learning support.

Grants and Scholarships. The Fiat Grants and Scholarships Program, which is available to the children of active Group employees both in Italy and abroad, is continuing with considerable success.

Grants and scholarships

	2002
Number of grants and scholarships awarded	826
Italy	298
Other countries (*)	528
Total funds disbursed (in thousands of euros)	1,927

(*) The other countries are: Belgium, Brazil, France, Germany, Great Britain, Mexico, Poland, Spain and the United States.

INDUSTRIAL RELATIONS

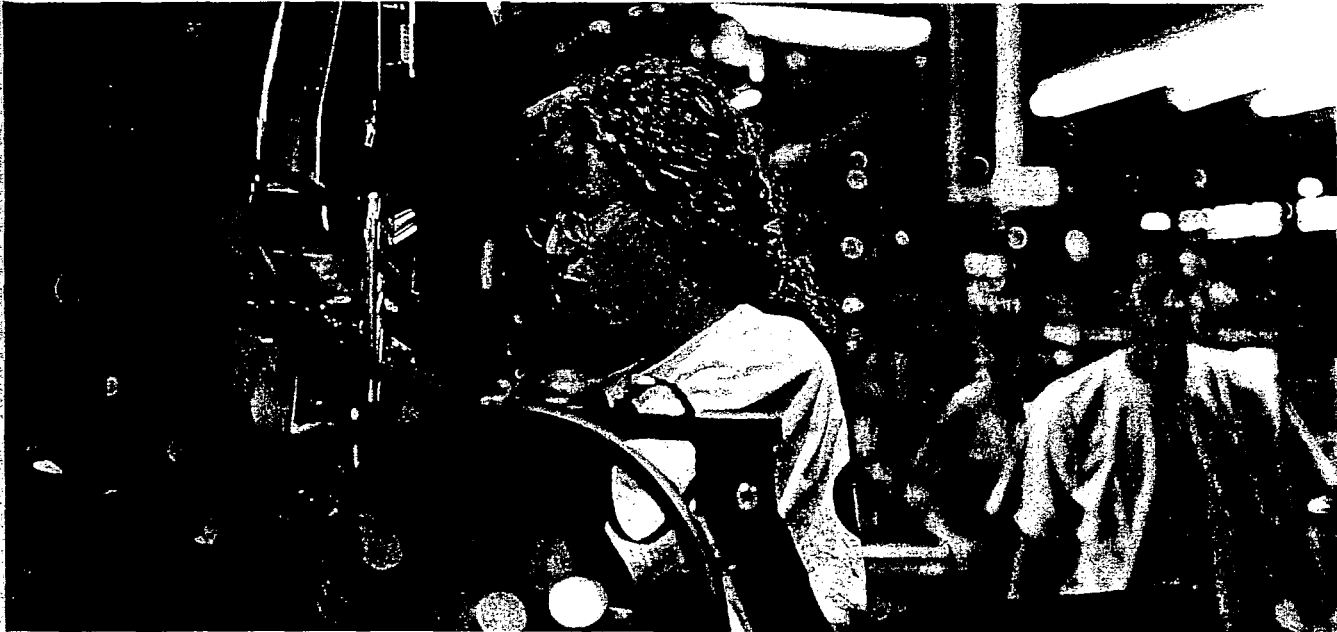
Collective Bargaining and Labor Cost Trends. In 2002, average labor cost increases were in line with the rates of inflation prevailing in the various countries where the Group operates.

In Italy, basic wages increased according to industrywide collective contracts, and employees received their annual performance bonus, computed in accordance with supplemental company agreements. In 2002, the annual bonus given to Group employees averaged 1,395 euros (before withholding) per person, about the same as in 2001.

Discussions with the Unions and Involvement of the Employee Representatives. On November 11 and 12, 2002, the Fiat Group European Works Council (EWC) held its annual meeting in Turin. The Council, which was established in 1997, comprises 30 representatives from the various European countries where Group facilities are located. At a meeting in mid-March 2003, the EWC's restricted committee received an update on the progress of the Group's relaunching effort and on the outlook for the restructuring program in Europe, such as the forthcoming restructuring of CNH's Construction Equipment operations.

As in the past, the discussions with employee representatives also continued at country level.

Restructuring and Crisis Management Plans. In Italy, the restructuring plans primarily concerned Fiat Auto. Initially, persistent market difficulties and the need to lower overhead forced the Company to develop long-term unemployment benefit program (mobility allowance) for about 3,000 employees



of Fiat Auto, Fiat Gesco and Fiat Sepin. The applicable implementation procedures were set forth in an agreement signed on July 24, 2002 at the Ministry of Labor and Social Policies by all of the trade unions (Fim-Cisl, Uilm-Uil, Fismic and Ugl), with the exception of Fiom-Cgil. The agreement applies to all employees who will become eligible for retirement while receiving their mobility allowance and provides severance incentives for leaving the company.

In the autumn, the Group then asked that Fiat Auto and certain Magneti Marelli and Comau factories be granted business-in-crisis status, which would give them access to the tools available under Italian law to handle employment issues that arose as a result of the corporate recovery plans. In October, the crisis management plan was presented to the unions and to national and local government agencies. During the first week of December, this issue was resolved in a Framework Agreement proposed by the Italian government but which the unions did not sign.

Under the agreement, the government authorized the use of the Special Temporary Layoff Benefits Fund for 5,600 employees of Fiat Auto, Comau Service and Magneti Marelli starting on December 9, 2002. The Fund may be used for up to 2,000 more employees starting in July 2003.

Up to 500 additional employees who work in some of the operations of Magneti Marelli and the services areas will be placed under the long-term unemployment benefit program (in anticipation of retirement) by the end of 2003. About half of these employees have already left the Group.

In the first few months of 2003, the Group and the unions resumed discussions at the local level. These discussions resulted in a number of agreements, which were signed by most of the unions, on the methods that will be used to deal

with redundancies. Under these agreements, long-term mobility allowances (the requisite spending bill is currently being passed in Parliament) will be made available to about 2,400 employees. Another 700 employees will receive short-term mobility allowance and no more redundancies are expected by December 2003. These benefits will take the form of a pre-retirement mobility allowance and will apply to all those employees who will reach retirement age during their benefit period.

Among the Fiat Group companies operating outside Italy, Fiat Auto Argentina SA and the trade unions signed a staff reduction agreement. Iveco completed the closing of its Seddon Atkinson plant in Manchester, transferred production to Madrid, and the design operations to Ulm. CNH began reducing staffing levels at its O&K Orenstein & Koppel factory in Berlin.

Increased Labor Unrest in Italy. Dissatisfaction with external developments (enacting of job flexibility measures by the Italian government) and Company decisions (launch of the plan to address the crisis at Fiat Auto) produced a significant increase in labor unrest in Italy. During 2002, the unions called work stoppages that averaged more than 100 hours for the Group as a whole, with peaks of more than 120 hours at Fiat Auto and the factories more directly affected by the restructuring plan (almost 300 hours for Termini Imerese).

The percentage of employees who supported these stoppages averaged between 15% and 20%.

Analysis of the Financial Position and Operating Results of the Fiat Group and Fiat S.p.A.

INTRODUCTION

Fiscal 2002 was characterized by significant changes in the financial position of the Fiat Group:

- Strengthening of its financial position.
- Restructuring of its business portfolio and investments.

The most important transactions involving the strengthening of the Group's financial structure are reviewed below:

- In January 2002, a Fiat S.p.A. capital increase was approved, subscription of which generated over 1 billion euros in new stockholders' equity.
- Further to the framework agreement signed on May 27, 2002 with lending banks in support of the Fiat Group's industrial plan, a mandatory convertible facility for 3 billion euros was signed in July 2002 by Fiat S.p.A. and a pool of banks arranged by Capitalia, IntesaBci, Sanpaolo IMI, and Unicredito Italiano. BNL, Monte dei Paschi di Siena, ABN Amro, BNP Paribas, Banco di Sicilia, and Banca Toscana also participated in the pool.

The facility, which reinforced the Group's financial structure mainly by replacing short-term credit facilities, has a maturity of three years and may be repaid in advance. Any residual liability for principal will be repaid with ordinary shares of Fiat S.p.A., which the banks have agreed to underwrite and offer pre-emptively to all Fiat stockholders. For more details on the characteristics of this loan, please see Note 12 in the Notes to the Consolidated Financial Statements.

The business and investment portfolio were restructured consistently with defined objectives, as follows:

- Fiat sold its entire equity investment in General Motors to a leading investment bank, with net proceeds of 1,076 million euros.
- 34% of Ferrari S.p.A. was sold to Mediobanca (net proceeds of 758 million euros), which was retained to coordinate and manage an underwriting syndicate for the listing of Ferrari shares on the Stock Exchange.
- A 14% equity holding in Italennergia Bis was sold to the three banks that own stock in that company, thereby reducing Fiat's interest to 24.6%. The sale generated net proceeds of 548 million euros.
- The 40% interest in Europ Assistance Holding was sold to the Generali Group.
- The Teksid Aluminum Business Unit was sold to a pool of investors comprised by the Questor Management Company, JPMorgan Partners, and a Private Equity partner.
- Magneti Marelli sold its Aftermarket operations to a company established specifically for that purpose by RGZ, Interbanca, and Fiat, and sold its automotive Electronic Systems to Mekfin.

In 2002 several previously decided acquisitions were carried out and led to the following changes in the scope of consolidation:

- Further to an agreement with Kobelco, CNH consolidated the construction equipment operations of Kobelco America as of January 1, 2002.
- Following the purchase of an additional 15% interest in Irisbus, which brought its total ownership to 65%, Iveco consolidated this company on a line-by-line basis effective January 1, 2002. Under the same agreement with the Renault Group, Iveco acquired the remaining 35% of Irisbus in December 2002, becoming its sole owner.

To provide more information on the Group's operating performance, a new chapter specifically dedicated to the "Financial Position and Operating Results by Activity Segment" is being published, with financial and operating results broken down by Industrial, Financial, and Insurance Activities.

FINANCIAL POSITION AND OPERATING RESULTS OF THE FIAT GROUP

Operating performance

Worsened conditions of the main reference markets of the Group, the uncertainties that dominated the world economy in 2002, and the implementation of restructuring plans to face this scenario unfavorably impacted Group profitability. In particular, the restructuring of industrial activities, writedown of assets to reflect changed market conditions, and other non-operating expenses and provisions led to high extraordinary charges.

Following is a summary of the Group's operating performance in fiscal 2002. For a more detailed analysis of the individual Sectors, see the Report on Operations.

Net Revenues

Fiat Group net revenues, including changes in contract work in progress, totaled 55,649 million euros, reflecting a 4.1% decrease from the previous year that was attributable mainly to the Automobile Sector.

Following is an analysis of revenues by operating Sector:

- Fiat Auto reported revenues of 22,147 million euros for 2002, 9.4% less than the 24,440 million euros reported in 2001 due to the contraction in sales volumes. Fiat Auto sold a total of 1,860,000 automobiles and light commercial vehicles, or 11.1% less than in 2001.

In Western Europe, Fiat Auto sold 1,302,000 units. The 10.5% decrease stems from market weakness, more selective sales policies, and continued cutbacks in dealership car inventories. Furthermore, the Fiat Stilo Multi Wagon was introduced during the last months of the year, contributing limited benefits in fiscal 2002. Sales volumes contracted on all the principal European markets, with the exception of Spain, where the market increased by 5.9%. In Italy, the downturn (-8%) was partially offset by a recovery in volumes at year-end,

thanks to higher sales stimulated by tax incentives for purchase of low-emission vehicles.

The slump in demand and aggressive marketing policies implemented by competitors account for the contraction in sales volumes in Brazil (-13.9% compared with 2001) and in Poland (-20.4% with respect to 2001). However, the annual figures were depressed by the extremely negative performance of the market in these countries during the first half of the year, while sales recovered strongly in the second half, especially in Poland.

- **CNH Global** revenues totaled 10,513 million euros in 2002, down slightly from the previous year (-2.4%) due to the negative foreign exchange effect caused by strengthening of the euro against the dollar. Expressed in dollars, the functional currency of this Sector, CNH revenues were up by 2.8% principally in consequence of acquisitions. On a comparable consolidation basis, revenues would have been largely unchanged with respect to 2001.

Revenues in the agricultural equipment segment improved with respect to the previous year thanks to higher sales volumes in Latin American, Asian and Western European markets, which benefited from strong sales of combine harvesters.

Instead, the revenues from construction equipment continued to suffer from the general contraction in demand, largely on account of unfavorable market conditions in Western Europe and North America.

- **Iveco** ended the year with revenues of 9,136 million euros: the 5.6% increase with respect to 2001 reflects the line-by-line consolidation of Irisbus. On a comparable consolidation basis, revenues would have been slightly lower than in the previous year (-1.5%) thanks to improvements in the Sector's

market share that allowed it to substantially maintain sales volumes, notwithstanding contraction on European markets.

Iveco sold a total of about 162,000 units, an increase of about 1% over 2001, thanks to the change in the scope of consolidation. As regards Western Europe, gains were realized in Italy (+12.7%) and Great Britain; conversely, sales declined steeply in France and Germany due to unfavorable market conditions.

- **Ferrari** performed well in 2002 and generated revenues for 1,208 million euros, representing a 14.2% increase over the previous year due to higher sales of its Maserati models, a brand that was reintroduced on the North American market this year.
- **Magneti Marelli**, which disposed of its Aftermarket and Electronic Systems activities, had revenues of 3,288 million euros (-19.3%). It would have posted a 5.9% decrease on a comparable consolidation and exchange rate basis due to lower sales volumes in consequence of reduced demand in the automotive business.
- **Comau** had 2,320 million euros in revenues, or 4.6% more than in the previous year. Driven in part by a recovery in acquired orders, this increase was attributable to North America, while its Comau Service maintenance business also expanded. These improvements compensated for the decrease in European activities.
- **Teksid** reported revenues of 1,539 million euros, 12.2% less than in 2001 due to the sale of the Aluminum Business Unit on September 30, 2002. On a comparable consolidation basis, revenues would have been 5.3% lower than in the previous year. The Cast Iron Business Unit suffered a downturn due to market contraction. The improved results reported by the Magnesium Business Unit reflected increased use of this metal in SUV vehicles, particularly in the USA.

(in millions of euros)	2002	2001	Change
Net revenues	55,649	58,006	(2,357)
Cost of sales	48,619	49,854	(1,235)
Gross operating result	7,030	8,152	(1,122)
Overhead	5,782	6,149	(367)
Research and development	1,748	1,817	(69)
Operating income (expenses)	(262)	132	(394)
Operating result	(762)	318	(1,080)
Investment income (expenses) (*)	(690)	(149)	(541)
Non-operating income (expenses)	(2,503)	359	(2,862)
EBIT	(3,955)	528	(4,483)
Financial income (expenses)	(862)	(1,025)	163
Income (loss) before taxes	(4,817)	(497)	(4,320)
Income taxes	(554)	294	(848)
Net income (loss) before minority interest	(4,263)	(791)	(3,472)
Fiat's interest in net income (loss)	(3,948)	(445)	(3,503)
(in euros)			
Net loss per share	(6.66)	(0.84)	(5.82)

(*) This item includes investment income (expenses) as well as writedowns and upward adjustments in subsidiaries and associated companies valued by the equity method.

- **FiatAvio** had revenues of 1,534 million euros in 2002. The 6.2% decrease with respect to 2001 is attributable to the lower volumes in the commercial segment which, beginning from the second half of the year, suffered from the crisis in the world commercial aircraft market. Furthermore, deliveries of turbines derived from aircraft engines, used in industrial applications, suffered the effects of lower demand in the United States. Revenues from government programs continued to grow thanks to sales of engines for the new European fighter aircraft.
- **Toro Assicurazioni** generated 4,916 million euros in premium revenues during 2002, 10% less than in the previous year due to a decline in life insurance premiums, largely in the bancassurance channel. The Sector was unable to fully exploit the opportunities offered by growth in the domestic market due to ongoing restructuring of the Capitalia (formerly Banca di Roma) distribution network following its integration with the Fineco (formerly Bipop-Carire) banking group. Premiums earned in casualty insurance were up both in Italy and in France, virtually in line with the growth rates of the respective markets.
- **Business Solutions** posted revenues of 1,965 million euros, for an 8.9% increase compared with the previous year. This improvement was realized through development of business for non-captive customers, whose proportion of total revenues climbed to 51%. The increases were concentrated in the areas of information technology, where the Sector provides services through Global Value, a joint venture with IBM, and expansion of its temporary employment agency services, thanks in part to the acquisition of a company already operating in this sector.
- **Itedi** reported revenues of 360 million euros. The 3.7% gain over fiscal 2001 is due to an increase in the price charged for newspapers and new publishing ventures that compensated for lower newspaper sales volumes.

Improvement also derived from higher advertising revenues in some sectors, notwithstanding contraction in the advertising market as a whole.

Operating Result

In 2002, the Fiat Group posted an **operating loss** of 762 million euros, compared with operating income of 318 million euros in the previous year. The market downturn and intense competition, with consequent pressure on prices, impacted the profitability of the automotive Sectors, contributing in particular to the loss reported by Fiat Auto. Certain Sectors were also compelled to set aside greater provisions in operating reserves, due in part to stiffer market conditions, such as extension of vehicle warranties and lower prices for used cars. The major commitment to realization of cost savings, including the contribution of industrial synergies at CNH and Fiat Auto, continued generating positive results.

During 2002, **research and development outlays**, which are charged directly to income and thus included in the operating result, totaled 1,748 million euros, or 69 million euros less than in 2001. This decrease is mainly attributable to the change in the scope of consolidation and the impact of variations in foreign exchange translation rates. Fiat Auto confirmed its commitment to renew its product line by maintaining its spending on research and development at last year's levels, while Ferrari increased the resources it dedicates to innovation.

The operating result broken down by Sector is illustrated as follows:

- **Fiat Auto** reported an operating loss of 1,343 million euros in 2002, as compared with a loss of 549 million euros in 2001. The principal reason for deterioration in this result is the contraction of sales volumes, and more aggressive discount

<i>(in millions of euros)</i>	Revenues 2002	Revenues 2001	Change
Automobiles (Fiat Auto Holdings)	22,147	24,440	(2,293)
Agricultural and Construction Equipment (CNH Global)	10,513	10,777	(264)
Commercial Vehicles (Iveco)	9,136	8,650	486
Ferrari	1,208	1,058	150
Components (Magnetit Marelli)	3,288	4,073	(785)
Production Systems (Comau)	2,320	2,218	102
Metallurgical Products (Teksid)	1,539	1,752	(213)
Aviation (FiatAvio)	1,534	1,636	(102)
Insurance (Toro Assicurazioni)	4,916	5,461	(545)
Services (Business Solutions)	1,965	1,805	160
Publishing and Communications (Itedi)	360	347	13
Miscellanea and Eliminations	(3,277)	(4,211)	934
Total	55,649	58,006	(2,357)

■ **Business Solutions** had operating income of 67 million euros in 2002. The decrease from the 73 million euros reported in the previous year stemmed from the combined effect of reduction of the scope of consolidation (the 2001 figure included the first half-year results of Fenice, which was subsequently sold as part of the Italenergia transaction) and lower prices caused by partial transfer of efficiency gains to customers, which were partially offset by improvements realized in the property management area.

■ **Itedi** reported operating income of 3 million euros in 2002, against an operating loss of 2 million euros in the previous year. This improvement largely reflected implementation of product cost efficiency measures and higher sales prices for the newspaper.

EBIT (Earnings Before Interest and Taxes)

Group EBIT totaled a negative 3,955 million euros (against a positive 528 million euros in 2001). The severe worsening of this result with respect to the previous year is largely attributable to the rapid and generalized deterioration in the economic conditions under which the Fiat Group operates, provoking an especially severe downward spiral. Operating income was the first area to suffer, declining sharply: the Automobile Sector, which is exposed to the greatest competitive pressures, was particularly hard hit.

The Fiat Group consequently launched several major industrial restructuring initiatives, with the related extraordinary charges further impacting the net result.

At the same time, it was necessary to acknowledge the loss in value of numerous industrial and financial activities, which were also impacted by the weakening economy.

Finally, in order to protect the assets and financial structure of the Group, it was necessary to divest certain activities at a loss and on unfavorable terms.

EBIT not only reflected the previously described deterioration in operating income but was also influenced by the following items:

Net investment expenses totaled 690 million euros, compared with expenses of 149 million euros in 2001, reflecting higher writedowns taken to mark to market the portfolio of listed securities held by the Group's insurance companies and the negative results of certain companies valued by the equity method, particularly Italenergia Bis. The result of Italenergia Bis affected the entire fiscal year in 2002, while the impact of Italenergia S.p.A. (before contribution) was limited to the last quarter of 2001.

The balance of **non-operating income and expenses** for 2002 was a negative 2,503 million euros, against a positive balance of 359 million euros in 2001. This item is broken down as follows:

■ A negative balance of 502 million euros for disposals, reflecting the loss of 1,049 million euros upon sale of the investment in General Motors at market prices, losses and expenses incurred upon sale of the Teksid Aluminum Business

Unit (100 million euros) and the Electronic Systems Business Unit of Magneti Marelli (150 million euros). These losses were partially offset by the proceeds realized mainly from the sale of 34% of Ferrari (671 million euros net of transaction costs), 14% of Italenergia Bis (189 million euros), Magneti Marelli's AfterMarket operations (26 million euros), the investment in Europ Assistance (83 million euros) and other minor investments with total net proceeds of 38 million euros.

Furthermore, following the preliminary agreements reached during December 2002 for the sale of Fraikin and conclusion of the relative contract of sale in the first quarter of 2003, the book value of Iveco's Fraikin operations was written down to its presumed market value, resulting in total expenses for Iveco of 210 million euros.

■ **Restructuring expenses** of 1,026 million euros, largely connected with the industrial restructuring plan for Fiat Auto and its effects on other Group Sectors. These expenses are represented by the costs incurred or determined according to plans for personnel laid off with long-term unemployment benefits, severance incentives, and writedown of property, plant and equipment and intangible fixed assets according to new forecasts of their expected use by the Sectors during restructuring. The foregoing amount includes approximately 550 million euros in expenses sustained by Fiat Auto and by other component Sectors, especially Magneti Marelli (approximately 320 million euros).

■ **Other writedowns of assets** to reflect the changed market outlook and consequent new business plans, for a total of 311 million euros. This amount includes the writedown by Comau of Pico's goodwill, of several Magneti Marelli businesses, and Iveco and Teksid assets. It also includes provisions for future risks and charges for permanent loss in value of investments in the telecommunications field (95 million euros).

■ **Extraordinary provisions to reserves for future risks and charges, other expenses and prior period expenses, net of other extraordinary income and prior period income,** for 585 million euros.

■ **Prior period tax liabilities** for 79 million euros, 56 million euros of which for charges assessed under the tax amnesty.

In 2001 the balance of non-operating items included the proceeds realized upon sale of the Magneti Marelli Climate Control Division, the residual 49% of Alstom Ferroviaria, the ITS and GSA operations, and the operations of Fenice and certain power plants as part of the transaction leading to the formation of Italenergia, net of costs incurred for industrial streamlining and restructuring.

Result for the Fiscal Year

The Group's **loss before taxes** was 4,817 million euros (against a loss of 497 million euros in 2001). The increased loss with respect to the previous year stemmed from the previously mentioned reduction in EBIT, while the impact of Group financial expenses decreased.

Net financial expenses totaled 862 million euros in 2002, showing an improvement from the 1,025 million euros in 2001, mainly due to lower interest rates on the principal capital markets, which were partially offset by higher corporate spread.

The net income tax effect for the year was a credit of 554 million euros, up from a liability of 294 million euros in 2001. The income taxes due for fiscal 2002 include: 141 million euros (156 million euros in 2001) for IRAP, the regional tax on production activities in Italy; 192 million euros (652 million euros in 2001) for other current taxes; and 887 million euros in deferred tax assets (against a positive 514 million euros in 2001). The potential future benefits resulting from the loss for the fiscal year were not accrued unless there was a reasonable certainty that they would be recovered. Nevertheless, total deferred tax assets completely offset tax liability recorded in the period.

The consolidated net loss before minority interest was 4,263 million euros, compared with a loss of 791 million euros in 2001.

The Group's interest in net loss was 3,948 million euros (loss of 445 million euros in 2001).

As a result of the Group's interest in net loss, there was a net loss per share of 6.66 euros, compared with a net loss of 0.841 euros per share in 2001.

Balance sheet

The financial position shows items on both the assets and liabilities side. Nevertheless, the following pages provide the information necessary for correlation with the principal items of the schemes used in previous years, such as working capital and net invested capital.

As illustrated in the Notes to the Consolidated Financial Statements, the investments managed by the insurance companies on behalf of insured policyholders who bear the relative risk and that have a balancing entry substantially for the same amount in the insurance policy liabilities and accruals are posted at a specific item. In previous years, these investments were classified according to their nature and thus posted at various items under fixed assets, which were correspondingly reclassified without however impacting net invested capital and the net financial position.

For a more complete analysis of those items, please see the Notes to the Consolidated Financial Statements.

Intangible Fixed Assets

Intangible fixed assets (start-up and expansion costs, goodwill, construction in progress and others) amount to 5,200 million euros, 1,335 million euros less than the 6,535 million euros reported at the end of 2001, mainly on account of the reduction in value of goodwill due to changes in foreign exchange rates and writedowns.

Property, Plant and Equipment

Property, plant and equipment totaled 12,106 million euros (13,887 million euros at the end of 2001). The decrease (-1,781 million euros) principally reflects the effect of changes in both exchange rates and the scope of consolidation (sale of Magneti Marelli's Electronic Systems activities and Teksid's Aluminum Business Unit), disposal of real estate and writedowns during the fiscal year.

In 2002, overall investments in fixed assets totaled 2,771 million euros (3,438 million euros in 2001), including 844 million euros (1,124 million euros in 2001) for investments in long-term leases.

Depreciation of property, plant, and equipment totaled 2,019 million euros (2,287 million euros in 2001).

At the end of December 2002, accumulated depreciation and writedowns totaled 18,223 million euros, corresponding to 60% of gross fixed assets, compared with approximately 57% at the end of 2001.

Financial Fixed Assets

Financial fixed assets totaled 6,638 million euros, compared with 10,190 million euros at the end of 2001, reflecting a significant 3,552 million euro decrease that was mainly due to the divestiture of investments (General Motors, a 14% interest in Italergergia Bis, and other minor investments), as well as the effect of net losses posted at certain companies carried at equity and losses in value for companies valued at cost.

Financial Assets not Held as Fixed Assets

Financial assets not held as fixed assets totaled 6,094 million euros, which represents an increase of 474 million euros from the 5,620 million euros reported at the end of 2001 as a result of higher investments made by the insurance companies to cover their policy liabilities and accruals, net of writedowns taken to mark to market securities.

Net Deferred Tax Assets

Net deferred tax assets totaled 2,263 million euros, up from 1,595 million euros at the end of 2001. This net increase is largely due to the recording of deferred tax assets to account for tax losses whose recovery is considered reasonably certain.

Stockholders' Equity

Consolidated stockholders' equity totaled 8,679 million euros (13,607 million euros at the end of 2001). The decrease reflects the net loss, payment of dividends for fiscal 2001, and the reduction resulting from changes in exchange rates (in consequence of devaluation of the Brazilian real and appreciation

of the euro against the dollar), which was only partially offset by the capital increases (at Fiat S.p.A. and CNH Global N.V.). The Group's interest in stockholders' equity totaled 7,641 million euros, compared with 12,170 million euros in the previous fiscal year.

Reserves and Allowances

Reserves and allowances totaled 16,999 million euros. They included policy liabilities and accruals of the insurance companies for 9,605 million euros, income tax (199 million euros), warranty (841 million euros), restructuring (731 million

euros), pensions and similar obligations (1,459 million euros), employee severance indemnities for employees in Italy (1,609 million euros), and other risks and charges (2,555 million euros). The 265 million euro increase with respect to the 16,734 million euros reported at the end of 2001 was caused by the increase in contract, commercial, and litigation risk reserves.

Working Capital

The Group's working capital decreased by 1,381 million euros to a negative 2,773 million euros, down from the negative

<i>(in millions of euros)</i>	December 31, 2002	December 31, 2001	Change
■ ASSETS			
Intangible fixed assets	5,200	6,535	(1,335)
Property, plant and equipment	12,106	13,887	(1,781)
Financial fixed assets	6,638	10,190	(3,552)
Investments on behalf of policy holders who bear the risk and those related to pension plan management	6,930	6,177	753
Financial receivables held as fixed assets (*)	48	56	(8)
Financial leasing of Group assets (*)	2,947	3,367	(420)
Financial assets not held as fixed assets	6,094	5,620	474
Inventories (1)	7,050	8,375	(1,325)
Trade receivables	5,784	6,466	(682)
Other receivables	3,351	3,162	189
Financial receivables (*)	18,411	21,263	(2,852)
Net deferred tax assets	2,263	1,595	668
Cash and securities (*)	4,996	4,133	863
Trade accruals and deferrals	579	653	(74)
Financial accruals and deferrals (*)	661	697	(36)
■ TOTAL ASSETS	83,058	92,176	(9,118)
■ LIABILITIES AND STOCKHOLDERS' EQUITY			
Total Stockholders' Equity	8,679	13,607	(4,928)
Reserve for future risks and charges	15,390	14,999	391
Reserve for employee severance indemnities	1,609	1,735	(126)
Policy liabilities and accruals where the investment risk is borne by policyholders and those related to pension plan management	7,000	6,236	764
Trade payables	13,267	13,520	(253)
Other payables (1)	4,771	5,029	(258)
Financial payables (*)	28,923	32,697	(3,774)
Trade accruals and deferrals	1,499	1,499	-
Financial accruals and deferrals (*)	1,920	2,854	(934)
■ TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	83,058	92,176	(9,118)
■ NET FINANCIAL POSITION (*)	(3,780)	(6,035)	2,255

(1) Net of advances received for contract work in progress (8,227 million euros in 2002 and 7,135 million euros in 2001)

1,392 million euros reported at the end of 2001. Changes in the scope of consolidation and payment of the balance of assets and liabilities contributed by Fiat Auto to the Fiat-GM Powertrain joint venture caused an aggregate increase of 447 million euros. On a comparable basis, the reduction in working capital would have been 1,828 million euros. This decrease mainly stemmed from cutbacks in inventories and, to a lesser extent, positive exchange rate effects.

The following table illustrates the composition of working capital during the two fiscal years:

(in millions of euros)	At 12/31/2002	At 12/31/2001	Change
Net inventories	7,050	8,375	(1,325)
Trade receivables	5,784	6,466	(682)
Trade payables	(13,267)	(13,520)	253
Other receivables (payables)	(2,340)	(2,713)	373
Working capital	(2,773)	(1,392)	(1,381)

An analysis of the changes affecting the main components of working capital is provided below.

Inventories (raw materials, finished products, and work in progress), net of advances received for contract work in progress, totaled 7,050 million euros, against 8,375 million euros at the end of 2001. This decrease is principally attributable to the effects of finished product inventory reductions carried out by Fiat Auto and CNH.

Trade receivables totaled 5,784 million euros, 682 million euros less than the 6,466 million euros reported at the end of 2001. This decrease reflects the lower levels of activity and reduction in receivables from the Fiat Auto dealer network, associated with cutbacks in dealership inventories. The change in the scope of consolidation entailed a reduction of 259 million euros.

Trade payables totaled 13,267 million euros, 253 million euros less than the 13,520 million euros reported at the end of 2001. The change is due to the lower level of activity at Fiat Auto and changes in the scope of consolidation, which resulted in a reduction of 149 million euros.

Other receivables (payables), which also include trade accruals and deferrals, improved from -2,713 million euros at the end of 2001 to -2,340 million euros, largely due to the payment of approximately 450 million euros for the balance of assets and liabilities contributed by Fiat Auto to the Fiat-GM Powertrain joint venture.

Net Invested Capital

Net invested capital totaled 12,459 million euros, compared with 19,642 million euros at the end of 2001.

The decrease of 7,183 million euros is attributable to the reduction in working capital, the previously mentioned divestitures of business assets and investments, writedowns during the year and changes in exchange rates due to appreciation of the euro.

The following table illustrates the composition of net invested capital at the end of 2002 and 2001:

(in millions of euros)	At 12/31/2002	At 12/31/2001	Change
Intangible fixed assets	5,200	6,535	(1,335)
Property, plant and equipment	12,106	13,887	(1,781)
Financial fixed assets	6,638	10,190	(3,552)
Investments on behalf of policyholders who bear the risk and those related to pension plan management	6,930	6,177	753
Financial assets not held as fixed assets	6,094	5,620	474
Net deferred tax assets	2,263	1,595	668
Reserves	(16,999)	(16,734)	(265)
Policy liabilities and accruals where the investment risk is borne by policyholders and those related to pension plan management	(7,000)	(6,236)	(764)
Working capital	(2,773)	(1,392)	(1,381)
Net invested capital	12,459	19,642	(7,183)

Net Financial Position of the Group

The net financial position (cash, marketable securities, financial receivables net of short and medium-long term payables and related accruals and deferrals) at the end of December 2002 showed net debt of 3,780 million euros, 2,255 million euros less than at the end of 2001 (6,035 million euros).

The improvement mainly resulted from the divestiture of business lines and investments (3,231 million euros), capital increases during the year (1,215 million euros), and the reduction in working capital. These positive effects were partially offset by liquidity absorbed by operating activities.

As a result of the Group's financial restructuring plan, the net financial position, illustrated in the following table, shows an

improvement in its composition, with a reduction in short-term debt by 6,098 million euros, only partially offset by an increase of 2,324 million euros in "long-term debt."

(in millions of euros)	Dec. 31, 2002	Dec. 31, 2001
Cash	3,489	2,133
Marketable securities	1,507	2,000
Financial receivables and leased assets	21,406	24,686
Accrued financial income	543	560
Deferred financial income	(1,135)	(2,057)
Total financial assets (A)	25,810	27,322
Short-term debt	(8,310)	(14,408)
Long-term debt	(20,613)	(18,289)
Accrued financial expenses	(785)	(797)
Prepaid financial expenses	118	137
Total financial liabilities (B)	(29,590)	(33,357)
Net financial position (A-B)	(3,780)	(6,035)

The new long-term loans provided in 2002 include the 3 billion euro mandatory convertible facility, the loan from Citigroup (lead manager of a restricted pool of banks) secured by the agreements with EDF in connection with the Italennergia Bis transaction (1,150 million euros), and the loan cum warrant for General Motors shares (2,229 million euros).

The Group fully realized its target of reducing pro-forma net debt to 3 billion euros, as agreed with the banks. In fact, these agreements expressly state that for the computation of fulfillment of such target, the net debt (3,780 million euros) will include the proceeds deriving from binding agreements, even if they have not yet been executed, and the proceeds collected in consequence of the Italennergia Bis transaction, including the aforementioned Citigroup loan (1,150 million euros).

It is also expected that the target of reducing gross indebtedness to 23.6 billion euros will be achieved upon

conclusion of the sale of 51% of Fidis Retail Italia to Capitalia, Banca Intesa, Sanpaolo IMI, and Unicredito, as stated in the agreement.

Between December 2002 and March 2003, the leading rating agencies lowered their rating of Fiat to below investment grade. Therefore, if this situation persists, in July 2004 the banks may convert up to 2 billion euros of the principal loaned into equity.

Consolidated statement of cash flows

The Group's cash increased by 1,356 million euros, rising from 2,133 million euros at the end of 2001 to 3,489 million euros at December 31, 2002 as a result of cash flow generated by operating and investment activities, which was partially offset by financing activities to reduce the level of financial debt.

The Group's liquidity generated by operating activities totaled 1,053 million euros (compared with 2,435 million euros generated in 2001).

Liquidity during the year was affected by the negative effect of the net loss plus amortization and depreciation totaling 534 million euros, net of the balance of gains and losses realized from divestitures and expenses for writedowns that did not involve cash outlays (compared with positive cash flow of 340 million euros in 2001). Positive cash flow was generated by the positive change in working capital that, on a comparable basis, produced a benefit of 1,828 million euros (with respect to a benefit of 2,633 million euros in 2001).

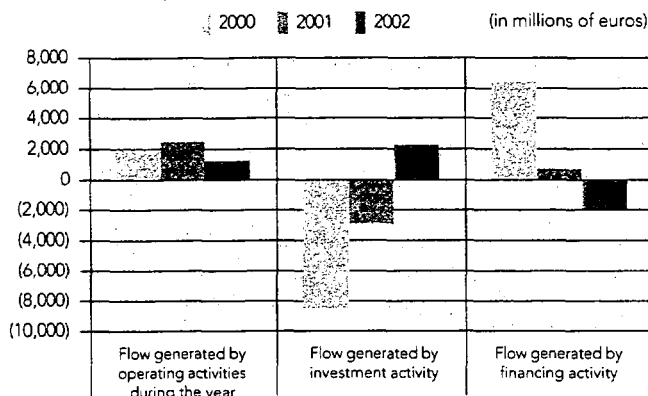
Investment activities generated cash flow of 2,096 million euros in 2002 (compared with investment flows of 3,017 million euros in 2001).

Investment flows during the year resulted from disposals of assets and investments that, net of acquisitions, totaled 2,668 million euros, compared with a positive balance of 1,128 million euros in 2001. The net reduction in financial receivables which reflected, in particular, slowdown in activity of certain financial companies and portfolio disposals, generated 2,456 million euros in available funds, as compared with applications of 189 million euros in 2001.

The principal applications of funds during the year consisted of 2,771 million euros in property, plant, and equipment, including investments in vehicles to be leased on a long-term basis, and 518 million euros in intangible fixed assets, down from the aggregate total of 3,911 million euros reported in 2001.

Financing activities absorbed 1,793 million euros (compared with a benefit of 718 million euros in 2001).

Newly obtained loans, net of repayments, generated cash flow of 2,655 million euros, up from the 2,504 million euros reported in 2001, and the capital increases at Fiat S.p.A. and CNH Global N.V., which generated 1,215 million euros, were absorbed by the reduction in short-term debt, which decreased by 5,358 million euros (compared with a reduction of 1,140 million euros in 2001).



Consolidated Statement of cash flows

<i>(in millions of euros)</i>	2002	2001	2000
A) Cash at January 1	2,133	1,997	1,906
B) Cash flows provided by (used in) operating activities:			
Net result before minority interest	(4,263)	(791)	578
Amortization and depreciation	2,614	2,880	3,052
Change in reserve for employee severance indemnities	(70)	(77)	(56)
Change in deferred income taxes	(884)	(588)	(289)
Gains on disposals	124	(1,749)	(2,753)
Revaluations and writedowns of equity investments	525	372	73
Impairment	991	-	-
Change in current assets and liabilities:			
Trade receivables	423	583	572
Net inventories	1,325	(164)	(973)
Trade payables	(104)	1,605	492
Other payables, receivables, accruals and deferrals (1)	184	609	1,040
Reserve for income taxes and other reserves	545	(413)	1,046
Changes in the scope of consolidation and others	(357)	168	(808)
Total	1,053	2,435	1,974
C) Total cash flows provided by (used in) investment activities:			
Investments in:			
Fixed assets	(2,771)	(3,438)	(3,236)
Investments	(563)	(1,524)	(4,347)
Intangible assets and deferred charges	(518)	(473)	(521)
Investment grants	90	100	135
Proceeds from the sale of fixed assets	3,231	2,652	1,601
Change in financial receivables	2,456	(189)	(1,816)
Change in securities	(175)	(15)	159
Change in securities of insurance companies net of policy liabilities and accruals	430	(97)	(254)
Other (including effects of acquisitions and other changes in the scope of consolidation)	(84)	(33)	(260)
Total	2,096	(3,017)	(8,539)
D) Total cash flows provided by (used in) financing activities:			
Increase in borrowings	12,047	8,561	8,307
Repayment of borrowings	(9,392)	(6,057)	(4,161)
Change in short-term borrowings	(5,358)	(1,140)	349
Increase in capital stock (2)	1,215	-	2,603
Purchase of treasury stock	(77)	(266)	(30)
Dividends paid	(228)	(380)	(412)
Total	(1,793)	718	6,656
E) Total change in cash	1,356	136	91
F) Cash at December 31	3,489	2,133	1,997

(1) In 2002, this does not include payment of the balance of assets and liabilities contributed by Fiat Auto to the Fiat-GM Powertrain joint venture, which was posted at the item "Change in the scope of consolidation and others."

(2) In 2000 this represented acquisition of a 20% interest in Fiat Auto Holdings B.V. by General Motors.

Financial position and operating results by activity segment

For the first time, financial and operating figures are classified according to Industrial, Financial and Insurance activities of the Group in order to present a clearer picture of its performance. Financial activities include the Fiat Auto, CNH, and Iveco companies that operate financing, leasing, and rental activities, while Insurance activities include Toro Assicurazioni Group and Neptunia Assicurazioni Marittime S.A.

Principles of Analysis

The aforesaid classification was realized by defining specific sub-consolidated financial statements for the three activity segments according to the normal business performed by each Group company.

The equity investments held by companies belonging to an activity segment in companies included in another segment were valued according to the equity method.

To avoid skewing the operating result of normal operations to be represented here, the effect of this valuation on the statement of operations is illustrated at a special item, "Result of intersegment investments."

The holding companies (Fiat S.p.A., Sicind S.p.A., IHF -International Holding Fiat S.A., Fiat Partecipazioni S.p.A., Fiat Netherlands Holding N.V) were classified in the Industrial Activity segment.

The Industrial Activity segment also includes companies that operate centralized cash management activities, i.e. that raise financial resources on the market and finance Group companies, without providing financial services to others.

When the sub-consolidated figures for the various segments were elaborated, the relative goodwill was allocated to the activities themselves. Note that the goodwill connected with the acquisition of and the tender offer for Toro Assicurazioni, which was reported under holding companies in previous years, is now allocated to Insurance Activities. Therefore, the 2001 figures have been reclassified accordingly.

The factoring transactions executed at market conditions between the industrial and financial companies of the Group are posted as financial receivables and payables under Financial Activities. The portion of these items that, according to the last contractual relationship established with others, is still of a commercial nature, insofar as it does not yield interest, was reclassified directly in the sub-consolidated results of Financial Activities under trade receivables and payables.

Operating Performance by Activity Segment

Industrial Activities

The net revenues for Industrial Activities, including changes in contract work in progress, totaled 48,149 million euros, for a decrease of 3.5% with respect to the previous year, due to the market slowdown that impacted the automotive sector, while the reduction caused by the divestiture of business lines at Magneti Marelli and Teksid was offset by the consolidation of Kobelco America by CNH Global and the line-by-line consolidation of Irisbus by Iveco.

(in millions of euros)	2002				2001			
	Consolidated	Industrial Activities	Financial Activities	Insurance Activities	Consolidated	Industrial Activities	Financial Activities	Insurance Activities
Net revenues	55,649	48,149	3,910	4,921	58,006	49,892	3,946	5,491
Cost of sales	48,619	42,398	3,024	4,528	49,854	43,246	2,774	5,157
Gross operating result	7,030	5,751	886	393	8,152	6,646	1,172	334
Overhead	5,782	4,868	594	320	6,149	5,121	688	340
Research and development	1,748	1,748	-	-	1,817	1,817	-	-
Operating income (expenses)	(262)	(516)	184	70	132	19	40	73
Operating result	(762)	(1,381)	476	143	318	(273)	524	67
Investment income (expenses) (*)	(690)	(338)	3	(355)	(149)	4	43	(196)
Non-operating income (expenses)	(2,503)	(2,319)	(194)	10	359	455	(89)	(7)
EBIT	(3,955)	(4,038)	285	(202)	528	186	478	(136)
Financial income (expenses)	(862)	(995)	(93)	226	(1,025)	(1,261)	(132)	368
Income (loss) before taxes	(4,817)	(5,033)	192	24	(497)	(1,075)	346	232
Income taxes	(554)	(669)	109	6	294	97	126	71
Net result of normal operations	(4,263)	(4,364)	83	18	(791)	(1,172)	220	161
Result of intersegment investments	-	95	(286)	(14)	-	398	32	2
Net income (loss) before minority interest	(4,263)	(4,269)	(203)	4	(791)	(774)	252	163

(*) Includes investment income and writedowns and revaluations to align non-intersegment investments valued at equity.

The operating loss reported by companies in the Industrial Activity segment totaled 1,381 million euros in 2002, represented a deterioration from the operating loss of 273 million euros incurred in the previous year. This result was due to the increasingly difficult economic environment, negatively impacting the volumes and profitability of the automotive Sectors.

In 2002 the EBIT of Industrial Activities totaled a negative 4,038 million euros, as compared with a positive result of 186 million euros in 2001.

The severe reduction compared to the previous year is largely attributable to the rapid and general deterioration of the economy, whose impact on the operating profitability of the Automobile Sector was particularly acute. The high non-operating expenses connected with the major industrial restructuring initiatives, losses in the book value of numerous activities, and the divestiture of numerous activities at a loss and on unfavorable terms further penalized income in this segment.

Financial Activities

Companies operating in the Financial Activities segment generated 3,910 million euros in revenues during 2002, almost the same as in 2001.

Revenues of the Financial Activities of the Automobile Sector, which totaled 2,236 million euros (-3.3% compared with 2001), were impacted by lower vehicle sale volumes and increased selectivity to improve the quality of contract portfolios. Financial Activities in the Agricultural and Construction Equipment Sector generated a total of 680 million euros in revenues (-20% with respect to 2001), due to the streamlining of portfolio activities unrelated to Sector business, in addition to divestiture of European activities as part of the joint venture with BNP Paribas.

Financial Activities in the Commercial Vehicle Sector had an increase in revenues, which rose from 787 million euros in 2001 to 1,005 million euros in 2002 (+27.7%) attributable to the consolidation of a company that also trades with dealers outside Europe.

The income before taxes of the normal business of the Financial Activities (not including the impact of income or losses posted by intersegment investments in industrial companies held by financial companies) totaled 192 million euros, compared with 346 million euros in 2001.

The income before taxes of Financial Activities in the Automobile Sector totaled 285 million euros, almost unchanged from the 290 million euros generated in 2001. The financial activities of CNH Global generated a total of 89 million euros in income before taxes, as compared with 10 million euros in 2001. This improvement in profitability is a result of strategies to focus the portfolio on its core business. Conversely, the pre-tax result of the Financial Activities at

Iveco deteriorated, as it closed the fiscal year with a loss of 183 million euros, as compared with income before taxes of 46 million euros in 2001. The decrease was due to higher non-operating expenses, including 210 million euros for writing down the book value of Fraikin to its presumed market value, in accordance with the agreement made for its sale in the first quarter of 2003.

Insurance Activities

The premiums written by companies operating in the Insurance Activities segment totaled 4,921 million euros in 2002, 10.4% lower than in the previous year.

Life insurance premiums declined as a whole, particularly in the bancassurance channel, partially due to restructuring of the Capitalia distribution network following its merger with the Fineco banking group. Consequently, Toro Assicurazioni was unable to exploit the opportunities offered by growth in this segment on the Italian market.

Volumes in the casualty business increased in both Italy and France, virtually in line with market trends, notwithstanding a selective approach to writing policies.

The income before taxes of Insurance Activities totaled 24 million euros, as compared with 232 million euros in 2001. The decrease was mainly attributable to writedowns taken to mark to market the portfolio of listed securities, which was only partially offset by the growth in operating income generated by improved performance of the casualty insurance operations and higher proceeds from sale of real estate.

Balance Sheet by Activity Segment

Industrial Activities

Although cash increased by 1,146 million euros with respect to December 31, 2001, the Financial payables net of intersegment activities of Industrial Activities decreased by 2,067 million euros. This improvement is largely attributable to the divestiture of lines of business and investments, capital increases, and lower requirements for working capital, net of the effects of operating performance during the period.

Financial Activities

Financial payables net of intersegment activities decreased by 1,889 million euros, largely as a result of the reduction in financial receivables and leasing portfolio caused by lower volumes, the divestiture of certain activities (CNH agreements with BNP Paribas in Europe and assignment of part of the Sava-Leasing portfolio), increased securitization of receivables, and foreign exchange translation effects of the euro, particularly portfolios denominated in US dollars and the Brazilian real.

(in millions of euros)	December 31, 2002				December 31, 2001			
	Consolidated	Industrial Activities	Financial Activities	Insurance Activities	Consolidated	Industrial Activities	Financial Activities	Insurance Activities
■ ASSETS								
Intangible fixed assets	5,200	4,295	274	631	6,535	5,332	545	658
Net property, plant and equipment	12,106	9,770	1,700	636	13,887	11,352	1,714	821
Financial fixed assets	6,638	7,886	161	3,043	10,190	12,668	146	3,341
Investments on behalf of policy holders who bear the risk and those related to pension plan management	6,930	-	-	6,930	6,177	-	-	6,177
Financial receivables held as fixed assets (*)	48	46	1	1	56	55	-	1
Financial leasing of Group assets (*)	2,947	-	2,947	-	3,367	-	3,367	-
Financial assets not held as fixed assets	6,094	45	-	6,054	5,620	79	-	5,541
Inventories (1)	7,050	7,011	39	-	8,375	8,264	111	-
Trade receivables	5,784	4,157	1,482	737	6,466	5,031	1,417	703
Other receivables	3,351	2,405	835	301	3,162	2,102	1,025	242
Financial receivables from others (*)	18,411	2,495	15,876	40	21,263	2,396	18,807	60
Net deferred tax assets	2,263	2,278	-	57	1,595	1,750	-	-
Cash and securities (*)	4,996	2,977	844	1,175	4,133	1,831	680	1,622
Trade accruals and deferrals	579	405	176	2	653	434	217	2
Financial accruals and deferrals (*)	661	410	101	150	697	463	78	156
■ TOTAL ASSETS	83,058	44,180	24,436	19,757	92,176	51,757	28,107	19,324
■ LIABILITIES AND STOCKHOLDERS' EQUITY								
Total Stockholders' Equity	8,679	8,519	2,183	2,262	13,607	13,466	3,130	2,839
Reserve for net deferred tax assets	-	-	72	-	-	-	109	46
Reserve for future risks and charges	15,390	5,519	396	9,647	14,999	5,069	471	9,596
Reserve for employee severance indemnities	1,609	1,536	29	44	1,735	1,664	28	43
Policy liabilities and accruals where the investment risk is borne by policyholders and those related to pension plan management	7,000	-	-	7,000	6,236	-	-	6,236
Trade payables	13,267	12,867	657	321	13,520	13,125	690	247
Other payables (1)	4,771	4,198	506	275	5,029	4,552	545	282
Financial payables net of intersegment activities (*)	28,923	9,744	18,981	198	32,697	11,811	20,870	16
Trade accruals and deferrals	1,499	1,171	318	10	1,499	1,138	342	19
Financial accruals and deferrals (*)	1,920	626	1,294	-	2,854	932	1,922	-
■ TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	83,058	44,180	24,436	19,757	92,176	51,757	28,107	19,324
■ NET FINANCIAL POSITION (*)	(3,780)	(4,442)	(506)	1,168	(6,035)	(7,998)	140	1,823

(1) Net of advances received for contract work in progress (8,227 million euros in 2002 and 7,135 million euros in 2001).

Cash and cash equivalent collected by the centralized treasury during their activity have been recorded in the item Financial payables net of intersegment activities in the Industrial Activities column. However, funds that were

transferred to other Activities, and in particular Financial Activities, were posted net of the relative intersegment relationships, as shown in the following table:

(in millions of euros)	December 31, 2002				December 31, 2001			
	Consolidated	Industrial Activities	Financial Activities	Insurance Activities	Consolidated	Industrial Activities	Financial Activities	Insurance Activities
Financial payables to others	28,923	21,630	7,115	178	32,697	23,645	9,000	52
(Intersegment financial receivables)	-	(12,548)	(643)	(18)	-	(13,016)	(1,027)	(120)
Intersegment financial payables	-	662	12,509	38	-	1,182	12,897	84
Financial payables net of intersegment activities	28,923	9,744	18,981	198	32,697	11,811	20,870	16

ANALYSIS OF THE FINANCIAL POSITION AND OPERATING RESULTS OF FIAT S.P.A.

Statement of Operations

The net loss of the Parent Company for the fiscal year was 2,053 million euros, compared with net income of 379 million euros in fiscal 2001.

The following table contains a breakdown of this result:

(in millions of euros)	2002	2001
Investment income	278	713
Adjustments	(2,866)	(4)
Net financial expenses	(26)	(37)
Cost of personnel and services, less revenues	(126)	(95)
Net extraordinary income (expenses)	632	(1)
Income taxes	55	(197)
Net result	(2,053)	379

Net investment income totaled 278 million euros.

It consists of dividends, including the respective tax credits, paid by subsidiaries and associated companies.

The decrease with respect to 2001 is mainly attributable to the extraordinary dividend paid during the previous fiscal year by Soparind S.p.A. (formerly Fiat Ferroviaria S.p.A.). A breakdown of the dividends received in 2002 and 2001 is provided in the Notes to the Financial Statements of Fiat S.p.A.

The adjustments of 2,866 million euros made in 2002 largely reflect writedowns in the book value of the following subsidiaries: Fiat Partecipazioni S.p.A. as a result of the negative performance of the Automobile Sector (1,189 million euros), Fiat Netherlands Holding N.V. due to losses by its Magneti Marelli and CNH subsidiaries (732 million euros), Comau B.V. (350 million euros), Sicind S.p.A. (291 million euros), and Iveco N.V. (280 million euros).

Net financial expenses totaled 26 million euros, or 11 million euros less than the 37 million euros reported in 2001.

The cost of personnel and services, less revenues, totaled 126 million euros (95 million euros in 2001). In particular, the cost of personnel and services totaled 221 million euros, compared with 191 million euros in 2001. The 30 million euro increase stems mainly from higher costs for services. The average number of employees was 210 (including 16 seconded to the principal companies of the Group), compared with 216 employees in 2001 (including 17 seconded employees). Revenues totaled 95 million euros, in line with the previous fiscal year. They included royalties from the right to use the Fiat trademark, computed as a percentage of the sales of the individual Group companies, and fees for services rendered by management personnel.

Net extraordinary income totaled 632 million euros, represented principally by the gain realized on the sale of 34% of Ferrari shares to Mediobanca (630 million euros).

Net tax receivables totaled 55 million euros, compared with 197 million euros in net tax payables for 2001.

Taking into account tax credits on dividends, which are reflected in "Investment income" (100 million euros in 2002), net tax receivables totaled 155 million euros (48 million euros in 2001).

Balance Sheet

The following table illustrates highlights of the Balance Sheet:

(in millions of euros)	12/31/2002	12/31/2001
Fixed assets	8,144	7,757
Working capital	(169)	(150)
Net invested capital	7,975	7,607
Stockholders' equity	5,934	7,169
Net borrowings	2,041	438

Fixed assets consist mainly of investments in the Group's principal companies. The total value at December 31, 2002 was 8,050 million euros, for a net increase of 344 million euros since the end of 2001.

The principal increases involved the subscription of capital increases at Sicind S.p.A. (1,400 million euros) and Fiat Netherlands Holding N.V. for its 74% interest (1,017 million euros), as well as acquisition by the latter company of 100% of Magneti Marelli Holding S.p.A. (803 million euros). The decreases mainly stem from a total of 2,846 million euros in writedowns of the subsidiaries Fiat Partecipazioni S.p.A., Fiat Netherlands Holding N.V., Comau B.V., Sicind S.p.A. and Iveco N.V. and the sale of 34% of Ferrari S.p.A. to Mediobanca S.p.A., for a cash-in of 775 million euros.

Working capital includes payables to Tax Authorities, suppliers, and employees of 189 million euros, net of receivables, and 2,330,420 ordinary treasury shares for 20 million euros. The decrease of 19 million euros compared with December 31, 2001 is due mainly to a temporary increase in trade payables.

Stockholders' equity totaled 5,934 million euros at December 31, 2002, for a decrease of 1,235 million euros since the end of 2001. The changes stem from the capital increase resolved by the Board of Directors on December 10, 2001 (1,020 million euros), the net loss for the year (2,053 million euros), and distribution of dividends (202 million euros).

Net borrowings at the end of 2002 totaled 2,041 million euros, against 438 million euros in the previous year. It includes the three-year Convertible Facility of 3 billion euros granted by a pool of banks organized by Capitalia, IntesaBCI, Sanpaolo IMI, and Unicredito Italiano. The net increase in borrowings stems mainly from the previously described investments in equity holdings, which were partially offset by the amounts collected for the capital increase.

An analysis of financial flows is provided at the end of the Notes to the Financial Statements of Fiat S.p.A.

Corporate Governance and Stock Option Plans

CORPORATE GOVERNANCE

The Fiat Group adopted and abides by the Code of Conduct for Listed Companies in Italy that was revised in July 2002 by the Corporate Governance Committee and is mentioned as a model in the regulations issued by Borsa Italiana on corporate governance. Furthermore, as its shares are also listed on foreign markets, including the New York Stock Exchange, Fiat also refers to foreign norms, and in particular United States laws, which, since passage of the recent Sarbanes-Oxley Act, have imposed more exacting obligations on foreign companies listed in that country.

Also in accordance with the disclosure requirements set forth in the Regulations of Borsa Italiana, the most important aspects of the system of Corporate Governance adopted by the Fiat Group are reviewed below. A complete overview of the governance tools used by the Group is available on the Web site "www.fiatgroup.com," in the Corporate Governance section.

Composition and Functions of the Board of Directors

As envisaged in the Company's Articles of Association, the number of members of the Board of Directors ranges from nine to fifteen. Since its original appointment, the composition of the current Board, which has 12 members, has changed several times in consequence of the critical events that transpired during the past several months.

Since the Board of Directors was appointed for a three-year term by the Stockholders' Meeting held on May 14, 2002, the Chief Executive Officer Paolo Cantarella, who resigned on June 10, was replaced in that capacity on June 26 by Gabriele Galateri, with the vacant director's seat being filled by Ugo Draetta at the Stockholders' Meeting held on September 12. On December 10 Pierluigi Bernasconi was replaced by Daniel J. Winteler, and on December 13 Ugo Draetta resigned so that Chief Operating Officer Alessandro Barberis could be co-opted on the Board after his nomination as Chief Executive Officer. Finally, at the Board of Directors meeting held on February 28, Chairman Paolo Fresco resigned so that Umberto Agnelli could be immediately co-opted and appointed as Chairman, while resigning members Felix G. Rohatyn and John F. Welch were replaced through co-option of Giuseppe Morchio, appointed as Chief Executive Officer, and Luca Cordero di Montezemolo. Alessandro Barberis was named Vice Chairman.

Some of the current directors also hold positions at other listed companies or of a significant interest. Excluding the positions held by directors with executive authority at the Fiat Group, the most significant are as follows:

- Umberto Agnelli: Chairman, Giovanni Agnelli Sapa, and Chairman, IFI S.p.A.
- Alessandro Barberis: Director, CDC Point S.p.A.
- Giuseppe Morchio: Director, Banco di Desio e della Brianza
- Angelo Benessia: Vice Chairman, RCS Editori, and Director, SAIAG S.p.A.
- Luca Cordero di Montezemolo: Director, Tod's S.p.A., Merloni Elettrodomestici S.p.A., Unicredit Banca d'Impresa S.p.A.
- Flavio Cotti: Chairman, Advisory Board of Credit Suisse Group
- John Elkann: Director, Giovanni Agnelli Sapa, IFI S.p.A., Exor Group
- Gabriele Galateri: Chief Executive Officer, IFI S.p.A., Director, Accor S.A., Worms & Cie. S.A., Sanpaolo IMI S.p.A., Cassa di Risparmio di Savigliano S.p.A.
- Franzo Grande Stevens: Chairman, P. Ferrero & C. S.p.A. and Davide Campari S.p.A., Director, IFI S.p.A., IFIL S.p.A., La Rinascente S.p.A., Pininfarina S.p.A., Banca del Piemonte, Banca Sella, Exor Group, HDP S.p.A.
- Hermann-Josef Lamberti: Member of Managing Board of Deutsche Bank AG, Director, Eurex Deutschland, Euroclear Bank S.A., Schering AG
- Virgilio Marrone: Director, Sanpaolo IMI S.p.A., Juventus S.p.A.
- Daniel J. Winteler: Director, IFIL, Worms & Cie, La Rinascente S.p.A.

The Board of Directors appointed in May 2002 adopted the customary model envisaged in the Articles of Association, under which full operating powers of representation are granted to all directors who hold corporate offices, severally. Consequently, the Board granted the directors with executive authority, the Chairman and the Chief Executive Officer, broad operating powers, authorizing them to deal with ordinary and extraordinary business that is consistent with the Company's purpose and not reserved by law or otherwise delegated or reserved to the Board of Directors itself.

The Board defined the "Guidelines for Significant Transactions and Transactions with Related Parties," by which it reserved the right to examine and approve in advance any transaction of significance in the balance sheet, economic and financial figures, including the most significant transactions with related parties, and subject all transactions with related parties to special criteria of substantial and procedural fairness. Therefore, decisions regarding significant transactions are excluded from the mandate granted to Board members with executive authority. The term "significant transactions" refers to those transactions that in and of themselves require the company to inform the market thereof, in accordance with rules established by market supervisory authorities. When the Company needs to execute significant transactions, the Board members with delegated powers shall provide the Board of Directors reasonably in advance with a summary analysis of the strategic consistency, economic feasibility, and expected return for the Company. Certain decisions regarding the most significant transactions with related parties are also excluded from the mandate granted to the Board members with delegated powers, while

all transactions with related parties shall comply with special criteria of substantial and procedural fairness and disclosures to the Board.

The aforementioned model for granting powers was reconfirmed upon the latest change in company management, when a third director with executive authority, the Vice Chairman, was appointed to join the other two. The Vice Chairman was granted the same powers as the Chairman, to be exercised on a substitute basis in the latter's absence or inability to act, being subject to the same limits on significant transactions and transactions with related parties described hereinabove.

The complete text of the "Guidelines" can be found at the Web site mentioned hereinabove.

For the entire 2002 fiscal year until February 28, 2003, the number of independent directors was clearly adequate, as A. Benessia, F. Cotti, H. Lamberti, F. G. Rohatyn, and J. F. Welch, who were joined for several months by U. Draetta, did not have economic relationships with the Company, its controlling companies, or subsidiaries such as to compromise their independent judgment.

In light of the more exact and restrictive definition of director independence envisaged in the new Italian and U.S. rules of corporate governance and after the substitution of several directors on February 28, 2003, the number of independent directors was reduced to just two: F. Cotti and H. Lamberti. The Stockholders' Meeting will therefore be called to resolve as appropriate.

Article 15 of the Articles of Association prescribes that the Board of Directors must meet at least once quarterly. During 2002, it met 13 times to examine and vote on resolutions regarding operating performance in the various Sectors of activity, quarterly reports, strategic plan and budget, proposals for the organizational structure and for significant transactions and transactions with related parties submitted by the directors with executive authority, nominations of company officers, the activity of the Audit Committee, and proposals submitted by the Compensation Committee, determining the compensation for directors with executive authority, upon approval by the statutory auditors.

Appointment and Compensation of Directors

The Company's Articles of Association do not envisage special rules for the appointment of Directors or nomination of candidates. Nevertheless, as customary, the nominations submitted by the majority stockholder were deposited with the curricula vitae of the candidates, as recommended by the Code of Conduct, at the Stockholders' Meeting of May 14, 2002, which appointed the new Board of Directors, and the Ordinary and Extraordinary Stockholders' Meeting of September 12, 2002, which appointed Ugo Draetta to fill a vacancy on the Board of Directors.

The Board has not yet found it necessary to establish a committee for the nomination of directors, having previously entrusted the Chairman with the task of coordinating the submission of proposals and nominees.

The compensation of directors is strictly correlated with the market price of Fiat shares. While the Stockholders' Meeting of May 14, 2002 confirmed the compensation method that was previously used, it resolved that the annual compensation of directors be determined according to the average market price of a lot of Fiat shares (2,000 ordinary shares, 700 preference shares, and 700 savings shares) during the directors' terms, in addition to attendance compensation of 3,000 euros for every board or committee meeting attended. The compensation of directors with executive authority is also based in large measure on the performance of Fiat shares on the stock market. Detailed information on the compensation of directors and the stock options granted to directors with executive authority is provided in the Notes to the Financial Statements.

The Board of Directors established an internal Compensation Committee that was comprised of five directors until February 28, two of whom with executive authority and one independent. In addition to handling nominations and compensation of top management, it has the duty of reviewing and determining the individual compensation packages for the Chairman and the Chief Executive Officer and submitting its recommendations to the Board.

The Chief Executive Officer does not attend Committee meetings where his compensation is discussed. The Chief Executive Officer and the Chairman do not attend meetings where the compensation of the Chairman is discussed.

In 2002, the Compensation Committee met four times to discuss the submission to the Board of Directors of motions concerning the definition of compensation and stock option plans for the Group's senior managers and new appointments at the Group's Parent Company and for corporate posts at the Sector lead companies.

The Committee is currently comprised of five directors: U. Agnelli (Chairman), A. Barberis, J. Elkann, F. Grande Stevens and G. Morchio.

Internal Control System and Audit Committee

In May 1999, the Company, which had already published a Code of Ethics several years earlier, adopted an Internal Control System based on a model derived from the COSO Report. The Board of Directors then decided to disseminate an Internal Control System policy and establish an Audit Committee. In 2002 a more detailed Charter of the Audit Committee was drafted and subsequently approved by the Board of Directors. The "Guidelines for the Internal Control System" were also drafted to receive the changes made to the Code of Conduct, guidelines that came into effect on January 1, 2003.

The Audit Committee must be comprised of at least three independent directors. The mission of the Committee is to assist the Board of Directors in discharging its own duties by providing it with advice and proposals on the reliability of the accounting system and financial information; the Internal Control System; the choice and supervision of the work of the independent auditors; and supervision of the activities of internal auditors.

In particular, the Committee must:

- assist the Board of Directors with periodic audits of the appropriate and actual functioning of the Internal Control System to ensure identification and proper handling of the principal risks faced by the Company;
- assess the operating plan prepared by the Supervisors of the Internal Control System and receive their periodic reports;
- report to the Board of Directors on the adequacy of the Internal Control System at least once every six months, at the time the annual report and first half report are approved;
- assess the organizational position and ensure the actual independence of the Supervisors of the Internal Control System in the performance of their duties in accordance with, among other things, Legislative Decree no. 231/2001 on the administrative liability of companies;
- assess, in collaboration with the Chief Accounting Officer and the independent auditors: (a) the adequacy of adopted accounting principles and (b) their uniformity in view of preparation of the consolidated financial statements;
- with the assistance of the Chief Accounting Officer and the Head of Internal Audit, assess the proposals submitted by candidates for the position of independent auditors and draft the motion for appointment of the independent auditors to be submitted by the Board of Directors to the Stockholders' Meeting;
- assess the audit operating plan and the results set forth in the audit report and letter of suggestions;
- upon recommendation by the Chief Accounting Officer, grant prior authorization to the independent auditors or other entities belonging to the auditors' network to perform non-auditing activities. In any event, these activities must be among those allowed under applicable regulations. The Committee may delegate one or more of its members to grant such prior authorization, enjoining the delegated member to report at its next meeting;
- assess the position and organizational structure of Internal Audit and its work plan.

The Committee shall meet on convocation by its Chairman whenever he deems it appropriate, but at least once every six months, or whenever the Chairman of the Board of Statutory Auditors or the Supervisors so request. The Chairman of the Board of Statutory Auditors, or another Statutory Auditor duly

empowered by the Chairman, and the Supervisors shall participate at Committee meetings.

The directors with executive authority, the independent auditors, the Chief Accounting Officer, and possible other parties shall participate at Committee meetings on invitation by the Committee Chairman. The Committee shall meet in the absence of the directors with executive authority at least twice each fiscal year.

This Committee is currently comprised by three Directors: A. Benessia (Chairman), F. Cotti, and H. Lamberti.

The Board of Directors appoints the Supervisors of the Internal Control System. In the course of performing their duties, they are not subject to the jurisdiction of operating managers but instead report directly to the Chief Executive Officer, the Audit Committee, and the Board of Statutory Auditors. At present, the Supervisors of the Internal Control System are the General Counsel and the Chief Accounting Officer. They rely on input from the Internal Audit function, which is performed for the entire Group by Fiat Revi, a highly skilled and capable consortium company.

The most important initiatives pursued in 2002 by the Committee and the Supervisors included complete revision of the Group's corporate governance tools (Guidelines for the Internal Control System, Charter of the Audit Committee, Guidelines for Significant Transactions and Transactions with Related Parties, Internal Dealing Regulation), in particular the new Code of Conduct that replaces the Code of Ethics.

This document was approved by the Board of Directors at the end of 2002 and established the necessary basis for drafting of the Compliance Program adopted by the Board of Directors on February 28, 2003, pursuant to Legislative Decree no. 231 of June 8, 2001 (Norms Governing the Administrative Liability of Legal Entities). The Compliance Program of the Fiat Group, which was drafted in conformity with the guidelines prepared by Confindustria, is comprised of a General Part and two Special Parts (Offenses Committed in Relations with Public Agencies, and White Collar Crimes). Group companies were asked to adopt the compliance programs in accordance with the rules and general principles contained in the compliance program of the Parent Company after identifying the respective sensitive processes and specific procedures to be developed according to their particular situations.

Handling of confidential information

The Board of Directors promoted the adoption of an internal procedure for handling confidential information. This procedure was published as part of a special organizational announcement by the Chief Executive Officer. It lists the different types of confidential information, defines the functions and responsibilities of those who are charged with handling such information, and explains the rules that govern the disclosure of price-sensitive news and the steps that should be followed

when handling and publishing such information. The purpose of this procedure is to prevent potential leaks of confidential information. It imposes the penalties that the Code of Ethics provides for employees who violate confidentiality rules and makes clear that the same level of compliance with its provisions and the same prudent behavior is expected of the Directors and Statutory Auditors.

In compliance with the new norms issued by the Italian Stock Exchange, a code of conduct was also adopted for disclosure by relevant persons of internal dealing transactions. The envisaged deadlines and quantities, which are lower than those prescribed in the Italian Stock Exchange norms – defined in the annex to the Internal Dealing Regulation found on the Corporate Governance page of the Group's Web site – require prompt reporting by relevant persons of individual transactions whose countervalue exceeds 80,000 euros and those whose aggregate amount exceeds 15,000 euros on a monthly basis.

Relations with stockholders

One of the Company's principal concerns is to establish and maintain an ongoing dialogue with its stockholders and institutional investors. To that end, Fiat created specific entities that are responsible for managing these relationships.

The Group organizes frequent meetings and conference calls with institutional investors and analysts and uses its Web site (www.fiatgroup.com) to disseminate publicly and in real time the material discussed on those occasions.

The Web site is also used to disseminate corporate, operating and financial information on a regular basis as well as to present news of special transactions. The schedule of corporate events and all documents pertaining to corporate governance are available in a recently created section of the Web site. In addition, a toll-free number (800-804027) and two e-mail addresses (serviziotitoli@fiatgroup.com and investor.relations@geva.fiatgroup.com) are available to anyone seeking additional information regarding transactions that affect stockholders.

Regulations were adopted in 2000 to ensure that Stockholders' Meetings run in an orderly and efficient fashion. These Regulations define the rights and obligations of all parties attending a Stockholders' Meeting and provide clear and unambiguous rules, without limiting or in any way hampering the right of individual stockholders to voice their opinions and demand explanations about items on the Agenda.

The Board of Directors has not submitted motions to the Stockholders' Meeting that would decrease the minimum number of shares that must be held in order to file motions and exercise the rights accorded to minority stockholders.

Board of Statutory Auditors

The Board of Statutory Auditors comprises three Statutory Auditors and three Alternates, all of whom, as required by

the Company's Articles of Association, must be entered in the Auditors' Register.

In accordance with the Company's Articles of Association and as allowed under the Consolidated Law on Financial Intermediation, properly organized minority groups may appoint one Statutory Auditor. According to the Company's Articles of Association, the minimum level of ownership needed to submit a slate of candidates is 3%. The purpose of this threshold is to ensure that the candidates being proposed are supported by a group of minority stockholders that is sufficiently representative and authoritative to speak in juxtaposition to the majority.

The Articles of Association envisage that slates of candidates must be accompanied by statements certifying satisfaction of the requirements prescribed by law and the Articles of Association and the absence of factors that would disqualify them, on penalty of rejection of those slates.

STOCK OPTION PLANS

Thus far, the Board has approved five Stock Option Plans offered to about 900 managers of the Group's Italian and foreign subsidiaries who are qualified as "Direttore" or have been included in the Management Development Program for high-potential managers. Plan Regulations share these common features:

- Options are granted to individual managers on the basis of objective parameters that take into account the level of responsibility assigned to each person and his or her performance.
- If employment is terminated or an employee's relationship with the Group is otherwise severed, options that are not exercisable become null and void. However, vested options may be exercised within 30 days from the date of termination, with certain exceptions.
- The option exercise price, which is determined based on the average stock market price for the month preceding the option grant, can vary as a result of eventual transactions affecting the Company's capital stock. It must be paid in cash upon the purchase of the underlying shares.
- The options are normally exercisable starting one year after they are granted and for the following eight years, but during the first four years, exercise is limited to annual tranches, which may be accumulated, of no more than 25% of the total granted.

A total of 6,420,000 options were granted in 2002, expiring in 2010 and subject to the limits for the first four years described hereinabove.

In consideration of the options previously granted under the aforesaid plans and that have since expired upon termination

of employment, a total of 3,558,700 shares could be issued through a specially reserved capital increase that has already been approved by the Board of Directors. Another 12,223,000 shares represent treasury stock to be assigned to the holders of options pursuant to the conditions envisaged in the specific Regulation.

On several occasions, the Board of Directors further granted the Chairman and the Chief Executive Officer options to purchase ordinary Fiat shares. Detailed information on these transactions is provided in the Notes to the Financial Statements.

The following table summarizes the information on options granted to employees outstanding at December 31, 2002:

	2001			2002		
	Number of shares	Average exercise price (*)	Market price	Number of shares	Average exercise price (*)	Market price
Options outstanding on 1/1	6,406,000	29.76	26.34	12,608,500	24.41	17.92
New options granted during the year	6,202,500	18.87	19.15	6,420,000	11.32	11.32
Expired options	-	-	-	3,326,800	-	-
Options outstanding on 12/31	12,608,500	24.41	17.92	15,791,700	18.80	7.70
of which exercisable on 12/31	1,913,500	29.92	17.92	3,784,575	25.86	7.70

(*) Following the capital increase in January 2002, the exercise prices were adjusted by applying the factor calculated by Borsa Italiana, in the amount of 0.98543607.

Transactions among Group Companies and with Related Parties

Transactions among Group companies, whether they are made to support vertical manufacturing integration or to provide services, are carried out at terms that, considering the quality of the goods or services involved, are competitive with those available in the marketplace.

The specific mission of a Group Sector is to provide services to other members of the Group through companies which, because of their specialized nature, are able to achieve continuous improvements in quality and economies of scale.

Within this framework, the main transactions between the Parent Company, Fiat S.p.A., and its subsidiaries and associated companies are summarized below:

- Licensing of the right to use the Fiat trademark, for a consideration based on a percentage of sales, to Fiat Auto S.p.A. (0.5%), Iveco S.p.A. (0.2%) and FiatAvio S.p.A. (0.5%).
- Services provided by Fiat management personnel to Fiat Auto S.p.A., Iveco S.p.A., Teksid S.p.A., Magneti Marelli Holding S.p.A., Toro Assicurazioni S.p.A., and other Group companies.
- Grant of suretyships and guarantees in connection with the issuance of debentures (FiatSava S.p.A.), commercial paper and billets de trésorerie (Fiat France S.A. and Fiat Polska Sp.zo.o.), bonds and lines of credit (Fiat Finance and Trade Ltd, Fiat Finance Luxemburg S.A., Fiat Auto Financial Services Limited, and New Holland Credit Company LLC); and to secure bank loans (Fiat Auto S.p.A., Teksid S.p.A., Sicind S.p.A., Fiat Automoveis S.A., Iveco Fiat Brasil Ltda, Fabbrica Motori Automobilistici S.r.l., Banco CNH Capital Brazil S.A., Case LLC, Sevelnord S.A., and other Group companies), payment obligations under building rental contracts (Ingest Facility S.p.A., Fiat Auto S.p.A., Isvor Fiat S.p.A., Editrice La Stampa S.p.A., Fiat Automobil Verter GmbH, International Metropolitan Automotive Promotion - France - S.A., Fiat Motor Sales Ltd. and other Group companies), and payment obligations under financial leases (Fraikin Locomotion S.A., Fraikin Locatime S.A. and Locamion S.A.).
- Rental of buildings to Ingest Facility S.p.A. and Fiat I&CS S.r.l.
- Deposit of liquid funds with Fiat Ge.Va. S.p.A.
- Purchase of support and consulting services provided by Fiat Gesco S.p.A. (taxation and administration), Fiat Ge.Va. S.p.A. (financial services) and Fiat International S.p.A. (international relations).
- Purchase of inspection and internal auditing services from Fiat Revi S.c.r.l.
- Purchase of information technology services provided by Global Value S.p.A.
- Purchase of external relations services provided by Fiat I&CS S.r.l.
- Purchase of support and consulting services outside Italy provided by Fiat USA Inc., Fiat United Kingdom Ltd., Fiat Iberica S.A., and Fiat do Brasil S.A.
- Purchase of office space, personal and real property maintenance services provided by Ingest Facility S.p.A., and other general services provided by Fiat Servizi per l'Industria S.c.p.a.
- Purchase of personnel training services provided by Isvor Fiat S.p.A.
- Purchase of insurance services provided by Augusta Assicurazioni S.p.A.
- Purchase of automobiles from Fiat Auto S.p.A.

Transactions with related parties that must be mentioned, even though the amounts involved are not significant, is a consulting contract with Jack Welch LLC for an annual amount of 1 million U.S. dollars and legal professional services for 2.4 million euros performed by Franzo Grande Stevens.

Details about the transactions with the greatest financial impact are provided in the analysis of the individual items in the Notes to the Financial Statements.

All the transactions involving intra-Group deliveries of goods and services that are part of the regular operations of the companies involved are discussed in other sections of this Report (Note 21 - Other Information).

During 2002, Fiat S.p.A. subscribed to capital increases executed at Sicind S.p.A., Fiat Netherlands Holding N.V., and Magneti Marelli Holding S.p.A. The interest held in Magneti Marelli Holding S.p.A. was acquired in December from Fiat Netherlands Holding N.V.

Based on the information received from the various Group companies, there were no atypical or unusual transactions during the year. Extraordinary transactions among Group companies or with related parties that occurred during the year are reviewed below:

- In June 2002, CNH Global N.V. executed a capital increase of 375 million shares, of which 50 million shares were offered to the public at the price of US\$4 per share, and the remaining 325 million were subscribed by Fiat Group companies through conversion into capital of financial receivables owed them by CNH Global N.V. In July 2002, the option for subscription of an additional 3.5 million shares was exercised. In consequence of this capital increase, Fiat S.p.A. now owns, through its subsidiary Fiat Netherlands Holding N.V., 85.2% of CNH Global N.V. shares.
- As part of the corporate restructuring program, Fiat Netherlands Holding N.V. sold its interest in Magneti Marelli Suspension Holding S.p.A. to Sici S.p.A., its interests in Magneti Marelli Powertrain S.p.A., Magneti Marelli

Aftermarket S.p.A., and Magneti Marelli Services S.p.A. to Magneti Marelli Holding S.p.A. and its interest in Magneti Marelli Holding S.p.A. to Fiat S.p.A.

- Corporate income tax credits were transferred within the Group or by the controlling companies.

Pursuant to Article 79 of the Consob Regulations set forth in Resolution No. 11971 of May 14, 1999, the following table contains information on the interest that Directors and Statutory Auditors of Fiat S.p.A. hold in the Company or any of its subsidiaries.

Interest held by Directors and Statutory Auditors (Article 79 of Consob Regulations, Resolution no. 11971 of 5/14/1999)

(number of shares)

First name and last name	Description of investment	Number of shares held at 12/31/2001	Number of shares bought in 2002	Number of shares sold in 2002	Number of shares held at 12/31/2002
Pierluigi Bernasconi	Fiat preference	2,000	-	-	2,000
	Fiat ordinary	120	-	-	120
Paolo Cantarella	Fiat ordinary	312	11,203	-	11,515
	Fiat savings	662	-	-	662
	Warrant Fiat ordinary	-	114	-	114
John Philip Elkann	Fiat ordinary	300	-	-	300
Cesare Ferrero	Fiat ordinary	1	-	-	1
Paolo Fresco	Fiat ordinary	-	(1) 211,452	-	211,452
Gabriele Galateri di Genola (2)	Fiat ordinary	2,750	-	-	2,750
	Fiat preference	440	-	-	440
Gianfranco Guty	Fiat ordinary	1,000	-	-	1,000
Felix George Rohatyn	Fiat ordinary	1,000	-	-	1,000

(1) of which 192,500 acquired between 3/6/2002 and 3/19/2002 by converting the net amount of the compensation received as Chairman from the start of paid employment (December 1, 1998), and 18,952 granted by Fiat S.p.A. by converting the net amount of semiannual compensation for the post of Chairman pursuant to the Board of Directors resolution of May 14, 2002.

(2) indirectly owned through his spouse.

Significant Events Occurring Since the End of the Fiscal Year and Business Outlook

SIGNIFICANT EVENTS OCCURRING SINCE THE END OF THE FISCAL YEAR

The most significant transactions completed by the Fiat Group during the early months of 2003 are reviewed below.

- Iveco signed an agreement to sell 100% of Fraikin's share capital to Eurazeo.
This transaction will produce an improvement of about 450 million euros in the net financial position of the Fiat Group.
- Business Solutions S.p.A. agreed to sell to Risanamento S.p.A. (Zunino Group) a package of properties and equity investments in real estate companies that includes an interest of about 56% in IPI S.p.A.
This sale produced an improvement of about 120 million euros in the net financial position of the Fiat Group.
- On March 11, 2003, Fiat signed an agreement with Capitalia, Banca Intesa, Sanpaolo IMI and Unicredito whereby Fiat sold to these four banks a 51% interest in Fidis Retail Italia ("FRI"), a Fiat Group company that provides credit to consumers in Europe for the purchase of motor vehicles.
This transaction is part of the program launched by Fiat to improve its financial position in accordance with the provisions of the framework agreement signed by Fiat and the four banks on May 27, 2002. The sale of the interest in FRI will enable the Fiat Group to reduce its gross consolidated indebtedness by about 6 billion euros.
- In March 2003, Standard & Poor's Rating Services assigned a BB+ rating with negative outlook to Fiat's long-term debt. On the same occasion, Standard & Poor's lowered the rating of Fiat's short-term paper from A-3 to B. In the same month, Fitch Ratings lowered its rating of Fiat's medium term debt from BBB- to BB+ and of Fiat's short-term debt from F3 to B. Furthermore, on December 23, 2002, Moody's Investors Service had lowered its rating of Fiat's medium-term debt from Baa3 to Ba1. The rating of Fiat's short-term paper was cut from Prime-3 (P-3) to Not Prime, with negative outlook.
- On March 22, 2003 the Board of Directors accepted the binding offer presented by the De Agostini Group for the purchase of 100% of Toro Assicurazioni. The transaction is worth 2.4 billion euros and it will cut the Group's net debt by about 1.4 billion euros.
- Further to the agreement reached in December 2002, at the end of March Fiat finalized the sale of the retail financing business of Fiat Auto Holdings in Brazil to the Itaú Group, a leading Brazilian financial institution.
- The following new products were introduced during the first quarter of 2003:
 - Fiat Auto chose the 73rd International Geneva Motor Show for the worldwide introduction of the Fiat Gingo and Fiat Idea.
The Fiat Gingo, a new entry in the subcompact segment, is the most sophisticated city car available to motorists today.

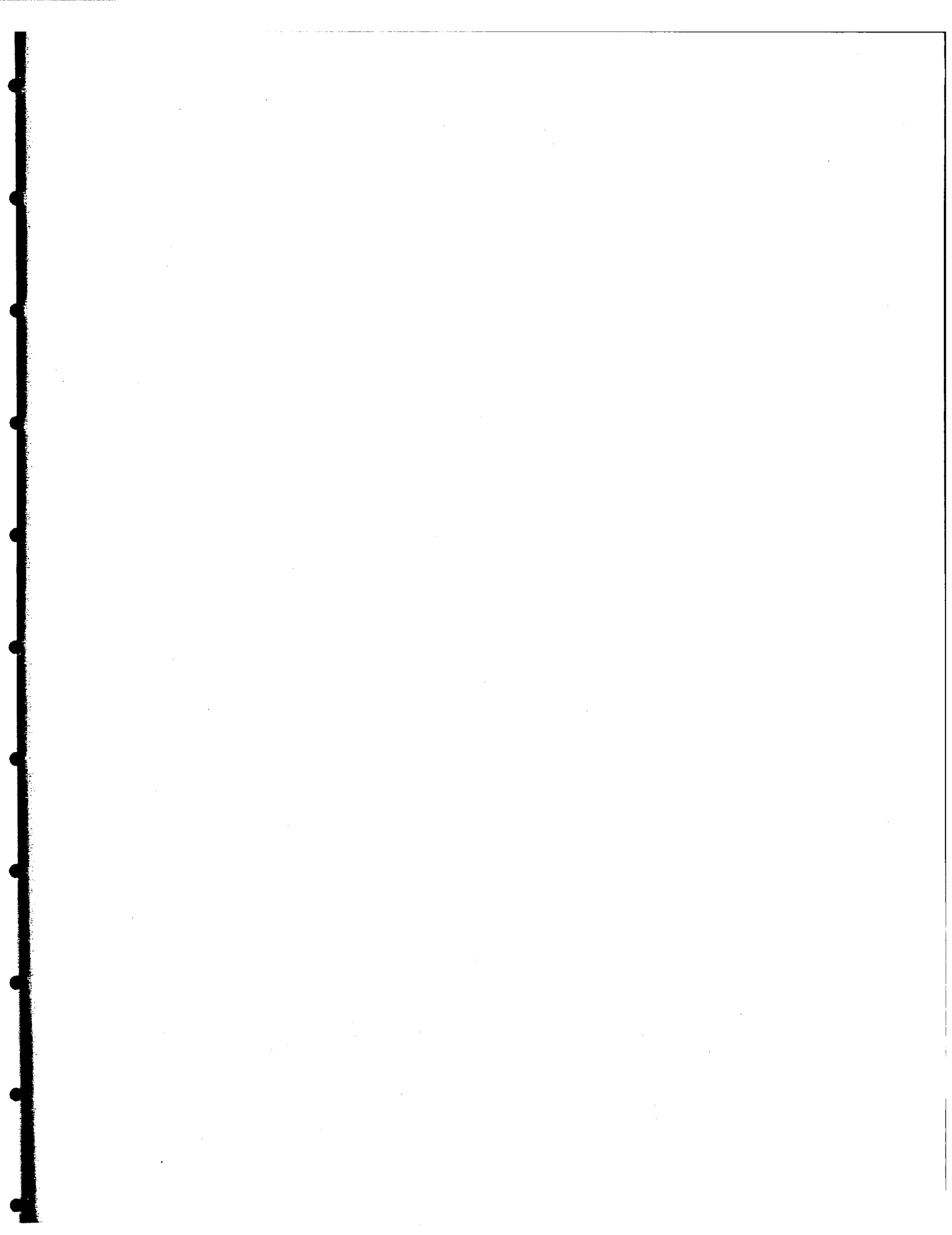
The Fiat Idea combines the driveability and small size of a compact car with the versatility of a true multipurpose vehicle.

- Alfa Romeo introduced new versions of the Alfa Spider and Alfa GTV and staged the worldwide launch of the new Alfa GT Coupé.
- Lancia presented the new Ypsilon, a model that combines outstanding styling with leading-edge technology, to customers around the world.
- Changes in Corporate Offices
At the meeting held on February 28, 2003, upon being informed of Paolo Fresco's decision to resign the posts of Director and Chairman, the Board of Directors coopted Umberto Agnelli and appointed him Chairman.
The Board also accepted the resignations of Felix G. Rohatyn and John F. Welch. It then coopted Giuseppe Morchio, appointing him to the post of Chief Executive Officer, and Luca Cordero di Montezemolo. The Board also named Alessandro Barberis Vice Chairman in place of Franzo Grande Stevens, who will continue to serve as a Director.

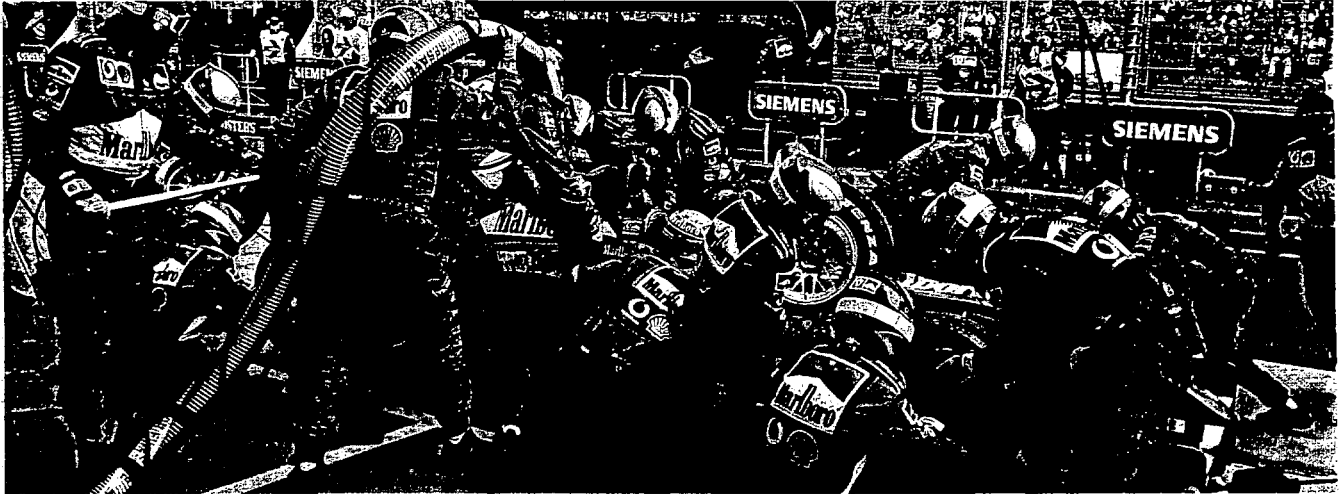
BUSINESS OUTLOOK

The economic outlook for the balance of 2003 calls for the continuation of highly unsettled and volatile conditions in the international markets. The reluctance of consumers to spend and businesses to invest, coupled with the increasingly limited room still available to implement stimulative fiscal and economic policies both in Europe and the United States, points to the likelihood of a period of stagnation and, possibly, a further contraction of demand in the main markets where the Group operates.

In this challenging environment, the Group should be able to improve its operating performance despite the absence of the contribution from divested businesses. The improvement will be even more noticeable at the net income level thanks to the gains earned on divestitures and the expected lack of further additions to reserves in excess of those set aside in 2002. Moreover, the proceeds from asset divestitures will provide sufficient resources to meet the Group's funding needs and strengthen its balance sheet.



Operating Performance — Sectors of Activity



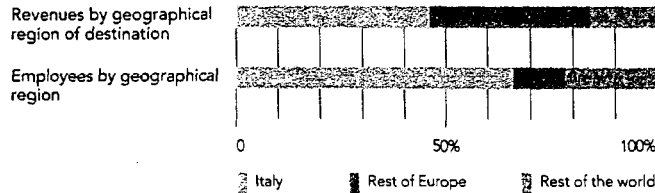
FiatAuto

Automobiles — Fiat Auto Holdings

Highlights

(in millions of euros)	2002	2001	2000
Net revenues	22,147	24,440	25,361
Operating result	(1,343)	(549)	44
EBIT	(2,214)	(1,061)	33
Net result before minority interest	(2,739)	(1,442)	(*) (599)
Cash flow	(1,780)	(292)	732
Capital expenditures	1,115	1,331	1,412
Research and development	861	870	776
Net invested capital	1,254	2,340	4,220
Number of employees	49,544	55,174	74,292

(*) The year 2000 figure of the Automobile Sector does not include extraordinary items stemming from the agreement with General Motors worth 460 million euros that were included in the result of Miscellaneous and Holding Companies.



Sales performance

The weakness in the overall economy had an impact on the automobile market. Demand was down 2.9% in Europe, with declines in all major markets except Great Britain (+4.3%). In Italy, the market contracted by 5.9% but bounced back in the second half of the year, when the government provided incentives for the purchase of environmentally friendly cars. A similar situation occurred in Brazil and Poland, where demand was down for 2002 as a whole but showed signs of improvement during the latter part of the year.

In Western Europe, shipments of commercial vehicles (about 1.8 million units) were down 2.4% from 2001. Only Italy bucked the trend, with demand up a healthy 18.8% due in part to the positive impact of the Tremonti Bis Law.

The Sector's share of the automobile market continued to decline, falling to 8.2% in Western Europe (1.3 percentage points less than in 2001) and 30.2% in Italy (-4.4 percentage

Automobile Market

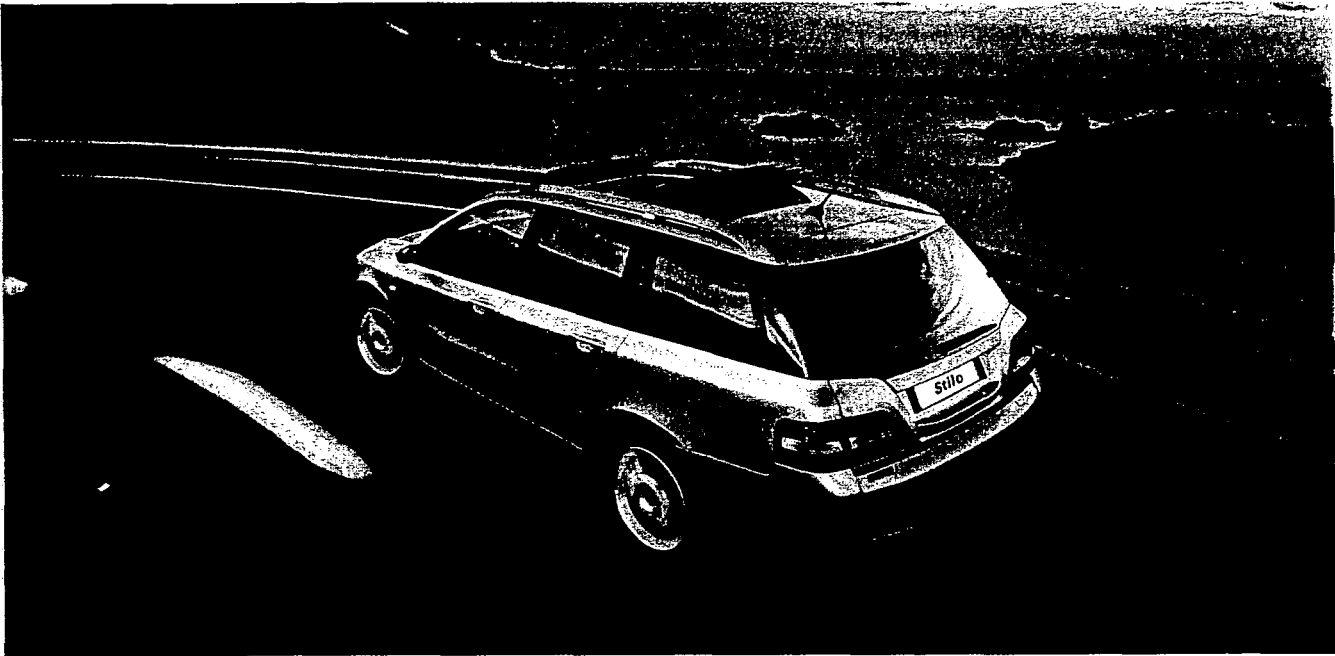
(in thousands of units)	2002	2001	% change
France	2,139	2,250	(4.9)
Germany	3,194	3,278	(2.6)
Great Britain	2,572	2,466	4.3
Italy	2,271	2,413	(5.9)
Spain	1,324	1,422	(6.9)
Western Europe	14,316	14,746	(2.9)
Poland	302	319	(5.3)
Brazil	1,235	1,295	(4.6)



points). Fiat Auto's penetration of the Brazilian market, where it is the leading producer, fell from 28.5% in 2001 to 25.8%. Despite weak demand, the Sector increased its share of the European market for light commercial vehicles to 12.6%. In this market environment, Fiat Auto sold more than 1,860,000 vehicles, or 11.1% less than in 2001. The 10.5% decrease that occurred in Western Europe was due mainly to weak market demand, a further reduction in inventories held by the distribution network, a strategic decision to decrease sales in less profitable channels and the limited positive impact on the full year of several important models launched during the

Sales Performance – Automobiles and Light Commercial Vehicles

(in thousands of units)	2002	2001	% change
France	98.0	103.3	(5.1)
Germany	122.8	147.1	(16.5)
Great Britain	91.0	128.3	(29.1)
Italy	758.7	825.1	(8.0)
Spain	66.5	62.8	5.9
Rest of Western Europe	165.2	188.9	(12.5)
Western Europe	1,302.2	1,455.5	(10.5)
Poland	60.7	76.3	(20.4)
Brazil	358.0	415.9	(13.9)
Rest of the world	139.2	144.5	(3.7)
Total units sold	1,860.1	2,092.2	(11.1)
Associated companies	49.8	34.1	46.0
Grand total	1,909.9	2,126.3	(10.2)



second half of 2002 (the Lancia Thesis and Phedra, the Fiat Ulysse and, most importantly, the Fiat Stilo Multi Wagon). Sales were down in all of the principal markets with the exception of Spain, where they increased by 5.9%. In Italy, the sales decline (-8.0%) was offset only in part by an upturn during the last months of the year that was due to government-sponsored environmental incentives.

The reversals experienced in Brazil and Poland, where sales decreased by 13.9% and 20.4%, respectively, and market share was down, were only partially mitigated by a recovery (especially in Poland) during the last six months of 2002.

Product innovation

In 2002, Fiat Auto continued to upgrade its model lineup and increase the competitiveness of its brands by introducing increasingly sophisticated technologies and making its products safer and more environmentally friendly.

This strategy is embodied in the new cars launched by Fiat (Stilo Multi Wagon and Ulysse), Lancia (Thesis and Phedra) and Alfa Romeo (GTA configuration for the 156, Sportwagon and 147), and in the new 1.9-liter 16-valve JTD diesel engine with Multijet technology (for the Alfa 147, 156 and Sportwagon), the direct injection JTS gasoline engine (for the Alfa 156) and the new 1.3 liter JTD engine (produced by the Fiat-GM Powetrain joint venture) that is scheduled for launch in 2003.

In addition, the Sector continued to expand its line of cars fueled by methane gas (Doblò Bifuel, Ducato Bifuel and, starting in 2003, Fiat Punto) and LPG (Multipla and Ducato).

Growth strategies

During 2002, Fiat Auto continued to strengthen its industrial and commercial presence around the globe. More specifically:

- In China, the joint venture with Yuejin achieved gratifying results with the Palio. The Siena, which was introduced in April 2002, was also well received.
- In India, the Sector increased its market share from 2.2% to 4.5% despite the plan launched toward the end of the year to streamline the sales organization in that country.
- In Turkey, the Tofas associated company responded to the challenge posed by a protracted market slump by using the Doblò to obtain the leadership of the market for light commercial vehicles.

In March 2002, the Automobile Sector adopted a new structure based on five Business Units, each with full responsibility for its operating and financial performance and business development. They are: Fiat, Lancia & Light Commercial Vehicles B.U., Alfa Romeo B.U., International Developments B.U., Fiat Auto Consumer Services B.U. and Aftersales B.U.

Financial and service activities

In 2002, the Sector's financing and mobility services provided financial support for transactions totaling over 6.8 billion euros, including 345 million euros earmarked for assets covered by long-term rental agreements. The decrease of 23% compared with 2001 reflects weakness in Fiat Auto's target markets and a financing policy focused on increasing loan quality and



profitability. Overall, financing was provided to buyers of almost 774,000 vehicles (-33%), equivalent to 30% of the new vehicles sold by Fiat Auto (39% in 2001). In Italy and Western Europe this percentage is roughly the same.

At 23.7 billion euros, financing offered to the distribution network and suppliers was 3% less than in 2001, due to the sales decrease mentioned above and to a drop in production volume.

In 2002, the main focus of Fiat Auto's rental operations — Leasys, a company jointly controlled by Fidis and Enel (long-term rentals for large, multibrand fleets) and Savarent (management of small and medium-size fleets through the Fiat Auto sales network) — was on increasing the profitability of new contracts.

The Sector's rental fleet numbered 123,000 vehicles, or 14% more than in 2001.

For Fiat Auto's operations in the area of mobility services, which are provided by the Targasys Group, 2002 was a year of further strengthening and streamlining of the service business through extension of the services rendered (call-center management through the newly established In Action S.r.l.).

In December 2002, the Sector agreed to sell its Brazilian retail financing business to Itaú, Brazil's second largest

banking group. This agreement was implemented during the first quarter of 2003.

Also in December 2002, Fiat Auto S.p.A., Fidis S.p.A. and ACI (Automobile Club Italia) signed an agreement for the sale of a 50% interest in Targasys.

The Sector's financing and service operations generated revenues of 2,236 million euros in 2002, compared with 2,313 million euros in 2001 (-3.3%). The main reasons for this decrease are the negative impact of unfavorable exchange rates on operations outside the EU and the virtual stoppage of business in such high-risk countries as Argentina and Turkey.

The performance of these operations was in line with the positive results reported in prior years. Operating income totaled 313 million euros (352 million euros in 2001). Most of the decrease is attributable to the difference in the impact of securitization transactions in the two years and the less favorable exchange rate used to recognize the contribution of non-EU operations, especially those in Brazil.

Income before taxes of the normal business of these activities declined to 285 million euros (290 million euros in 2001). The shortfall compared with the previous year was offset, among other factors, by the gain earned on the sale of an interest in Targasys.

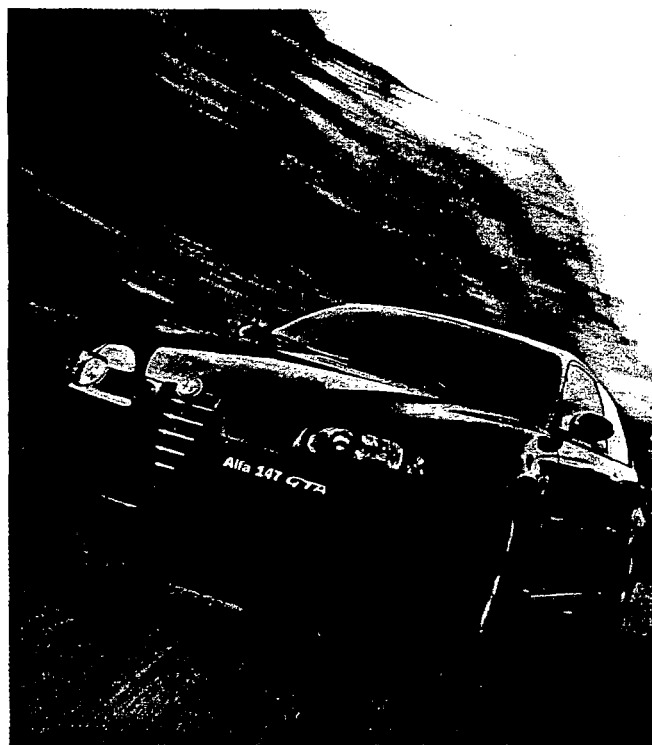


Results for the year

In 2002, the Sector had revenues of 22,147 million euros, or 9.4% less than the 24,440 million euros reported in 2001. As discussed above, an 11.1% drop in unit sales is the main reason for the decrease.

The year ended with an operating loss of 1,343 million euros (-6.1% of revenues), compared with a loss of 549 million euros in 2001. This further deterioration reflects a drop in the number of units shipped, offset in part by an improvement in the quality of its sales, and the additional provisions booked to cover a lengthening of the contractual warranty period to two years. Research and development outlays totaled 861 million euros, about the same as in 2001, but advertising expenses decreased by 7.4% to 941 million euros.

A positive contribution came from reductions in product costs and overhead, which were made possible by a cost cutting plan launched in 2002, and from the synergies generated by the Fiat-GM alliance (synergies of 350 million euros, compared with a cumulative amount of 272 million euros at the end of 2001). The net loss for the year widened to 2,739 million euros (-1,442 million euros in 2001) due to a deterioration of Fiat Auto's operating profitability and to the booking of net non-operating charges of 796 million euros, mainly attributable to the restructuring plan (about 550 million euros).





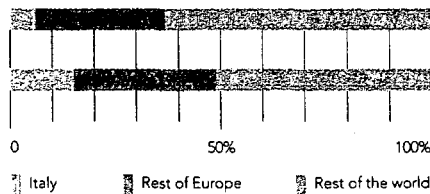
Agricultural and Construction Equipment — CNH Global

Highlights

(in millions of euros)	2002	2001	2000
Net revenues	10,513	10,777	10,770
Operating result	163	209	45
EBIT	165	122	(436)
Net result before minority interest	(211)	(291)	(754)
Cash flow	330	262	(192)
Capital expenditures	431	615	447
Research and development	300	341	366
Net invested capital	5,140	6,597	6,932
Number of employees	28,528	28,127	31,033

Revenues by geographical region of destination

Employees by geographical region



Sales performance

The global market for agricultural equipment expanded by 4.9% compared with 2001, due to strong demand in Western Europe (+5.3%) and Latin America (+15%). In North America, the overall market held relatively steady, but demand for combine harvesters was down sharply.

Sales of agricultural equipment rose by 10.7% compared with 2001, reflecting strong gains in Brazil and especially in Asia, where the new Chinese operations made a positive contribution. In Western Europe, the Sector's continuing success with its combine harvesters enabled it to increase its share of that market, but tractor sales were down due to the limited availability of new models. In North America, sales of combine harvesters held steady compared with 2001 despite a contraction of the overall market. In this market as well, limited availability of new products had a negative impact, especially on shipments of high horsepower tractors.

In 2002, demand for construction equipment declined as weakness in Western Europe (-6.1%) and North America (-9.4%) was offset only in part by gains in Asia (+7%). Unit sales were down 8.3% as the net result of a negative trend in Europe and North America and rising demand in Asia. In this difficult environment, CNH Global maintained its overall position in the heavy equipment market.

Growth strategies

In 2002, the Sector continued to implement its integration plan, focusing on three main areas: industrial restructuring, purchasing and logistics. The restructuring of the manufacturing organization and the streamlining of the product platforms,



which were cut from more than 100 to about 60 without reducing the features that differentiate brand identities, offered some of the best synergies created by the Case and New Holland merger. The growing integration that is being realized in the areas of purchasing, logistics and overhead is expected to yield additional substantial savings.

Product innovation

In 2002, the Sector continued to introduce new products that share common platforms. By the end of 2004, Case IH and New Holland will have adopted new platforms for all of their vehicle lines.

In 2002, Case IH presented two all-new high horsepower row crop tractor ranges: the Magnum and the MXM Maxxum. Joining the Case IH product offering were a new self-propelled forage harvester, a new range of utility tractors and substantial additions to its growing line of hay tools.

New Holland presented its new TG range, which became available in early 2003, and launched a new, expanded TM medium-high horsepower row crop tractor range. Also introduced was the new CR range of rotary combines, expanding the innovative styling and features that earned the CX conventional combine the 2002 Industrial Design Excellence Gold Award as well as the European Combine of the Year Award. New round balers in Europe and North America, a new range of utility combines, upgrades to the existing forage harvester lines, and a significant expansion of the medium and utility tractor ranges in Latin America completed the New Holland offering.

In January 2002, CNH finalized its agreements with Kobelco Construction Machinery Co. Ltd. ("Kobelco Japan") and Kobe



Steel Ltd. for the development, production and sale of crawler excavators and mini-excavators.

In the first quarter of 2002, CNH acquired a 65% interest in Kobelco America and a 10% interest in Kobelco Japan. In July 2002, it increased its interest in Kobelco Japan from 10% to 20%.

Also in July 2002, CNH acquired Hitachi Construction Machinery's interest in Fiat Hitachi Excavators. Concurrently, CNH, Kobelco Japan and Somitomo Corporation formed Fiat Kobelco Machinery S.p.A., to which CNH contributed the assets of the former Fiat Hitachi Excavators and Kobelco Japan contributed its European operations. The partners in the venture own Fiat Kobelco as follows: CNH 75%, Kobelco Japan 20% and Somitomo Corporation 5%. The CNH and Kobelco alliance allows Kobelco Japan to increase its interest in Fiat-Kobelco from 20% to 35% by the third quarter of 2004.

Financial activities

During 2002, CNH and the BNP Paribas Lease Group (BPLG) formed CNH Capital Europe S.A.S., a retail financing partnership that operates across Europe. CNH Capital Europe, which holds the retail financing portfolio, covers all brands and commercial activities of CNH in Europe. Under the partnership, BPLG owns 50.1% of CNH Capital Europe, and CNH owns the remaining 49.9%.

BPLG provides funding and administrative services for CNH Capital Europe. This partnership will permit continued growth without incremental funding or debt on the part of CNH.

In turn, CNH will be responsible for the marketing and development of financial products.

CNH Capital has now completed its transformation into

a financial services company dedicated solely to the support of CNH dealers and customers across all its brands.

In 2002, revenues totaled 680 million euros, or 20% less than in 2001 (decrease of about 16% when stated in U.S. dollars).

A decline in financial income caused by the reduction of the investment portfolio that resulted from the sale to CNH Capital Europe of the operations in Western Europe and the divestiture of noncore assets during the year is the main reason for the shortfall.

The profitability of the financing operations benefited from the lower amounts allocated to the allowance for doubtful accounts, which was made possible by the Sector's strategy of focusing on its core businesses. Income before taxes grew to 89 million euros, up from 10 million euros in 2001.

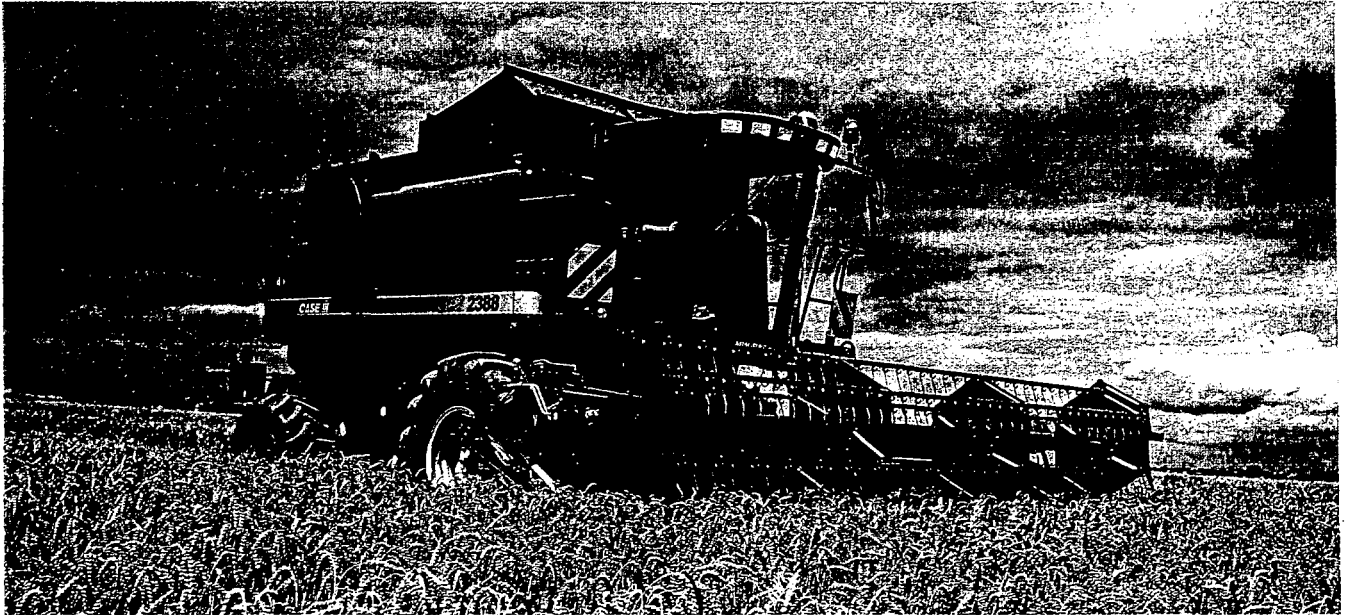
Results for the year

CNH had revenues of 10,513 million euros in 2002. The decrease of 2.4% compared with the previous year is due to the negative impact that the appreciation of the euro versus the U.S. dollar had on currency translations. When stated in U.S. dollars and on a comparable consolidation basis, revenues show little change from 2001.

CNH ended the year with operating income of 163 million euros (1.6% of sales), against income of 209 million euros in 2001.

The drop in operating profitability is due entirely to higher employee medical and pension costs. Without these charges, operating income would have shown a substantial improvement when compared with the previous year.

Higher margins earned on new products, some positive



pricing on agricultural equipment and efficiency improvements had a positive impact on the bottom line.

The Sector's increasingly successful integration and industrial streamlining plan, which was undertaken after the merger, resulted in profit improvements of about \$114 million during 2002, bringing the cumulative synergies to about \$547 million at the end of 2002, against a plan objective of about \$850 million by the end of 2005.

Depreciation and amortization totaled 541 million euros, compared with 553 million euros in 2001. The depreciation and amortization amount for 2002 includes 168 million euros for amortization of the goodwill from the Case acquisition. The result for the year was a net loss of 211 million euros, up from a net loss of 291 million euros the year before. The Sector's interest in the net result was a loss of 220 million euros (296 million euros in 2001).

Cash flow was a positive 330 million euros (262 million euros in 2001). This improvement is due primarily to the smaller net loss incurred in 2002.

IVECO

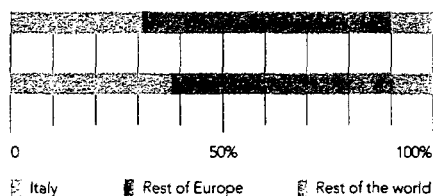
Commercial Vehicles — Iveco

Highlights

(in millions of euros)	2002	2001	2000
Net revenues	9,136	8,650	8,611
Operating result	102	271	489
EBIT	(409)	46	422
Net result before minority interest	(493)	(123)	147
Cash flow	(70)	287	569
Capital expenditures (*)	587	718	656
Research and development	239	215	227
Net invested capital	1,582	1,979	2,207
Number of employees	38,113	35,340	35,852
(*) Vehicles under long-term rentals	331	348	306

Revenues by geographical region of destination

Employees by geographical region

**Sales performance**

In Western Europe, demand for commercial vehicles totaled 650,500 units in 2002, or 5.7% less than in 2001. Only Italy reversed the trend (+11.1%), due mainly to the positive impact of the investment incentives provided by the Tremonti Bis Law.

New registrations of light commercial vehicles (GVW between 3.5 and 6 tons) were down 2.2% to 355,000 units. The decrease in demand that occurred in all major European markets was offset only in part by a substantial gain in Italy (+13.8%), and a steady performance in Great Britain (+3.0%).

Demand for medium vehicles (GVW between 6.1 and 15.9 tons) decreased by 8.6% to 81,800 units.

Commercial Vehicles Market (GVW ≥ 3.5 tons)

(in thousands of units)	2002	2001	% change
France	113.4	123.1	(7.9)
Germany	125.8	140.4	(10.4)
Great Britain	116.9	118.6	(1.5)
Italy	105.0	94.6	11.1
Spain	68.9	72.8	(5.4)
Western Europe	650.5	689.7	(5.7)

Commercial Vehicles Market (GVW ≥ 3.5 tons)

(in thousands of units)	2002	2001	% change
Heavy	213.7	237.3	(9.9)
Medium	81.8	89.5	(8.6)
Light	355.0	362.9	(2.2)
Western Europe	650.5	689.7	(5.7)



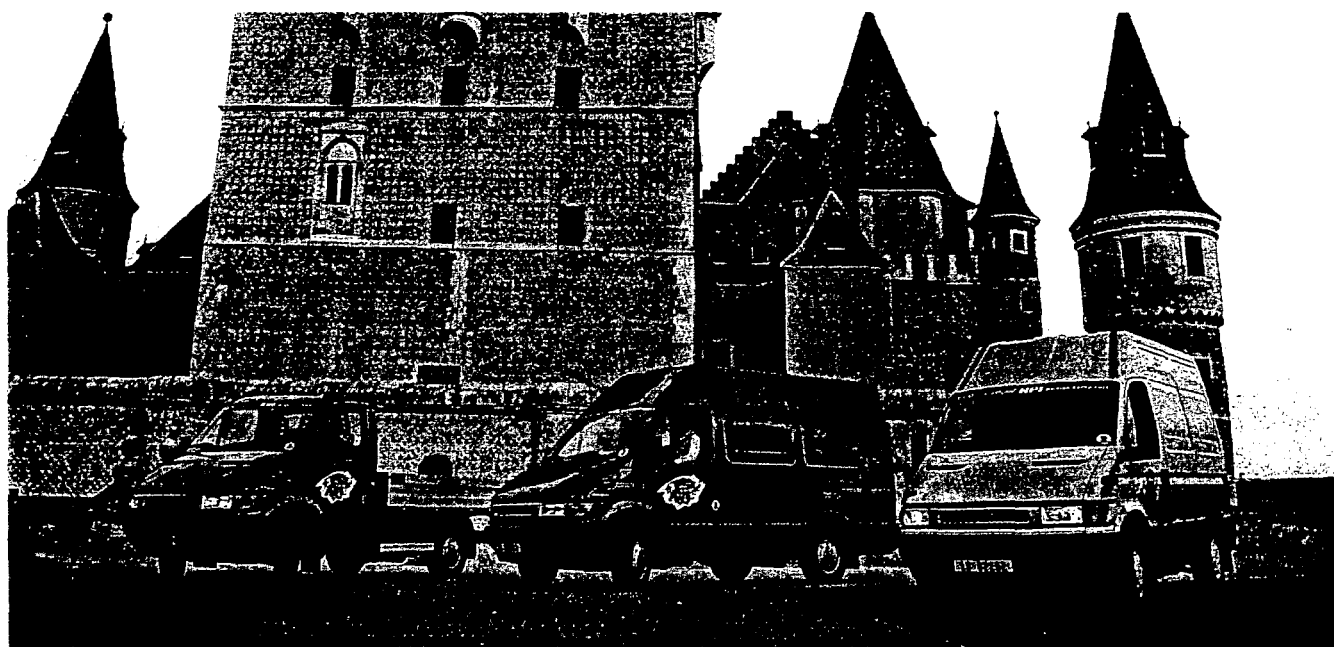
The negative impact of sharp decreases in Germany and Great Britain (-16.5% and -8.6%, respectively) was only partially offset by a 17.8% increase in Italy.

With 213,700 new units registered in 2002, the market for heavy vehicles (GVW ≥ 16 tons) contracted by 9.9%, with particularly steep declines in Germany (-14.7%), France (-12.3%) and Great Britain (-6.5%). Only Italy recorded a gain, with demand increasing by 2.7%.

Iveco sold 161,883 vehicles worldwide, or approximately 0.9% more than in 2001. The Sector's licensee associated companies shipped approximately 37,500 vehicles, or 9.3% more than in 2001. In Western Europe, the Sector sold 128,760 vehicles, or about the same as in 2001 (-3.0% on a comparable basis). The main reason for this reduction was a decline in the French market, where the Sector experienced a sharp 23.1% drop in unit sales, due in part to a more selective approach in signing new contracts with buyback clauses, and to weak demand in Germany (-8.0%). These decreases were offset by positive performances in Italy and Great Britain.

Iveco's share of a contracting Western European market for vehicles with a curb weight equal to or greater than 3.5 tons increased to 17.9% (+0.9 percentage points). The main reason for this achievement is the Sector's outstanding performance in the medium-vehicle segment, in which Iveco became the European market leader with a penetration of more than 30% (+5.3 percentage points). The Sector's share of the heavy-vehicle segment also improved, rising by 1.3 percentage points to 12.3%. This improvement reflects the success of the new Stralis, which was named Truck of the Year 2003.

Iveco's performance in the light vehicle segment (market share of 18.5%) was comparable with 2001, owing in part to an upturn



in the fourth quarter of the year, when the Sector launched a Daily with a new 2.3-liter engine.

Counting its different brands, the Irisbus Group sold a total of 8,431 vehicles (-11.2%) and its market share in Western Europe reached 27.3%. During the year Irisbus became co-leader with the Evobus Group.

Iveco produced 361,200 engines. The decrease of 13% compared with 2001 is due mainly to a drop in production of light engines for noncaptive customers and weak demand in the power generation market. Sales to noncaptive customers accounted for 58% of total production, or 3 percentage points less than in 2001.

In China, Naveco, a 50-50 joint venture with the Yuejijin Group, produced and sold more than 14,500 units (+10%). In India, the Iveco licensee Ashok Leyland produced and shipped 33,450 vehicles (+9%).

In Turkey, the Otoyol licensee sold about 4,100 units (+13%). In 2002, Iveco continued to expand its portfolio of maintenance and repair services. It had a total of 43,500 contracts in force at the end of 2002, or 24% more than at December 31, 2001.

Financial and service activities

In 2002, the finance companies of the Iveco Finance Group, which provide financing and leasing services to support the sales of Iveco products, enjoyed a growth rate comparable with that in 2001. They signed about 34,000 contracts to finance sales of new commercial vehicles and about 6,000 contracts for used vehicles (+12%). Iveco Finance provided funding for 29.4% of the vehicles sold by the Sector, about the same as in 2001.

A total of 105,700 financing contracts were outstanding at the end of 2002 with a total net value of about 2.6 billion euros. A new company was established in Portugal in 2002.

The pool of rental vehicles operated by the Fraikin Group (37,000 units) held relatively steady overall, as a sharp increase in Spain (about 50%), made possible by strong growth in the long-term rental market, was offset by a 15.8% decline in Great Britain.

The Sector's operations that provide rental and financing services to retail customers generated aggregate net revenues of 1,005 million euros in 2002 (787 million euros in 2001). This improvement reflects the consolidation of the newly-established Iveco International Trade & Finance (211 million euros, including 190 million euros from trading activities with dealers outside Europe).

Operating income was down 3% to 43 million euros. The 183 million euro loss before taxes (pre-tax income of 46 million euros in 2001) of the normal business of these activities was due mainly to the recognition of a loss incurred in connection with the Fraikin divestiture (210 million euros).

Sales Performance – Units Sold by Product Segment

(in thousands of units)	2002	2001	% change
Heavy	31.6	31.6	–
Medium	24.6	24.0	2.5
Light	91.6	96.2	(4.8)
Busses (*)	8.8	4.9	79.6
Divisions (**)	5.3	3.7	43.2
Total units sold	161.9	160.4	0.9

(*) In 2001, 50% interest in Irisbus + Iveco's Bus Division.

(**) Astra, Defense and Firefighting Vehicles.



Product innovation and investments

In the area of product innovation and development, Iveco completed the development work and made the investments needed to launch the Stralis AT/AD trucks at the beginning of 2003. In the intermediate range, the focus was on the New Eurocargo vehicles, which will be launched in stages during the second quarter of 2003. The Sector also continued to develop new families of engines configured for different types of applications (automotive, agriculture, power generation and railroad). It also continued to invest in the NEF line of engines and in the F1A line of low horsepower engines, which are expected to generate an increase in production due to their suitability for new applications.

Results for the year

In 2002, Iveco's net revenues totaled 9,136 million euros. On a comparable consolidation basis (Irisbus Group), this amount was 1.5% less than in 2001. The Sector was able to increase its share of the European market, which contracted by 5.7% overall, and to increase sales in countries outside Europe. Operating income declined to 102 million euros (271 million euros in 2001). This decrease is the net result of strong competitive pressure caused by the negative impact of a slump in demand, which was only in part offset by the gain in market share. Other factors affecting the Sector's operating profitability include higher provisions for warranties, a more

aggressive reserve policy implemented in the second half of the year in response to a product recall and greater writedowns of the value of used vehicles. Depreciation and amortization totaled 423 million euros in 2002, compared with 410 million euros in 2001.

At 493 million euros, the net loss was significantly larger than in 2001 (net loss of 123 million euros). This was due to impact of non-operating expenses booked in 2002 mainly to recognize the loss incurred in connection with the Fraikin divestiture and writedowns of the carrying value assigned to the assets of Ikarusbus, the Sector's Hungarian subsidiary, to reflect a cutback in the production allocated to the local market.

Sales Performance – Units Sold by Country

<i>(in thousands of units)</i>	2002	2001	% change
France	17.6	22.9	(23.1)
Germany	15.0	16.3	(8.0)
Great Britain	16.2	15.4	5.2
Italy	44.3	39.3	12.7
Spain	14.7	15.2	(3.3)
Western Europe	128.8	128.4	0.3
Eastern Europe	9.5	9.7	(2.1)
Rest of the world	23.6	22.3	5.8
Total units sold (*)	161.9	160.4	0.9
Associated companies	37.5	34.3	9.3
Grand total	199.4	194.7	2.4

(*) Including 50% of Irisbus sales in 2001 and 100% in 2002.



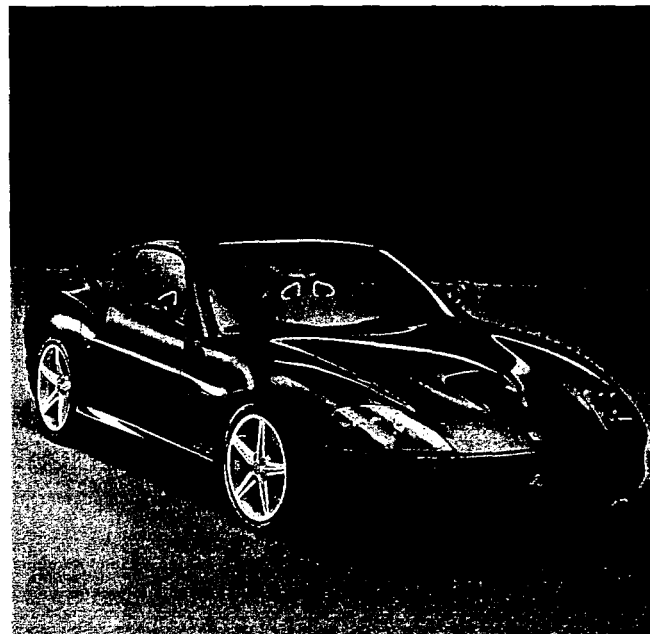
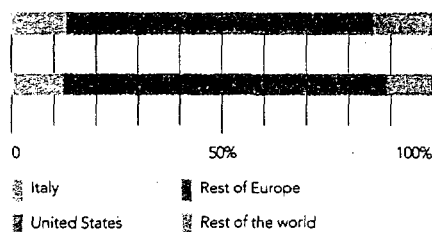
Ferrari and Maserati

Highlights

(in millions of euros)	2002	2001	2000
Net revenues	1,208	1,058	893
Operating result	70	62	45
EBIT	44	62	40
Net result before minority interest	22	47	7
Cash flow	99	123	71
Capital expenditures	176	125	52
Research and development	94	81	63
Net invested capital	142	122	113
Number of employees	2,896	2,566	2,341

Ferrari S.p.A. – car sales
by geographical region

Maserati S.p.A. – car sales
by geographical region



Operating performance

In spite of the challenging and uncertain economic environment, Ferrari's performance in 2002 was better than in 2001, which had already been an excellent year in commercial and sporting terms.

The Sector's racing activities achieved victories in both the Constructors' Championship and the Drivers' World Championship earlier in the season than last year, winning 15 out of 17 Grand Prix, and both Ferrari drivers stepped on to the winner's podium nine times. Reliability and consistency of performance, even on widely different tracks in terms of characteristics and weather conditions, were the key to Ferrari's control over a challenging season against the teams fielded by the world's most renowned and respected constructors. Excellence in Industrial Operations was confirmed with the launch of the limited series car named after Enzo Ferrari. The model is meant to be the symbol of the most advanced technology while still complying with the necessary usability requirements of a road car. All available 399 Enzo Ferrari models were ordered at the time of its presentation at the Paris Motor Show.

During the year, the 575M Maranello 12 cylinder model was introduced as the successor to the 550 Maranello; it is characterized by yet more extreme performance, though coupled with a high level of comfort.

For Maserati, 2002 was the year of the important return to the US market after an absence of more than ten years, and immediately making it the foremost sales and assistance area in the world.

The success of the Maserati Coupé, launched in January 2002 and enthusiastically received both by the media and by customers, confirms the ability to offer innovative cars whose performance and quality surpass the competition. The commercial targets achieved and the creation of a motivated, cohesive team operating in a people-first work environment have taken Maserati to the first place in the list of best companies to work for, prepared by Il Sole 24 Ore, an Italian newspaper.

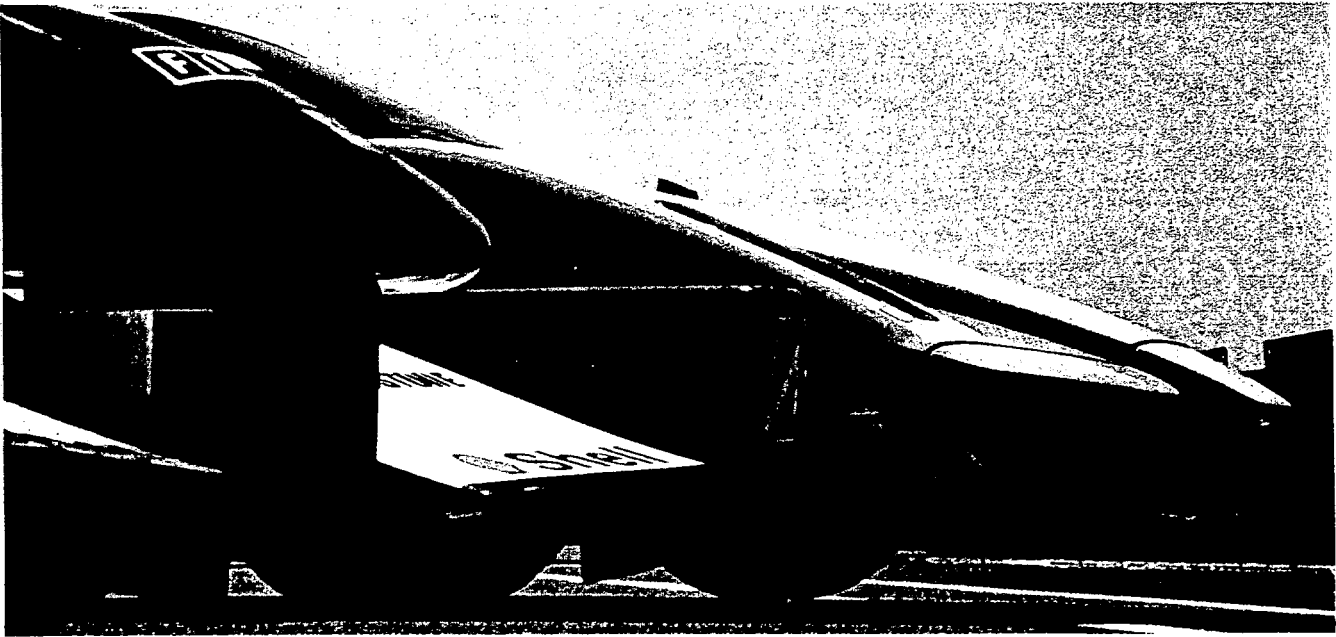
A final noteworthy item is the presentation of the new Maserati racing team and the Trofeo version of the Maserati Coupé for the 2003 single-marque championship, which will see Maserati's return to the tracks.

Sales to end customers totaled 7,536 cars (6,158 in 2001, +22%), of which 4,236 were built by Ferrari (consistent with 2001) and 3,300 by Maserati (1,869 in 2001, +77%).

A breakdown of cars shipped under the Ferrari brand confirms that the United States is the main market with 1,206 units (in line with 2001). European customers purchased 2,442 cars. Germany confirmed its position as the largest European market and second in the world (683 units, +5%). Italian customers purchased 518 units (+6%).

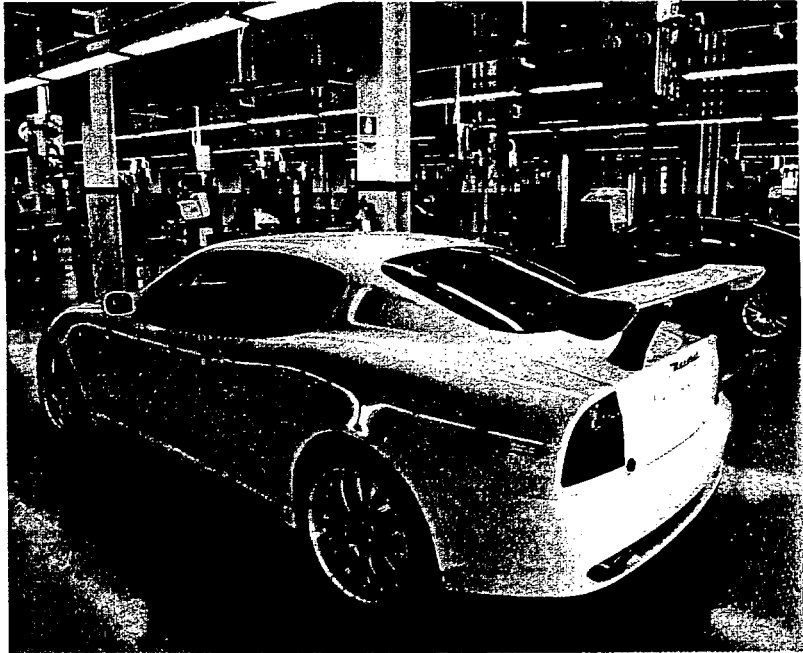
In 2002, Maserati shipped 3,567 units, doubling the volumes of the previous year.

The most important markets were the United States (1,172 units, after 13 years of absence), Germany (590 units, +38%), Great Britain (431 units, +21%) and Italy (403 units, +48%).



Results for the year

At the consolidated Ferrari/Maserati level, revenues were about 1,208 million euros, whereas in 2001 they had been 1,058 (+14,2%). Operating income totaled 70 million euros, up from the 62 million euros of 2001 both thanks to the growth in Maserati's volumes and to the better price positioning of Ferrari models. Capital spending amounted to 176 million euros (125 million euros in 2001) and research and development outlays totaled 94 million euros (81 million euros the previous year), confirming the brands' commitment to product and process development and innovation. Net income totaled 22 million euros (down from 47 in 2001) after discounting for greater net non-operating expenses amounting to about 26 million euros (they had been equal to zero in 2001).

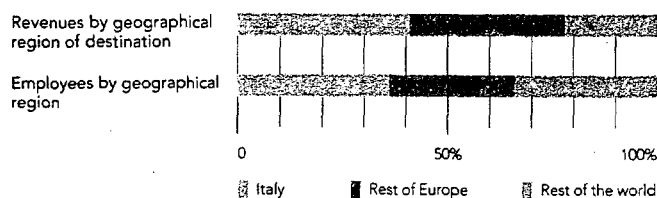




Components — Magneti Marelli

Highlights

(in millions of euros)	2002	2001	2000
Net revenues	3,288	4,073	4,451
Operating result	(16)	(74)	55
EBIT	(348)	208	292
Net result before minority interest	(435)	82	139
Cash flow	(245)	289	353
Capital expenditures	148	240	231
Research and development	162	227	213
Net invested capital	524	1,073	1,131
Number of employees	20,716	24,228	25,975



Operating performance

In 2002, the reference market was characterized by general disappointed expectations for the improvement of the macroeconomic environment, accompanied by the continuation and, in certain cases, worsening of trends that had first appeared in late 2001.

This situation was aggravated by weakening demand on the part of OE manufacturers, especially in Europe and South America, which had a negative impact on production volumes.

The shareholder's strategy, in consideration of the above factors, was therefore aimed at portfolio focusing and completing the sector's corporate restructuring.

In this extremely challenging environment, the Sector continued its successful commercial and manufacturing activities and moved farther along on its technological excellence path, which has always characterized its actions.

This is attested by the new customer assignments (PSA, Daimler-Chrysler, BMW, Volkswagen, Fiat/GM), the completion

of the phases for the launch of new products (new generation Diesel Common Rail System and variable light beam headlights), as well as the renewed successes in sports competitions (Formula 1, Rally and Superbike).

Results for the year

In 2002, the consolidated net revenues of Magneti Marelli amounted to 3,288 million euros: on a comparable consolidation and foreign exchange basis, the figure declined by 5.9% from 2001, due to the production slowdowns mentioned above.

The operating loss came to 16 million euros (compared to a 20-million-euro loss in 2001, on a comparable basis): the negative impact of the severe contraction in volumes was more than offset by the efficiency gains achieved in the manufacturing processes, as well as by the favorable trend in the cost of materials.

Depreciation and amortization totaled 190 million euros (190 million euros in 2001 on a comparable basis) while research and development outlays amounted to 162 million euros (170 million euros in 2001 on a comparable basis).

The performance of the markets and the consequent impact on production capacity in the various businesses made it necessary to implement an important industrial plan whose costs significantly impacted the net result.

In particular, 320 million euros were recorded during the year for costs and provisions connected to restructuring plans and consequent writedowns of assets.

The non-operating entries described above are the reason for the net loss for the year, which came to 435 million euros, compared to the net income of 82 million euros posted in 2001, which, however, benefited from the 355 million euros in capital gains realized by the Sector from the sale of the Climate Control Division.

The Sector's interest in the net loss was 432 million euros, as opposed to an interest in net income of 84 million euro a year earlier.

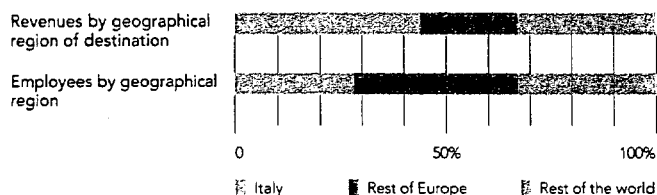
Cash flow was negative for 245 million euros, due to the severe impact of the non-operating costs described above.



Production Systems — Comau

Highlights

(in millions of euros)	2002	2001	2000
Net revenues	2,320	2,218	2,440
Operating result	(101)	60	87
EBIT	(247)	30	77
Net result before minority interest	(302)	(36)	6
Cash flow	(238)	27	63
Capital expenditures	20	38	36
Research and development	17	22	20
Net invested capital	163	378	486
Number of employees	18,186	17,243	17,636



Operating performance

In 2002, the performance of the Sector's reference market was characterized, especially during the second half of the year, by reductions in the capital spending programs of US automotive manufacturers.

In Europe, the situation remained substantially stable, but was characterized by strong competition in terms of prices and financial conditions.

In South America, the downward trend in capital spending was exacerbated, both as a result of the continuing severe crisis in Argentina and of the political and economic uncertainties in other countries in that area.

Demand for production systems has been evolving toward investments with lower unit value, oriented above all to a rationalization of existing production capacity (greater flexibility and modularity), given the economic environment.

In 2002, new orders for contract work totaled 1.8 billion euros, up 2.5% over 2001 thanks mostly to the contracts booked in North America (Bodywork Systems) and in Europe (Bodywork and Painting Systems) which offset the fewer orders on both markets for Mechanical Systems activities.

An analysis by region shows that 61% of orders were booked in Europe, 35% in the NAFTA countries, while the remaining

4% was booked in Brazil and on new markets (South Africa and China).

Fiat Group customers accounted for 17% of total orders (21% in 2001) and outside carmakers for 83% (79% in 2001).

At December 31, 2002, the order portfolio for contract work stood at 1,210 million euros, down from last year (1,473 million euros at December 31, 2001) mainly due to the negative conversion effect on the dollar denominated portion of the portfolio, caused by the Euro's appreciation, and to greater progress in contract work.

The maintenance service operations (Comau Service) enjoyed higher revenues in 2002 (about 9% over 2001), due both to growth in the delivery of services to third parties and to greater interchanges with other Comau divisions.

Results for the year

In 2002, the Sector had revenues of 2,320 million euros, up 4.6% over the previous year, as a result of the good recovery in volumes for contract work in the NAFTA area after the crisis of 2001 and of the growth in maintenance services revenues, which allowed to offset the drop in contract work in Europe and South America.

The operating loss amounted to 101 million euros (-4.4% of revenues) compared to an income of 60 million euros recorded the previous year (+2.7% of revenues) essentially due to considerable losses for extra costs recorded on an important contract in Europe.

Research and development outlays totaled 17 million euros (22 million euros in 2001), while amortization and depreciation rose slightly to 64 million euros (63 million euros a year earlier). Net loss for the year was 302 million euros. The performance decline from the previous year (losses had amounted to 36 million euros in 2001) is due both to the drop in operating profitability and to non-operating expenses incurred during the year, amounting to 146 million euros, mainly deriving from depreciation and amortization for about 82 million euros of some fixed assets (mainly of the goodwill associated with the former Pico), and from charges and provisions for restructuring, amounting to about 23 million euros.

The Sector's interest in the result was a net loss of 302 million euros, compared to the loss of 37 million euros in 2001.

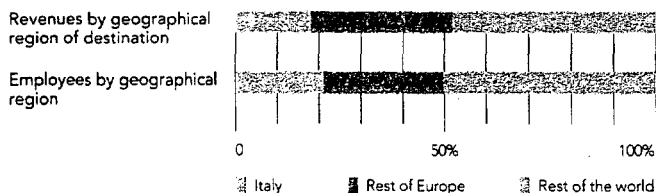
In 2002 cash flow (net income plus amortization and depreciation) was negative for 238 million euros, whereas in 2001 it had been positive for 27 million euros.



Metallurgical Products — Teksid

Highlights

(in millions of euros)	2002	2001	2000
Net revenues	1,539	1,752	1,873
Operating result	27	15	101
EBIT	(137)	(67)	68
Net result before minority interest	(214)	(125)	8
Cash flow	(121)	(16)	113
Capital expenditures	78	151	182
Research and development	21	27	29
Net invested capital	250	788	861
Number of employees	7,368	13,827	14,286



Operating performance

The slowdown in the growth of the world economy which had characterized performance in 2001 continued to affect the markets where the Sector operates in 2002 as well. The heavy economic repercussions generated by the highly uncertain climate on the markets following the terrorist attacks of 2001 have again proven to be critical factors, dampening recovery expectations.

Against this background, Teksid continued the reorganization of the Sector, and at the end of September 2002 the Aluminum Business Unit was sold to Questor Management Company. As regards the other activities:

- In 2002 Meridian (Magnesium) was involved in a series of high technology product launches in the Italian and Canadian plants for Mercedes, BMW, Opel, Jaguar and Ford and it completed the acquisition of new orders: among them, particularly relevant are those with General Motors in the United States and Land Rover in England. For the latter, the phases of site identification and planning for the construction of a local production unit in cooperation and synergy with existing suppliers have been completed. The contribution of the Business Unit to the Sector's total revenues was 19.8% (17.7% in 2001).
- The Cast-Iron Business Unit continued its profitability recovery action on the more critical production sites. It is important to

stress the commercial activities already carried out, which will allow to improve, within the time frame of the plan, production saturation with the acquisition of new orders. On the American market, Brazil performed a primary role, enhancing its portfolio with 40 new components for local clients, Pegasus block and cylinder head for CDC Cummins and a block for Mack Trucks; Mexico contributed with 2 Cummins cylinder blocks.

In the European area, Poland broadened its portfolio inserting a component for Toyota (differentials) and others for Daimler Chrysler, in France with a new engine block for Renault, a suspension arm for ACI and parts of turbochargers for Honeywell Garrett and General Motors. In Italy, orders have been obtained for the supply of drive shafts for Deutz, F1C engine blocks and bed plates for Iveco, while in Asia (China) deliveries were started on 3 engine blocks for BHM. The Business Unit's contribution to Sector revenues amounted to 37.5% (39.2% in 2001 on a comparable consolidation basis).

Results for the year

In 2002, the Sector had revenues of 1,539 million euros, or 12.2% less than in the previous year (-5.3% on a comparable basis). At 660 million euros, revenues of the Aluminum Business Unit were about 6% lower than in 2001, on a comparable basis; the market contraction accounted for about 10% of the decrease, on a comparable consolidation basis, in the Cast-Iron Business Unit's revenues, which amounted to 575 million euros. By contrast, the Magnesium Business Unit bucked the trend, with revenues of 304 million euros (+6% over the previous year), thanks to the positive performance of the SUV market in North America, where the Business Unit concentrates its operations. Non captive customers accounted for 90% of total revenues (80% in 2001).

The Sector's operating income was 27 million euros (1.8% of revenues). On a comparable basis, operating profitability improved by about 49% with respect to the previous year, thanks to the cost reduction interventions and to the greater efficiency achieved by the Cast-Iron Business Unit, which more than offset the reduction in volumes. Depreciation and amortization totaled 93 million euros and research and development outlays amounted to 21 million euros.

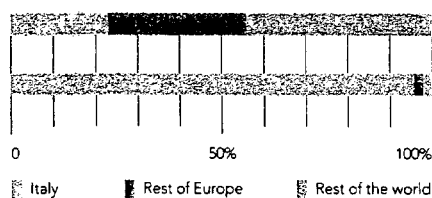
The net loss for the year came to 214 million euros, against a net loss of 125 million euros in 2001, and was due in part to non-operating expenses of 156 million euros, mainly connected with the sale of the Aluminum Business Unit and the depreciation of other fixed assets.

Highlights

(in millions of euros)	2002	2001	2000
Net revenues	1,534	1,636	1,491
Operating result	210	186	143
EBIT	183	495	164
Net result before minority interest	116	425	83
Cash flow	185	514	173
Capital expenditures	130	41	36
Research and development	145	132	104
Net invested capital	618	587	71
Number of employees	5,049	5,243	5,362

Revenues by geographical region of destination

Employees by geographical region



Operating performance

2002 was characterized by the continuing weakness in worldwide demand for air travel, which started during the last quarter of 2001. Demand for new engines and overhaul services from commercial aviation customers felt the negative impact of the downsizing imposed by airlines, especially in the West. The governmental market, however, is expanding, both because European Governments need to renew their military fleets and because of the increased defense spending in the United States.

Of importance, in the commercial aircraft market, is the entry into service of the Trent 500 engines on the Airbus A340-600 and PW308 on the Dassault Falcon 2000 Ex, in addition to the completion of flight certification activities on the GE90-115B engine for the Boeing B777-200ER and of the T700-T6E1 engine for the Italian helicopter NH90.

In the United States, in spite of the weak demand for power generation units that use aircraft energy to produce electricity, a letter of intent was signed with General Electric for the development and manufacture of an innovative industrial turbine with a power of over 100 MW (LM7000) whose initial entry into service is expected for 2005-2006.

Work performed under government programs included continued series production of EJ200 engines for the Typhoon European fighter and collaboration with Honeywell for the F124 GA 200 turbofan engine for the Aermacchi M346 advanced

trainer. In 2002 FiatAvio also defined important collaboration agreements with General Electric and Rolls-Royce North America for the development and production of the F136 engine destined to the American fighters F-35 (JSF). Naval programs continue with the delivery of the propulsion system for the Italian Navy's new aircraft carrier and for the new Orizzonte Class frigates for the Italian and French Navies (a total number of 12 LM2500 Turbines). The first "Power by the Hour" contract for services integrated with the ISIS (In Service Information System), was signed with the Italian Air Force. Positive developments in the Commercial Engine Overhaul Division included agreements reached for the maintenance of JT8D-200 engines with customers in Asia (Indonesia) and North America (United States). The maintenance agreement with Air Dolomiti for the PW100 engines was extended to five years. Moreover, the first contracts with Italian operators for the overhaul of CFM56-7 and CFM56-3 were signed.

As to the Space Business Unit, Arianespace maintained a market share of 50%, completing 4 launches with the Ariane 5 and 7 with the Ariane 4.

Following the problems with the new cryogenic engine, noted during the Ariane 5 launch of December 2002, corrective actions are underway and flights are due to resume with the standard version of the launcher.

Within the "VEGA" program, detailed design of the Zefiro 23 and Zefiro 9 engines began in the fourth quarter of 2002, while the design of the solid fueled rocket P80 has entered the operative phase.

Results for the year

In 2002, the Sector had revenues of 1,534 million euros, down 6.2% from 2001 mainly due to the slowdown in the commercial aircraft market.

The year ended with an increase in operating income, amounting to 210 million euros (13.7% of revenues) as opposed to 186 million euros (11.4% of revenues) of 2001, thanks mostly to the efficiency gains achieved and the containment of operating expenses.

Depreciation and amortization totaled 69 million euros (89 million euros in 2001) and research and development outlays amounted to 145 million euros (132 million euros in 2001).

Net income for the year amounted to 116 million euros, down from 425 million euro posted the previous year, which however benefited from a capital gain of 328 million euros achieved by the contribution of Fiat Energia to Italergergia.

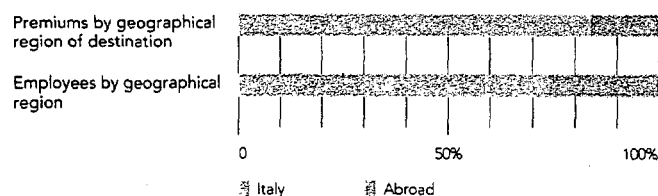
Cash flow in 2002 was 185 million euros, lower than 2001 when the Sector had benefited from the aforesaid extraordinary capital gain.



Insurance — Toro Assicurazioni

Highlights

(in millions of euros)	2002	2001	2000
Consolidated premiums	5,238	5,751	4,498
Premiums earned	4,916	5,461	4,363
Result before taxes	14	220	163
Net result before minority interest	9	152	85
Policy liabilities and accruals	16,508	15,677	12,010
Investments in financial assets and real estate	17,485	16,971	13,232
Stockholders' equity	1,629	1,826	1,593
Number of employees	3,098	3,213	2,875



Operating performance

In 2002, the Italian insurance market expanded by about 15%. Demand for life insurance, which benefited from the reallocation of part of managed investment assets from equity mutual funds to insurance products with guaranteed principal, was up 20%. The casualty insurance market grew by 6%, which is in line with previous years.

Consolidated premiums decreased by about 500 million euros in 2002, due mainly to a drop in the life insurance business generated by the bankassurance channel, but casualty insurance premiums increased by 5%.

The performance of the Sector's companies is reviewed below:

- Toro Assicurazioni, the Sector's lead company, continued to implement a development plan focused on maximizing profitability. Premiums written in 2002 were 3.5% higher than in 2001.
- Nuova Tirrena, which reported premium volume in line with 2001, achieved a further improvement in operating performance, lowering its ratio of claims to premiums by four percentage points.
- Roma Vita, a joint venture with Fineco Group S.p.A. (Capitalia Group) that sells insurance through the Capitalia banking network, wrote premiums totaling 1,789 million euros, or 23.6% less than in 2001. The main reason for this decrease was the complex process of reorganization that involved the Capitalia Group following its integration with the Bipop-Carire Group toward the middle of 2002.
- Toro Targa Assicurazioni, a joint venture with Fiat Auto, was adversely affected by a slump in the Italian automobile

market and by the highly selective standards applied when underwriting new contracts.

In Brazil, however, premiums written were up sharply, and Phenix, the Sector's local subsidiary, was ranked among the top ten insurance companies in the Brazilian market.

- In France, the Continent Group operated at about the same level as it did in 2001, despite weakness at Guardian Vie, which was adversely affected by a drop in demand from French customers for insurance products that are primarily financial in nature.

Two major life insurance products were launched in 2002: Toro Rendimento Più, a capitalization policy with guaranteed return, and Toro Index Five, an indexed policy linked to the stock market that offers guaranteed principal. After making the necessary adjustments, both products were distributed through all of the Sector's sales networks.

Results for the year

Consolidated premiums totaled 5,238 million euros in 2002. Casualty insurance contributed 2,767 million euros and life insurance 2,471 million euros.

The performance of the insurance operations benefited from a marked improvement in the claims-to-premiums ratio. This gain was made possible by ongoing programs launched in recent years to weed out and rebalance the underwriting portfolio and by a decline in the rate of claims that was greater than the overall decrease experienced by the Italian market. Fixed costs, which held steady compared with 2001, reflect the large investments made in 2002, especially in the area of information technology, to accelerate the process of intra-Group integration launched in 2001.

The positive results achieved by the insurance operations, which attained a combined ratio of less than 100 for the first time, together with an improvement in investment income and gains earned on the sale of real estate assets (about 120 million euros), were offset by the negative impact of unsettled conditions in the financial markets, which produced a loss of about 220 million euros when the Sector marked to market its portfolio of equity securities and investments, and by permanent loss in value of the strategic investments in Fiat S.p.A. and Capitalia S.p.A., which had an additional negative impact of 200 million euros.

Income before taxes came to 14 million euros in 2002 (220 million euros in 2001). Earnings after taxes declined to 9 million euros (152 million euros in 2001).

Investments in financial assets and real estate increased compared with 2001, totaling 17,485 million euros at December 31, 2002. Fixed income securities accounted for 72% of the investment portfolio, equity securities for another 23%. Investments, which were reduced by the extraordinary writedowns taken in 2002, exceeded insurance reserves by 977 million euros.

**Business
Solutions**

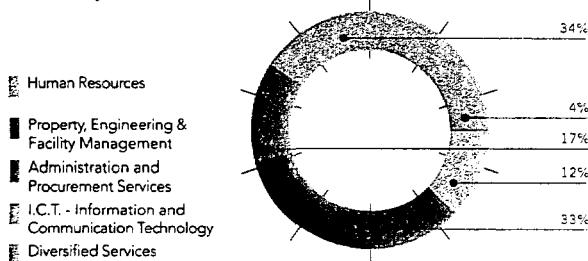
FIAT GROUP

Services — Business Solutions

Highlights

(in millions of euros)	2002	2001
Net revenues	1,965	1,805
Operating result	67	73
EBIT	(140)	608
Net result before minority interest	(119)	497
Cash flow	(77)	567
Capital expenditures	14	32
Net invested capital	478	648
Number of employees	7,900	7,171

Revenues by business unit



Operating performance

Business Solutions marked its second year of activity in 2002, which represented a milestone for the consolidation and reinforcement of its activities in the field of integrated corporate services and outsourcing of business processes.

Its target market continued to grow in 2002, albeit at a slower than expected rate that varied according to the respective segments (from +5-6% in the administration area to approximately +18-20% for temporary work and human resources).

A special note must be made in regard to the business climate in Italy: although companies are favorable to outsourcing, decision-making processes remain extremely rigid and are characterized by major resistance, particularly in the public administration.

Therefore, during 2002 the Sector focused in particular on reinforcing its commercial position, which included conducting an advertising campaign on the Italian market, while exploiting the maximum potential offered by synergies with its operating partners.

Certain acquisitions enabled the Sector to strengthen its presence in several areas of activity, particularly upon acquisition of a temporary employment agency, Cronos S.p.A. On the other hand, it disposed of Teleclient S.p.A. (call-contact center services), a company that was no longer considered to be of strategic importance.

The operating performance of the Sector is described as follows, broken down according to business unit:

■ **Human Resources:** this Unit provides services in payroll management and human resources in general, training, and temporary employment: the Sector is one of the top

four operators on the Italian market in this last area. The Unit generated revenues of 235 million euros, with non-captive customers accounting for more than 70% of revenues.

■ **Property, Engineering & Facility Management:** this Unit covers all needs involving the improvement, management, and sale of large real estate holdings, and the supply of integrated services and regular and extraordinary maintenance of offices and industrial sites. Fiat Engineering S.p.A., on the other hand, is the Unit's general contractor, with a strong presence in civil engineering projects and construction of large infrastructures. The Unit's revenues totaled more than 657 million euros, with customers from outside the Fiat Group accounting for 75% of revenues.

■ **Administration and Procurement Services:** this Unit offers administration services on an outsourced basis and corporate financial consulting support (Fiat Gesco S.p.A.). It also provides services relating to back office operations and procurement (both traditional and online), customs services, and logistics. The Unit's revenues totaled about 340 million euros.

■ **I.C.T. Information and Communication Technology:** This Unit, operating through a joint venture with IBM called Global Value, provides technology infrastructure management and software application development services. Its ICT activities also include a 30% interest in Atlanet S.p.A., a provider of telephony services. The Unit's revenues totaled 672 million euros.

Finally, Business Solutions is also active in the real estate business, with the mission of maximizing the value and disposing of Fiat Group real estate assets and operating the lift facilities at the Via Lattea ski resort.

Results for the year

The aggregate consolidated revenues of the Sector in 2002 were 1,965 million euros (+8.9% as compared with the previous year), with non-captive customers accounting for 51% of the total (42% in 2001).

Operating income totaled 67 million euros, 6 million euros less than in 2001 due both to the change in the scope of consolidation (disposal of Fenice in the second half of 2001) and to the partial transfer to customers of operating efficiencies achieved during the year. On the other hand, income generated by property management activities made a positive contribution.

In consideration of the risks posed by changing market conditions, it was decided to create a reserve for future risks and charges for permanent loss in value of investments in the telecommunications field as a result of growing uncertainties as to when and how the issue of the UMTS license held by IPSE 2000 will evolve.

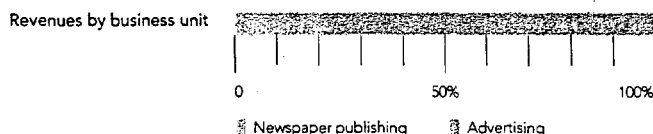
The balance for non-operating items was a negative 188 million euros, accounting for the net loss of 119 million euros for the year. In 2001 the Sector reported net income of 497 million euros, mainly due to non-operating income (567 million euros) deriving from the gains realized upon disposal of Fenice and establishment of the Global Value joint venture with IBM.



Publishing and Communications — Itedi

Highlights

(in millions of euros)	2002	2001	2000
Net revenues	360	347	354
Operating result	3	(2)	10
EBIT	1	(4)	10
Net result before minority interest	(5)	(6)	2
Cash flow	3	1	8
Capital expenditures	3	6	17
Net invested capital	40	49	46
Number of employees	923	934	954



Operating performance

In 2002, sales of Italian newspapers averaged about 5.9 million copies a day, or 2.8% less than in 2001.

Demand for print advertising was also down, contracting for the second consecutive year. The decline experienced in 2002 affected all segments of the market and was steeper (-7.1%) than in 2001 (-2.9%).

Editrice La Stampa S.p.A. reported an average daily circulation of 384,000 copies in 2002, down from 406,000 copies in 2001. The price increases of December 2001 and March 2002, coupled with a more selective distribution strategy focused on paring back circulation in marginally profitable areas, account for this decrease. The impact of these negative factors was offset in part by the launch of Milan and Rome editions in May 2002. During the course of the year, the Sector implemented several "brand stretching" initiatives, using the *La Stampa* brand to market, through the newsstand channel, such high-quality products as a Universal Atlas and the Flavors of the World guides. At the end of 2002, the Sector launched a major overhaul of its local editions in the Piedmont, Liguria and Valle d'Aosta Regions and of its *Specchio* magazine. Revenues from the sale of newspapers and other publishing products totaled 75 million euros in 2002, or 3.2 million euros more than in 2001. Advertising revenues amounted to 98 million euros (about 8.3% less than in 2001), accounting for 58% of Editrice La Stampa's total revenues.

In 2002, Publikompass S.p.A. booked advertising billings in excess of 286 million euros, for a gain of 3% over the previous year. This improvement was made possible by the signing of new licensing contracts, which enabled Publikompass to buck the negative trend that prevailed in the Italian advertising market, where demand fell by 3.5%.

The sales results achieved in 2002 varied according to the business segments where Publikompass operates. Newspaper advertising was up 0.4%. However, on a comparable basis, billings were down 4.4% compared with 2001, which represents a smaller decrease than the market's overall decline (-6.6%).

Periodicals posted a gain of 9.2% in absolute terms, but a decrease of 6.5% on a comparable basis. In this case as well, the market contracted by a larger percentage (-7.9%).

Billings from radio and television advertising grew by 37.3% (-4.3% on a comparable basis).

Results for the year

Itedi posted net revenues of 360 million euros in 2002.

Notwithstanding a slump in the advertising market, the increase from the 347 million euros reported the previous year was made possible thanks to new advertising licensing contracts, newspaper price increases and "brand stretching" initiatives. Operating income grew to 3 million euros, compared with an operating loss of 2 million euros in 2001. This improvement was made possible by the abovementioned increase in the newspaper's price, the implementation of programs designed to increase efficiency and optimize costs in all areas of the Sector's organization and by the successful renegotiation of supply contracts. These programs enabled Editrice La Stampa to cut costs by about 18 million euros. On a comparable basis, this amount is equal to about 10% of the total costs incurred in 2001. Depreciation and amortization increased to 8 million euros (7 million euros in 2001).

The year ended with a net loss of 5 million euros, compared with a net loss of 6 million euros in 2001. Writedowns of equity investments, taken to recognize losses incurred in 2002 by some of the Sector's associated companies, and a heavy tax burden (the local tax on production activities, or IRAP, in particular) are the main reasons for the loss.

Cash flow improved to 3 million euros, or about 2 million euros more than in 2001.

Motion to Cover the Loss for Fiscal 2002

Stockholders,

The Financial Statements at December 31, 2002 show a loss of 2,052,620,996 euros. We propose that this loss be fully covered through recourse to Additional paid-in capital, which will show a balance of 274,498,032 euros after taking this charge.

The failure to pay the minimum dividend of 0.31 euros per savings share, as envisaged in Article 21 of the Articles of Association, requires that we increase any dividend to be paid in the following two fiscal years.

Turin, March 27, 2003

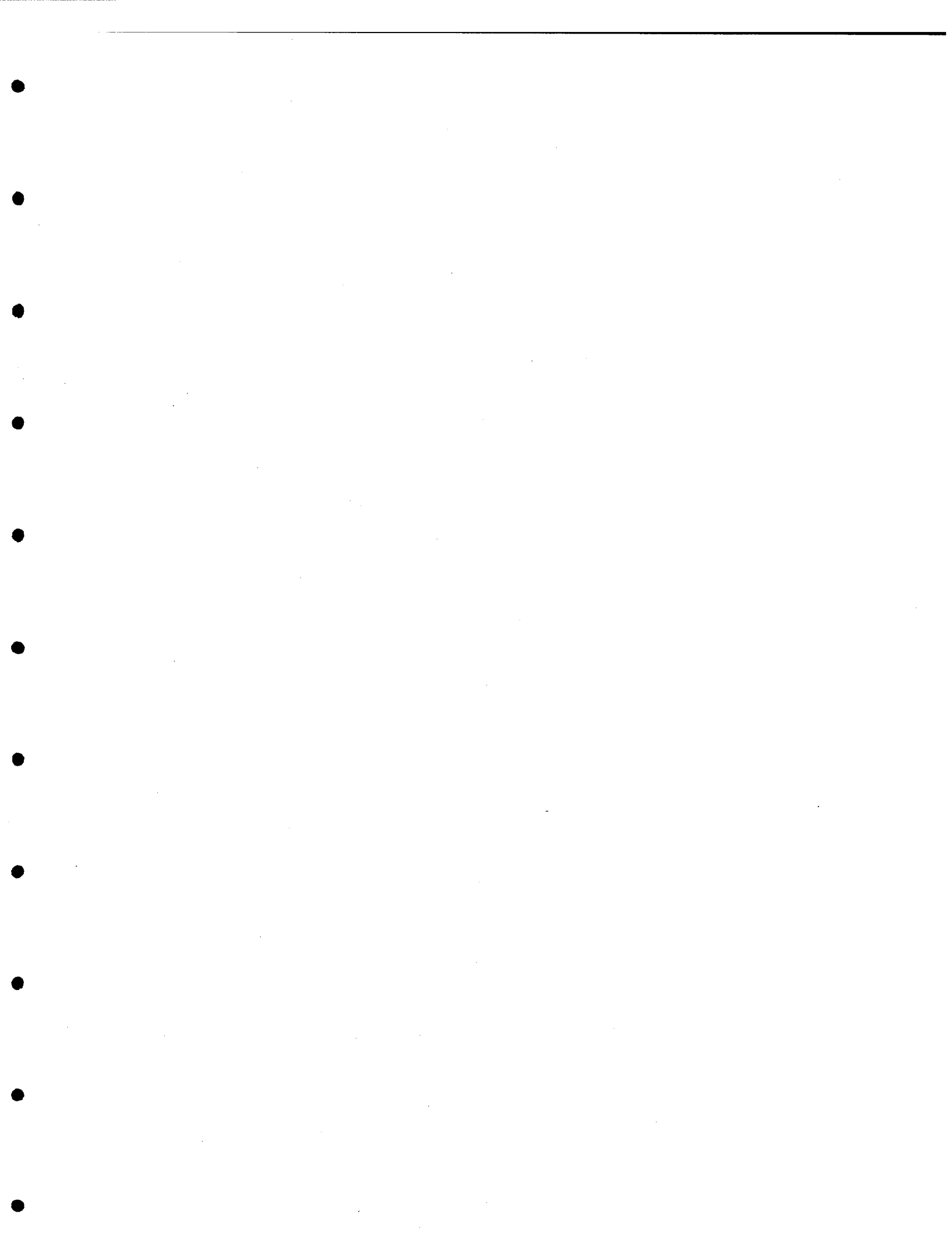
The Board of Directors

By:

V. A1-14

Umberto Agnelli

Chairman



Fiat Group — Consolidated Financial Statements
at December 31, 2002

Fiat S.p.A.

Head Office: 250 Via Nizza, Turin, Italy
Paid-in Capital: 3,082,128,000 euros
Entered in the Turin Company Register
Fiscal code: 00469580013

Consolidated Balance Sheet

■ ASSETS

<i>(in millions of euros)</i>	December 31, 2002	December 31, 2001
AMOUNTS DUE FROM STOCKHOLDERS FOR SHARES SUBSCRIBED BUT NOT CALLED	1	1
FIXED ASSETS		
Intangible fixed assets (note 1)		
Start-up and expansion costs	77	67
Research, development and advertising expenses	18	10
Industrial patents and intellectual property rights	416	453
Concessions, licenses, trademarks and similar rights	467	491
Goodwill	229	375
Intangible assets in progress and advances	263	243
Other intangible assets	359	364
Differences on consolidation	3,371	4,532
Total	5,200	6,535
Property, plant and equipment (note 2)		
Land and buildings	3,801	4,403
Plant and machinery	3,721	4,402
Industrial and commercial equipment	1,511	1,644
Other assets	2,095	2,210
Construction in progress and advances	978	1,228
Total	12,106	13,887
Financial fixed assets (note 3)		
Investments in:		
unconsolidated subsidiaries	558	634
associated companies	2,722	3,958
other companies	682	2,906
Total Investments	3,962	7,498
Receivables from others:		
due within one year	19	33
due beyond one year	28	22
Total Receivables from others	47	55
Total Receivables	47	55
Other securities	2,445	2,447
Treasury stock	231	245
Assets leased	2,947	3,367
Investments where the investment risk is borne by policyholders and those related to pension plan management	6,930	6,177
Total	16,562	19,789
TOTAL FIXED ASSETS	33,868	40,211
CURRENT ASSETS		
Inventories (note 4)		
Raw materials and supplies	1,248	1,485
Work in progress and semifinished products	1,082	1,206
Contract work in progress	5,293	5,240
Finished goods and merchandise	3,830	5,055
Advances to suppliers	3,824	2,524
Total	15,277	15,510

Consolidated Balance Sheet

<i>(in millions of euros)</i>	<i>December 31, 2002</i>	<i>December 31, 2001</i>
CURRENT ASSETS (continued)		
Receivables	(note 5)	
Trade receivables:		
due within one year	5,248	5,611
due beyond one year	60	118
Total Trade receivables	5,308	5,729
Receivables from unconsolidated subsidiaries:		
due within one year	54	35
Total Receivables from unconsolidated subsidiaries	54	35
Receivables from associated companies:		
due within one year	472	706
Total Receivables from associated companies	472	706
Other receivables:		
due within one year	3,817	3,318
due beyond one year	2,983	2,873
Total Other receivables	6,800	6,191
Total	12,634	12,661
Financial assets not held as fixed assets		
Investments		
in other companies	810	1,228
Total Investments	810	1,228
Other securities	6,769	6,355
Treasury stock	22	37
Financial receivables		
Receivables from unconsolidated subsidiaries:		
due within one year	348	237
due beyond one year	163	177
Total Financial receivables from unconsolidated subsidiaries	511	414
Receivables from associated companies:		
due within one year	912	340
due beyond one year	401	129
Total Financial receivables from associated companies	1,313	469
Receivables from others:		
due within one year	9,216	12,026
due beyond one year	7,371	8,354
Total Financial receivables from others	16,587	20,380
Total Financial receivables	18,411	21,263
Total	26,012	28,883
Cash		
Bank and post office accounts		
	3,454	2,091
Checks		
	11	17
Cash on hand		
	24	25
Total	3,489	2,133
TOTAL CURRENT ASSETS	57,412	59,187
ACCRUED INCOME AND PREPAID EXPENSES		
Other accrued income and prepaid expenses		
	1,240	1,350
TOTAL ACCRUED INCOME AND PREPAID EXPENSES	1,240	1,350
TOTAL ASSETS	92,521	100,749

Consolidated Balance Sheet

■ LIABILITIES AND STOCKHOLDERS' EQUITY

<i>(in millions of euros)</i>	<i>December 31, 2002</i>	<i>December 31, 2001</i>
STOCKHOLDERS' EQUITY		
	(note 9)	
Stockholders' equity of the Group		
Capital stock	3,082	2,753
Additional paid-in capital	2,327	1,636
Legal reserve	659	659
Treasury stock valuation reserve	253	282
Retained earnings and other reserves	5,268	7,285
Net income (loss)	(3,948)	(445)
Total	7,641	12,170
Minority interest	1,038	1,437
TOTAL STOCKHOLDERS' EQUITY	8,679	13,607
RESERVES FOR RISKS AND CHARGES		
	(note 10)	
Reserve for pensions and similar obligations	1,459	1,465
Income tax reserves	1,435	1,608
Other reserves	4,127	3,798
Insurance policy liabilities and accruals	9,605	9,566
Policy liabilities and accruals, where the investment risk is borne by policyholders, and those related to pension plan management	7,000	6,236
TOTAL RESERVES FOR RISKS AND CHARGES	23,626	22,673
RESERVE FOR EMPLOYEE SEVERANCE INDEMNITIES	1,609	1,735
PAYABLES		
	(note 11)	
	(note 12)	
Bonds:		
due within one year	1,853	2,118
due beyond one year	9,020	11,290
Total Bonds	10,873	13,408
Convertible bonds:		
due beyond one year	2,125	-
Total Convertible bonds	2,125	-
Borrowings from banks:		
due within one year	4,482	7,701
due beyond one year	8,558	5,910
Total Borrowings from banks	13,040	13,611
Other financial payables:		
due within one year	961	1,172
due beyond one year	248	466
Total Other financial payables	1,209	1,638
Advances:		
due within one year	3,603	3,978
due beyond one year	5,707	4,078
Total Advances	9,310	8,056
Trade payables:		
due within one year	12,056	12,112
due beyond one year	96	250
Total Trade payables	12,152	12,362
Notes payable:		
due within one year	973	3,298
due beyond one year	664	626
Total Notes payable	1,637	3,924
Payables to unconsolidated subsidiaries		
due within one year	63	96
Total Payables to unconsolidated subsidiaries	63	96

Consolidated Balance Sheet

<i>(in millions of euros)</i>	<i>December 31, 2002</i>	<i>December 31, 2001</i>
PAYABLES (continued)		
Payables to associated companies:		
due within one year	1,107	1,803
Total Payables to associated companies	1,107	1,803
Taxes payable:		
due within one year	1,279	1,178
due beyond one year	24	58
Total Taxes payable	1,303	1,236
Social security payable:		
due within one year	311	331
due beyond one year	2	2
Total Social security payable	313	333
Other payables:		
due within one year	1,729	1,653
due beyond one year	327	261
Total Other payables	2,056	1,914
TOTAL PAYABLES	55,188	58,381
ACCRUED EXPENSES AND DEFERRED INCOME (note 13)		
Other accrued expenses and deferred income	3,419	4,353
TOTAL ACCRUED EXPENSES AND DEFERRED INCOME	3,419	4,353
■ TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	92,521	100,749

Consolidated Balance Sheet

■ MEMORANDUM ACCOUNTS (note 14)

<i>(in millions of euros)</i>	December 31, 2002	December 31, 2001
GUARANTEES GRANTED		
Unsecured guarantees		
Suretyships		
on behalf of unconsolidated subsidiaries	-	26
on behalf of associated companies	22	29
on behalf of others	1,616	1,397
Total Suretyships	1,638	1,452
Guarantees of notes		
on behalf of others	315	229
Total Guarantees of notes	315	229
Other unsecured guarantees		
on behalf of unconsolidated subsidiaries	-	22
on behalf of associated companies	352	508
on behalf of others	3,021	2,939
Total Other unsecured guarantees	3,373	3,469
Total Unsecured guarantees	5,326	5,150
Secured guarantees		
on behalf of others	316	471
Total Secured guarantees	316	471
TOTAL GUARANTEES GRANTED	5,642	5,621
COMMITMENTS		
Commitments related to derivative financial instruments	38,535	53,171
Commitments to purchase property, plant and equipment	494	710
Commitments for contracts in progress	73	194
Other commitments	9,811	5,328
TOTAL COMMITMENTS	48,913	59,403
THIRD-PARTY ASSETS HELD BY THE GROUP	2,032	2,036
GROUP ASSETS HELD BY THIRD PARTIES	20,757	19,372
OTHER MEMORANDUM ACCOUNTS	267	309
■ TOTAL MEMORANDUM ACCOUNTS	77,611	86,741

Consolidated Statement of Operations

<i>(in millions of euros)</i>	2002	2001	2000
VALUE OF PRODUCTION	(note 15)		
Revenues from sales and services	55,427	57,575	57,603
Change in work in progress, semifinished and finished products inventories	(816)	7	27
Change in contract work in progress	222	431	(48)
Additions to internally produced fixed assets	1,107	1,069	1,242
Other income and revenues:			
revenue grants	47	79	43
other	2,105	2,166	2,376
Total Other income and revenues	2,152	2,245	2,419
TOTAL VALUE OF PRODUCTION	58,092	61,327	61,243
COSTS OF PRODUCTION	(note 16)		
Raw materials, supplies and merchandise	30,289	31,255	31,134
Services	9,890	9,835	9,042
Leases and rentals	468	487	409
Personnel:			
salaries and wages	5,457	5,862	6,140
social security contributions	1,365	1,551	1,710
employee severance indemnities	256	315	353
employee pensions and similar obligations	100	122	139
other costs	376	319	353
Total Personnel costs	7,554	8,169	8,695
Amortization, depreciation and writedowns:			
amortization of intangible fixed assets	595	593	519
depreciation of property, plant and equipment	2,019	2,287	2,533
writedown of fixed assets	3	8	1
writedown of receivables among current assets and cash	366	538	475
Total Amortization, depreciation and writedowns	2,983	3,426	3,528
Change in raw materials, supplies and merchandise inventories	38	(110)	63
Provisions for risks	1,138	1,038	1,047
Other provisions	30	6	7
Other operating costs	1,304	1,309	1,458
Expenses of financial services companies	1,115	904	983
Insurance claims and other insurance costs	4,045	4,690	4,022
TOTAL COSTS OF PRODUCTION	58,854	61,009	60,388
DIFFERENCE BETWEEN THE VALUE AND COSTS OF PRODUCTION	(762)	318	855
FINANCIAL INCOME AND EXPENSES	(note 17)		
Investment income from:			
unconsolidated subsidiaries	4	79	82
associated companies	1	1	6
other companies	151	184	290
Total Investment income	156	264	378
Other financial income:			
from long-term receivables:			
from others	2	2	5
from securities held as fixed assets other than equity investments	156	253	203
from securities held as current assets other than equity investments	147	301	96

Consolidated Statement of Operations

<i>(in millions of euros)</i>	2002	2001	2000
FINANCIAL INCOME AND EXPENSES (continued)			
Other financial income (continued)			
Other income from:			
unconsolidated subsidiaries	25	11	22
associated companies	23	22	17
others	1,866	1,599	1,312
Total Other income	1,914	1,632	1,351
Total Other financial income	2,219	2,188	1,655
Interest and other financial expenses from:			
unconsolidated subsidiaries	2	3	5
associated companies	2	10	14
others	3,042	3,119	2,631
Total Interest and other financial expenses	3,046	3,132	2,650
TOTAL FINANCIAL INCOME AND EXPENSES	(671)	(680)	(617)
ADJUSTMENTS TO FINANCIAL ASSETS (note 18)			
Revaluations of:			
equity investments	68	204	206
financial fixed assets other than equity investments	-	38	41
securities among current assets other than equity investments	7	12	6
Total Revaluations	75	254	253
Writedowns of:			
equity investments	809	577	280
financial fixed assets other than equity investments	84	128	43
securities among current assets other than equity investments	45	28	25
financial receivables	18	15	7
Total Writedowns	956	748	355
TOTAL ADJUSTMENTS TO FINANCIAL ASSETS	(881)	(494)	(102)
EXTRAORDINARY INCOME AND EXPENSES (note 19)			
Income:			
gains on disposals	1,081	1,515	2,524
other income	154	130	233
Total Income	1,235	1,645	2,757
Expenses:			
losses on disposals	1,239	56	30
taxes relating to prior years	79	18	5
other expenses	2,420	1,212	1,808
Total Expenses	3,738	1,286	1,843
TOTAL EXTRAORDINARY INCOME AND EXPENSES	(2,503)	359	914
INCOME (LOSS) BEFORE TAXES	(4,817)	(497)	1,050
Income taxes (note 20)	(554)	294	472
INCOME (LOSS) BEFORE MINORITY INTEREST	(4,263)	(791)	578
Minority interest	315	346	86
NET INCOME (LOSS)	(3,948)	(445)	664

Notes to the Consolidated Financial Statements at December 31, 2002

FORM AND CONTENT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The 2002 consolidated financial statements have been prepared in accordance with the rules contained in Italian Legislative Decree No. 127 dated April 9, 1991, which fulfilled the Fourth and Seventh EC Directives. The significant events which occurred after the end of the fiscal year described in the Report of Operations are an integral part of the notes to the consolidated financial statements.

The consolidated financial statements include the financial statements of Fiat S.p.A., the Parent Company, and of all Italian and foreign subsidiaries that constitute the Fiat Group, in which Fiat S.p.A. holds directly or indirectly more than 50% of the voting capital and/or has de facto control over operations. The companies in which the Parent Company holds, directly or indirectly, control jointly with other partners, are normally accounted for using the equity method. The same is true for the associated companies in which the Group exercises a significant influence.

Certain insignificant activities, which total less than 0.5% in 2002 (0.6% in 2001 and 0.5% in 2000) of total consolidated revenues and for which it is not practicable to obtain the necessary information on a timely basis without disproportionate expense, have been excluded from consolidation. This exclusion does not affect the assertion that the consolidated financial statements are a true and fair representation of the financial position and results of operations of the Group. Furthermore, BUC - Banca Unione di Credito, as allowed by law, has been excluded from the scope of consolidation inasmuch as it has non-homogeneous operations.

The composition of the Fiat Group underwent several changes in 2002 that are discussed in detail in the Report on Operations. Here in the notes, only the changes having certain distinctive characteristics are described.

With regard to information on the balance sheet and the statement of operations presented by business Sector, in these financial statements the Automobile Sector is represented by the consolidated data of Fiat Auto Holdings B.V., set up in July 2000 after the corporate reorganization of the Automobile Sector following the strategic alliance with General Motors. As regards the comparative data for the year 2000, up until the end of the first half of 2000 the economic and balance sheet data of this Sector were represented by the data of the sub-holding company Fiat Auto S.p.A. (now Fiat Partecipazioni S.p.A.) and, afterwards, by the new legal group led by Fiat Auto Holdings B.V. Nevertheless, such changes in the corporate structure had no significant effect on the comparability and uniformity of the economic and balance sheet data presented for the three years.

PRINCIPLES OF CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared from the statutory financial statements of the Group's single

companies or consolidated Sectors approved by the Boards of Directors and adjusted, where necessary, by the directors of the companies to conform with Group accounting principles and to eliminate tax-driven adjustments. The Group's accounting principles respect the requirements set forth by Legislative Decree No. 127 of April 9, 1991, interpreted and supplemented by the Italian accounting principles issued by the National Boards of Dottori Commercialisti and of Ragionieri and, where there are none and not at variance, by those laid down by the International Accounting Standards Board (I.A.S.B.).

In order to obtain a true and fair representation of the financial position and results of operations of the Group, taking into account their functional integration, the financial companies that provide services to the industrial Sectors and the subsidiaries operating in the Insurance Sector have been consolidated on a line-by-line basis. As a result, adjustments to the balance sheet and statement of operations format have been made in applying Article 32 of Legislative Decree No. 127/91, which provides for changes to be made to obtain a more clear, true and correct representation of the financial position and results of operations.

Starting from the financial statements at December 31, 2002, given the increasing significance of their amounts, investments for the benefit of those insured under life insurance policies, where the insured parties bear the risk (related to index-linked and unit-linked policies), and those deriving from the management of pension funds are presented under a separate caption, as set forth by the specific regulations of the insurance sector in Italy. Those investments correspond fundamentally to specific policy liabilities and accruals of an equal amount that are also, starting from the current year, presented under a separate caption in liabilities. As a consequence, the prior years' balances have been reclassified. In previous years, those investments were included under several balance sheet asset captions (for example stocks and bonds) in accordance with their nature. In the statement of operations the return on those investments is offset by an equal amount of adjustments to the related policy liabilities and accruals, with no effect on net income for the year, since the related risks and benefits are fully assumed by those insured.

Principles of consolidation

Assets and liabilities, and revenues and expenses, of subsidiaries consolidated on a line-by-line basis are included in the consolidated financial statements, regardless of the percentage of ownership. Carrying values of investments are eliminated against the subsidiaries' related stockholders' equity. The portion of stockholders' equity and results of operations attributed to minority interests are disclosed separately. When losses pertaining to minority interests exceed the value of their share of capital stock, the excess, or deficit, is charged to the Group, unless the minority stockholders are expressly committed to reimbursing the losses, in which case the excess is recorded as an asset in the consolidated financial statements.

In the first case, should income be realized in the future, the minority interests' share of that income will be attributed to the Group, up to the amount necessary to recover the losses previously attributed to the Group.

Differences arising from the elimination of investments (since 1994) against the related stockholders' equity of the investment at the date of acquisition are allocated to the assets and liabilities of the company being consolidated, up to the limit of their current value. The residual value, if positive, is capitalized as an asset, "Differences on consolidation", and is amortized on the straight-line basis over the estimated period of recoverability. Negative residual amounts are recorded as a component of stockholders' equity, "Consolidation reserve" (or as a liability, "Consolidation reserve for future risks and charges", when due to a forecast of unfavorable economic results).

Intercompany profits and losses are eliminated net of related tax effects, together with all intercompany receivables, payables, revenues and expenses arising on transactions within the Group. Exceptions are the gross margins on intercompany sales of plant and equipment produced and sold at prices in line with market conditions, in which case such eliminations would be effectively irrelevant and not cost-beneficial.

Also subject to elimination are guarantees, commitments and risks relating to companies included in the scope of consolidation.

The balance sheets of foreign subsidiaries are translated into Euros by applying the exchange rates in effect at year end. The statements of operations of foreign subsidiaries are translated using the average exchange rates for the year. In the financial statements of subsidiaries operating in high-inflation countries (cumulative inflation in excess of 100% in three years), accounting principles for hyperinflationary economies are used.

Exchange differences resulting from the translation of opening stockholders' equity at current exchange rates and at the exchange rates used at the end of the previous year, as well as differences between net income expressed at average exchange rates and that expressed at current exchange rates, are reflected in the stockholders' equity caption "Cumulative translation adjustments".

As a result of the crisis which arose in Argentina at the end of 2001, the Fiat Group decided, with regard to the financial statements of the Argentine subsidiaries, to follow generally accepted accounting principles in the United States, the conclusions of which are also considered valid for purposes of the accounting principles of the Group. Accordingly, the exchange rate used in the preparation of the financial statements at December 31, 2001 was the first exchange rate prevailing on the first day the currency markets reopened in the country subsequent to that date (floating rate of 1.67 Argentine pesos to 1 U.S. dollar or, where applicable, the official exchange rate of 1.40 Argentine pesos to 1 U.S. dollar) both for the conversion of the foreign currency balances in the financial statements prepared by the Argentine subsidiaries for purposes

of consolidation by Fiat and for the conversion of such financial statements. A prudent approach was taken for the conversion and settlement in pesos of the receivables originally recorded in US dollars in the financial statements of the Argentine subsidiaries.

The exchange rates used are summarized in Note 23.

OTHER INFORMATION

The following information is presented in the Report on Operations:

- Significant events occurring since the end of the fiscal year and business outlook;
- Transactions among Group Companies and with related parties;
- Statement of cash flows.

Accounting principles

Balance sheet

Fixed assets

Intangible fixed assets

Intangible assets and deferred charges expected to benefit future periods are recorded at cost, adjusted by amortization calculated on a straight-line basis over the period to be benefited. In particular, goodwill and differences on consolidation are amortized over a period of no more than 20 years, taking into account their expected period of recovery. In general, the Group periodically reviews that the carrying value of such assets is not higher than the estimated recovery value, in relation to their use or realization, as determined by reference to the most recent corporate plans. In cases in which there is a permanent impairment in the estimated recovery value that is lower than carrying value, appropriate writedowns are recorded.

The costs of researching and developing new products and/or processes are mainly included in the results of operations in the period in which such costs are incurred in line with the principle of conservatism and with international practice in the automobile sector.

Goodwill is recorded as an asset when acquired for consideration.

Property, plant and equipment

Property, plant and equipment are recorded at purchase or construction cost. These values are adjusted where specific laws of the country in which the assets are located allow or require revaluation, in order to reflect, even if only partially, changes in the purchasing power of the currency. Cost also includes financing expenses incurred during the construction period for specific loans, where significant.

Depreciation is provided on a straight-line basis at rates that reflect the estimated useful life of the related assets.

When, at the balance sheet date, property, plant and equipment show a permanent impairment in value to below their carrying value, such assets are written down to the lower value, according to the method indicated above for intangible assets.

Ordinary repairs and maintenance expenses related to property, plant and equipment are charged to the statement of operations in the year in which they are incurred, while maintenance expenses which increase the value of property, plant and equipment are capitalized.

Capital investment grants related to investments in property, plant and equipment are recorded as deferred income when collection becomes certain and credited to income over the useful life of the related asset.

Properties held by insurance companies to cover policy liabilities and accruals are stated at acquisition cost and adjusted by the compulsory law on revaluations imposed on Italian companies; however, the carrying amounts do not exceed market value. Depreciation is determined based on the useful life and expected recovery value.

The revaluation of assets allowed by Law No. 342/2000, having been effected by only a very few Italian companies of the Group, was reversed in the consolidated financial statements, for purposes of giving preference to the uniformity and comparability of the accounting principles over time.

Financial fixed assets

Financial fixed assets include investments in unconsolidated subsidiaries, associated companies and other companies, financial receivables held for investment purposes, treasury stock and other securities.

Investments in unconsolidated subsidiaries, in companies in which Fiat exercises joint control with other partners and in associated companies (those in which Fiat exercises, directly or indirectly, a significant influence) are normally accounted for using the equity method. This method is not used in cases in which the investor no longer exercises significant influence over the investee, in which case the cost is considered to be the value of the investment taken from the prior year's financial statements.

Investments in other companies are valued at cost. In the event of a permanent impairment in value, a specific allowance is provided as a direct reduction of the asset account.

Financial receivables are recorded at estimated realizable value.

Securities are recorded at cost, including additional direct charges. In the event of permanent impairment, a valuation allowance is provided as a direct reduction of the securities. However, securities held by the insurance companies as investments for the benefit of those insured under life insurance policies, where the insured parties bear the risk (relating to

index-linked and unit-linked policies), and as investments in the management of pension funds, are presented under a separate caption and are valued at market price, as set forth by the specific regulations of the insurance sector in Italy.

Treasury stock is recorded at purchase cost, including any writedowns resulting from a permanent impairment in its value. A specific reserve for treasury stock is also recorded under stockholders' equity of the Group for the same amount.

The investment in equipment leased is recorded at cost. The related depreciation is generally calculated, according to the financial method, based on the life of the lease and the related risk in managing such contracts.

Current assets

Inventories are valued at the lower of cost or market, cost being determined on a First In-First-Out (FIFO) basis.

The valuation of inventories includes the direct costs of materials and labor and variable and fixed indirect costs.

Work in progress on long-term contracts is valued based on the stage of completion and is recorded gross of advance payments received from customers. Eventual losses on such contracts are fully recorded when they become known. Provision is made for obsolete and slow-moving raw materials, finished goods, spare parts and other supplies based on their expected future use and realizable value.

Receivables are recorded at estimated realizable value. Any unearned interest included in the nominal value of financial receivables has been deferred to future periods. Receivables sold to third parties with recourse or without recourse (including those sold as part of securitization transactions) are eliminated from receivables and disclosed in the memorandum accounts. Receivables denominated in foreign currency are translated at the exchange rate in effect at year end. Resulting exchange gains and losses are included in the statement of operations.

Other receivables also include deposits to guarantee the securitization transactions of trade receivables (securitization refers to particular programs of discounting trade receivables without recourse, with a collateral deposit as a guarantee).

Current assets also include investments and securities acquired as temporary investment which are valued at the lower of cost or market, cost being determined on a Last-In First-Out (LIFO) basis.

Insurance company investments to cover insurance policy liabilities and accruals are valued at the lower of cost or market.

Treasury stock consists of Fiat S.p.A. shares bought back by Fiat Ge.Va. S.p.A. and by Fiat to service stock option plans; it is valued at the lower of cost or market, cost being determined on a Last-In First-Out (LIFO) basis. A specific reserve for treasury stock is also recorded under the stockholders' equity of the Group for the same amount.

Reserves for risks and charges and employee severance indemnities

The reserves for risks and charges include provisions to cover losses or liabilities likely to be incurred but uncertain as to the amount or as to the date on which they will arise.

In particular, the reserve for pensions and similar obligations includes provisions for long-service or other bonuses (including pension funds required by some countries in which the Group operates), payable to employees and former employees under contractual agreements or by law, determined on an actuarial basis, where applicable.

Restructuring reserves include the costs to carry out corporate reorganization and restructuring plans and are provided in the year the company formally decides to commence such plans, to the extent that such costs can be reasonably estimated.

The policy liabilities and accruals of insurance companies are determined according to the procedures and rules issued by the regulatory agencies in each country in which the individual subsidiaries operate. In particular, unearned property and liability premiums are recognized on the pro-rata basis over the period of the policy. The reserve for unpaid property and liability losses and unpaid adjustment expenses has been calculated on the basis of reasonable estimates of the "latest cost" of the claims, analytically and for groups of particular risks, following adequate statistical and actuarial methods. The policy liabilities and accruals for unpaid losses on life insurance claims are calculated on an actuarial basis, accompanied by an opinion by a qualified actuary on the congruity of the amount. Finally, as previously described, the policy liabilities and accruals against investments made for the benefit of those insured under life insurance policies, where the insured parties bear the risk (related to index-linked and unit-linked policies), and those deriving from the management of pension funds are, from this year, presented under a separate caption, as set forth by the specific regulations of the insurance sector in Italy.

The reserve for employee severance indemnities comprises liability for severance indemnities that Italian companies accrue each year end for employees, and determined in accordance with labor legislation. In particular, the liability includes a portion of the employee's annual salary and is indexed for inflation in accordance with Italian rules.

Payables

Payables are recorded at face value; the portion of interest included in the nominal amount is deferred until future periods in which it is earned. Accounts payable denominated in foreign currency are translated at the exchange rate in effect at year end. Resulting exchange gains and losses are included in the statement of operations.

Taxes payable includes the tax charge for the current year recorded in the statement of operations.

Accruals and deferrals

Accruals and deferrals are determined using the accrual method based on the income and expense to which they relate.

Securitization of financial receivables

The Fiat Group has programs for discounting financial receivables using securitization transactions. This discounting of financial receivables calls for the sale without recourse of a portfolio of financial receivables to a non-Group vehicle company. This company finances itself by issuing securities backed by the above-mentioned portfolio (Asset Backed Securities). The securities issued are divided into two types having different characteristics: the first (historically between 88% and 98% of the entire issue) is placed on the market, occasionally subdivided by various classes of ratings, and subscribed to by investors; the second (12%- 2%), the reimbursement of which is subordinated to the first, is subscribed to by the seller. The risk for the seller is limited to the portion of the securities which it has subscribed. At the end of each accounting period, therefore, such securities are evaluated in relation to the performance of the receivables sold and may be written down on the basis of this evaluation.

Lastly, these sales without recourse require the immediate recognition of the present value of the future margin implicit in the receivables sold, net of discounting costs. This net value is included in the Value of production since it relates to revenues typical of the operations of the financial services companies (to this end, the financial income of such companies is included in revenues from sales and services, as described in the relevant note).

Memorandum accounts

Derivative financial instruments

Financial instruments used to hedge exchange and interest rate fluctuations and, in general, changes in the assets and liabilities, are presented in Note 14. Derivative financial instruments are recorded at inception in the memorandum accounts at their notional contract amount.

In general, beginning in 2001 the Fiat Group adopted – to the extent that it is consistent and not in contrast with general principles set forth in the Italian law governing financial statements – the international accounting standard IAS No. 39 "Financial Instruments: Recognition and Measurement", applicable beginning January 1, 2001. Such principle covers the accounting treatment of all financial assets and liabilities in and off-balance sheet and, in particular, states that derivative financial instruments should be valued at fair value. Taking into account the restrictions under Italian law and the evolution of the law now underway (Legislative Decree for the reform of corporate law), the Group maintains, consistently with Consob

rulings, that IAS 39 is immediately applicable only in part and only in reference to the designation of derivative financial instruments as "hedging" or "non-hedging instruments" and with respect to the symmetrical accounting of the result of the valuation of the derivative hedging instrument and the result attributable to the hedged item ("hedge accounting"). The transactions which, according to the Group's policy for risk management, are able to meet the conditions stated by the accounting principle for hedge accounting treatment are classified as hedging transactions; the others, instead, although set up for the purpose of managing risk (inasmuch as the Group's policy does not permit speculative transactions), have been designated as "trading". The accounting solutions adopted by the Group, however, have not given rise to substantial changes in the previous practices and, therefore, have not had a significant impact on the results of operations and on the stockholders' equity of the Group.

Details of the accounting treatment adopted are as follows.

For foreign exchange instruments designated as hedges, the premium (or discount, representing the difference between the spot exchange rate at the inception of the contract and the forward exchange rate) is recorded in the statement of operations, in Financial income and expenses, in accordance with the accrual method. Differences between the value of such instruments using the exchange rates at inception and those at year end are also included in the statement of operations to offset the exchange effects of the items being hedged. In particular, for contracts entered into to hedge the exchange risk of future transactions that are considered highly probable, the effects of the alignment with the year-end exchange rate are deferred until the year in which the underlying transactions are recorded.

For interest rate instruments designated as hedges, the interest rate differential is included in the statement of operations, in Financial income and expenses, in accordance with the accrual method, offsetting the effects of the hedged transaction.

Instead, derivative financial instruments hedging interest rate fluctuations that are designated as trading instruments are valued at market value and the differential, if negative compared to the contractual value, is recorded in the statement of operations as Financial income and expenses, in accordance with the concept of prudence.

The same prudent principle is followed in recording derivative financial instruments to manage trading risks (for example equity swaps) that do not meet the conditions for hedge accounting treatment.

Statement of Operations

Revenue recognition

Revenues from sales and services are recognized on the accrual basis net of returns, discounts, allowances and rebates.

Revenues from sales of products are recognized at the moment title passes to the customer, which is generally at the time of shipment. Under contracts for vehicle sale and buy-back at a specified price, a specific reserve for future risks and charges is set aside based on the difference between the guaranteed residual value and the estimated realizable value of the used asset, taking into account the probability that such option will be exercised; this reserve is set up at the time of the initial sale and adjusted periodically over the period of the contract.

Revenues from services are recorded when they are performed. Revenues from long-term contracts are recognized using the percentage of completion method.

Revenues also include amounts received from financing leases, net of depreciation, and income from company assets on operating leases.

With regard to the Insurance Sectors insurance premiums are recognized on an accrual basis.

Lastly, revenues from sales and services include income from the normal business of the financial services companies.

Costs

Costs are recognized on an accrual basis.

Research and development costs are generally charged to the statement of operations in the period in which they are incurred. Research-related revenue grants provided by the Government or the EU are credited to the statement of operations when collection becomes certain.

Advertising and promotion expenses are charged to the statement of operations in the year incurred.

Estimated product warranty costs are charged to the statement of operations at the time the sale is recorded.

Finally, the Costs of production include the interest and expenses relative to the normal business of the financial services companies, as well as insurance claims and other technical costs of the insurance companies.

Financial income and expenses

Financial income and expenses are recorded on the accrual basis.

Income and expenses resulting from derivative financial instruments, as well as relevant year-end exchange differences, are included in the statement of operations in accordance with the above mentioned policies disclosed under memorandum accounts.

Costs relating to the factoring of receivables and notes of any type (with recourse, without recourse, securitization) and nature (trade, financial, other) are charged to the statement of operations on an accrual basis.

Income taxes

Income taxes currently payable are provided for in accordance with the existing legislation of the countries in which the Group operates.

Deferred tax liabilities or deferred tax assets are determined on all the temporary differences between the consolidated assets and liabilities and the corresponding amounts for purposes of

taxation, including those deriving from the most significant consolidation adjustments. As allowed by the applicable Accounting Principles, deferred tax assets are also recorded to account for the tax benefit of tax loss carryforwards whenever the specific conditions for future recoverability are met.

In particular, deferred tax assets have only been recorded if there is a reasonable certainty of their future recovery. Deferred tax liabilities, instead, are not recorded if it is unlikely that a future liability will arise.

Deferred tax assets and liabilities are offset if they refer to the same company. The balance from offsetting the amounts is recorded in Other receivables in current assets, if a deferred tax asset, and in the Deferred tax reserve, if a deferred tax liability.

COMPOSITION, PRINCIPAL CHANGES AND OTHER INFORMATION

Fixed assets

1 Intangible fixed assets

(in millions of euros)	Net of amortization 12/31/2001	Additions	Amortization	Change in the scope of consolidation	Reclassi- fications	Foreign exchange effects	Disposals and Other changes	Net of amortization 12/31/2002
Start-up and expansion costs	67	63	(28)	(1)	2	(24)	(2)	77
Research, development and advertising expenses	10	3	(6)	-	15	-	(4)	18
Industrial patents and intellectual property rights	453	52	(109)	10	86	(50)	(26)	416
Concessions, licenses, trademarks and similar rights	491	94	(71)	5	9	(57)	(4)	467
Goodwill	375	11	(37)	3	-	(39)	(84)	229
Intangible assets in progress and advances	243	167	-	(4)	(124)	-	(19)	263
Other intangible assets	364	139	(92)	(18)	12	(12)	(34)	359
Differences on consolidation	4,532	74	(252)	19	-	(509)	(493)	3,371
Total Intangible fixed assets	6,535	603	(595)	14	-	(691)	(666)	5,200

Intangible fixed assets are shown net of writedowns of 559 million euros, of which 545 million euros relate to Goodwill and Differences on consolidation. These amounts are included in the Disposals and Other changes column.

Start-up and expansion costs at December 31, 2002 consist of deferred plant start-up costs and corporate formation costs of 53 million euros (60 million euros at December 31, 2001) and capital increase costs of 24 million euros (7 million euros at December 31, 2001).

Other intangible assets include other deferred charges, in particular, costs incurred by the Aviation Sector to participate in international cooperation programs and the contract acquisition costs incurred by the Insurance Companies.

Differences on consolidation amount to 3,371 million euros at December 31, 2002, and include the net goodwill (net of amortization and writedowns, as described below) of 2,557 million euros on the acquisition of the Case Group and other CNH Group companies, of 88 million euros for the Fraikin Group, of 49 million euros for the Irisbus Group, of 72 million euros for Nuova Tirrena S.p.A. and other Toro Group companies, of 26 million euros for certain Business Solutions companies, of 27 million euros for Meridian Technologies Inc., of 21 million euros for certain Components Sector companies, of 46 million euros for certain Production Systems Sector companies, and of 21 million euros for other minor companies. Differences on consolidation also include goodwill deriving from Tender Offers for the shares of Toro Assicurazioni S.p.A. of 377 million euros, and Magneti Marelli Holding S.p.A. of 33 million euros, as well as from the capital stock increase of CNH Global N.V. of 54 million euros. Additions during the year totaling 74 million euros derive from goodwill connected with the purchase of additional stakes in Irisbus Holding (29 million euros), Worknet Società di Fornitura di Lavoro Temporaneo S.p.A. (10 million euros), Prolaim Progetto Lavoro Impresa S.p.A. (11 million euros), and other minor companies (24 million euros).

As regards the amounts recorded in Goodwill and Differences on consolidation, amortization is charged over periods ranging from five to twenty years, on the basis of the expected recoverability of these amounts. At the end of the year, however, specific reviews were conducted to verify whether such amounts are recoverable by considering the existing prospects of earnings or of realization through the sale of the businesses to which they refer.

In particular, with respect to the aforementioned net goodwill relating to the CNH Group (2,611 million euros), specific analyses were conducted from which it emerged that for the purposes of the Fiat Group consolidated financial statements the carrying value, after a writedown of 12 million euros during the year, was entirely recoverable.

Other goodwill and differences on consolidation balances were analyzed in the same manner with the scope of identifying any permanent impairments in value. From the analyses performed, taking into consideration the changed market conditions, the restructuring plans initiated by certain Sectors of the Group and the consequent relapse on the business plans of various Sectors and the cases in which subsequent to December 31, 2002 transactions for the sale of certain businesses were finalized at a lower realization value, permanent impairments in value were identified that gave rise to writedowns totaling 533 million euros, divided by Sector as follows (in millions of euros): Commercial Vehicles 213, Metallurgical Products 36, Components 157, Production Systems 84 and Services 43.

2 Property, plant and equipment

(in millions of euros)	Net of depreciation 12/31/2001	Additions	Depreciation	Change in the scope of consolidation	Reclassifications	Foreign exchange effects	Disposals and Other changes	Net of depreciation 12/31/2002	Accumulated depreciation 12/31/2002
Land and buildings	4,403	126	(168)	(13)	81	(392)	(236)	3,801	1,929
Plant and machinery	4,402	440	(699)	(215)	303	(342)	(168)	3,721	8,063
Industrial and commercial equipment	1,644	435	(622)	(17)	297	(149)	(77)	1,511	6,019
Other assets	2,210	1,048	(530)	-	-	(165)	(468)	2,095	2,212
Construction in progress and advances	1,228	722	-	(51)	(681)	(78)	(162)	978	-
Total Property, plant and equipment	13,887	2,771	(2,019)	(296)	-	(1,126)	(1,111)	12,106	18,223

Property, plant and equipment include revaluations, which, net of depreciation recorded in previous years, are 288 million euros at December 31, 2002 and 388 million euros at December 31, 2001.

No interest expenses were capitalized in 2002 and in 2001.

Change in the scope of consolidation shows a decrease of 296 million euros resulting from the sale of the Aluminum Business Unit of Teksid (-364 million euros), the sale of the Electronic Systems Business Unit of Magneti Marelli (-104 million euros), the inclusion in the scope of consolidation of the proportional shares in Irisbus (82 million euros), previously held by Renault, and in Kobelco (20 million euros), as well as the inclusion and exclusion of other minor companies in the scope of consolidation (70 million euros).

Reclassifications primarily refer to a reduction in construction in progress and advances on purchases of property, plant and equipment existing at the end of the prior year which were reclassified at the time they were effectively acquired and put into operation.

Disposals and other changes, which has a negative balance of 1,111 million euros, includes, with respect to Land and buildings, 236 million euros related in part to the sale of non-strategic properties carried out with the intention of reducing net invested capital.

Furthermore, Disposals and Other changes include the value of the writedowns recorded during the year. In fact, as with intangible fixed assets, the assumptions regarding the recoverability of tangible fixed assets were analyzed, taking into consideration the changed market conditions, the restructuring plans initiated by certain Sectors of the Group and the consequent relapse on the various business plans. As a result of those analyses, tangible fixed assets were written down by 227 million euros, divided by Sector as follows: Automobiles 167 million euros, Commercial Vehicles 23 million euros, Metallurgical Products 14 million euros, Components 15 million euros, Production Systems 8 million euros.

Other assets include vehicles on operating leases for 1,585 million euros at December 31, 2002 (1,599 million euros at December 31, 2001), mainly related to long-term leases.

The depreciation rates used are determined on the basis of the estimated useful lives of the assets and are listed below:

	Depreciation rates	
Land and buildings	3%	- 9%
Plant and machinery	8%	- 21%
Industrial and commercial equipment	16%	- 28%
Other assets	11%	- 25%

3 Financial fixed assets**Investments**

(in millions of euros)	Value at 12/31/2001	Equity in earnings	Equity in losses	Change in the scope of consolidation	Change in and Capitalizations	Acquisitions exchange effects	Foreign and Other changes	Disposals Value at 12/31/2002
Unconsolidated subsidiaries	634	9	(76)	(47)	27	2	9	558
Associated companies	3,958	57	(332)	(592)	185	(166)	(388)	2,722
Other companies	2,906	2	(177)	573	23	(2)	(2,643)	682
Total Investments	7,498	68	(585)	(66)	235	(166)	(3,022)	3,962

Equity in earnings and Equity in losses include the Group's share of the income or the loss of companies accounted for using the equity method. With regard to the companies accounted for at cost, Equity in losses includes the loss in value recorded in the year.

Change in the scope of consolidation (decrease of 66 million euros) can be analyzed as follows:

- Investments in unconsolidated subsidiaries (-47 million euros): the decrease represents the change to line-by-line consolidation of Iveco Ukraine Inc. (-12 million euros), CST – Centro Servizi Toro S.p.A. (-7 million euros), Yorka de Mexico S.A. de CV (-6 million euros), Iveco-Motor Sich. Inc. (-5 million euros) and other minor companies (-17 million euros).
- Investments in associated companies (-592 million euros): the decrease is due to the ending of the associated company relationship on the investment in Capitalia S.p.A. (formerly Banca di Roma S.p.A.) and the consequent reclassification of that company to Other companies (-604 million euros), net of the inclusion in the scope of consolidation of other minor investments (12 million euros). With reference to the investment in Capitalia, on July 1, 2002 Banca di Roma S.p.A. merged with Banco di Sicilia S.p.A. through incorporation, integrated the Fineco Group (formerly Bipop-Carire) and changed its name to Capitalia S.p.A. The above-mentioned merger had the effect of diluting the percentage held by the Fiat Group from 10.6% to 6.6%.
- Investments in other companies (573 million euros): the increase is due principally to reclassification of the above-mentioned investment in Capitalia S.p.A.. The carrying value of the investment reclassified to Other companies (604 million euros) was subsequently written down by 123 million euros due to a permanent impairment in the value, resulting in a net carrying value of 481 million euros.

Acquisitions and Capitalizations (235 million euros) refer principally to the following acquisitions and capitalizations:

- Investments in unconsolidated subsidiaries (27 million euros): capitalization of Fiat Auto Egypt S.A.E. (8 million euros), Multipoint Sevilla S.A. (6 million euros), B.D.C. & Co. Société en Commandite Simple (3 million euros) and other minor companies (10 million euros);
- Investments in associated companies (185 million euros): acquisition of Kobelco Construction Machinery Co. Ltd. (115 million euros), capitalization of CBC-Iveco Ltd. (26 million euros), Société Européenne de Vehicules Legers du Nord-Sevelnord Société Anonyme (20 million euros), CNH Capital Europe S.A.S. (12 million euros) and other minor companies (12 million euros);
- Investments in other companies (23 million euros): acquisition of shares of Mediobanca S.p.A. (15 million euros) and other minor companies (8 million euros).

Disposals and Other changes, which show a decrease of 3,022 million euros, refer principally to:

- Investments in associated companies (-388 million euros): disposal of share holdings in Italenergia Bis S.p.A. (-359 million euros) and other minor companies (-29 million euros).
- Investments in other companies (-2,643 million euros): sale of the investment in General Motors (-2,603 million euros) and other minor companies (-40 million euros).

In particular, with reference the original investment of 38.6% in Italenergia S.p.A. (subsequently contributed to the current Italenergia Bis S.p.A.), during the second half of 2002 the Fiat Group sold a 14% holding to certain other stockholders of the company (Intesa BCI, SanPaoloIMI Investimenti and Capitalia, hereinafter the "Banks") for 548 million euros, realizing a gain of 189 million euros. The related sales contracts and the contemporaneous agreements with another stockholder of Italenergia Bis (Electricité de France, hereinafter "EDF") provide, among other things, that:

- By virtue of an option acquired in respect of EDF (the so-called EDF Put), Fiat may elect between March and April 2005, to sell to EDF the shares in Italenergia Bis (24.6%, equal to 223,151,568 shares), at a price corresponding to the value of the investment, as estimated on the basis of the valuations performed by three experts appointed for that purpose. That price, less a premium of 127 million euros, payable only in the event the option is exercised, may not be less than a minimum (floor) of 1,147 million euros, or 5.141698 euros per share.
- In connection with the EDF Put, the Banks (in addition to the put agreements negotiated independently with EDF for their respective initial holdings in Italenergia Bis) obtained a so-called "tag along/drag along" agreement from Fiat, and Fiat arranged a symmetrical Put/Call contract with EDF (conditional upon the prior exercise of the EDF Put by Fiat) that gives rise to two scenarios:
 - a) Fiat independently exercises the EDF Put on its own 24.6% holding and in this case:
 - The Banks exercise the "tag along" under which the Banks each sell their own 4.66% holding to Fiat under the same price conditions as the EDF Put (valuation at fair market value, minimum floor of 5.141698 euros per share). Fiat, in turn, sells the acquired shares to EDF, making use of the put clauses in the Put/Call arranged with EDF.
 - The corresponding "drag along", however, allows Fiat to reacquire the Banks' shares and to surrender them to EDF which has, by means of the call clauses in the Put/Call, the right to ask Fiat for such sale to surrender the shares. In substance, by means of the call, EDF may (providing that Fiat exercised the EDF Put, which is a condition for the Put/Call) gain the entire original Fiat investment.

b) Fiat does not independently exercise the EDF Put on its own 24.6% holding and in this case:

- The individual Banks, separately, have the right to request Fiat to exercise its Put on EDF which allows the Banks to exercise the "tag along", as described above, and to realize a gain.
- Fiat may elect not to exercise the EDF Put, as instead requested, and the Banks have the right to ask that Fiat purchase from the same Banks their respective 4.66% holdings at the lower of the price determined pursuant to the EDF Put, in accordance with the same criteria and procedures agreed with EDF, and 6.5 euros per share.

■ Fiat does not have a call right on the Banks' holdings which were sold to the Banks definitively.

In conclusion, the 14% holding in Italenergia Bis sold by Fiat is subject to Put options exercisable in 2005 by each of the Banks. Nevertheless, the effects of the sale are considered final and the resulting gain realized, in that Fiat has contemporaneously stipulated with EDF a put option that will give it the right, in the event that the Banks ask to purchase said shares, to, in turn, sell them to EDF at the same price conditions as the EDF Put.

With reference to the investment in General Motors, the sale that occurred during December 2002 for the equivalent amount of U.S. \$1,157 million, equal to U.S. \$36.11 per share, resulted in a loss of 1,049 million euros, net of direct selling expenses and the effects of the settlement of foreign exchange hedging transactions that had previously been put in place. At the start of 2002, five-year convertible bonds (hereinafter the "Exchangeable" bonds) had been issued that were convertible into the same number of General Motors shares as once held by the Fiat Group (32,053,422 shares). The option exercise price implicit in the bonds coincides with the pre-sale unit carrying value, in U.S. dollars, of the General Motors shares in the consolidated financial statements of Fiat of U.S. \$69.54 per share. Accordingly, at the time the bond was issued the risk of an increase in the General Motors share price above U.S. \$69.54 per share was covered by the shares held by Fiat. At the time of the sale of the shares, Fiat, in order to hedge the above-mentioned risk implicit to the Exchangeable bonds, contemporaneously stipulated with the bank acquiring the shares a "Total Return Equity Swap" derivative contract (hereinafter "Equity Swap") relating to the same number of General Motors shares and having the following main characteristics:

- In line with the expiry of the Exchangeable bonds, Fiat will regulate with the counterparty bank the price variances between the initial General Motors share price (U.S. \$36.11 per share) and the final share price, cashing in on a positive share price performance or paying for a negative performance.
- Throughout the duration of the bonds, Fiat will pay to the counterparty variable interest applied on the notional value of the contract (equal to the sale price of U.S. \$1,157 million).
- Any dividends distributed by General Motors on the sold shares will be repaid to Fiat by the counterparty.
- In guarantee of the payment of the above-mentioned variance, if negative, Fiat deposited a remunerated amount in an account with the bank. Such collateral will be adjusted in relation to the exposition of the two parties and at December 31, 2002 amounted to 221 million euros.
- At the closing of the Equity Swap, Fiat will not possess any rights to repurchase the sold shares.

The above-mentioned Equity Swap, despite being stipulated for the purpose of hedging, cannot be treated in hedge accounting and accordingly is defined as a trading derivative financial instrument. It follows that, in accordance with the principle of prudence, if during the period of the contract General Motors shares perform positively, the positive fair value of the instrument is not recorded in the statement of operations; if, instead, the performance is negative, the negative fair value of the instrument is recorded immediately as a cost within financial expenses. At December 31, 2002, the Equity Swap has a positive fair value of 23 million euros, that has not been recorded.

Investments held at December 31, 2002, by type of consolidation method, are analyzed as follows:

<i>(in millions of euros)</i>	At 12/31/2002	At 12/31/2001
Investments accounted for using the equity method	3,161	4,501
Investments valued on a cost basis:		
listed companies	581	2,694
unlisted companies	220	303
Total Investments valued at cost	801	2,997
Total Investments	3,962	7,498

Investments accounted for using the equity method: the decrease in value (1,340 million euros) is due to the reclassification of Capitalia S.p.A. to Other listed companies (-604 million euros), the sale of 14% of Italenergia Bis and the economic effect of the alignment, in accordance with the equity method, of the investment held (-553 million euros), the foreign exchange effect (-162 million euros), and other minor movements (-21 million euros).

Investments valued on a cost basis: the decrease in investments in listed companies (2,113 million euros) derives from the General Motors sale (-2,603 million euros) partially offset by the reclassification of Capitalia S.p.A. (481 million euros, after the writedown for a permanent impairment in value of 123 million euros) and other minor variations (9 million euros). The reduction in the value of investments in unlisted companies valued at cost (-83 million euros) results from the sale of the holdings in the Cartiere Burgo S.p.A. 14, the reimbursement of capital in Tredicimarzo S.r.l. 14, the writedown of Ariane 17, the writedown of Trucks & Bus company 17 and other minor variations 21.

The principal investments in unconsolidated subsidiaries are the following:

<i>(in millions of euros)</i>	At 12/31/2002		At 12/31/2001	
	%	Amount	%	Amount
Unconsolidated subsidiaries:				
BUC-Banca Unione di Credito	100.0	361	100.0	361
Leasys S.p.A.	51.0	112	51.0	111
Other unconsolidated subsidiaries (minor amounts)		85		162
Total		558		634

As allowed by law, the above companies have not been consolidated either because their operations are so dissimilar (BUC – Banca Unione di Credito), because it would not have been possible to obtain the necessary information for their consolidation on a timely basis without disproportionate expense or because their operations are not significant. Such companies carry net debt of 164 million euros (134 million euros at December 31, 2001).

As regards the investment in Leasys S.p.A., this company is subject to joint control with the other partner, even though the Fiat Group holds 51% of capital stock; like the other main jointly controlled companies, the investment is valued using the equity method.

Investments in associated companies are as follows:

(in millions of euros)	At 12/31/2002		At 12/31/2001	
	%	Amount	%	Amount
Associated companies:				
Fiat-GM Powertrain B.V.	50.0	1,189	50.0	1,259
Italenergia Bis S.p.A. (formerly Italenergia S.p.A. prior to contribution)	24.6	481	38.6	1,034
Banca di Roma S.p.A. (now Capitalia S.p.A.)	-	-	10.6	604
Tofas Turk Otomobil Fabrikasi A.S.	37.9	136	37.9	136
Sevel S.p.A.	50.0	125	50.0	125
Kobelco Construction Machinery Co. Ltd.	20.0	107	-	-
H.d.P. S.p.A.	10.1	98	10.0	114
Consolidated Diesel Company	50.0	59	50.0	67
Jiangsu Nanya Auto Co. Ltd.	50.0	55	50.0	52
Société Européenne de Vehicules Legers du Nord-Sevelnord Société Anonyme	50.0	47	50.0	43
New Holland HFT Japan Inc.	50.0	42	50.0	42
Global Value Services S.p.A.	50.0	38	50.0	31
CBC-Iveco Ltd.	50.0	37	50.0	11
CNH Capital Europe S.A.S.	50.0	30	50.0	22
Turk Traktor Ve Ziraat Makineleri A.S.	37.5	30	37.5	22
New Holland de Mexico SA de CV	50.0	22	50.0	20
LBX Company LLC	50.0	20	50.0	23
Hua Dong Teksid Automotive Foundry Co. Ltd.	50.0	12	50.0	21
AL-Ghazi Tractors Ltd.	43.2	13	43.2	19
New Holland Trakmak Traktor A.S.	37.5	14	37.5	15
Europ Assistance Holding S.A.	-	-	40.0	43
Atlanet S.p.A.	29.9	-	29.9	29
Lingotto S.p.A.	30.9	-	30.9	29
Other associated companies (minor amounts)		167		197
Total		2,722		3,958

The above list also comprises certain companies under joint control, the most important of which are Fiat-GM Powertrain B.V., Sevel S.p.A. and Société Européenne de Vehicules Legers du Nord-Sevelnord Société Anonyme. Such companies carry net debt of 2,480 million euros (1,862 million euros at December 31, 2001).

In particular, key data taken from the financial statements used to value the Fiat-GM Powertrain B.V. investment using the equity method are as follows:

(in millions of euros)	At 12/31/2002	At 12/31/2001
Balance sheet data		
Fixed assets	3,416	3,183
Total assets	6,681	6,546
Debt	(1,695)	(1,396)
Stockholders' equity	2,377	2,518

(in millions of euros)	2002	07/01/2001 - 12/31/2001
Statement of operations data		
Net sales	6,624	2,794
Operating income	280	120
Net income	131	59

Investments in other companies are as follows:

<i>(in millions of euros)</i>	At 12/31/2002	At 12/31/2001
Other companies:		
Other listed companies	581	2,694
Other unlisted companies	101	212
Total	682	2,906

Other listed companies principally comprise shares of Capitalia S.p.A., valued at 481 million euros (in 2001 it was classified as an associated company), Mediobanca S.p.A., valued at 93 million euros (78 million euros in 2001), and other minor investments (7 million euros).

Had the portfolio of the major listed stocks at December 31, 2002 been valued at fair value, it would have been approximately 286 million euros lower than the carrying value in the financial statements (approximately 759 million euros lower than the carrying value at December 31, 2001).

No fair values have been determined for the Other unlisted companies as this type of calculation would require a significant effort which would outweigh the benefits of obtaining such information.

Receivables

<i>(in millions of euros)</i>	At 12/31/2002				At 12/31/2001			
	<i>Due within one year</i>	<i>Due beyond one year</i>	<i>Of which due beyond 5 years</i>	<i>Total</i>	<i>Due within one year</i>	<i>Due beyond one year</i>	<i>Of which due beyond 5 years</i>	<i>Total</i>
Receivables from others	19	28	2	47	33	22	3	55
Total Receivables	19	28	2	47	33	22	3	55

Financial receivables are shown net of the allowances for doubtful accounts of 4 million euros (2 million euros at December 31, 2001), with a provision of 1 million euros during the year 2002.

Financial receivables recorded in the financial statements at December 31, 2002 and 2001 approximate their fair values which have been calculated using the present value method, based on a discount rate which reflects market conditions, the duration and the risk of insolvency.

Other securities

<i>(in millions of euros)</i>	At 12/31/2002	At 12/31/2001	Change
Other securities	2,445	2,447	(2)

Other securities are shown in the financial statements net of the allowance for doubtful accounts of 2 million euros (2 million euros at December 31, 2001).

Other securities principally include marketable Government securities and bonds held primarily by the insurance companies and amounting to 2,311 million euros at December 31, 2002 (2,437 million euros at December 31, 2001).

Other securities, if valued at fair value at December 31, 2002, would amount to 2,451 million euros.

Treasury stock

	At 12/31/2002		At 12/31/2001	
	<i>Number of shares (thousands)</i>	<i>Cost (in millions of euros)</i>	<i>Number of shares (thousands)</i>	<i>Cost (in millions of euros)</i>
Fiat S.p.A. shares held by subsidiaries:				
Ordinary	15,838	222	11,458	233
Preference	-	-	.1	-
Savings	1,085	9	1,094	12
Total Treasury stock	16,924	231	12,553	245

Treasury stock consists of Fiat shares held by certain companies in the Toro Assicurazioni Group. The increase from 12,553 thousand shares to 16,924 thousand shares follows from the purchases and sales of ordinary shares carried out during the year. Treasury stock is shown net of a writedown for a permanent impairment in value of 78 million euros.

Assets leased

(in millions of euros)	Net of depreciation 12/31/2001	Additions	Depreciation	Foreign exchange effects	Disposal and Other changes	Net of depreciation 12/31/2002	Accumulated depreciation 12/31/2002
Assets leased	3,367	1,552	(722)	(100)	(1,150)	2,947	2,180

Assets leased consist of vehicles sold by the Automotive Sectors under financial leases. The decrease of 420 million euros compared to December 31, 2001 derives primarily from the sale, during December 2002, of 10,876 financial lease contracts by Savaleasing S.p.A. (approximately 55% of its contract portfolio) to Locat S.p.A., which is part of the Unicredit Group, and from the companies operating in Brazil, where a shift in the demand from financing leases to other forms of financing was caused by changes in the law.

Assets leased do not include vehicles on operating leases, which are included under Property, plant and equipment.

Investments where the investment risk is borne by policyholders and those related to pension plan management

(in millions of euros)	At 12/31/2002	At 12/31/2001	Change
Investments where the investment risk is borne by policyholders and those related to pension plan management	6,930	6,177	753

Investments for the benefit of life insurance policyholders, where the policyholders bear the risk, and pension plan assets, presented from this year under a separate caption as disclosed in Principles of Consolidation and Significant Accounting Policies, increased by 753 million euros compared to December 31, 2001 as a result of an increase in the contract volumes of existing index-linked and unit-linked policies. These investments correspond to specific policy liabilities and accruals and the associated risks and benefits are borne entirely by the policyholders.

Current assets

4 Inventories

(in millions of euros)	At 12/31/2002			At 12/31/2001		
	Gross	Allowance	Net	Gross	Allowance	Net
Raw materials and supplies	1,382	(134)	1,248	1,631	(146)	1,485
Work in progress and semifinished products	1,102	(20)	1,082	1,230	(24)	1,206
Contract work in progress	5,293	-	5,293	5,240	-	5,240
Finished goods and merchandise	4,279	(449)	3,830	5,521	(466)	5,055
Advances to suppliers	3,824	-	3,824	2,524	-	2,524
Total Inventories	15,880	(603)	15,277	16,146	(636)	15,510
Advance payments on contract work in progress	(8,227)	-	(8,227)	(7,135)	-	(7,135)
Net inventories	7,653	(603)	7,050	9,011	(636)	8,375

Movements in the inventory allowance accounts during the year were as follows:

(in millions of euros)	At 12/31/2001	Use and accruals	Foreign exchange effects	Change in the scope of consolidation	At 12/31/2002
Allowance for inventory writedowns	636	(4)	(14)	(15)	603

Inventories of 15,277 million euros at December 31, 2002 (15,510 million euros at December 31, 2001) decreased by 233 million euros compared to the prior year. Advance payments received against contract work in progress amount to 8,227 million euros (7,135 million euros at December 31, 2001) and are recorded as payables (Note 12). Inventories, net of such advance payments, amount to

7,050 million euros (8,375 million euros at December 31, 2001), a decrease of 1,325 million euros. The net decrease, while relating to all types of inventories, relates primarily to movements of finished goods and merchandise. As far as the inventories of raw materials and supplies and work in progress are concerned, the decrease can be directly ascribed to lower production levels. Starting in 2002, advances received in connection with the T.A.V. (High-Speed Railway) project, of which Fiat is General Contractor, that are included in the item "Advances" (Note 12), were directly subtracted from Inventories to determine Net Inventories. The corresponding value at December 31, 2001 was reclassified accordingly.

5 Receivables

An analysis of receivables by due date is as follows:

(in millions of euros)	At 12/31/2002				At 12/31/2001			
	Due within one year	Due beyond one year	Of which due beyond 5 years	Total	Due within one year	Due beyond one year	Of which due beyond 5 years	Total
Trade receivables	5,248	60	4	5,308	5,611	118	2	5,729
Receivables from unconsolidated subsidiaries	54	-	-	54	35	-	-	35
Receivables from associated companies	472	-	-	472	706	-	-	706
Other receivables from:								
Employees	36	3	-	39	44	4	-	48
Tax authorities	1,639	146	-	1,785	1,200	236	2	1,436
Social security agencies	22	-	-	22	38	-	-	38
Others	2,120	2,834	8	4,954	2,036	2,633	26	4,669
Total Other receivables	3,817	2,983	8	6,800	3,318	2,873	28	6,191
Total Receivables	9,591	3,043	12	12,634	9,670	2,991	30	12,661

An analysis of receivables by type is as follows:

(in millions of euros)	At 12/31/2002			At 12/31/2001		
	Trade	Other	Total	Trade	Other	Total
Trade receivables	5,308	-	5,308	5,728	1	5,729
Receivables from unconsolidated subsidiaries	54	-	54	35	-	35
Receivables from associated companies	422	50	472	703	3	706
Other receivables from:						
Employees	-	39	39	-	48	48
Tax authorities	-	1,785	1,785	-	1,436	1,436
Social security agencies	-	22	22	-	38	38
Other	-	4,954	4,954	-	4,669	4,669
Total Other receivables	-	6,800	6,800	-	6,191	6,191
Total Receivables	5,784	6,850	12,634	6,466	6,195	12,661
of which:						
Receivables included in working capital	5,784	3,351	9,135	6,466	3,162	9,628
Deferred tax assets	-	3,499	3,499	-	3,033	3,033

Trade receivables decreased by 682 million euros resulting from reductions of 259 million euros due to changes in the scope of consolidation and of 423 million euros due to current operations.

Trade receivables are shown net of an allowance for doubtful accounts of 549 million euros at December 31, 2002 (609 million euros at December 31, 2001). Movements in these allowances during the year were as follows:

(in millions of euros)	At 12/31/2001	Accruals	Use and other changes	Change in the scope of consolidation	At 12/31/2002
Allowances for doubtful accounts	609	140	(174)	(26)	549

Receivables from tax authorities principally refer to VAT and income taxes receivable from the Italian tax authorities and include the tax credit relating to the advance payments of income tax on employee severance indemnities paid by Italian companies. The portion of interest accrued on that receivable relating to the current year is recorded in Financial income and expenses.

"Other receivables from others" include deferred tax assets of 3,499 million euros (3,033 million euros at December 31, 2001), accounted for in accordance with the accounting policies described above. Additional information on these assets is provided in Note 10 - Reserve for risks and charges, under Deferred income tax reserve.

6 Financial assets not held as fixed assets

Investments

Investments in other companies amount to 810 million euros at December 31, 2002 (1,228 million euros at December 31, 2001) and show a decrease of 418 million euros, mainly due to the adjustment to fair value of the investments made by the insurance companies.

Other securities

<i>(in millions of euros)</i>	At 12/31/2002	At 12/31/2001	Change
Italian government securities	2,968	2,856	112
Other securities	3,801	3,499	302
Total Other securities	6,769	6,355	414
of which:			
held by insurance companies	6,102	5,785	317

Italian government securities also include securities issued by other public entities and guaranteed by the Italian government.

Other securities comprise securities with a broad market issued by debtors with a high credit rating, mainly held by insurance companies to cover, for the most part, policy liabilities and accruals.

The fair value of the securities portfolio held by insurance companies at December 31, 2002 was approximately 89 million euros higher than the carrying value (54 million euros at December 31, 2001).

The securities portfolio held by the industrial companies of 667 million euros at December 31, 2002 (570 million euros at December 31, 2001) approximates fair value calculated by reference to market prices.

Treasury stock

	At 12/31/2002		At 12/31/2001	
	Number of shares (thousands)	Cost (in millions of euros)	Number of shares (thousands)	Cost (in millions of euros)
Fiat S.p.A. shares held by Fiat S.p.A. and subsidiaries:				
Ordinary	2,530	22	2,100	37
Savings	-	-	1	-
Total Treasury stock	2,530	22	2,101	37

Treasury stock consists of 2,530,421 Fiat ordinary shares held by Fiat S.p.A. and Fiat Ge.Va. S.p.A. and amounts to 22 million euros, net of writedowns recorded during the year totaling 22 million euros.

Financial receivables

(in millions of euros)	At 12/31/2002				At 12/31/2001			
	Due within one year	Due beyond one year	Of which due beyond 5 years	Total	Due within one year	Due beyond one year	Of which due beyond 5 years	Total
Receivables from unconsolidated subsidiaries	348	163	-	511	237	177	5	414
Receivables from associated companies	912	401	-	1,313	340	129	1	469
Receivables from others	9,216	7,371	935	16,587	12,026	8,354	869	20,380
Total Financial receivables	10,476	7,935	935	18,411	12,603	8,660	875	21,263

Financial receivables amounting to 18,411 million euros at December 31, 2002 (21,263 million euros at December 31, 2001), net of allowances for doubtful accounts of 523 million euros (672 million euros at December 31, 2001), decreased by 2,852 million euros compared to the prior year. Movements in these allowances during the year were as follows:

(in millions of euros)	At 12/31/2001	Accruals	Use and Other changes	Change in the scope of consolidation	At 12/31/2002
Allowances for doubtful account	672	237	(382)	(4)	523

The fair value of Financial receivables would be approximately 18,454 million euros at December 31, 2002 (21,351 million euros at December 31, 2001). The fair value of financial receivables was determined in accordance with the method indicated in Note 3 - Financial fixed assets - Receivables.

Receivables from associated companies of 1,313 million euros at December 31, 2002 (469 million euros at December 31, 2001) increased by 844 million euros due to increased levels of financing principally receivable from joint ventures with other manufacturers set up for the joint development of vehicle models and from associated companies engaged in the real estate sector and in the spare parts distribution sector.

Financial receivables from others amount to 16,587 million euros at December 31, 2002 (20,380 million euros at December 31, 2001), of which 15,615 million euros at December 31, 2002 (19,312 million euros at December 31, 2001) consist of financing to dealers and customers primarily made by the financial services companies, with an average maturity of approximately 36 months for new financing paid out in the year. The decrease in this amount of 3,697 million euros compared to 2001 is attributable to lower business volumes, the effects of the sale of certain financial service activities of CNH and the performance of currencies, in particular the Brazilian real and the U.S. dollar. Financial receivables from others also include the net value of subordinated securities (602 million euros, which is substantially in line with the previous year), subscribed to as part of the securitization of financial receivables.

7 Cash

(in millions of euros)	At 12/31/2002	At 12/31/2001
Bank and post office accounts	3,454	2,091
Cheques	11	17
Cash on hand	24	25
Total Cash	3,489	2,133

Cash recorded in the financial statements at December 31, 2002 and 2001 is in line with the fair value at the same dates.

8 Accrued income and prepaid expenses

<i>(in millions of euros)</i>	At 12/31/2002	At 12/31/2001
Other Accrued income and prepaid expenses:		
Commercial accrued income		
Accrued interest and commissions	30	33
Other	43	27
Total Commercial accrued income	73	60
Commercial prepaid expenses		
Interest	9	37
Other	497	556
Total Commercial prepaid expenses	506	593
Financial accrued income	543	560
Financial prepaid expenses	118	137
Total Accrued income and prepaid expenses	1,240	1,350

Financial accrued income mainly includes day-to-day interest earned on securities and derivative financial instruments.

Financial prepaid expenses include prepaid interest on securities (Sava bonds) issued by the financial services companies.

9 Stockholders' equity**Statement of changes in Stockholders' equity of the Group**

<i>(in millions of euros)</i>	Capital stock	Additional paid-in capital	Legal reserve	Treasury stock valuation reserve	Cumulative translation adjustments	Retained earnings, Other reserves, Net income (loss) for the year	Total
Balance at December 31, 1999	2,753	1,636	659	27	234	7,565	12,874
Dividends paid (0.620 euros per ordinary and preference share and 0.775 euros per savings share)	-	-	-	-	-	(352)	(352)
Foreign exchange translation adjustments	-	-	-	-	136	-	136
Change in treasury stock portfolio	-	-	-	23	-	(23)	-
Other minor changes	-	-	-	-	-	(2)	(2)
Net income (loss)	-	-	-	-	-	664	664
Balance at December 31, 2000	2,753	1,636	659	50	370	7,852	13,320
Dividends paid (0.620 euros per ordinary and preference share and 0.775 euros per savings share)	-	-	-	-	-	(352)	(352)
Foreign exchange translation adjustments	-	-	-	-	(342)	-	(342)
Change in treasury stock in portfolio	-	-	-	232	-	(232)	-
Other minor changes	-	-	-	-	-	(11)	(11)
Net income (loss)	-	-	-	-	-	(445)	(445)
Balance at December 31, 2001	2,753	1,636	659	282	28	6,812	12,170
Capital stock increase as resolved on December 10, 2001	329	691	-	-	-	-	1,020
Dividends paid (0.310 euros per ordinary and preference share and 0.465 euros per savings share)	-	-	-	-	-	(198)	(198)
Foreign exchange translation adjustments	-	-	-	-	(1,407)	-	(1,407)
Change in treasury stock in portfolio	-	-	-	(29)	-	29	-
Other minor changes	-	-	-	-	-	4	4
Net income (loss)	-	-	-	-	-	(3,948)	(3,948)
Balance at December 31, 2002	3,082	2,327	659	253	(1,379)	2,699	7,641

Capital stock

The capital stock paid in at December 31, 2002 is 3,082 million euros, equal to No. 616,425,600 shares, and consists of:

- 433,220,490 ordinary shares;
- 103,292,310 preference shares;
- 79,912,800 savings shares;

all with a par value of 5 euros each.

The capital stock increase of Fiat S.p.A. resolved by the Board of Directors on December 10, 2001 and executed in February 2002 led to the issue of 65,820,600 ordinary shares at an issue price of 15.50 euros per share, inclusive of a premium of 10.50 euros per share. Each share is coupled with a warrant valid for subscription in January 2007 of an ordinary share at a par value of 5 euros, at a price of 30 euros each, for every four warrants. The Board of Directors consequently approved an additional capital increase of 82 million euros through the issue of 16,455,150 ordinary shares at a par value of 5 euros each, to be kept in reserve for exercise of the aforesaid warrants.

Fiat reserved the right to pay the warrant holders cash, starting on January 2, 2007, in place of the shares to be issued (shares for the exchange of warrants) for the difference between the arithmetic average of the official prices of Fiat ordinary shares reported in December 2006 and the warrant exercise price, unless this difference exceeds the maximum amount determined and previously communicated by Fiat, in which case the holder of the warrant may opt to subscribe the shares for the exchange of the warrants.

It should be noted that the Stockholders' Meeting of September 12, 2002 authorized the Board of Directors, by September 11, 2007, to increase the capital stock, in a single transaction, or repeatedly, up to a maximum of 8 billion euros, and to issue bonds or convertible bonds up to the same amount, but without exceeding in any one transaction the limits set forth by law.

With reference to the 3 billion euros Mandatory Convertible facility, described in Note 12, the same Stockholders' Meeting also established that the Directors, by virtue of the aforesaid mandate and the particular conditions and terms established therein, must resolve, in the event the facility is not repaid at an earlier date, the capital stock increase and reserve it, in accordance with the seventh paragraph of article 2441 of the Italian Civil Code, for the banks identified in the aforementioned resolution, with subscription and payment of the newly issued ordinary shares to be achieved exclusively by compensating the Banks' receivables for principal up a maximum total of 3 billion euros.

Capital increases authorized by the Board of Directors as of today total 110 million euros, and consist of 82 million euros for the capital increase approved on December 10, 2001 and 27 million euros for capital increases to service stock option plans.

Legal reserve

The legal reserve amounts to 659 million euros at December 31, 2002 and did not change in respect of December 31, 2001.

At December 31, 2002, the legal reserve exceeds one-fifth of capital stock.

Cumulative translation adjustments

Cumulative translation adjustments, which has a negative balance of 1,379 million euros, has decreased by 1,407 million euros compared to December 31, 2001 mainly due to the effect of the lower value of the U.S. dollar and the Brazilian real against the Euro.

Retained earnings and Other reserves

Retained earnings and Other reserves include, in addition to the undistributed earnings of the consolidated companies, also monetary revaluation reserves and other reserves in suspension of taxes.

Reconciliation to Stockholders' equity and Net income (Loss) of the Parent company Fiat S.p.A.

<i>(in millions of euros)</i>	Stockholders' equity at 12/31/2002	Net Income (Loss) 2002	Stockholders' equity at 12/31/2001	Net Income (Loss) 2001
Statutory financial statements of Fiat S.p.A.	5,934	(2,053)	7,169	379
Elimination of carrying value of consolidated investments and the related dividend income recorded in the statutory financial statements of Fiat S.p.A.	(7,909)	(175)	(7,550)	(465)
Elimination of writedowns against consolidated investments recorded by Fiat S.p.A.	-	2,844	-	-
Equity and results of operations of consolidated companies	9,799	(4,704)	12,699	(373)
Consolidation adjustments:				
Elimination of intra-Group dividends	-	(836)	-	(169)
Elimination of intra-Group profit and losses from sales of investments	-	766	-	16
Elimination of intra-Group profit and losses in inventories, investments, property, plant and equipment and other adjustments	(183)	210	(148)	167
Consolidated financial statements	7,641	(3,948)	12,170	(445)

Minority interest

The minority interest in stockholders' equity of 1,038 million euros (1,437 million euros at December 31, 2001) refers mainly to the following companies consolidated on a line-by-line basis:

	At 12/31/2002 (% held by minority stockholders)	At 12/31/2001 (% held by minority stockholders)
Italian companies:		
Ferrari S.p.A.	44.0	10.0
IPI S.p.A.	34.1	34.1
Foreign companies:		
Fiat Auto Holdings B.V.	20.0	20.0
Iveco Ford Truck Ltd.	15.2	15.2
CNH Global N.V.	14.7	15.4

The increase in the minority interest percentage ownership in Ferrari S.p.A.'s stockholders' equity is the result of the purchase of 34% of its capital stock for 775 million euros by Mediobanca S.p.A., within the framework of a consortium created for the acquisition and subsequent listing of Ferrari shares. Fiat realized a gain of 671 million euros on this sale, net of selling expenses. The sales contract sets out the following principal elements:

- Mediobanca assumed the responsibility of sole Global Coordinator in charge of coordinating and leading the consortium.
- Mediobanca can not sell its Ferrari shares to another group in the automobile industry as long as the Fiat Group maintains a 51% controlling interest in Ferrari. Barring certain specific assumptions, the Fiat Group can not reduce its investment in Ferrari below 51% until the end, depending on the case, of the third or fourth year subsequent to signing the contract.
- Fiat holds a call option that allows it to repurchase the Ferrari shares at any time before June 30, 2005, except during the five months subsequent to the presentation of an IPO application to the competent authorities. The option exercise price is equal to the original price at which the shares were sold plus interest during the period based on the BOT yield plus 4%.
- Mediobanca, moreover, does not hold any put option to resell the purchased Ferrari shares to Fiat, even in the event that the IPO does not occur or is not completed.
- Fiat may share, in declining percentages, in any gain realized by Mediobanca and the other members of the consortium in the event of an IPO.

The reduction in the minority interest percentage ownership in CNH Global N.V.'s stockholders' equity derives from the capital increase of 1,494 million dollars during 2002 that was subscribed to by Fiat Netherland Holding N.V. (the direct holding company of CNH Global N.V.) for 1,300 million dollars and by the market for 194 million dollars.

In accordance with the accounting policies described above, the losses pertaining to General Motors, the minority stockholder in Fiat Auto Holdings B.V. (Automobile Sector), were attributed to General Motors up to the value of its share of capital stock, and the excess, or deficit, that arose from the third quarter of 2002, was charged to the Group (equal to 296 million euros at December 31, 2002).

10 Reserves for risks and charges			
<i>(in millions of euros)</i>	At 12/31/2002	At 12/31/2001	Change
Reserve for pensions and similar obligations	1,459	1,465	(6)
Income tax reserves:			
Current income tax reserve	199	170	29
Deferred income tax reserve	1,236	1,438	(202)
Total Income tax reserves	1,435	1,608	(173)
Other reserves:			
Warranty reserve	841	877	(36)
Restructuring reserves	731	688	43
Various liabilities and risk reserves	2,555	2,233	322
Total Other reserves	4,127	3,798	329
Insurance policy liabilities and accruals	9,605	9,566	39
Policy liabilities and accruals, where the investment risk is borne by policyholders and those related to pension plan management	7,000	6,236	764
Total Reserves for risks and charges	23,626	22,673	953

Reserve for pensions and similar obligations

The reserve includes provisions for pensions and similar obligations determined on an actuarial basis, where applicable, and payable to employees and former employees according to contractual agreements or by law.

Income tax reserves

The Deferred income tax reserve at December 31, 2002 includes deferred tax liabilities, net of deferred tax assets, which have been offset where possible by the individual companies. The Deferred income tax reserve, net of Deferred tax assets recorded under Other receivables from others, is composed as follows:

<i>(in millions of euros)</i>	At 12/31/2002	At 12/31/2001	Change
Deferred income tax reserve	1,236	1,438	(202)
Deferred tax assets	(3,499)	(3,033)	(466)
Total	(2,263)	(1,595)	(668)

The net decrease of 668 million euros from December 31, 2001 derives mainly from the effect of recording deferred tax assets to account for the benefits deriving from tax losses which are reasonably certain of being recovered.

The Deferred income tax reserve, net of Deferred tax assets recorded under Other receivables from others, can be analyzed as follows:

<i>(in millions of euros)</i>	At 12/31/2002	At 12/31/2001
Deferred tax liabilities for:		
Accelerated depreciation	682	631
Deferred tax on gains	382	176
Capital investment grants	13	6
Other	896	705
Total Deferred tax liabilities	1,973	1,518
Deferred tax assets for:		
Reserves for risks and taxed charges	(1,301)	(1,117)
Inventories	(158)	(123)
Taxed allowance for doubtful accounts	(189)	(273)
Pension funds	(221)	(244)
Adjustments to financial assets	(1,062)	(20)
Other	(804)	(491)
Total Deferred tax assets	(3,735)	(2,268)
Theoretical tax benefit connected to tax loss carryforwards	(3,646)	(2,938)
Adjustments for assets whose recoverability is not reasonably certain	3,145	2,093
Total Deferred income tax reserve, net of Deferred tax assets	(2,263)	(1,595)

As disclosed in the accounting policies, in recording deferred tax assets, each company in the Group critically evaluated whether the conditions existed for the future recoverability of such assets on the basis of updated strategic plans, accompanied by the related tax plans. For this reason, the total theoretical future tax benefits deriving from positive temporary differences (3,735 million euros) and tax loss carryforwards (3,646 million euros) have prudently been reduced for a total of 3,145 million euros.

In particular, the Deferred tax reserve includes 1,478 million euros (1,346 million euros at December 31, 2001) of tax benefits connected to tax loss carryforwards. However, a further tax benefit connected to tax loss carryforwards of 2,168 million euros (1,592 million euros at December 31, 2001) has not been recorded in the financial statements.

Deferred taxes have not been provided on the undistributed earnings of subsidiaries since no transactions are expected to be entered into that would warrant their taxation.

Deferred taxes have not been provided on temporary differences of 127 million euros (143 million euros at December 31, 2001) relating to reserves and provisions in abeyance of taxes, since they are not expected to be used in a manner which would warrant their taxation.

Other reserves

Restructuring reserves amount to 731 million euros at December 31, 2002 (688 million euros at December 31, 2001) and are related to the corporate restructuring programs of the following Sectors (in millions of euros): Automobile 320 (184 at December 31, 2001), Agricultural and Construction Equipment 218 (337 at December 31, 2001), Commercial Vehicles 83 (55 at December 31, 2001), Metallurgical Products 2 (17 at December 31, 2001), Components 59 (52 at December 31, 2001), Production Systems 2 (5 at December 31, 2001), Aviation 27 (30 at December 31, 2001), Services 19 (5 at December 31, 2001), Other Sectors 1 (3 at December 31, 2001).

The Various liabilities and risk reserves amount to 2,555 million euros at December 31, 2002 (2,233 million euros at December 31, 2001) and represent the amounts set aside by individual companies of the Group principally in connection with contractual and commercial risks and disputes. The increase of 322 million euros compared to December 31, 2001 is the result of a combination of ordinary provisions of 695 million euros, extraordinary provisions of 592 million euros, decreases for the effect of foreign exchange differences of 185 million euros and decreases for utilizations and other changes of 780 million euros.

11 Reserve for employee severance indemnities

<i>(in millions of euros)</i>	At 12/31/2001	Accrual	Use and Other changes	At 12/31/2002
Reserve for employee severance indemnities	1,735	256	(382)	1,609

In accordance with legal requirements the total reserve for employee severance indemnities amounts to 1,609 million euros at December 31, 2002 (1,735 million euros at December 31, 2001) and includes the severance indemnities accrued at year-end by the companies in favor of employees. Use and Other changes mainly include a reduction of 55 million euros for the exclusion from the scope of consolidation of the Aluminum Business Unit of Teksid and the After Market and Electronic Systems Business Units of Magneti Marelli.

12 Payables

Payables may be analyzed by due date as follows:

<i>(in millions of euros)</i>	At 12/31/2002				At 12/31/2001			
	Due within one year	Due beyond one year	Of which due beyond five years	Total	Due within one year	Due beyond one year	Of which due beyond five years	Total
Bonds	1,853	9,020	3,243	10,873	2,118	11,290	3,798	13,408
Convertible bonds	-	2,125	-	2,125	-	-	-	-
Borrowings from banks	4,482	8,558	300	13,040	7,701	5,910	465	13,611
Other financial payables	961	248	50	1,209	1,172	466	116	1,638
Advances	3,603	5,707	-	9,310	3,978	4,078	-	8,056
Trade payables	12,056	96	-	12,152	12,112	250	1	12,362
Notes payable	973	664	-	1,637	3,298	626	37	3,924
Payables to unconsolidated subsidiaries	63	-	-	63	96	-	-	96
Payables to associated companies	1,107	-	-	1,107	1,803	-	-	1,803
Taxes payable	1,279	24	-	1,303	1,178	58	2	1,236
Social security payable	311	2	-	313	331	2	-	333
Other payables	1,729	327	-	2,056	1,653	261	-	1,914
Total Payables	28,417	26,771	3,593	55,188	35,440	22,941	4,419	58,381

Payables may be analyzed by type as follows:

<i>(in millions of euros)</i>	At 12/31/2002				At 12/31/2001			
	Trade	Financial	Other	Total	Trade	Financial	Other	Total
Bonds	-	10,873	-	10,873	-	13,408	-	13,408
Convertible bonds	-	2,125	-	2,125	-	-	-	-
Borrowings from banks	-	13,040	-	13,040	-	13,611	-	13,611
Other financial payables	-	1,209	-	1,209	-	1,638	-	1,638
Advances	-	-	9,310	9,310	-	-	8,056	8,056
Trade payables	12,152	-	-	12,152	12,362	-	-	12,362
Notes payable	17	1,620	-	1,637	19	3,905	-	3,924
Payables to unconsolidated subsidiaries	24	39	-	63	10	85	1	96
Payables to associated companies	1,074	17	16	1,107	1,129	50	624	1,803
Taxes payable	-	-	1,303	1,303	-	-	1,236	1,236
Social security payable	-	-	313	313	-	-	333	333
Other payables	-	-	2,056	2,056	-	-	1,914	1,914
Total Payables	13,267	28,923	12,998	55,188	13,520	32,697	12,164	58,381

The decrease in Payables (3,193 million euros) compared to December 31, 2001 is mainly due to the following:

- a decrease in Trade payables of 253 million euros, of which 149 million euros are for the changes in the scope of consolidation;
- a decrease in Financial payables of 3,774 million euros due to lower requirements resulting from the decrease in financing made by the financing companies, the capital stock increase of Fiat S.p.A. and CNH Global N.V. totaling 1,215 million euros, and receipts deriving from the sale of businesses;
- an increase in Other payables of 834 million euros due to higher advances received from customers of 1,254 million euros, lower payables to associated companies of 608 million euros, higher taxes payable of 67 million euros, and an increase in other miscellaneous payables of 121 million euros.

Financial payables total 28,923 million euros at December 31, 2002 (32,697 million euros at December 31, 2001). Financial payables due within one year amount to 8,310 million euros at December 31, 2002 (14,408 million euros at December 31, 2001) and their carrying values approximate fair value as a consequence of the short-term maturity.

The portion of medium and long-term financial payables due beyond one year amounts to 20,613 million euros at December 31, 2002 (18,289 million euros at December 31, 2001). The scheduled maturities are:

(in millions of euros)	2004	2005	2006	2007	Thereafter	Total
Medium and long-term debt due beyond one year	6,129	7,442	2,807	642	3,593	20,613

The fair value of medium and long-term debt due beyond one year would be approximately 2,169 million euros lower than the carrying value at December 31, 2002 (at December 31, 2001, approximately 403 million euros lower than the carrying value). The fair values of that debt take into account the current market cost of funding with similar maturities, and, for bonds, their market prices.

The interest rates and the nominal currencies of medium and long-term debt, including the current portion of 4,807 million euros at December 31, 2002 (5,547 million euros at December 31, 2001) are as follows:

(in millions of euros)	Less than 5%	From 5% to 7.5%	From 7.5% to 10%	From 10% to 12.5%	Greater than 12.5%	Total
Euro and euro-zone currencies	12,027	6,853	323	14	10	19,227
U.S. dollar	2,740	1,478	19	-	-	4,237
Japanese yen	322	-	-	-	-	322
Brazilian real	53	8	345	3	252	661
British pound	10	753	29	-	-	792
Canadian dollar	68	-	-	-	-	68
Other	37	24	38	14	-	113
Total 2002 medium and long-term debt	15,257	9,116	754	31	262	25,420
Total 2001 medium and long-term debt	10,473	11,621	939	54	749	23,836

Financial payables with nominal rates in excess of 12.5% relate principally to companies operating in Brazil.

Medium and long-term financial payables include the equivalent amount of 2,229 million dollars (2,125 million euros) in five-year convertible bonds ("Exchangeable bonds") issued at the start of 2002 that are convertible into the same number of General Motors shares as once held by the Fiat Group (32,053,422 shares). The rate of interest is 3.25%. The option exercise price implicit in the bonds coincides with the pre-sale unit carrying value, in U.S. dollars, of the General Motors shares in the consolidated financial statements of Fiat of U.S. \$69.54 per share. Accordingly, at the time the bond was issued the risk of an increase in the General Motors share price above U.S. \$69.54 per share was covered by the shares held by Fiat. At the time of the sale of the shares, Fiat, in order to hedge the above-mentioned risk implicit to the Exchangeable bonds, contemporaneously stipulated with the bank acquiring the shares a "Total Return Equity Swap" relating to the same number of General Motors shares. For additional details on this transaction refer to Note 3.

Medium and long-term financial payables also include the 3 billion euros Mandatory Convertible facility stipulated in execution of the Framework Agreement, dated May 27, 2002, with Money Lending Banks (Capitalia, IntesaBCI, SanPaolo IMI and later Unicredito Italiano) for the purpose of providing the Fiat Group with the financial support it needs to implement its strategic and industrial plans. The facility was secured on September 24, 2002 from a syndicate of banks in which BNL, Monte dei Paschi di Siena, ABN Amro, BNP Paribas, Banco di Sicilia and Banca Toscana (hereinafter "the Banks") also participated, mainly in substitution of the already existing short-term credit lines. The main features of the Mandatory Convertible facility are as follows:

- The facility has a term of three years and expires on October 10, 2005. Moreover, Fiat may elect to repay the facility in cash at an earlier date, even partially, on a six-monthly basis on condition that, even after the repayment, its rating remains at least equal to the investment grade level. Any residual liability for principal will be repaid with ordinary shares of Fiat S.p.A., which the banks have agreed to underwrite and offer pre-emptively to all Fiat stockholders. The issue price per share will be the average of 15.5 euros and the average stock market price in the last three or six months, depending on the case, preceding the repayment date. The same formula will be applied in the event of an earlier expiration date.
- The capital stock increase should be approved at the expiration of the three-year term of the facility, for an amount equal to the outstanding balance of the facility which, under certain conditions, could become due at an earlier date.
- Conditions giving rise to an earlier expiration date of the facility include the occurrence of an event that creates a serious crisis for the company, such as the request for a court-appointed administrator or other proceedings of composition with creditors, a bankruptcy filing, or one of the causes of business dissolution set forth in Article 2448 of the Italian Civil Code. In addition, the Banks in the facility arrangement have the authority to demand early repayment of the entire amount of the facility in the following cases:

- Fiat Group companies have not fulfilled their duty to repay liquid and current financial obligations of an aggregate amount of more than 1 billion euros;
 - the independent auditors have issued a negative opinion on the consolidated financial statements, unless new auditors, who must have accepted the assignment within 30 days, issue a favorable opinion no later than 60 days thereafter;
 - Fiat becomes the target of a take-over bid in accordance with Articles 106 and 107 of the Consolidated Law on Financial Intermediation.
- Lastly, the Banks also have the right but not the obligation to demand early repayment of a portion of the amount of the facility, up to a maximum of 2 billion euros, after 24 months have elapsed from the signing of the agreement (and, therefore, beginning from July 26, 2004), in the event that at least one of the leading international rating agencies does not maintain the "investment grade" rating and, after 18 months have elapsed from the signing of the agreement (January 26, 2004), in the event that the level of net and/or gross financial indebtedness (respectively in the definitions of "Net financial position" and "Total financial liabilities" used by the Group and detailed in the Report on Operations) is more than 20% higher than the corresponding level established by the Financial Objectives stipulated in the facility agreement.
- The aforementioned Financial Objectives refer, in particular, to the reduction in net indebtedness to less than 3 billion euros by the date the Board of Directors approves the 2002 annual financial statements and the maintenance of that level until the expiration of the facility. Pursuant to the agreement, the proceeds generated from the transactions related to the sale of the investment in Italennergia Bis S.p.A. are also considered, including those connected with the Citigroup facility of 1,150 million euros, described below, and the financial effects arising from binding contracts for the sale of assets, (investments, companies, plant and equipment, etc.) including those not yet executed. The agreement also states that gross indebtedness must be reduced by 12 billion euros, compared to March 31, 2002, by the date the Board of Directors approves the 2002 annual financial statements and must be maintained at less than 23.6 billion euros until the expiration of the facility.

The Group has achieved the objective of reducing net indebtedness to 3 billion euros as stipulated in the agreement with the banks. The objective of reducing the gross indebtedness to 23.6 billion euros is expected to be met upon the execution of the sale of 51% of Fidis Retail Italia to Capitalia, Banca Intesa, San Paolo-IMI and Unicredito, as established by contract.

Moreover, Moody's Investors Service, on December 23, 2002, and Fitch and Standard & Poor's Rating Services, in March 2003, lowered their ratings of Fiat below "investment grade". Accordingly, should this condition persist, and after 24 months have elapsed from the signing of the agreement in the event that at least one of the leading international rating agencies does not maintain the "investment grade" rating, the banks will have the right but not the obligation to demand early repayment of the facility and proceed with the conversion of the debt into capital for an amount up to 2 billion euros.

Also included in Medium and long-term payables is approximately 1,150 million euros of financing secured from Citigroup and a small group of banks that is guaranteed by the EDF put option (refer to EDF Put described in Note 3) held by the Fiat Group on its residual investment (24.6%) in Italennergia Bis.

Financial payables secured by mortgages and other liens on property, plant and equipment amount to 1,447 million euros at December 31, 2002 (309 million euros at December 31, 2001). The increase of 1,138 million euros from the prior year is principally due to bank borrowings by Fiat Energia S.r.l. that are secured by Italennergia Bis S.p.A. shares and warrants.

At December 31, 2002, the Group has unused medium and long-term lines of credit available for approximately 3,700 million euros (4,500 million euros at December 31, 2001). The reduction is essentially due to the effects of the translation to Euro of the values of the credit lines in the original currencies.

13 Accrued expenses and deferred income

<i>(in millions of euros)</i>	<i>At 12/31/2002</i>	<i>At 12/31/2001</i>
Commercial accrued expenses:		
Accrued interest and commissions	54	76
Other	516	552
Total Commercial accrued expenses	570	628
Commercial deferred income:		
Interest	76	118
Other	853	753
Total Commercial deferred income	929	871
Financial accrued expenses	785	797
Financial deferred income	1,135	2,057
Total Accrued expenses and deferred income	3,419	4,353

Financial accrued expenses include interest expense on financial payables for the portion relating to the current year. Financial deferred income includes deferred interest income on the portfolio of the financial services companies.

14 Memorandum accounts		
Guarantees granted		
(in millions of euros)	At 12/31/2002	At 12/31/2001
Guarantees granted		
Unsecured guarantees		
Suretyships:		
on behalf of unconsolidated subsidiaries	-	26
on behalf of associated companies	22	29
on behalf of others	1,616	1,397
Total Suretyships	1,638	1,452
Guarantees of notes:		
on behalf of others	315	229
Total Guarantees of notes	315	229
Other unsecured guarantees:		
on behalf of unconsolidated subsidiaries	-	22
on behalf of associated companies	352	508
on behalf of others	3,021	2,939
Total Other unsecured guarantees	3,373	3,469
Total Unsecured guarantees	5,326	5,150
Secured guarantees		
on behalf of others	316	471
Total Secured guarantees	316	471
Total Guarantees granted	5,642	5,621

At December 31, 2002 Guarantees granted by the Group totaled 5,642 million euros (5,621 million euros at December 31, 2001), detailed as follows:

- Suretyships total 1,638 million euros (1,452 million euros at December 31, 2001) and mostly guarantee the successful completion of contracts in progress;
- Other unsecured guarantees of 3,373 million euros (3,469 million euros at December 31, 2001) include commitments for receivables and bills discounted with recourse in the amount of 2,518 million euros (2,629 million euros at December 31, 2001). The receivables and bills discounted with recourse refer to trade receivables and other receivables for 2,505 million euros (2,473 million euros at December 31, 2001) and financial receivables for 13 million euros (156 million euros at December 31, 2001). The volume of receivables discounted with recourse in 2002 was 20,743 million euros (9,593 million euros in 2001).

Although not included in the memorandum accounts, receivables and bills discounted by the Group without recourse having due dates beyond December 31, 2002 amounted to 13,794 million euros (in 2001, 13,372 million euros with due dates beyond December 31, 2001). Receivables and bills discounted without recourse refer to trade receivables and other receivables for 4,537 million euros (4,859 million euros at December 31, 2001) and financial receivables for 9,257 million euros (8,513 million euros at December 31, 2001). The discounting of financial receivables principally refers to securitization transactions involving accounts receivables from the final (retail) customers of the financial services companies. The accounting treatment for securitization transactions is disclosed in the Accounting Principles. The volume of receivables and bills discounted without recourse in 2002 was 30,502 million euros (29,593 million euros in 2001).

In summary, the discounted receivables and bills at December 31, 2002 are as follows:

(in millions of euros)	At 12/31/2002			At 12/31/2001		
	Trade Receivables and Other Receivables	Financial Receivables	Total	Trade Receivables and Other Receivables	Financial Receivables	Total
With recourse	2,505	13	2,518	2,473	156	2,629
Without recourse	4,537	9,257	13,794	4,859	8,513	13,372

The Parent Company and certain of its subsidiaries are involved in various legal actions and disputes. However, the settlement of such actions and disputes should not give rise to significant losses or liabilities which have not already been set aside in specific risk reserves.

Commitments

<i>(in millions of euros)</i>	At 12/31/2002	At 12/31/2001
Commitments related to derivative financial instruments	38,535	53,171
Commitments to purchase property, plant and equipment	494	710
Commitments for contracts in progress	73	194
Other commitments	9,811	5,328
Total Commitments	48,913	59,403

Commitments amounted to 48,913 million euros at December 31, 2002 (59,403 million euros at December 31, 2001) and include derivative financial instruments of 38,535 million euros at December 31, 2002 (53,171 million euros at December 31, 2001).

In particular, the following transactions exist at December 31, 2002:

- contracts to hedge foreign exchange risks of 7,590 million euros (11,550 million euros at December 31, 2001);
- contracts to hedge interest rate exposure of 27,361 million euros (34,485 million euros at December 31, 2001);
- contracts for combined hedging of foreign exchange and interest rate risks of 2,480 million euros (7,136 million euros at December 31, 2001).
- equity swaps of 1,104 million euros (\$ 1,157 million), entered into in conjunction with the sale of the General Motors shares for the purpose of managing the risk implicit in the Exchangeable bonds, described above, of an increase in the General Motors share price above the conversion price. For additional details on this derivative financial instrument refer to Note 3.

The decrease in the nominal amount of the contracts compared to December 31, 2002 is due to the natural expiry of transactions during the year, to the decrease in total indebtedness and the different composition of indebtedness which resulted in the early closing of certain positions, as well as to foreign exchange effects deriving from the conversion into euros of transactions denominated in other currencies.

These transactions, reflecting the notional principal amount, are not subject to risk that may derive from the non-fulfillment by the counterparties insofar as the contracts are entered into with several primary national and international financial institutions. Approximately 44% of the contracts outstanding at December 31, 2002 will expire during 2003 and the remainder in the period 2004-2021, of which 9% will expire after 2007. The consolidated statement of operations includes the effects both of the contracts that expired in 2002 and the accruals for the contracts expiring after December 31, 2002, as stated in the Accounting Policies.

The Group's financial policy attaches particular importance to the management and control of financial risks in that they can significantly impact profits. The Group has adopted a series of guidelines regarding the management of exchange rate and interest rate exposure. The Group's policy allows derivative financial instruments to be used only for managing exchange and interest rate risks connected to balance sheet flows and assets and liabilities, and not for speculative purposes.

In 2002, foreign exchange risk management followed the aforementioned policy and maintained the character of selective risk management. The reduction in exchange exposure, substantially originating from the positive balance between exports and imports, was based on the expected trend in exchange rates and the need to hedge the exchange levels of reference without completely foregoing the benefits deriving from a favorable trend in the rates. Again this year, the management of exchange risks was based principally on a combination of currency options.

In 2002, the management of interest rate exposure also followed the aforementioned guidelines which state that derivative financial instruments should be used to reach a fixed exposure level and minimize financing costs, and to ensure a correct matching of financing and investments by the financial services companies.

The derivative financial instruments principally relate to foreign exchange forward contracts, currency swaps and currency options or, as regards interest rate risks, interest rate swaps, forward rate agreements and options on interest rates, as well as interest rate and currency swaps for the combined management of currency and interest rate risks.

A comparison of the carrying values and the fair values of derivative financial instruments by contract type is set forth below:

<i>(in millions of euros)</i>	At 12/31/2002			At 12/31/2001		
	Carrying value	Fair value	Difference	Carrying value	Fair value	Difference
Foreign exchange risk management instruments	75	118	43	(38)	(34)	4
Interest rate risk management instruments	107	343	236	95	7	(88)
Foreign exchange and interest rate risk management instruments	99	84	(15)	(262)	(403)	(141)
Equity swap	-	23	23	-	-	-
Total	281	568	287	(205)	(430)	(225)

The fair value of these derivative financial instruments was estimated based on year-end market prices for instruments with similar characteristics and maturities.

The changes in the carrying values, year on year, are principally related to the trends in exchange rates which resulted in the strengthening of the Euro in comparison to the other principal currencies in which these instruments are denominated. Moreover, the fair values reflect the reduction in interest rate levels (principally euro) that resulted in a higher implicit value for instruments hedging fixed-rate issues.

The difference between the "Carrying value" and "Fair Value" is mainly due to the accounting principles adopted for the valuation of the financial instruments designated as hedges. As disclosed in the Accounting Policies, it is not possible to completely adopt IAS 39 under current Italian law since all derivative financial instruments would have to be recorded at fair value in the financial statements, including those designated as hedges. The latter, instead, have been valued symmetrically with the underlying hedged item. Therefore, where the hedged item has not been adjusted to fair value in the financial statements, the hedging financial instruments have also not been adjusted. Similarly, where the hedged item has not yet been recorded in the financial statements (hedging of future flows), the valuation of the hedging instrument at fair value has been postponed.

At December 31, 2002, the integral adoption of IAS 39 would have had an effect on the balance sheet, on the one hand, for the adjustment of derivative financial instruments to arrive at fair value with a positive effect of 287 million euros (a negative effect of 225 million euros at December 31, 2001), and, on the other hand, for the adjustment of the hedged balance sheet items (mainly payables) with a net negative effect (due to the trend in interest rates) of 405 million euros (13 million euros at December 31, 2001) and, for the part relating to the hedging of future flows, a lower accumulated value of reserves in stockholders' equity of 188 million euros (192 million euros at December 31, 2001), net of the amount set aside for deferred income taxes. As in the prior year, the integral adoption of IAS 39 would not have had any significant effect on the net result for the year.

Other commitments amounted to 9,811 million euros at December 31, 2002 (5,328 million euros at December 31, 2001) and include commitments for execution of the work of 7,718 million euros (3,728 million euros at December 31, 2001) under the contracts between Fiat S.p.A., as General Contractor, and Treno Alta Velocità T.A.V. S.p.A. for the design and construction of a high-speed railway lines between Bologna - Florence and Turin - Milan. The increase of 3,990 million euros compared to December 31, 2001 relates principally to the agreements reached during 2002 regarding the Turin-Novara sub-line. Fiat S.p.A. had assigned the design and construction of these works to the CAV.E.T. and CAV.TO.MI consortiums. As guarantee of the contractual advances and the proper execution of the works, Fiat granted bank suretyships and insurance guarantees to TAV totaling 1,665 million euros. Similarly, as contractually required, the CAV.E.T. Consortium granted bank suretyships to Fiat of 612 million euros, whereas the CAV.TO.MI Consortium paid Cash Collateral to Fiat of 250 million euros and granted bank suretyships to Fiat of 37 million euros, until such time as it secured on the market the necessary guarantees to be granted to Fiat totaling 989 million euros.

In September 2000, the European Union issued Directive 2000/53/CE relative to end-of-life vehicles. This Directive, among other things, provides that, in the future, vehicle manufacturers will have to bear all, or a significant part of, the costs arising from the collection, treatment and recovery of end-of-life vehicles. The above Directive is currently being introduced into the national legislation of the individual member states and will be applicable for all vehicles placed on the market starting from July 2002; beginning January 2007, instead, all vehicles on the market will be covered, even those placed before July 2002. At the end of the year, in Europe, only Germany, Holland, Norway, Austria and Spain introduced the Directive. In all of these countries, except Holland, vehicle manufactures are to organize a network for collecting and treating the end-of-life vehicles on the basis of commercial agreement between the manufacturers themselves and operators disposing of the vehicles. These agreements, besides adhering to the dictates of the European Directive, will serve to safeguard the manufacturers by guaranteeing a collection and treatment service

for the end-of-life vehicles at zero cost. In Italy, a draft of the national law introducing the European Directive was approved by the Council of Ministers in March 2003 and provides, among other things, that manufacturers may elect to organize a network for the collection of the vehicles. Fiat Auto is presently committed to identifying and stipulating agreements with a network of operators, covering the entire national territory, that will guarantee the collection and treatment of end-of-life vehicles at zero cost to the manufacturer. Based on the above-reported elements, at this time, probable significant expenses to be borne by the Group have not been identified.

Group assets held by third parties

Group assets held by third parties amount to 20,757 million euros at December 31, 2002 (19,372 million euros at December 31, 2001), an increase of 1,385 million euros. They include securities deposited with banks and other financial institutions totaling 17,558 million euros (16,451 million euros at December 31, 2001). These securities are mostly owned by the insurance companies. This item also includes tangible fixed assets, products and goods of some Automotive Sectors held by outside suppliers for processing, which totaled 3,199 million euros (2,921 million euros at December 31, 2001).

15 Value of production

Revenues from sales and services and Change in contract work in progress

Revenues from sales and services and Change in contract work in progress amounted to 55,649 million euros in 2002 compared to 58,006 million euros in 2001. They include revenues from sales and services of 55,427 million euros (57,575 million euros in 2001) and the change in contract work in progress of 222 million euros (431 million euros in 2001).

For comments on these items, refer to the Report on operations.

The Fiat Group is subdivided into business sectors and operates in various geographical areas. The distribution by business sector of Revenues from sales and services and Change in contract work in progress (net of intra-Group transactions) is as follows:

<i>(in millions of euros)</i>	2002	2001	2000
Revenues from sales and services and Change in contract work in progress by operating sector			
Automobiles	21,908	24,177	25,015
Agricultural and Construction Equipment	10,502	10,762	10,753
Commercial Vehicles	8,816	8,120	8,112
Ferrari (*)	1,194	1,040	881
Components	2,085	2,438	2,495
Production Systems	1,763	1,510	1,666
Metallurgical Products	1,411	1,429	1,420
Aviation	1,532	1,632	1,482
Insurance	4,834	5,369	4,353
Services (**)	1,005	762	n.a.
Publishing and Communications	346	334	343
Other companies (***)	253	433	1,035
Total Revenues from sales and services and Change in contract work in progress	55,649	58,006	57,555

(*) The Ferrari Sector figures are presented separately beginning from 2002. The corresponding figures in 2001 and 2000, previously included under "Other companies", were consequently reclassified.

(**) The results of the companies grouped under the Services Sector, were included under "Other companies" in 2000.

(***) "Other companies" also include the revenues of the Rolling Stock and Railway Systems Sector which was deconsolidated from the Group financial statements as from August 1, 2000.

Net revenues by area of destination may be analyzed as follows:

<i>(in millions of euros)</i>	2002	2001	2000
Revenues from sales and services and Change in contract work in progress by destination			
Italy	20,120	19,954	19,023
Europe (excluding Italy)	21,072	22,541	22,853
North America	7,411	7,531	7,472
Mercosur	3,268	4,221	4,483
Other areas	3,778	3,759	3,724
Total Revenues from sales and services and Change in contract work in progress	55,649	58,006	57,555

Other income and revenues

<i>(in millions of euros)</i>	2002	2001	2000
Revenues grants	47	79	43
Capital gains	290	383	438
Prior period income	518	476	620
Investment grants	114	93	123
Other income	1,183	1,214	1,195
Total Other income and revenues	2,152	2,245	2,419

Capital gains from the sale of fixed assets of 290 million euros (383 million euros in 2001) mainly relate to disposals of non-strategic activities as a consequence of the policy to reduce invested capital. The gains realized on the sale of non-strategic buildings total 159 million euros (287 million euros in 2001).

Other income includes sundry income which cannot be classified as Revenues from sales and services. The caption includes royalties, refunds of customs and export duties, miscellaneous cost recoveries, as well as rental and other building income of the insurance companies of 40 million euros in 2002 (54 million euros in 2001).

16 Costs of production

Costs of production amount to 58,854 million euros (61,009 million euros in 2001), a decrease of 3.5% compared to 2001. The main components of this item and the changes that occurred during the period can be described as follows:

Raw materials, supplies and merchandise

Raw materials, supplies and merchandise amount to 30,289 million euros, a decrease of 3.1% compared to 2001. The total is equal to 54.4% of revenues (53.9% in 2001).

Services

Services amount to 9,890 million euros, an increase of 0.6% compared to 2001. This amount is equal to 17.8% of revenues (17% in 2001). Services include advertising costs, external information technology and telecommunication service costs, external maintenance costs and transportation costs.

Personnel

Personnel costs consist of the following:

(in millions of euros)	2002	2001	2000
Salaries and wages	5,457	5,862	6,140
Social security contributions	1,365	1,551	1,710
Employee severance indemnities	256	315	353
Employee pensions and similar obligations	100	122	139
Other costs	376	319	353
Total Personnel costs	7,554	8,169	8,695

Personnel costs amount to 7,554 million euros in 2002, a decrease of 7.5% compared to 2001, mostly due to the effects of the change in the scope of consolidation. Personnel costs are equal to 13.6% of revenues (14.1% in 2001).

An analysis of the average number of employees by category is provided as follows:

	2002			2001			2000		
	Companies consolidated on a line-by-line basis	Companies consolidated by the proportional integration method	Total	Companies consolidated on a line-by-line basis	Companies consolidated by the proportional integration method	Total	Companies consolidated on a line-by-line basis	Companies consolidated by the proportional integration method	Total
Average number of employees									
Managers	3,483	2	3,485	3,500	39	3,539	3,981	34	4,015
White-collar	67,487	114	67,601	69,299	1,823	71,122	73,977	2,333	76,310
Blue-collar	118,999	320	119,319	135,945	3,566	139,511	144,438	5,781	150,219
Total	189,969	436	190,405	208,744	5,428	214,172	222,396	8,148	230,544

The average number of employees in 2002 is equal to 190,405, a decrease of 23,767 employees compared to 2001. That reduction is in part due to employees who left the Group, also in connection with employee reduction plans, and in part to the sale of the Aluminum Business Unit of Teksid and the Electronic Systems and After Market Business Units of Magneti Marelli, partially offset by the line-by-line consolidation of the Irisbus Business Unit of Iveco and of Kobelco Construction Machinery America LLC of the Agricultural and Construction Equipment Sector.

Provisions for risks

Provisions for risks of 1,138 million euros in 2002 (1,038 million euros in 2001) relate to adjustments made to the vehicle warranty reserve for 435 million euros (417 million euros in 2001), mainly in the Automotive Sectors, and to other reserves connected with industrial risks for 703 million euros (621 million euros in 2001).

Other operating costs

(in millions of euros)	2002	2001	2000
Loss on sale of fixed assets	86	137	82
Prior period expenses	297	198	179
Indirect and other taxes	229	260	287
Sundry expenses	692	714	910
Total Other operating costs	1,304	1,309	1,458

Insurance claims and other insurance costs

Insurance claims and other insurance costs amount to 4,045 million euros in 2002 (4,690 million euros in 2001). The decrease compared to 2001 of 13.8% reflects a lower volume of insurance premiums, mainly for life insurance.

17 Financial income and expenses*Investment income*

<i>(in millions of euros)</i>	2002	2001	2000
Dividends	103	102	79
Tax credit on dividends	22	112	130
Gain on sale of investments classified in current assets	31	50	169
Total Investment income	156	264	378

Investment income includes income from unconsolidated subsidiaries of 4 million euros (79 million euros in 2001), from associated companies of 1 million euros (1 million euros in 2001) and from other companies of 151 million euros (184 million euros in 2001).

Dividends were mainly received from minority investments valued at cost. They include dividends received on General Motors shares of 68 million euros (72 million euros in 2001).

The Gain on sale of investments classified in current assets decreased by 19 million euros compared to 2001 and refers to trading, conducted primarily by the insurance companies, which was affected by the fall in stock market prices.

Other financial income

The following analysis of "Other financial income" and "Interest and other financial expenses" present the amounts shown in the related captions on the statement of operations and also the amounts of income and expenses of the Group's financial companies presented in the captions on the statement of operations under "Revenues from sales and services" and "Interest and other expenses of financial services companies", respectively. The last line in the tables shows "Other financial income" and "Interest and other financial expenses" as shown on the statement of operations, excluding the financial activities.

<i>(in millions of euros)</i>	2002	2001	2000
Other financial income from:			
receivables from others held as fixed assets	2	2	5
securities held as fixed assets other than equity investments	156	253	203
securities held as current assets other than equity investments	147	301	96
Other income from:			
unconsolidated subsidiaries	25	11	22
associated companies	38	22	17
others:			
bank and other interest	494	302	349
customer interest and lease income	2,010	2,154	1,976
discounts and other income	124	284	233
income from derivative financial instruments	1,373	1,075	802
Total from others	4,001	3,815	3,360
Total Other income	4,064	3,848	3,399
Total Other financial income	4,369	4,404	3,703
of which:			
Other financial income, excluding financial services companies	2,219	2,188	1,655

Interest and other financial expenses

<i>(in millions of euros)</i>	2002	2001	2000
Interest and other financial expenses from:			
unconsolidated subsidiaries	2	3	5
associated companies	2	10	14
others:			
bond interest	769	625	457
bank interest	656	799	684
interest on trade and other payables	71	63	45
interest on notes payable	106	202	250
interest on other financial payables	540	343	409
discounts and other expenses	635	511	580
expenses from derivative financial instruments	1,225	1,255	1,126
loss on sale of securities	44	78	54
foreign exchange losses, net	111	147	9
Total Interest and other financial expenses - others	4,157	4,023	3,614
Total Interest and other financial expenses	4,161	4,036	3,633
of which:			
Interest and other financial expenses, excluding financial services companies	3,046	3,132	2,650

Other financial income of 4,369 million euros in 2002 (4,404 million euros in 2001), when shown net of Interest and other financial expenses of 4,161 million euros (4,036 million euros in 2001) results in a net positive balance of 208 million euros (368 million euros in 2001). The decrease in the net balance of 160 million euros derives from lower interest income from customers and leasing income of 144 million euros, higher costs related to discounted receivables and bills of 10 million euros and changes in the mix of interest income and expenses of 6 million euros.

Foreign exchange losses, net, of 111 million euros (foreign exchange losses, net, of 147 million euros in 2001), represent the balance between foreign exchange gains of 2,446 million euros in 2002 (1,535 million euros in 2001) and foreign exchange losses of 2,557 million euros in 2002 (1,682 million euros in 2001).

Loss on sale of securities (44 million euros) in 2002 includes the loss of 24 million euros on sales of investments not held as fixed assets.

Discounts and other expenses includes receivables discounting and securitization expenses of 261 million euros in 2002 (251 million euros in 2001).

18 Adjustments to financial assets

<i>(in millions of euros)</i>	2002	2001	2000
Revaluations:			
Equity investments	68	204	206
Financial fixed assets other than equity investments	-	38	41
Securities in current assets other than equity investments	7	12	6
Total Revaluations	75	254	253
Writedowns:			
Equity investments	809	577	280
Financial fixed assets other than equity investments	84	128	43
Securities in current assets other than equity investments	45	28	25
Financial receivables	18	15	7
Total Writedowns	956	748	355
Total Adjustments to financial assets	(881)	(494)	(102)

Revaluations and Writedowns of equity investments also include the share of the net income and losses of companies accounted for using the equity method.

Revaluations of equity investments of 68 million euros in 2002 include the share of the earnings of the following companies (in millions of euros): other companies of CNH Global N.V. 33, companies in the Automobile Sector 15, other companies 20.

Revaluations of equity investments of 204 million euros in 2001 included the share of the earnings of the following companies (in millions of euros): BUC – Banca Unione di Credito 33, Leasys S.p.A. 22, Europ Assistance Holding S.A. 8, other companies of CNH Global N.V. 24, investments in insurance companies 59, other companies 58.

Writedowns of equity investments of 809 million euros in 2002 (577 million euros in 2001) include the share of the losses deriving from valuations using the equity method as well as the permanent impairments in value on companies valued at cost, for the following companies (in millions of euros): Itالenergia Bis S.p.A. 211 (34 in 2001 for Itالenergia S.p.A.), Capitalia S.p.A. 124 (revaluation of 21 in 2001 for Banca di Roma S.p.A.), Atlanet S.p.A. 31 (21 in 2001), Holding di Partecipazioni Industriali – H.d.P. S.p.A. 15 (23 in 2001), other companies of CNH Global N.V. 5 (32 in 2001), companies in the Automobile Sector operating in Turkey and in Thailand 27 (33 in 2001), companies in the Automobile Sector operating in China 5 (15 in 2001), other companies in the Automobile Sector 49 (30 in 2001), investments in insurance companies 198 (313 in 2001), Lingotto S.p.A. 30, Trucks & Bus Company 17, and other companies 97 (76 in 2001).

19 Extraordinary income and expenses

<i>(in millions of euros)</i>	2002	2001	2000
Extraordinary income			
Gains on disposals of investments and other fixed assets	1,081	1,515	2,524
Other income:			
Prior period income	8	51	7
Other income	146	79	226
Total Other income	154	130	233
Total Extraordinary income	1,235	1,645	2,757
Extraordinary expenses			
Losses on disposal of investments and other fixed assets	(1,239)	(56)	(30)
Taxes related to prior years	(79)	(18)	(5)
Other expenses:			
Extraordinary provisions to reserves	(980)	(483)	(1,106)
Other extraordinary expenses	(1,400)	(713)	(695)
Prior period expenses	(40)	(16)	(7)
Total Other expenses	(2,420)	(1,212)	(1,808)
Total Extraordinary expenses	(3,738)	(1,286)	(1,843)
Total Extraordinary income and expenses	(2,503)	359	914

Gains on disposals of investments and other fixed assets amount to 1,081 million euros in 2002 (1,515 million euros in 2001). They include the gains on the following sales (in millions of euros): sale of 34% di Ferrari S.p.A. 714 (671 million euros net of the costs associated with the transaction, classified as extraordinary expenses), sale of the After Market business of Magneti Marelli 26, sale of 14% of Itالenergia Bis S.p.A. 189, sale of the investment in Europ Assistance Holding S.A. 83, sale of 50% of Targasys S.r.l. a S.U. 36, sale of the residual stock of Sinport Sinergie Portuali S.p.A. 14 and sales of other minor investments 19.

In 2001, Gains on disposals of investments and other fixed assets amounted to 1,515 million euros. They included the gains on the following sales (in millions of euros): Fenice S.p.A. 481, contribution of Fiat Energia S.p.A. to Itالenergia S.p.A. 255, sale of the residual FiatAvio Power Services S.p.A. business 17, Climate Control Systems Division of Magneti Marelli 329, sale of ITS and GSA business to set up the Global Value joint venture 165, contribution of the Savarent business to Leasys S.p.A. 71, the remaining 49% stake in Alstom Ferroviaria - formerly Fiat Ferroviaria 107, Banca di Roma S.p.A. stock 20, H.d.P. S.p.A. stock 16, Denso Manufacturing Italia S.p.A. 13, Sinport Sinergie Portuali S.p.A. stock 8 and other minor investments 33.

Other extraordinary income of 146 million euros (79 million euros in 2001) refers to nonrecurring income of the individual companies of the Group mainly for the release of reserves, extraordinary in nature, that proved in excess of requirements.

Losses on disposals of investments and other fixed assets amount to 1,239 million euros in 2002 (56 million euros in 2001). They include losses on the following sales (in millions of euros): sale of General Motors shares 1,049, sale of the Aluminum Business Unit of Teksid 24 (100 including the net provisions and expenses associated with the sale, classified as extraordinary expenses), sale of the Electronic Systems Business Unit of Magneti Marelli 150 (of which 36 arose at the time of sale and 114 from post-sales price adjustments and later settlement agreements), sale of Viasat S.p.A. 3 and others 13.

Taxes related to prior years amount to 79 million euros in 2002 (18 million euros in 2001) and include 56 million euros for tax amnesty costs estimated by the companies operating in Italy.

Other extraordinary expenses of 2,420 million euros in 2002 (1,212 million euros in 2001) include principally expenses and provisions for risks in relation to corporate restructuring transactions of 1,026 million euros, other extraordinary writedowns of assets on the basis of changes in the market prospects and the consequent new business plans of 216 million euros and on the basis of the estimated realizable value indicated in the subsequently signed agreement for the sale of the Fraikin business of 210 million euros. They also include additional extraordinary expenses and provisions for future risks and charges totaling 968 million euros, of which the most significant are: expenses and provisions recorded for impairment losses on the value of investments in the telecommunications sector (95 million euros), those recorded in respect of the sale contract for the Aluminum Business Unit of Teksid (76 million euros), and those related to the incidental charges associated with the sale of Ferrari S.p.A. (43 million euros).

Other extraordinary expenses are divided by Business Sector as follows (in millions of euros): Automobile 853 (616 in 2001), Commercial Vehicles 466 (235 in 2001), Metallurgical Products 149 (80 in 2001), Components 363 (87 in 2001), Production Systems 144 (30 in 2001), Services 202 (101 in 2001) and Other Sectors and Companies 243 (63 in 2001).

20 Income taxes

Income taxes recorded in the consolidated statement of operations in 2002, 2001 and 2000 are as follows:

<i>(in millions of euros)</i>	2002	2001	2000
Current taxes:			
IRAP	141	156	203
Other taxes	192	652	796
Total Current taxes	333	808	999
Deferred taxes	(887)	(514)	(527)
Total Income taxes	(554)	294	472

Income taxes paid by the Group in 2002 and 2001 amounted to 660 million euros and 747 million euros, respectively.

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

<i>(in millions of euros)</i>	2002	2001	2000
Theoretical income taxes	(1,734)	(207)	365
Utilization of tax loss carryforwards	(47)	(66)	(73)
Tax effect of permanent differences	(325)	(117)	(376)
Tax effect of difference between foreign tax rates and theoretical Italian tax rates	13	76	32
Deferred tax assets not provided	1,361	544	337
Other differences	37	(92)	(16)
Income taxes recorded in financial statements excluding IRAP (current and deferred income taxes)	(695)	138	269
IRAP	141	156	203
Income taxes recorded in financial statements (current and deferred income taxes)	(554)	294	472

In order to render the reconciliation between income taxes recorded in the financial statements and theoretical income taxes more meaningful, beginning from 2002 the IRAP tax is not taken into consideration. Since the IRAP tax has a taxable basis that is different from income before taxes, it generates distortions between one year and another. Accordingly, the theoretical income taxes were determined applying only the 36% (IRPEG) tax rate in effect in Italy to the income before taxes. The amounts for 2002 and 2001 were consequently reclassified.

In 2002 and 2001, as a result of the loss reported by the Group, the effective tax rate is not significant.

With reference to the above reconciliation, the permanent differences include the tax effect on exempt income of 356 million euros (279 million euros in 2001) and on net nondeductible costs of 1,276 million euros in 2002 (162 million euros in 2001).

In 2002, Other differences include income subject to subsidized taxation of -31 million euros (-118 million euros in 2001) and the relative effect of the expected lower tax rate on the deferred taxes of Italian companies, valued at 62 million euros.

21 Other information**Assets by geographical area**

<i>(in millions of euros)</i>	Total Assets		
	At 12/31/2002	At 12/31/2001	At 12/31/2000
Europe	75,254	76,039	70,629
North America	12,013	15,353	15,584
Mercosur	3,451	6,939	7,312
Other areas	1,803	2,418	2,230
Total Assets	92,521	100,749	95,755

Capital expenditures by geographical area

<i>(in millions of euros)</i>	Total Capital Expenditures		
	2002	2001	2000
Europe	2,225	2,545	2,412
North America	313	555	374
Mercosur	150	249	371
Other areas	83	89	79
Total Capital expenditures	2,771	3,438	3,236

Operating income by geographical area

The following analysis of operating income by geographical area excludes the operating income of the Group's insurance companies for which operating profit is not an appropriate measurement of results.

<i>(in millions of euros)</i>	Total Operating Income		
	2002	2001	2000
Europe	(1,136)	52	873
North America	(118)	15	(325)
Mercosur	260	176	175
Other areas	89	8	196
Total Industrial and Financial activities	(905)	251	919
Insurance companies	143	67	(64)
Total Operating income	(762)	318	855

Other segment information

(in millions of euros)	Automobiles	Agricultural and Construction Equipment	Commercial Vehicles	Automotive-Related Activities (**)	Insurance	Other Diversified Sectors	Other Companies (**) and Elimin.	Consolidation
2002								
Net sales and revenues:								
Third parties	21,908	10,502	8,816	6,453	4,834	2,883	253	55,649
Intersegment (*)	239	11	320	1,902	82	976	(3,530)	-
Total	22,147	10,513	9,136	8,355	4,916	3,859	(3,277)	55,649
Operating income (loss)	(1,343)	163	102	(20)	147	280	(91)	(762)
Depreciation and amortization	959	541	424	424	47	119	100	2,614
Capital expenditures	1,116	431	587	422	14	147	54	2,771
Total Assets	30,026	14,434	10,846	9,269	19,041	6,534	2,371	92,521
2001								
Net sales and revenues:								
Third parties	24,177	10,762	8,120	6,417	5,369	2,728	433	58,006
Intersegment (*)	263	15	530	2,684	92	1,060	(4,644)	-
Total	24,440	10,777	8,650	9,101	5,461	3,788	(4,211)	58,006
Operating income (loss)	(549)	209	271	63	68	257	(1)	318
Depreciation and amortization	1,150	553	410	455	47	165	100	2,880
Capital expenditures	1,331	615	718	554	29	79	112	3,438
Total Assets	33,488	18,228	10,005	11,868	18,326	6,558	2,276	100,749
2000								
Net sales and revenues:								
Third parties	25,015	10,753	8,112	6,462	4,353	1,825	1,035	57,555
Intersegment (*)	346	17	499	3,195	10	20	(4,087)	-
Total	25,361	10,770	8,611	9,657	4,363	1,845	(3,052)	57,555
Operating income (loss)	44	45	489	288	(56)	153	(108)	855
Depreciation and amortization	1,331	562	423	441	30	96	169	3,052
Capital expenditures	1,412	447	656	501	24	53	143	3,236
Total Assets	35,090	18,170	8,809	11,205	14,199	2,933	5,349	95,755

(*) Intersegment net sales and revenues include revenues between consolidated Group companies relating to different Sectors. Intersegment sales are accounted for at transfer prices that are substantially in line with market conditions.

(**) The operating income (loss) of "Other Companies" amounts to -105 million euros in 2002, -95 million euros in 2001 and 32 million euros in 2000.

(***) The data shown includes the values of the Ferrari Sector, previously included in the column "Other companies and eliminations". The amounts relating to 2001 and 2000 were reclassified on a consistent basis.

Research and development expenses

Each year significant expenditures are borne by the Group for research and development programs that generally cover a period of several years and which are charged to income in the year incurred.

In 2002 and 2001 direct research and development expenses were 1,748 million euros and 1,817 million euros, respectively. For some projects, the Group has applied for financing to the Italian government and the European Community under related legislation.

At the end of 2002, applications for R&D incentives on multiyear projects with estimated expenditures of approximately 1,033 million euros (an amount which also includes projects for which the balance of incentives was obtained in the same year) were made to the above authorities for 167 million euros in low-rate loans and 436 million euros in grants, which will also give rise to the receipt of incentives over the next few years. The amounts received during 2002 were 13 million euros in low-rate loans and 66 million euros in grants. Of this amount, a cumulative total of 48 million euros in low-rate loans and 134 million euros in grants had been received by December 31, 2002.

The average interest rate on financing received for research and innovation at December 31, 2002 was 2.5% (2.5% for outstanding financing at December 31, 2001).

Maintenance costs

Maintenance costs charged to income in 2002 and 2001 amounted to 556 million euros and 696 million euros, respectively.

Advertising costs

Advertising costs charged to income in 2002 and 2001 amounted to 1,106 million euros and 1,185 million euros, respectively.

22 Statement of cash flows

Beginning from this year the Statement of cash flows is included, and commented on, in the Report on Operations – Analysis of the Financial Position and Operating Results of the Fiat Group and Fiat S.p.A.

A reconciliation between cash and the Group net financial position is also reported in the Report on Operations – Analysis of the Financial Position and Operating Results of the Fiat Group and Fiat S.p.A.

23 Translation of foreign financial statements

The principal exchange rates used in 2002 and 2001 to translate the foreign currency financial statements into euros were:

	Average 2002	At 12/31/2002	Average 2001	At 12/31/2001
U.S. dollar	0.944	1.049	0.896	0.881
British sterling	0.628	0.651	0.622	0.608
Swiss franc	1.467	1.452	1.511	1.483
Polish zloty	3.854	4.020	3.677	3.522
Brazilian real	2.765	3.705	2.106	2.045
Argentine peso	2.957	3.534	0.895	1.472

24 Emoluments to directors and statutory auditors

(in thousands of euros)	2002			2001		
	Fiat S.p.A.	Subsidiaries	Total	Fiat S.p.A.	Subsidiaries	Total
Directors	29,483	87	29,570	5,795	228	6,023
Statutory auditors	145	268	413	145	189	334
Total Emoluments	29,628	355	29,983	5,940	417	6,357

This refers to the emoluments due to Directors and Statutory Auditors of Fiat S.p.A. to carry out these functions also in the other companies included in consolidation. The emoluments to the Directors of Fiat S.p.A. include 20,053 thousand euros as a severance indemnity to Cantarella, who stepped down from the post of Chief Executive Officer on June 10, 2002, of which 9,296 thousand euros will be paid in 20 years.

The list of companies included in the consolidated financial statements (Article 38 and 39 of Legislative Decree 127/91) is attached

Turin, March 27, 2003

The Board of Directors

By:

V. A1-14

Umberto Agnelli
Chairman

Annex to the Notes to the Consolidated Financial Statements

The Companies of the Fiat Group

As required by Consob Resolution No. 11971 of May 14, 1999 as amended (Articles 81 and 126 of the Regulations), a complete list of the companies and significant equity investments of the Group is provided below.

The companies on this list have been classified according to percentage of ownership, method of consolidation and type of business. The information provided for each company includes: name, registered office, country and capital stock

stated in the original currency. The percentage of Group consolidation and the percentage held by Fiat S.p.A. or its subsidiaries are also shown.

A separate column shows the percentage held of the voting rights at the ordinary stockholders' meeting, when this figure differs from the percentage interest held in the company.

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Controlling company								
■ Parent company								
Fiat S.p.A.	Turin	Italy	3,082,128,000	EUR	-	-	-	-
Subsidiaries consolidated on a line-by-line basis								
■ Automobiles								
Fiat Auto Holdings B.V.	Amstelveen	Netherlands	500,000	EUR	80.00	Fiat Partecipazioni S.p.A.	80.000	
Banco Fiat SA	São Paulo	Brazil	333,412,981	BRL	79.97	Fiat Auto S.p.A.	94.968	
						Fiat Automoveis S.A. - FIASA	5.000	
Banco Fidis de Investimento SA	São Paulo	Brazil	116,235,465	BRL	79.97	Fiat Auto S.p.A.	94.968	
						Fiat Automoveis S.A. - FIASA	5.000	
B.D.C. S.A.	Brussels	Belgium	1,289,294	EUR	80.00	Fiat Auto (Belgio) S.A.	100.000	
FAL Fleet Services S.A.S.	Trappes	France	3,000,000	EUR	80.00	Fidis Renting Italia S.p.A.	100.000	
FC France SA	Trappes	France	11,360,000	EUR	80.00	Fiat France Participations Financieres S.A.	100.000	
FL Auto Snc	Trappes	France	4,954,625	EUR	80.00	FC France SA	99.997	
						Sofice-Société de Financement des Concessionaires S.A.	0.003	
Fiat Administradora de Consorcios Ltda.	São Paulo	Brazil	39,472,561	BRL	79.97	Banco Fiat SA	100.000	
Fiat Auto Argentina S.A.	Buenos Aires	Argentina	444,048,188	ARS	80.00	Fiat Auto S.p.A.	66.173	
						Fiat Automoveis S.A. - FIASA	33.827	
Fiat Auto (Belgio) S.A.	Brussels	Belgium	7,585,220	EUR	80.00	Fiat Finance Netherlands B.V.	99.990	
						Fiat Auto (Suisse) S.A.	0.010	
Fiat Auto Contracts Ltd	Slough Berkshire	United Kingdom	13,500,000	GBP	80.00	Fidis Renting Italia S.p.A.	100.000	
Fiat Auto Dealer Financing SA	Brussels	Belgium	62,000	EUR	80.00	Fiat Auto (Belgio) S.A.	99.839	
						Fidis Nederland B.V.	0.161	
Fiat Auto Espana S.A.	Alcalá De Henares	Spain	57,696,960	EUR	80.00	Fiat Finance Netherlands B.V.	99.998	
						Fiat Auto (Suisse) S.A.	0.002	
Fiat Auto Financial Services Limited	Slough Berkshire	United Kingdom	2,250,000	GBP	80.00	Fiat Auto (U.K.) Ltd	100.000	
Fiat Auto Financial Services (Wholesale) Ltd.	Slough Berkshire	United Kingdom	1	GBP	80.00	Fiat Auto (U.K.) Ltd	100.000	
Fiat Auto (France) S.A.	Trappes	France	91,050,000	EUR	80.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Auto Hellas S.A.	Argyroupoli	Greece	23,533,500	EUR	80.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Auto Holding S.A.	Paradiso	Switzerland	1,900,000	CHF	80.00	Fiat Auto S.p.A.	100.000	
Fiat Auto (Ireland) Ltd.	Dublin	Ireland	5,078,952	EUR	80.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Auto Japan K.K.	Minatu-Ku, Tokyo	Japan	420,000,000	JPY	80.00	Fiat Auto S.p.A.	100.000	
Fiat Auto Kreditbank GmbH	Vienna	Austria	5,000,000	EUR	80.00	Fiat Auto S.p.A.	50.000	
						Fidis S.p.A.	50.000	
Fiat Auto Lease N.V.	Amsterdam	Netherlands	454,000	EUR	80.00	Fidis Renting Italia S.p.A.	100.000	
Fiat Auto Maroc S.A.	Casablanca	Morocco	314,000,000	MAD	79.96	Fiat Auto S.p.A.	99.950	
Fiat Auto Nederland B.V.	Zuidoost	Netherlands	5,672,253	EUR	80.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Auto Poland S.A.	Bielsko-Biala	Poland	660,334,600	PLN	69.32	Fiat Auto S.p.A.	86.644	

Subsidiaries consolidated on a line-by-line basis (continued)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Fiat Auto Portuguesa S.A.	Linda-a-Velha	Portugal	44,187,527	EUR	80.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Auto South Africa (Proprietary) Ltd	Sandton	South Africa	440	ZAR	80.00	Fiat Auto S.p.A.	100.000	
Fiat Auto S.p.A.	Turin	Italy	2,500,000,000	EUR	80.00	Fiat Auto Holdings B.V.	100.000	
Fiat Auto (Suisse) S.A.	Geneva	Switzerland	42,000,000	CHF	80.00	Fiat Auto Holding S.A.	53.571	
						Fiat Auto S.p.A.	46.429	
Fiat Auto Trading S.A.	Betim	Brazil	641,286	BRL	80.00	Fiat Automoveis S.A. - FIASA	100.000	
Fiat Auto (U.K.) Ltd	Slough Berkshire	United Kingdom	44,600,000	GBP	80.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Auto Var S.r.l. a S.U.	Turin	Italy	10,200,000	EUR	80.00	Fiat Auto S.p.A.	100.000	
Fiat Automobil AG	Heilbronn	Germany	97,145,457	EUR	80.00	Fiat Finance Netherlands B.V.	99.000	
						Fiat Auto (Suisse) S.A.	1.000	
Fiat Automobil GmbH	Vienna	Austria	36,336	EUR	80.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Automobil Vertriebs GmbH	Frankfurt	Germany	8,691,963	EUR	80.00	Fiat Automobil AG	100.000	
Fiat Automobil Danmark A/S	Glostrup	Denmark	55,000,000	DKK	80.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Automoveis S.A. - FIASA	Betim	Brazil	1,432,341,332	BRL	80.00	Fiat Auto S.p.A.	100.000	
Fiat Bank GmbH	Heilbronn	Germany	39,600,000	EUR	80.00	Fiat Automobil AG	100.000	
Fiat Bank Polska S.A.	Warsaw	Poland	125,000,000	PLN	80.00	Fiat Bank GmbH	100.000	
Fiat Center Italia S.p.A.	Turin	Italy	2,000,000	EUR	80.00	Fiat Auto S.p.A.	100.000	
Fiat Center (Suisse) S.A.	Geneva	Switzerland	50,000	CHF	80.00	Fiat Auto (Suisse) S.A.	100.000	
Fiat CR Spol. S.R.O.	Prague	Czech Republic	1,000,000	CZK	80.00	Fiat Auto S.p.A.	100.000	
Fiat Credit Belgio S.A.	Evere	Belgium	3,718,403	EUR	80.00	Fiat Auto (Belgio) S.A.	99.999	
						Fidis Nederland B.V.	0.001	
Fiat Credit Hellas Commercial S.A. of Vehicles	Argyroupoli	Greece	600,000	EUR	80.00	Fidis Retail Italia S.p.A.	99.999	
						Fiat Finance Netherlands B.V.	0.001	
Fiat Credito Compania Financiera S.A.	Buenos Aires	Argentina	264,595,928	ARS	80.00	Fidis S.p.A.	99.999	
						Fiat Auto Argentina S.A.	0.001	
Fiat Credito Portugal S.A.	Lisbon	Portugal	7,800,000	EUR	80.00	Fiat Auto Portuguesa S.A.	100.000	
Fiat Distribuidora Portugal S.A.	Lisbon	Portugal	500,300	EUR	80.00	Fiat Auto Portuguesa S.A.	100.000	
Fiat Factoring GmbH	Heilbronn	Germany	2,000,000	EUR	80.00	Fiat Automobil AG	100.000	
Fiat Factoring S.A.	Trappes	France	2,400,000	EUR	80.00	Fiat France Participations Financieres S.A.	100.000	
Fiat Factoring Sociedade de Fomento Comercial Ltda	Barueri	Brazil	53,197,305	BRL	79.97	Fiat Serviços Tecnicos em Administração Ltda.	100.000	
Fiat Finance Holding S.A.	Luxembourg	Luxembourg	2,300,000	EUR	80.00	Fiat Finance Netherlands B.V.	99.995	
						Fidis S.p.A.	0.005	
Fiat Finance Netherlands B.V.	Amsterdam	Netherlands	550,000,000	EUR	80.00	Fidis S.p.A.	62.411	
						Fiat Auto Holdings B.V.	37.589	
Fiat Finance Polska S.A.	Warsaw	Poland	15,000,000	PLN	80.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Finance S.A.	Schlieren	Switzerland	24,100,000	CHF	80.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Finance S.A.	Luxembourg	Luxembourg	9,900,000	EUR	80.00	Fiat Finance Holding S.A.	99.995	
						Fidis S.p.A.	0.005	
Fiat Finansiering A/S	Glostrup	Denmark	13,000,000	DKK	80.00	Fiat Finance Netherlands B.V.	100.000	
Fiat France Participations Financieres S.A.	Paris	France	51,737,516	EUR	80.00	Fiat Auto (France) S.A.	100.000	
Fiat Handlerservice GmbH	Heilbronn	Germany	26,000	EUR	80.00	Fiat Automobil AG	100.000	
Fiat India Automobiles Private Limited	Mumbai	India	18,780,741,500	INR	80.00	Fiat Auto S.p.A.	100.000	
Fiat India Private Ltd.	Mumbai	India	13,917,862,500	INR	78.16	Fiat India Automobiles Private Limited	88.613	87.502
						Fiat Auto S.p.A.	9.087	9.975
Fiat Leasing GmbH	Heilbronn	Germany	500,000	EUR	80.00	Fiat Bank GmbH	100.000	
Fiat Leasing Portugal-Sociedade de Locação Financeira Mobiliária S.A.	Lisbon	Portugal	3,750,000	EUR	80.00	Fiat Credito Portugal S.A.	100.000	
Fiat Location Auto Snc	Paris	France	76,225	EUR	80.00	FC France SA	99.980	
						Sofice-Société de Financement des Concessionnaires S.A.	0.020	

Subsidiaries consolidated on a line-by-line basis (continued)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Fiat Magyarország Kereskedelmi KFT.	Budapest	Hungary	150,000,000	HUF	80.00	Fiat Auto S.p.A.	100.000	
Fiat Motor Sales Ltd	Slough Berkshire	United Kingdom	1,500,000	GBP	80.00	Fiat Auto (U.K.) Ltd	100.000	
Fiat Serviços Técnicos em Administração Ltda.	Barueri	Brazil	42,122,574	BRL	79.97	Banco Fidis de Investimento SA	100.000	
Fiat SR Spol. SR.O.	Bratislava	Slovak Republic	1,000,000	SKK	80.00	Fiat Auto S.p.A.	100.000	
Fiat Sundaram Auto Finance Private Limited	Chennai	India	230,000,000	INR	40.80	Fiat Finance Netherlands B.V.	51.000	
Fiat Versicherungsdienst GmbH	Heilbronn	Germany	26,000	EUR	89.80	Fiat Automobil AG Rimaco S.A.	51.000 49.000	
FiatSava S.p.A.	Turin	Italy	86,460,400	EUR	80.00	Fidis Retail Italia S.p.A.	100.000	
Fidis Bank G.m.b.H.	Vienna	Austria	4,740,000	EUR	80.00	Fiat Auto S.p.A. Fidis S.p.A.	50.000 50.000	
Fidis Credit Danmark A/S	Glostrup	Denmark	500,000	DKK	80.00	Fiat Finance Netherlands B.V.	100.000	
Fidis Dealer Services B.V.	Maarssen	Netherlands	698,000	EUR	80.00	Fiat Auto Nederland B.V.	100.000	
Fidis Factoring Italia S.p.A.	Turin	Italy	500,000	EUR	80.00	Fiat Auto S.p.A.	100.000	
Fidis Hungary KFT	Budapest	Hungary	13,000	EUR	80.00	Fidis S.p.A.	100.000	
Fidis Leasing GmbH	Vienna	Austria	40,000	EUR	80.00	Fidis S.p.A. Fidis Bank G.m.b.H.	51.000 49.000	
Fidis Nederland B.V.	Maarssen	Netherlands	3,085,800	EUR	80.00	Fiat Auto Nederland B.V.	100.000	
Fidis Renting Italia S.p.A.	Turin	Italy	70,300,000	EUR	80.00	Fiat Auto S.p.A.	100.000	
Fidis Retail Italia S.p.A.	Turin	Italy	129,200,000	EUR	80.00	Fiat Auto S.p.A.	100.000	
Fidis S.p.A.	Turin	Italy	311,232,342	EUR	80.00	Fiat Auto S.p.A. Nuove Iniziative Finanziarie 2 S.r.l.	99.900 0.100	
Finplus Renting S.A.	Alcalá De Henares	Spain	455,991	EUR	80.00	Fidis Renting Italia S.p.A.	100.000	
IN ACTION S.r.l.	Arese	Italy	336,000	EUR	80.00	Fidis S.p.A.	100.000	
Inmap 2000 Espana S.L.	Madrid	Spain	12,020,000	EUR	80.00	Fiat Auto Espana S.A.	100.000	
International Metropolitan Automotive Promotion (France) S.A.	Paris	France	56,000	EUR	80.00	Fiat Auto (France) S.A.	100.000	
Internat.Metrop.Automotive Prom. (Belgio) S.A.	Villers-la-Ville	Belgium	13,436,806	EUR	80.00	B.D.C. S.A. Fiat Auto (Belgio) S.A.	99.999 0.001	100.000 0.000
Sata-Società Automobilistica Tecnologie Avanzate S.p.A.	Melfi	Italy	276,640,000	EUR	80.00	Fiat Auto S.p.A.	100.000	
Sava-Leasing Società per Azioni	Turin	Italy	36,400,000	EUR	80.00	Fidis Retail Italia S.p.A.	100.000	
Savarent Società per Azioni	Turin	Italy	21,000,000	EUR	80.00	Fidis Renting Italia S.p.A.	100.000	
Sofice-Société de Financement des Concessionnaires S.A.	Trappes	France	3,353,600	EUR	80.00	Fiat Auto (France) S.A.	100.000	
TarCredit E.F.C. S.A.	Alcalá De Henares	Spain	21,501,316	EUR	80.00	Fiat Auto Espana S.A.	100.000	
Tarfin S.A.	Geneva	Switzerland	100,000	CHF	80.00	Fiat Finance Netherlands B.V.	100.000	
Targa Assistance S.r.l.	Turin	Italy	260,000	EUR	48.00	Fidis S.p.A.	60.000	
Targa Automotive S.p.A.	Turin	Italy	5,000,000	EUR	80.00	Fidis S.p.A.	100.000	
Targa Rent S.r.l.	Turin	Italy	310,000	EUR	80.00	Fidis S.p.A.	100.000	
Targasys Espana S.L.	Alcalá De Henares	Spain	5,000	EUR	80.00	TarCredit E.F.C. S.A. Fiat Auto Espana S.A.	98.000 2.000	
■ Agricultural and Construction Equipment								
CNH Global N.V.	Amsterdam	Netherlands	295,284,060	EUR	85.32	Fiat Netherlands Holding N.V. CNH Global N.V.	85.239 0.089	
Austoft Holdings Limited	Bundaberg	Australia	10,145,000	AUD	85.32	CNH Australia Pty Limited	100.000	
Austoft Industries Limited	Bundaberg	Australia	16,353,225	AUD	85.32	CNH Australia Pty Limited	100.000	
Banco CNH Capital S.A.	Curitiba	Brazil	108,103,633	BRL	85.32	CNH Global N.V.	100.000	
Bli Group Inc.	Wilmington	U.S.A.	1,000	USD	85.32	New Holland North America Inc.	100.000	
Blue Leaf I.P. Inc.	Wilmington	U.S.A.	1,000	USD	85.32	Bli Group Inc.	100.000	
Case Belgium BVBA	Schelle	Belgium	427,620	EUR	85.32	Case LLC Case Equipment International Corporation	99.994 0.006	

Subsidiaries consolidated on a line-by-line basis (continued)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Case Brasil & CIA	Sorocaba	Brazil	201,272,348	BRL	85.32	Case Brazil Holdings Inc. Case Equipment International Corporation	87.510 12.490	
Case Brazil Holdings Inc.	Wilmington	U.S.A.	1,000	USD	85.32	Case LLC	100.000	
Case Canada Investments Ltd.	Calgary	Canada	6,803,644	CAD	85.32	CNH Global N.V.	100.000	
Case Canada Receivables Inc.	Calgary	Canada	1	CAD	85.32	Case Credit Corporation	100.000	
Case Credit Australia Investments Pty. Ltd.	St. Marys	Australia	187,360,048	AUD	85.32	CNH Australia Pty Limited	100.000	
Case Credit Corporation	Wilmington	U.S.A.	1,000	USD	85.32	CNH Capital Corporation	100.000	
Case Credit Global Investments Ltd.	Hamilton	Bermuda	12,000	USD	85.32	Case Credit Corporation	100.000	
Case Credit Holdings Limited	Wilmington	U.S.A.	5	USD	85.32	Case Credit Corporation	100.000	
Case Credit Ltd.	Calgary	Canada	1	CAD	85.32	Case Credit Corporation	100.000	
Case Equipment Holdings Limited	Wilmington	U.S.A.	5	USD	85.32	Case LLC	100.000	
Case Equipment International Corporation	Wilmington	U.S.A.	1,000	USD	85.32	Case LLC	100.000	
Case Europe S.a.r.l.	Roissy	France	7,622	EUR	85.32	Case LLC	100.000	
Case Harvesting Systems GmbH	Neustadt	Germany	281,211	EUR	85.32	Case LLC	100.000	
Case India Limited	Wilmington	U.S.A.	5	USD	85.32	Case LLC	100.000	
Case International Limited	Basildon	United Kingdom	61,504,001	GBP	85.32	New Holland Holding Limited	100.000	
Case International Marketing Inc.	Wilmington	U.S.A.	5	USD	85.32	Case LLC	100.000	
Case LBX Holdings Inc.	Wilmington	U.S.A.	5	USD	85.32	Case LLC	100.000	
Case LLC	Wilmington	U.S.A.	4	USD	85.32	Fiatallis North America Inc. Case New Holland Inc.	61.111 38.889	
Case Machinery (Shanghai) Co. Ltd.	Shanghai	People's Rep. of China	2,250,000	USD	85.32	Case LLC	100.000	
Case Mexico S.A.	Mexico	Mexico	810,000	MXN	85.32	Case LLC	100.000	
Case New Holland Inc.	Wilmington	U.S.A.	5	USD	85.32	CNH Global N.V.	100.000	
Case New Holland Italia s.p.a.	Modena	Italy	15,600,000	EUR	85.32	CNH International S.A.	100.000	
Case United Kingdom Limited	Doncaster	United Kingdom	3,763,618	GBP	85.32	Case LLC	100.000	
Case Wholesale Receivables Inc.	Wilmington	U.S.A.	1,000	USD	85.32	Case LLC	100.000	
CNH Argentina S.A.	Buenos Aires	Argentina	8,059,113	ARS	85.32	New Holland Holdings Argentina S.A. Case LLC	80.654 19.346	
CNH Australia Pty Limited	St. Marys	Australia	293,408,692	AUD	85.32	CNH Global N.V.	100.000	
CNH Belgium N.V.	Zedelgem	Belgium	27,268,300	EUR	85.32	CNH International S.A.	100.000	
CNH Canada Ltd.	Toronto	Canada	28,000,100	CAD	85.32	CNH Global N.V. Case LLC	66.524 33.476	
CNH Capital Australia Pty. Ltd.	St. Marys	Australia	26,808,874	AUD	85.32	Case Credit Australia Investments Pty. Ltd.	100.000	
CNH Capital Benelux S.A.	Zedelgem	Belgium	6,350,000	EUR	85.32	CNH Global N.V. CNH Capital U.K. Ltd	99.000 1.000	
CNH Capital Corporation	Wilmington	U.S.A.	5	USD	85.32	Case LLC	100.000	
CNH Capital (Europe) plc	Navan	Ireland	38,100	EUR	85.32	CNH Capital plc New Holland Financial Services Ltd CNH Financial Services S.r.l. CNH Global N.V. CNH International S.A. New Holland Financial Services A/S CNH Trade N.V.	99.984 0.003 0.003 0.003 0.003 0.003 0.001	
CNH Capital Insurance Agency Inc.	Wilmington	U.S.A.	5	USD	85.32	Case Credit Corporation	100.000	
CNH Capital plc	Navan	Ireland	6,386,790	EUR	85.32	CNH Global N.V.	100.000	
CNH Capital Receivables Inc.	Wilmington	U.S.A.	5	USD	85.32	Case Credit Corporation	100.000	
CNH Capital U.K. Ltd	Basildon	United Kingdom	10,000,001	GBP	85.32	CNH Global N.V.	100.000	
CNH Danmark A/S	Hvidovre	Denmark	12,000,000	DKK	85.32	CNH International S.A.	100.000	
CNH Deutschland GmbH	Heilbronn	Germany	18,457,650	EUR	85.32	CNH International S.A.	100.000	
CNH Engine Corporation	Wilmington	U.S.A.	1,000	USD	85.32	Case LLC	100.000	
CNH Financial Services S.r.l.	Modena	Italy	10,400	EUR	85.32	CNH Global N.V.	100.000	

Subsidiaries consolidated on a line-by-line basis (continued)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
CNH France S.A.	Villepinte	France	138,813,150	EUR	85.32	CNH International S.A.	100.000	
CNH Information Technology Company LLC	Wilmington	U.S.A.	750,000	USD	85.32	Case LLC	100.000	
CNH International S.A.	Luxembourg	Luxembourg	300,000,000	USD	85.32	CNH Global N.V.	100.000	
CNH Latino Americana Ltda	Curitiba	Brazil	197,350,074	BRL	85.32	CNH Global N.V.	55.345	
						Case Brasil & CIA	44.655	
CNH Maquinaria Spain S.A.	Coslada	Spain	21,000,000	EUR	85.31	CNH International S.A.	77.142	
						Case LLC	22.857	
CNH Movimento Terra S.p.A.	Turin	Italy	12,320,000	EUR	85.32	Case New Holland Italia s.p.a.	100.000	
CNH Osterreich GmbH	St. Valentin	Austria	2,000,000	EUR	85.32	CNH Global N.V.	100.000	
CNH Polska Sp. z o.o.	Plock	Poland	162,591,660	PLN	85.32	CNH Belgium N.V.	100.000	
CNH Receivables Inc.	Wilmington	U.S.A.	1,000	USD	85.32	Case Credit Corporation	100.000	
CNH Trade N.V.	Amstelveen	Netherlands	50,000	EUR	85.32	CNH Global N.V.	100.000	
CNH U.K. Limited	Basildon	United Kingdom	91,262,275	GBP	85.32	New Holland Holding Limited	100.000	
Fiat Kobelco Construction Machinery S.p.A.	San Mauro Torinese	Italy	80,025,291	EUR	63.67	Case New Holland Italia s.p.a.	59.625	
						CNH Global N.V.	15.000	
Fiatallis North America Inc.	Wilmington	U.S.A.	10	USD	85.32	Case New Holland Inc.	100.000	
Fiat-Kobelco Construction Machinery Belgium SA	Herstal-lez-Liege	Belgium	247,900	EUR	63.67	Fiat Kobelco Construction Machinery S.p.A.	100.000	
Flexi-Coil Ltd	Saskatoon	Canada	296	CAD	85.32	CNH Canada Ltd.	100.000	
Flexi-Coil (U.K.) Limited	York	United Kingdom	1,000	GBP	85.32	Flexi-Coil Ltd	100.000	
Harbin New Holland Beidahuang Tractors Ltd.	Harbin	People's Rep of China	5,300,000	USD	59.59	New Holland Mauritius (Private) Ltd.	69.850	
HFI Holdings Inc.	Wilmington	U.S.A.	1,000	USD	85.32	Case LLC	100.000	
JV UzCaseMash LLC	Tashkent	Uzbekistan	15,000,000	USD	51.19	Case Equipment Holdings Limited	60.000	
JV UzCaseService LLC	Tashkent	Uzbekistan	4,117,500	USD	43.51	Case Equipment Holdings Limited	51.000	
JV UzCaseTractor LLC	Tashkent	Uzbekistan	15,000,000	USD	43.51	Case Equipment Holdings Limited	51.000	
Kobelco Construction Machinery America LLC	Wilmington	U.S.A.	0	USD	55.45	New Holland Excavator Holdings LLC	65.000	
Kobelco Construction Machinery Europe BV	Almere	Netherlands	567,225	EUR	63.67	Fiat Kobelco Construction Machinery S.p.A.	100.000	
Lake Hull Pty. Ltd.	Bundaberg	Australia	100	AUD	85.32	Austoft Holdings Limited	100.000	
MBA AG, Baumaschinen	Bassersdorf	Switzerland	4,000,000	CHF	85.32	CNH Global N.V.	100.000	
Multi Rental Locação de Maquinas Ltda.	Sorocaba	Brazil	1,000,000	BRL	85.32	CNH Latino Americana Ltda	100.000	
New Holland Australia Pty. Limited	Riverstone	Australia	3,500,000	AUD	85.32	CNH Australia Pty Limited	100.000	
New Holland (Canada) Credit Company	Calgary	Canada	1,000	CAD	85.32	CNH Canada Ltd.	99.000	
						Flexi-Coil Ltd	1.000	
New Holland (Canada) Credit Holding Ltd.	Toronto	Canada	1	CAD	85.32	CNH Canada Ltd.	100.000	
New Holland Canada Ltd.	Saskatoon	Canada	10,403	CAD	85.32	CNH Canada Ltd.	100.000	
New Holland Credit Australia Pty Limited	Riverstone	Australia	11,507,150	AUD	85.32	CNH Capital Australia Pty. Ltd.	100.000	
New Holland Credit Company LLC	New Holland	U.S.A.	250,000	USD	85.32	Fiatallis North America Inc.	100.000	
New Holland Excavator Holdings LLC	Wilmington	U.S.A.	1	USD	85.32	Case LLC	100.000	
New Holland Financial Services A/S	Hvidovre	Denmark	500,000	DKK	85.32	CNH Global N.V.	100.000	
New Holland Financial Services Ltd	Basildon	United Kingdom	50,000	GBP	85.32	CNH Global N.V.	100.000	
New Holland Financial Services S.A.	Morigny-Champigny	France	38,125	EUR	85.32	CNH Global N.V.	100.000	
New Holland Holding Limited	London	United Kingdom	86,329,000	GBP	85.32	CNH International S.A.	100.000	
New Holland Holdings Argentina S.A.	Buenos Aires	Argentina	6,500,000	ARS	85.32	CNH Global N.V.	100.000	
New Holland Investments Canada Ltd	Winnipeg	Canada	156,305,001	CAD	85.32	CNH Canada Ltd.	100.000	
New Holland Logistics S.p.A.	Modena	Italy	1,032,000	EUR	85.32	CNH Global N.V.	100.000	
New Holland Ltd	Basildon	United Kingdom	1,000,000	GBP	85.32	CNH Global N.V.	100.000	
New Holland Mauritius (Private) Ltd.	Port Louis	Mauritius	62,683,682	USD	85.32	Case New Holland Italia s.p.a.	100.000	
New Holland North America Inc.	Wilmington	U.S.A.	60	USD	85.32	Fiatallis North America Inc.	100.000	
New Holland Portugal-Comercio de Tractores e Maquinas Agricolas Ltda	Carnaxide	Portugal	498,798	EUR	85.32	CNH International S.A.	99.980	
						Case New Holland Italia s.p.a.	0.020	
New Holland Receivables Corporation	Wilmington	U.S.A.	10	USD	85.32	Fiatallis North America Inc.	100.000	

Subsidiaries consolidated on a line-by-line basis (continued)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
New Holland Retail Receivables Corporation I	Las Vegas	U.S.A.	1,000	USD	85.32	New Holland Receivables Corporation	100.000	
New Holland Retail Receivables Corporation II	Las Vegas	U.S.A.	1,000	USD	85.32	New Holland Retail Receivables Corporation I	100.000	
New Holland Tractor Ltd. N.V.	Antwerp	Belgium	9,631,500	EUR	85.32	New Holland Holding Limited	100.000	
New Holland Tractors (India) Private Ltd	New Delhi	India	2,827,121,250	INR	85.32	New Holland Mauritius (Private) Ltd.	100.000	
O & K - Hilfe GmbH	Berlin	Germany	25,565	EUR	81.13	O & K Orenstein & Koppel AG	100.000	
O & K Orenstein & Koppel AG	Berlin	Germany	61,355,026	EUR	81.13	CNH International S.A.	95.093	
Olaf Poulsen A/S	Ishøj	Denmark	6,000,000	DKK	81.13	O & K Orenstein & Koppel AG	100.000	
Pryor Foundry Inc.	Oklahoma City	U.S.A.	1,000	USD	85.32	Case LLC	100.000	
Receivables Credit Corporation	Calgary	Canada	1	CAD	85.32	Case Credit Corporation	100.000	
Receivables Credit II Corporation	Calgary	Canada	1	CAD	85.32	Case Credit Corporation	100.000	
Receivables Credit III Corporation	Calgary	Canada	1	CAD	85.32	Case Credit Corporation	100.000	
RosCaseMash	Saratov	Russia	200,000	RUR	32.63	Case Equipment Holdings Limited	38.250	51.000
Servicios Case Mexicana S.A. de C.V.	Mexico	Mexico	375,000	MXN	85.32	Case LLC	100.000	
Shanghai New Holland Agricultural Machinery Corporation Limited	Shanghai	People's Rep. of China	35,000,000	USD	51.19	New Holland Mauritius (Private) Ltd.	60.000	
Tiede Landtechnik GmbH	Werther	Germany	25,565	EUR	85.32	CNH Deutschland GmbH	100.000	
Uzcaseagroleasing	Tashkent	Uzbekistan	5,000,000	USD	43.51	Case Credit Holdings Limited	51.000	
Commercial Vehicles								
Iveco N.V.	Amsterdam	Netherlands	1,179,440,000	EUR	100.00	IHF-Internazionale Holding Fiat S.A. Fiat S.p.A.	55.285 44.715	
Amce-Automotive Manufacturing Co. Ethiopia	Addis Ababa	Ethiopia	3,000,000	ETB	70.00	Iveco N.V.	70.000	
Astra Veicoli Industriali S.p.A.	Piacenza	Italy	10,400,000	EUR	100.00	Iveco S.p.A.	100.000	
Brandschutztechnik Gorlitz GmbH	Gürlitz	Germany	1,000,000	DEM	88.00	Iveco Magirus Brandschutztechnik GmbH	88.000	
B.V. Rimij	Apeldoorn	Netherlands	4,538	EUR	100.00	Iveco Nederland B.V.	100.000	
C.A.M.I.V.A. Constructeurs Associés de Matériels S.A.	Saint-Alban-Leysses	France	1,870,169	EUR	99.96	Iveco Eurofire (Holding) GmbH	99.963	
CBW Grundstücksverwaltung GmbH & CO.	Ulm	Germany	10,000	DEM	100.00	Iveco Investitions GmbH Iveco N.V.	95.000 5.000	
Componentes Mecanicos S.A.	Barcelona	Spain	37,405,038	EUR	59.39	Iveco Pegaso S.L.	59.387	
Effe Grundbesitz GmbH	Ulm	Germany	20,000,000	DEM	100.00	Iveco Investitions GmbH Iveco N.V.	90.000 10.000	
Equip'Lev Société à Responsabilité Limitée	Vallauris	France	50,600	EUR	99.94	Lev Société Anonyme	100.000	
Euromoteurs S.A.	Garchizy	France	915,000	EUR	100.00	Iveco France S.A.	100.000	
Fiat Capital Corporation	New Castle	U.S.A.	0	USD	100.00	Iveco Trucks of North America Inc.	100.000	
FL Maintenance Société par actions simplifiée	Levallois-Perret	France	40,000	EUR	99.94	Locamion Société Anonyme	100.000	
Fraikin Alquiler de Vehiculos S.A.	Barcelona	Spain	1,803,000	EUR	100.00	Fraikin Société Anonyme	100.000	
Fraikin Belgium S.A.	Brussels	Belgium	2,974,722	EUR	100.00	Fraikin Société Anonyme	100.000	
Fraikin Belgium Truck Renting S.A.	Brussels	Belgium	9,048,114	EUR	99.94	Locamion Société Anonyme Fraikin Société Anonyme	99.997 0.003	
Fraikin Limited	Langley Slough	United Kingdom	2,710,000	GBP	100.00	Fraikin Société Anonyme	100.000	
Fraikin Locamion Société Anonyme	Levallois-Perret	France	23,071,328	EUR	100.00	Fraikin Société Anonyme Locamion Société Anonyme	92.929 7.071	
Fraikin Locatime S.A.S.	Levallois-Perret	France	3,574,080	EUR	100.00	Fraikin Société Anonyme	100.000	
Fraikin S.A. (Suisse) in liq.	Romont	Switzerland	1,000,000	CHF	100.00	Fraikin Société Anonyme	100.000	
Fraikin Société Anonyme	Levallois-Perret	France	50,665,643	EUR	100.00	Iveco Participations S.A.	100.000	
Fraikin-Lux S.A.	Walferdange	Luxembourg	142,167	EUR	100.00	Fraikin Société Anonyme Fraikin Belgium Truck Renting S.A.	97.303 2.697	
Heuliez Bus S.A.	Mauléon	France	9,000,000	EUR	100.00	Société Charolaise de Participations S.A.	100.000	
IAV-Industrie-Anlagen-Verpachtung GmbH	Ulm	Germany	50,000	DEM	100.00	Iveco Investitions GmbH Iveco N.V.	95.000 5.000	
Ikarus Egyedi Autobusz GY	Budapest	Hungary	350,000,000	HUF	64.71	Ikarusbus Jamugyarto RT	68.114	

Subsidiaries consolidated on a line-by-line basis (continued)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Ikarusbus Jamugyarto RT	Szekesfeharvar	Hungary	974,268,827	HUF	95.00	Irisbus Holding S.L.	95.001	
Immobilière Fraikin Société par actions simplifiée	Levallois-Perret	France	4,634,720	EUR	100.00	Fraikin Société Anonyme	100.000	
Industrial Vehicles Center Hainaut S.A.	Charleroi	Belgium	600,000	EUR	100.00	S.A. Iveco Belgium N.V. Iveco Nederland B.V.	95.000 5.000	
Interoto France Location-GEIE	Levallois-Perret	France	0	EUR	99.97	Fraikin Locamion Société Anonyme Locamion Société Anonyme Fraikin Locatime S.A.S. Lev Société Anonyme	25.000 25.000 25.000 25.000	
Irisbus Australia Pty. Ltd.	Dandenong	Australia	1,500,000	AUD	100.00	Irisbus Holding S.L.	100.000	
Irisbus Deutschland GmbH	Mainz-Mombach	Germany	10,000,000	EUR	100.00	Irisbus Holding S.L.	100.000	
Irisbus France S.A.	Vénissieux	France	142,482,000	EUR	100.00	Irisbus Holding S.L.	100.000	
Irisbus Holding S.L.	Madrid	Spain	233,670,000	EUR	100.00	Iveco S.p.A. Iveco Pegaso S.L.	99.999 0.001	
Irisbus Iberica S.L.	Madrid	Spain	28,930,788	EUR	100.00	Irisbus Holding S.L.	100.000	
Irisbus Italia S.p.A.	Turin	Italy	100,635,750	EUR	100.00	Irisbus Holding S.L.	100.000	
Irisbus (U.K.) Ltd	Watford	United Kingdom	200,000	GBP	100.00	Irisbus Holding S.L.	100.000	
IVC Brabant N.V. S.A.	Groot	Belgium	800,000	EUR	100.00	S.A. Iveco Belgium N.V. Iveco Nederland B.V.	75.000 25.000	
IVC Nutzfahrzeuge AG	Hendschiken	Switzerland	3,500,000	CHF	100.00	Iveco (Schweiz) AG	100.000	
IVC Vehicules Industriels S.A.	Morges	Switzerland	1,200,000	CHF	100.00	Iveco (Schweiz) AG	100.000	
IVC-Salzburg Nutzfahrzeughandel GmbH	Eugendorf	Austria	37,000	EUR	100.00	Iveco Austria GmbH	100.000	
IVC-Wien Nutzfahrzeughandel GmbH	Vienna	Austria	37,000	EUR	100.00	Iveco Austria GmbH	100.000	
Iveco Aifo S.p.A.	Milan	Italy	5,200,000	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Argentina S.A.	Córdoba	Argentina	26,700,000	ARS	100.00	Iveco S.p.A. Iveco N.V.	99.999 0.001	
Iveco Austria GmbH	Vienna	Austria	6,178,000	EUR	100.00	Iveco N.V.	100.000	
Iveco Bayern GmbH	Nuremberg	Germany	742,000	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Danmark A/S	Kastrup	Denmark	501,000	DKK	100.00	Iveco N.V.	100.000	
Iveco Eurofire (Holding) GmbH	Weisweil	Germany	60,194,300	DEM	100.00	Iveco Magirus AG Iveco S.p.A.	90.032 9.968	
Iveco Fiat Brasil Ltda	Sete Lagoas	Brazil	110,100,000	BRL	90.00	Fiat Automoveis S.A. - FIASA Iveco S.p.A. Iveco Latin America Ltda	50.000 47.800 2.200	
Iveco Finance AG	Kloten	Switzerland	1,500,000	CHF	100.00	Iveco (Schweiz) AG	100.000	
Iveco Finance GmbH	Ulm	Germany	40,000,000	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Finance Limited	Watford	United Kingdom	100	GBP	100.00	Iveco (UK) Ltd	100.000	
Iveco Finance Luxembourg S.A.	Luxembourg	Luxembourg	12,252,066	EUR	100.00	Iveco N.V.	100.000	
Iveco Finanziaria S.p.A.	Turin	Italy	30,000,000	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Finland OY	Espoo	Finland	168,188	EUR	100.00	Iveco N.V.	100.000	
Iveco Ford Truck Ltd	Watford	United Kingdom	117,000,000	GBP	84.82	Iveco (UK) Ltd	84.821	52.000
Iveco Ford Truck Pension Trustee Ltd	Watford	United Kingdom	2	GBP	92.41	Iveco Ford Truck Ltd Iveco (UK) Ltd	50.000 50.000	
Iveco France S.A.	Trappes	France	93,800,000	EUR	100.00	Iveco N.V. Iveco S.p.A.	51.220 48.780	
Iveco International Trade Finance S.A.	Paradiso	Switzerland	1,500,000	CHF	100.00	Iveco N.V.	100.000	
Iveco Investitions GmbH	Ulm	Germany	5,000,000	DEM	100.00	Iveco Magirus AG Iveco N.V.	99.020 0.980	
Iveco Latin America Ltda	São Paulo	Brazil	266,000,000	BRL	100.00	Iveco S.p.A. Iveco N.V.	99.999 0.001	
Iveco Lease GmbH	Ulm	Germany	775,000	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Magirus AG	Ulm	Germany	250,000,000	EUR	100.00	Iveco N.V. Iveco S.p.A.	51.340 48.660	

Subsidiaries consolidated on a line-by-line basis (continued)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Iveco Magirus Brandschutztechnik GmbH	Ulm	Germany	12,700,000	DEM	100.00	Iveco Eurofire (Holding) GmbH Iveco N.V.	99.998 0.002	
Iveco Mezzi Speciali S.p.A.	Brescia	Italy	3,120,000	EUR	100.00	Iveco Eurofire (Holding) GmbH	100.000	
Iveco Motorenforschung AG	Arbon	Switzerland	4,600,000	CHF	100.00	Iveco S.p.A. Iveco France S.A.	60.000 40.000	
Iveco Nederland B.V.	Amersfoort	Netherlands	4,537,802	EUR	100.00	Iveco N.V.	100.000	
Iveco Nord Nutzfahrzeuge GmbH	Hamburg	Germany	818,500	EUR	100.00	Iveco Magirus AG	100.000	
IVECO Nord-Ost Nutzfahrzeuge GmbH	Berlin	Germany	2,120,000	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Norge A.S.	Voyenenga	Norway	18,000,000	NOK	100.00	Iveco N.V.	100.000	
Iveco Nutzfahrzeuge GmbH Hannover Braunschweig	Hannover	Germany	793,000	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Nutzfahrzeuge Nord-West GmbH	Dortmund-Wambel	Germany	1,355,000	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Otomotiv Ticaret A.S.	Nisantasi-Istanbul	Turkey	2,899,365,000,000	TRL	100.00	Iveco S.p.A.	99.995	
Iveco Participations S.A.	Trappes	France	250,000,000	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Pegaso S.L.	Madrid	Spain	105,213,628	EUR	100.00	Iveco N.V.	100.000	
Iveco Plan S.A. de Ahorro para fines determinados	Buenos Aires	Argentina	153,000	ARS	100.00	Iveco Argentina S.A. Iveco N.V.	99.600 0.400	
Iveco Poland Ltd.	Warsaw	Poland	46,974,500	PLN	100.00	Iveco N.V.	100.000	
Iveco Portugal-Comercio de Veiculos Industriais Ltda	Vila Franca de Xira	Portugal	15,961,533	EUR	100.00	Iveco N.V. Iveco S.p.A.	99.999 0.001	
Iveco (Schweiz) AG	Kloten	Switzerland	9,000,000	CHF	100.00	Iveco N.V.	100.000	
Iveco South Africa (Pty) Ltd.	Wadewille	South Africa	15,000,750	ZAR	100.00	Iveco N.V.	100.000	
Iveco S.p.A.	Turin	Italy	378,400,000	EUR	100.00	Iveco N.V.	100.000	
Iveco Sud-West Nutzfahrzeuge GmbH	Mannheim-Neckarau	Germany	1,533,900	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Sweden A.B.	Arlov	Sweden	600,000	SEK	100.00	Iveco N.V.	100.000	
Iveco Trucks Australia Limited	Dandenong	Australia	47,492,260	AUD	100.00	Iveco N.V.	100.000	
Iveco Trucks of North America Inc.	Wilmington	U.S.A.	1	USD	100.00	Iveco N.V.	100.000	
Iveco (UK) Ltd	Watford	United Kingdom	47,000,000	GBP	100.00	Iveco N.V. Iveco S.p.A.	67.723 32.277	
Iveco Ukraine Inc.	Kiev	Ukraine	62,515,200	UAK	65.91	Iveco S.p.A.	65.910	
Iveco Venezuela C.A.	La Victoria	Venezuela	2,495,691,000	VEB	100.00	Iveco N.V.	100.000	
IVECO West Nutzfahrzeuge GmbH	Düsseldorf	Germany	1,662,000	EUR	100.00	Iveco Magirus AG	100.000	
Iveco-Motor Sich. Inc.	Zaporozhye	Ukraine	26,568,000	UAK	55.56	Iveco S.p.A.	55.556	
Karosa A.S.	Vysoke Myto	Czech Republic	1,065,559,000	CZK	97.52	Société d'Assistance Technique Automobile S.A.T.A.U. S.A.	97.521	
Karosa r.s.o.	Bratislava	Slovak Republic	200,000	SKK	97.52	Karosa A.S.	100.000	
Lev Société Anonyme	Levallois-Perret	France	9,165,168	EUR	99.94	Locamion Société Anonyme	100.000	
Locamion Société Anonyme	Levallois-Perret	France	10,900,064	EUR	99.94	Fraikin Société Anonyme	99.940	
Loca-Pel Société a Responsabilité Limitée	Vallauris	France	75,900	EUR	99.94	Lev Société Anonyme	100.000	
Lohr-Magirus Feuerwehrtechnik GmbH	Kainbach	Austria	1,271,775	EUR	95.00	Iveco Magirus Brandschutztechnik GmbH	95.000	
Lyon Vehicules Industriels S.A.S.	Saint Priest	France	915,000	EUR	100.00	Iveco France S.A. Iveco N.V.	99.999 0.001	
Mediterranea de Camiones S.L.	Valencia	Spain	48,080	EUR	100.00	Iveco Pegaso S.L.	100.000	
Officine Brennero S.p.A.	Trento	Italy	3,120,000	EUR	100.00	Iveco N.V.	100.000	
Rhein-Main Nutzfahrzeuge GmbH Reichold, Franz Kahl & Partners	Frankfurt	Germany	1,800,000	DEM	65.00	Iveco Magirus AG	65.000	
S.A. Iveco Belgium N.V.	Zellik	Belgium	6,000,000	EUR	100.00	Iveco N.V. Iveco S.p.A.	99.950 0.050	
S.C.I. La Méditerranéenne	Vitrolles	France	248,000	EUR	100.00	Société de Diffusion de Vehicules Industriels-SDVI S.A.S. Iveco France S.A.	50.000 50.000	

Subsidiaries consolidated on a line-by-line basis (continued)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Seddon Atkinson Spares & Service Limited	Oldham	United Kingdom	20,000	GBP	100.00	Seddon Atkinson Vehicles Ltd	100.000	
Seddon Atkinson Vehicles Ltd	Oldham	United Kingdom	41,700,000	GBP	100.00	Iveco (UK) Ltd	100.000	
Seltra Société Anonyme	Bezons	France	2,598,864	EUR	100.00	Fraikin Société Anonyme	100.000	
Service Lorrain Vehicules Industriels - S.L.V.I. S.A.S.	Ludres	France	699,200	EUR	100.00	Iveco France S.A. Iveco N.V.	99.500 0.500	
Sicca S.p.A.	Modena	Italy	5,300,000	EUR	100.00	Iveco S.p.A.	100.000	
S.I.M.I.S.-Société Industrielle pour le Matériels d'Incendie et de Sécurité S.A.	Saint-Alban-Leysse	France	40,016	EUR	97.96	C.A.M.I.V.A. Constructeurs Associés de Matériels S.A.	98.000	
Société Charolaise de Participations S.A.	Vénissieux	France	2,370,000	EUR	100.00	Irisbus Holding S.L.	100.000	
Société Civile Immobilière Cles	Amiens	France	33,600	EUR	100.00	Immobilière Fraikin Société par actions simplifiée Fraikin Société Anonyme	99.905 0.095	
Société Civile Immobilière des Cars Blues	Levallois-Perret	France	90,000	EUR	99.94	Locamion Société Anonyme Immobilière Fraikin Société par actions simplifiée	99.833 0.167	
Société Civile Immobilière "La Vitrolaise"	Levallois-Perret	France	640	EUR	100.00	Immobilière Fraikin Société par actions simplifiée Fraikin Société Anonyme	97.500 2.500	
Société Civile Immobilière "Les Boussenet"	Levallois-Perret	France	36,864	EUR	99.94	Locamion Société Anonyme Immobilière Fraikin Société par actions simplifiée	99.957 0.043	
Société d'Assistance Technique Automobile S.A.T.A.U. S.A.	Vénissieux	France	35,610,000	EUR	100.00	Irisbus France S.A.	100.000	
Société de Diffusion de Vehicules Industriels-SDVI S.A.S.	Trappes	France	7,022,400	EUR	100.00	Iveco France S.A.	100.000	
Société de la Seoune S.A.	Trappes	France	45,600	EUR	100.00	Iveco France S.A.	100.000	
Sodima-Société de Distribution de Materiel Automobile S.A.S.	Hauconcourt	France	305,600	EUR	100.00	Iveco France S.A.	100.000	
Stevi-Société Stéphanoise de Vehicules Industriels S.A.S.	Saint-Priest-En-Jarez	France	503,250	EUR	100.00	Iveco France S.A.	100.000	
Transolver Finance Establecimiento Financiero de Credito S.A.	Madrid	Spain	9,315,500	EUR	50.00	Iveco Finance Luxembourg S.A.	50.000	
Transolver Finance S.A.	Trappes	France	15,244,900	EUR	100.00	Iveco Finance Luxembourg S.A.	100.000	
Transolver Operational Services Limited	Watford	United Kingdom	1,400,000	GBP	100.00	Iveco (UK) Ltd	100.000	
Transolver Service S.A.	Madrid	Spain	610,000	EUR	100.00	Iveco Pegaso S.L.	100.000	
Transolver Service S.p.A.	Turin	Italy	1,989,000	EUR	100.00	Iveco S.p.A.	100.000	
Transolver Services GmbH	Unterschliessheim	Germany	750,000	EUR	100.00	Iveco Magirus AG	100.000	
Transolver Services S.A.	Trappes	France	38,000	EUR	100.00	Fiat France S.A. Iveco France S.A.	90.000 10.000	
Trucksure Services Ltd	Watford	United Kingdom	900,000	GBP	100.00	Iveco (UK) Ltd	100.000	
Utilitaires & Vehicules Industriels Franciliens-UVIF SAS	La Garenne	France	1,067,500	EUR	100.00	Iveco France S.A. Iveco N.V.	99.999 0.001	
Vehicules Industriels Phocceens-V.I.P. S.A.S.	Vitrolles	France	927,200	EUR	100.00	Iveco France S.A. Iveco N.V.	99.999 0.001	
Zona Franca Alari Sepauto S.A.	Barcelona	Spain	520,560	EUR	51.87	Iveco Pegaso S.L.	51.867	
2H Energy Société par Actions Simplifiée	Fécamp	France	2,000,000	EUR	100.00	Iveco Aifo S.p.A.	100.000	

■ Ferrari

Ferrari S.p.A.	Modena	Italy	20,000,000	EUR	56.00	Fiat S.p.A.	56.000	
Ferrari Deutschland GmbH	Wiesbaden	Germany	1,000,000	EUR	56.00	Ferrari International S.A.	100.000	
Ferrari Idea S.A. in liq.	Paradiso	Switzerland	15,000,000	CHF	56.00	Ferrari International S.A.	100.000	
Ferrari International S.A.	Luxembourg	Luxembourg	7,112,000	EUR	56.00	Ferrari S.p.A. Ferrari N.America Inc.	99.999 0.001	
Ferrari N.America Inc.	Englewood Cliffs	U.S.A.	200,000	USD	56.00	Ferrari S.p.A.	100.000	
Ferrari San Francisco Inc.	Mill Valley	U.S.A.	100,000	USD	56.00	Ferrari N.America Inc.	100.000	

Subsidiaries consolidated on a line-by-line basis (continued)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Ferrari (Suisse) SA	Nyon	Switzerland	1,000,000	CHF	56.00	Ferrari International S.A.	100.000	
Ferrari.Net S.p.A.	Modena	Italy	15,500,000	EUR	56.00	Ferrari S.p.A.	100.000	
GSA-Gestions Sportives Automobiles S.A.	Meyrin	Switzerland	1,000,000	CHF	56.00	Ferrari International S.A.	100.000	
Maserati North America Inc.	Englewood Cliffs	U.S.A.	1,000	USD	56.00	Ferrari N.America Inc.	100.000	
Maserati S.p.A.	Modena	Italy	31,000,000	EUR	56.00	Ferrari S.p.A.	100.000	
MSC USA	Englewood Cliffs	U.S.A.	100,000	USD	56.00	Ferrari International S.A.	100.000	

■ Metallurgical Products

Teksid S.p.A.	Turin	Italy	139,600,000	EUR	66.50	Fiat Partecipazioni S.p.A.	66.500	
Accurcast Limited	Saint John-N.B.	Canada	39,684,600	CAD	33.92	Meridian Technologies Inc.	100.000	
Fonderie du Poitou Fonte S.A.S.	Ingrandes-sur-Vienne	France	26,958,464	EUR	66.50	Teksid S.p.A.	100.000	
Funfrap-Fundicao Portuguesa S.A.	Aveiro	Portugal	13,697,550	EUR	55.60	Teksid S.p.A.	83.607	
Jutras Die Casting Limited	Saint John-N.B.	Canada	24,490,715	CAD	33.92	Meridian Technologies Inc.	100.000	
Magnesium Products of America Inc.	Eaton Rapids	U.S.A.	30,174,000	USD	33.92	Meridian Technologies Inc.	100.000	
Magnesium Products of Italy-M.PI.-S.p.A.	Verres	Italy	13,962,000	EUR	33.92	Meridian Magnesium N.V.	100.000	
Meridian Deutschland GmbH	Heilbronn	Germany	25,600	EUR	33.92	Meridian Technologies Inc.	100.000	
Meridian Magnesium LLC	Wilmington	U.S.A.	4,962	USD	33.92	1118395 Ontario Inc. Meridian Technologies Inc.	90.000 10.000	
Meridian Magnesium N.V.	Amstelveen	Netherlands	35,193,626	EUR	33.92	Meridian Technologies Inc.	100.000	
Meridian Technologies Inc.	Saint John-N.B.	Canada	181,263,445	CAD	33.92	Teksid S.p.A. Teksid Acquisition Inc.	31.450 19.550	
Société Bretonne de Fonderie et de Mecanique S.A.	Caudan	France	10,549,860	EUR	66.50	Teksid S.p.A.	100.000	
Teksid Acquisition Inc.	Toronto	Canada	72,300,001	CAD	66.50	Teksid Investment N.V.	100.000	
Teksid do Brasil Ltda	Betim	Brazil	59,899,570	BRL	66.50	Teksid S.p.A.	100.000	
Teksid Hierro de Mexico S.A. de C.V.	São Pedro	Mexico	567,466,400	MXN	49.88	Teksid S.p.A.	75.000	
Teksid Inc.	Wilmington	U.S.A.	100,000	USD	49.88	Teksid S.p.A.	75.000	
Teksid Investment N.V.	Amstelveen	Netherlands	180,000,000	EUR	66.50	Teksid S.p.A.	100.000	
Teksid Iron Poland Sp. z o.o.	Skoczow	Poland	65,678,500	PLN	66.50	Teksid S.p.A.	100.000	
1118395 Ontario Inc.	Saint John-N.B.	Canada	6,210	CAD	33.92	Meridian Technologies Inc.	100.000	

■ Components

Magneti Marelli Holding S.p.A.	Turin	Italy	152,595,000	EUR	99.99	Fiat S.p.A.	99.991	100.000
Autocomponents Suspension S.r.l. a Socio Unico	Melfi	Italy	3,640,000	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Automotive Lighting Brotterode GmbH	Meiningen	Germany	7,270,000	EUR	74.89	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Corporation	Farmington Hills	U.S.A.	1,000	USD	74.89	Automotive Lighting Holding GmbH	100.000	
Automotive Lighting Holding GmbH	Innsbruck	Austria	1,195,219,123	EUR	74.89	Magneti Marelli Holding S.p.A.	74.900	
Automotive Lighting Italia S.p.A.	Venaria Reale	Italy	1,800,000	EUR	74.89	Automotive Lighting Holding GmbH	100.000	
Automotive Lighting o.o.o.	Rjiasan	Russia	23,636,471	RUR	57.82	Automotive Lighting Holding GmbH	77.205	
Automotive Lighting Polska Sp. z o.o.	Sosnowiec	Poland	83,500,000	PLN	74.89	Automotive Lighting Holding GmbH	100.000	
Automotive Lighting Reutlingen GmbH	Reutlingen	Germany	1,330,000	EUR	74.89	Automotive Lighting Holding GmbH	100.000	
Automotive Lighting S.R.O.	Jihlava	Czech Republic	100,000	CZK	74.89	Automotive Lighting Holding GmbH	100.000	
Automotive Lighting UK Limited	Cannock	United Kingdom	5,892,348	GBP	74.89	Automotive Lighting Holding GmbH	100.000	
Carex Uitaacenter N.V.	Berchem	Belgium	1,520,053	EUR	99.99	Magneti Marelli Services S.p.A. Midas Italia S.p.A.	99.950 0.050	
C.e.a. Axo Scintex S.A.	Saint Denis	France	16,040,896	EUR	99.99	Seima Italiana S.p.A.	99.998	
Fiat CIEI S.p.A.	Milan	Italy	624,000	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Iluminacao Automotiva Ltda	Contagem	Brazil	93,260,418	BRL	74.89	Automotive Lighting Holding GmbH	100.000	
Industrial Yorke de Mexico S.A. de C.V.	Mexico City	Mexico	50,000	MXN	99.99	Yorke de Mexico S.A. de CV Industrial Yorke de Tepozotlan S.A. de C.V.	98.000 2.000	

Subsidiaries consolidated on a line-by-line basis (continued)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Industrial Yoka de Tepozotlan S.A. de C.V.	Mexico City	Mexico	50,000	MXN	99.99	Yoka de Mexico S.A. de CV	99.000	
						Industrial Yoka de Mexico S.A. de C.V.	1.000	
Kadron S/A	Amparo	Brazil	20,000,000	BRL	99.69	Magneti Marelli do Brasil Industria e Comercio SA	100.000	
Magneti Marelli After Market Limited	Cannock	United Kingdom	1	GBP	99.99	Magneti Marelli After Market S.p.A.	100.000	
Magneti Marelli After Market S.p.A.	Turin	Italy	15,349,500	EUR	99.99	Magneti Marelli Holding S.p.A.	99.999	100.000
Magneti Marelli Argentina S.A.	Buenos Aires	Argentina	2,000,000	ARS	99.90	Magneti Marelli France S.A.	84.563	
						Magneti Marelli Holding S.p.A.	15.437	
Magneti Marelli Cofap Camisas S.A.	São Paulo	Brazil	32,988,977	BRL	99.64	Magneti Marelli Holding S.p.A.	99.646	99.968
Magneti Marelli Cofap Companhia Fabricadora de Pecas	Santo Andre	Brazil	208,599,638	BRL	99.61	Magneti Marelli Holding S.p.A.	99.620	
Magneti Marelli Components B.V.	Amsterdam	Netherlands	53,600,000	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Magneti Marelli Conjuntos de Escape S.A.	Buenos Aires	Argentina	12,000	ARS	99.99	Magneti Marelli Sistemi di Scarico S.p.A.	99.000	
						Magneti Marelli Argentina S.A.	1.000	
Magneti Marelli Controle Motor Ltda.	Hortolandia	Brazil	125,863,327	BRL	99.99	Magneti Marelli Powertrain S.p.A.	99.997	
						Magneti Marelli do Brasil Industria e Comercio SA	0.003	
Magneti Marelli Deutschland GmbH	Heilbronn	Germany	1,050,000	EUR	99.99	Magneti Marelli After Market S.p.A.	100.000	
Magneti Marelli do Brasil Industria e Comercio SA	Hortolandia	Brazil	16,868,427	BRL	99.69	Magneti Marelli Holding S.p.A.	99.695	99.976
Magneti Marelli Escapamentos Ltda	Amparo	Brazil	40,736,384	BRL	99.99	Magneti Marelli Sistemi di Scarico S.p.A.	99.995	
						Magneti Marelli do Brasil Industria e Comercio SA	0.005	
Magneti Marelli Exhaust Systems Polska Sp. z o.o.	Sosnowiec	Poland	15,000,000	PLN	99.99	Magneti Marelli Sistemi di Scarico S.p.A.	100.000	
Magneti Marelli France S.A.	Nanterre	France	67,380,000	EUR	99.88	Magneti Marelli Holding S.p.A.	99.884	
						Ufima S.A.	0.003	
Magneti Marelli Iberica S.A.	Madrid	Spain	30,314,440	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Magneti Marelli Motopropulsion France SAS	Nanterre	France	4,440,000	EUR	99.88	Magneti Marelli France S.A.	100.000	
Magneti Marelli North America Inc.	Wilmington	U.S.A.	40,223,205	USD	99.61	Magneti Marelli Cofap Companhia Fabricadora de Pecas	100.000	
Magneti Marelli Otomotiv Sistemleri Sanayi ve Ticaret A.S.	Esentepe-Istanbul	Turkey	9,000,000,000	TRL	97.99	Magneti Marelli Holding S.p.A.	98.000	
Magneti Marelli Poland S.A.	Sosnowiec	Poland	10,567,800	PLN	99.99	Magneti Marelli Holding S.p.A.	100.000	
Magneti Marelli Powertrain GmbH	Heilbronn	Germany	100,000	EUR	99.99	Magneti Marelli Powertrain S.p.A.	100.000	
Magneti Marelli Powertrain (Shanghai) Co. Ltd.	Shanghai	People's Rep. of China	10,000,000	USD	99.99	Magneti Marelli Powertrain S.p.A.	100.000	
Magneti Marelli Powertrain S.p.A.	Turin	Italy	79,397,400	EUR	99.99	Magneti Marelli Holding S.p.A.	99.999	100.000
Magneti Marelli Powertrain U.S.A. Inc.	Sanford	U.S.A.	25,000,000	USD	99.99	Magneti Marelli Powertrain S.p.A.	100.000	
Magneti Marelli Services S.p.A.	Turin	Italy	15,349,500	EUR	99.99	Magneti Marelli Holding S.p.A.	99.999	100.000
Magneti Marelli Sistemi di Scarico S.p.A.	Milan	Italy	20,000,000	EUR	99.99	Magneti Marelli Components B.V.	100.000	
Magneti Marelli South Africa (Proprietary) Limited	Johannesburg	South Africa	1,950,000	ZAR	99.99	Magneti Marelli Sistemi di Scarico S.p.A.	100.000	
Magneti Marelli Suspension Systems Poland Sp. z o.o.	Sosnowiec	Poland	43,100,000	PLN	99.99	Magneti Marelli Holding S.p.A.	100.000	
Magneti Marelli Svenska A/B in liq.	Goteborg	Sweden	100,000	SEK	99.99	Magneti Marelli Components B.V.	100.000	
Magneti Marelli Tubos de Escape SL	Barcelona	Spain	10,154,256	EUR	99.99	Magneti Marelli Sistemi di Scarico S.p.A.	100.000	
Magneti Marelli U.K. Limited	Cannock	United Kingdom	20,000,000	GBP	99.99	Magneti Marelli Components B.V.	100.000	
Malaysian Automotive Lighting SDN. BHD	Penang	Malaysia	8,000,000	MYR	59.91	Automotive Lighting Holding GmbH	80.000	
Midas Autoservice GmbH	Vienna	Austria	701,874	EUR	99.99	Magneti Marelli Services S.p.A.	100.000	
Midas Europe S.A.M.	Monaco	Princ. of Monaco	152,000	EUR	99.99	Magneti Marelli Services S.p.A.	100.000	
Midas France S.a.s.	Celle S. Cloud	France	17,475,000	EUR	99.99	Magneti Marelli Services S.p.A.	99.999	
						Midas Italia S.p.A.	0.001	
Midas Italia S.p.A.	Milan	Italy	5,000,000	EUR	99.99	Magneti Marelli Services S.p.A.	100.000	
Midas Polska Sp. z o.o.	Warsaw	Poland	8,650,000	PLN	99.99	Magneti Marelli Services S.p.A.	100.000	
Midas S.A.	Berchem	Belgium	2,476,262	EUR	99.99	Magneti Marelli Services S.p.A.	99.750	
						Midas Italia S.p.A.	0.250	
Midas Schwiez AG	Zurich	Switzerland	680,000	CHF	99.99	Magneti Marelli Services S.p.A.	100.000	
Midas Silenciador S.L.	Madrid	Spain	309,356,336	EUR	99.99	Magneti Marelli Services S.p.A.	100.000	

Subsidiaries consolidated on a line-by-line basis (continued)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Midas Spain Inc.	Chicago	U.S.A.	1,000	USD	99.99	Magneti Marelli Services S.p.A.	100.000	
MotorMust.com S.p.A. in liq.	Milan	Italy	2,300,000	EUR	99.66	Magneti Marelli Services S.p.A.	99.674	
Sadim S.a.r.l.	Celle S. Cloud	France	8,000	EUR	99.99	Midas France S.a.s.	100.000	
Seima Italiana Deutschland GmbH	Grasbrunn	Germany	25,565	EUR	98.99	Seima Italiana S.p.A.	99.000	
Seima Italiana S.p.A.	Tolmezzo	Italy	10,752,632	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Sistemi Sospensioni S.p.A.	Milan	Italy	72,900,000	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Tecnología de Iluminación Automotriz S.A. de CV.	Juárez-Chihuahua	Mexico	50,000	MXN	74.89	Automotive Lighting Corporation	100.000	
Tutela Lubrificantes S.A.	Contagem	Brazil	941,028	BRL	99.99	Magneti Marelli Holding S.p.A.	100.000	
Ufima S.A.	Nanterre	France	44,940	EUR	99.94	Magneti Marelli Holding S.p.A.	35.541	
						Sicind S.p.A.	34.980	
						Magneti Marelli Components B.V.	29.426	
Yorka de Mexico S.A. de CV	El Marques Queretaro	Mexico	50,000	MXN	99.99	Yorka SA - Senalizacion y Accesorios del Automovil	100.000	
Yorka SA - Senalizacion y Accesorios del Automovil	Llinares del Valles	Spain	9,153,693	EUR	99.99	Seima Italiana S.p.A.	100.000	
■ Production Systems								
Comau B.V.	Amstelveen	Netherlands	150,000	EUR	100.00	Fiat S.p.A.	100.000	
Autodie International, Inc.	Grand Rapids	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000	
Comau Argentina S.A.	Buenos Aires	Argentina	2,001,120	ARS	100.00	Comau S.p.A.	99.950	
						Fiat Argentina S.A.	0.050	
Comau Australia Pty. Ltd	Wingfield	Australia	765,589	AUD	100.00	Comau S.p.A.	99.998	
Comau Belgium N.V.	Zedelgem	Belgium	250,000	EUR	100.00	Comau S.p.A.	99.900	
						Comau Deutschland GmbH	0.100	
Comau Deutschland GmbH	Leonberg	Germany	1,330,000	EUR	100.00	Comau S.p.A.	100.000	
Comau do Brasil Ltda.	Betim	Brazil	70,244,349	BRL	100.00	Comau S.p.A.	99.667	
						Comau B.V.	0.332	
						Fiat do Brasil S.A.	0.001	
Comau Estil Unl.	Luton	United Kingdom	21,292,000	GBP	100.00	Comau S.p.A.	100.000	
Comau France S.A.	Trappes	France	750,000	EUR	99.99	Comau S.p.A.	99.987	
COMAU Germann-Intec GmbH & Co. KG	Heilbronn	Germany	1,478,614	EUR	100.00	Germann-Intec Verwaltungs GmbH	100.000	
Comau India Private Limited	Pune	India	58,435,020	INR	100.00	Comau S.p.A.	99.990	
						Comau Deutschland GmbH	0.010	
COMAU Ingest Sverige AB	Trollhattan	Sweden	10,000,000	SEK	100.00	Ingest Facility S.p.A.	50.000	
						Comau S.p.A.	50.000	
Comau Management Inc.	Southfield	U.S.A.	100	USD	100.00	Comau B.V.	100.000	
Comau Pico Holdings Corporation	Southfield	U.S.A.	100	USD	100.00	Comau B.V.	98.000	
						Comau S.p.A.	2.000	
Comau Poland Sp. z o.o.	Bielsko-Biala	Poland	2,100,000	PLN	100.00	Comau S.p.A.	100.000	
Comau Quad Precision (Pty) Ltd.	Eppindust	South Africa	1,000	ZAR	83.70	Comau South Africa (Pty) Ltd.	83.700	
Comau Romania S.R.L.	Bihor	Romenia	3,249,800,000	ROL	100.00	Comau S.p.A.	100.000	
Comau SA Body Systems (Pty) Ltd.	Uitenhage	South Africa	300	ZAR	100.00	Comau South Africa (Pty) Ltd.	100.000	
Comau SA Press Tools and Parts (Pty) Ltd.	Uitenhage	South Africa	100	ZAR	100.00	Comau South Africa (Pty) Ltd.	100.000	
Comau SA Properties (Pty) Ltd.	Uitenhage	South Africa	100	ZAR	100.00	Comau South Africa (Pty) Ltd.	100.000	
Comau Sciaky S.A.	Trappes	France	40,000	EUR	99.75	Comau France S.A.	99.760	
Comau Service Systems S.L.	Madrid	Spain	250,000	EUR	100.00	Mecaner S.A.	100.000	
Comau Service U.K. Ltd	Watford	United Kingdom	50,000	GBP	100.00	Comau S.p.A.	100.000	
Comau (Shanghai) Automotive Equipment Co. Ltd.	Shanghai	People's Rep. of China	1,000,000	USD	100.00	Comau S.p.A.	100.000	
Comau South Africa (Pty) Ltd.	Uitenhage	South Africa	1,001,000	ZAR	100.00	Comau S.p.A.	100.000	
Comau S.p.A.	Grugliasco	Italy	100,000,000	EUR	100.00	Comau B.V.	100.000	
Deltasign Ltd. in liq.	Luton	United Kingdom	100	GBP	100.00	Comau Estil Unl.	100.000	
Discserve Ltd. in liq.	Luton	United Kingdom	100	GBP	100.00	Comau Estil Unl.	100.000	

Subsidiaries consolidated on a line-by-line basis (continued)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Eagle Test and Assembly Co.	Southfield	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000	
Estil Control Systems Luton Ltd. in liq.	Luton	United Kingdom	10,000	GBP	100.00	Comau Estil Unl.	100.000	
Estil Shrewsbury Ltd. in liq.	Shropshire	United Kingdom	100	GBP	100.00	Comau Estil Unl.	100.000	
Famis Technology Ltd. in liq.	Luton	United Kingdom	69,051	GBP	100.00	Discserve Ltd. in liq. Comau Estil Unl.	98.999 1.001	
Geico do Brasil Ltda	Betim	Brazil	202,950	BRL	48.78	Geico S.p.A. Comau do Brasil Ltda.	95.565 0.044	
Geico Endustriyel Taahhut A.S.	Istanbul	Turkey	100,000,000,000	TRL	50.98	Geico S.p.A.	99.959	
Geico S.p.A.	Cinisello Balsamo	Italy	3,627,000	EUR	51.00	Comau S.p.A.	51.000	
Germann-Intec Verwaltungs GmbH	Heilbronn	Germany	25,000	EUR	100.00	Comau Deutschland GmbH	100.000	
Italtech S.p.A.	Brescia	Italy	1,000,000	EUR	100.00	Comau S.p.A.	100.000	
Mecaner S.A.	Urdüliz	Spain	5,000,000	EUR	100.00	Comau S.p.A.	100.000	
Novi Industries, Inc.	Novi	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000	
Numerical Control Center, Inc.	Southfield	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000	
Pico East, Inc.	Macomb	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000	
Pico Estil Control Systems Ltd. in liq.	Rainham	United Kingdom	10,000	GBP	100.00	Comau Estil Unl.	100.000	
Pico Estil Manufacturing Ltd. in liq.	Luton	United Kingdom	5,000	GBP	100.00	Comau Estil Unl.	100.000	
Pico Estil Nottingham Ltd. in liq.	Arnold	United Kingdom	100,000	GBP	100.00	Comau Estil Unl.	100.000	
Pico Europe, Inc.	Southfield	U.S.A.	1,000	USD	100.00	Comau B.V.	100.000	
Pico Expatriate, Inc.	Southfield	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000	
Pico Iaisa S.de R.L. de C.V.	Tepotzotlan	Mexico	3,000	MXN	100.00	Progressive Mexico S.de R.L. de C.V. Comau B.V.	99.967 0.033	
Pico Pitex S.de R.L. C.V.	Tepotzotlan	Mexico	3,000	MXN	100.00	Progressive Mexico S.de R.L. de C.V. Comau B.V.	99.967 0.033	
Pico Resources, Inc.	Southfield	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000	
Precision.Com Corp.	Plymouth	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000	
Progressive Industries Co. of Canada Ltd.	Windsor	Canada	100	CAD	100.00	Comau B.V.	100.000	
Progressive Mexico S.de R.L. de C.V.	Tepotzotlan	Mexico	3,000	MXN	100.00	Comau B.V. Comau S.p.A.	99.967 0.033	
Progressive Tool & Industries Company	Southfield	U.S.A.	21,455	USD	100.00	Comau Pico Holdings Corporation	100.000	
Renault Automation Comau S.A.	Trappes	France	29,173,600	EUR	51.00	Comau S.p.A.	51.000	
Trebol Tepotzotlan S.de R.L. de C.V.	Tepotzotlan	Mexico	3,000	MXN	100.00	Progressive Mexico S.de R.L. de C.V. Comau B.V.	99.967 0.033	
Wisne Automation & Engineering Co. Novi	Novi	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000	
Wisne Design Mexico S.de R.L. de C.V.	Tepotzotlan	Mexico	3,000	MXN	100.00	Progressive Mexico S.de R.L. de C.V. Comau B.V.	99.967 0.033	
Wisne Technologies, Inc.	Royal Oak	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000	
■ Aviation								
FiatAvio S.p.A.	Turin	Italy	148,200,000	EUR	100.00	Fiat S.p.A.	100.000	
ELV S.p.A.	Rome	Italy	4,680,000	EUR	70.00	FiatAvio S.p.A.	70.000	
Fiat Avio Inc.	Englewood Cliffs	U.S.A.	5,000,000	USD	99.85	FiatAvio S.p.A. Fiatallis North America Inc.	99.000 1.000	
Fiat Avio Polska Sp. z o.o.	Bielsko-Biala	Poland	4,000,000	PLN	100.00	FiatAvio S.p.A.	100.000	
Regulus S.A.	Kourou	French Guiana	640,000	EUR	60.00	FiatAvio S.p.A.	60.000	
Società di Servizi Comprensoriali e di Sviluppo Immobiliare-SE.CO.SV.IM. S.r.l.	Rome	Italy	53,929,691	EUR	100.00	FiatAvio S.p.A. Società Italiana Commerciale Industriale-SICI S.p.A.	99.998 0.002	
Società Elettronica per l'Automazione S.p.A.	Turin	Italy	10,672,944	EUR	100.00	FiatAvio S.p.A.	100.000	

Subsidiaries consolidated on a line-by-line basis (continued)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
■ Publishing and Communications								
Itedi-Italiana Edizioni S.p.A.	Turin	Italy	5,980,000	EUR	100.00	Fiat S.p.A.	100.000	
Editrice La Stampa S.p.A.	Turin	Italy	4,160,000	EUR	100.00	Itedi-Italiana Edizioni S.p.A.	100.000	
Publikompass S.p.A.	Milan	Italy	3,068,000	EUR	100.00	Itedi-Italiana Edizioni S.p.A.	100.000	
■ Insurance								
Toro Assicurazioni S.p.A.	Turin	Italy	181,841,880	EUR	100.00	Sicind S.p.A. Fiat S.p.A.	99.974 0.026	100.000 0.000
Altegia S.A.	Paris	France	16,867,400	EUR	99.58	Continent Holding S.A. Continent Vie S.A. Toro Assicurazioni S.p.A.	99.779 0.220 0.001	
Augusta Assicurazioni S.p.A.	Turin	Italy	26,000,000	EUR	100.00	Toro Assicurazioni S.p.A.	100.000	
Augusta Vita S.p.A.	Turin	Italy	39,000,000	EUR	100.00	Augusta Assicurazioni S.p.A.	100.000	
Continent Assistance S.A.	Paris	France	914,400	EUR	99.58	Continent IARD S.A. Continent Vie S.A. L'Union Generale du Nord S.A.	99.996 0.002 0.002	
Continent Holding S.A.	Paris	France	165,745,259	EUR	99.58	Toro International Holding N.V. Toro Assicurazioni S.p.A. Continent Holding S.A.	52.574 47.005 0.006	
Continent IARD S.A.	Paris	France	104,819,728	EUR	99.58	Continent Holding S.A. Altegia S.A.	96.466 3.534	
Continent Vie S.A.	Rueil-Malmaison	France	12,971,632	EUR	99.58	Continent Holding S.A. Toro Assicurazioni S.p.A.	99.999 0.001	
CST-Centro Servizi Toro S.p.A.	Turin	Italy	8,010,000	EUR	100.00	Toro Assicurazioni S.p.A. Augusta Assicurazioni S.p.A.	99.988 0.012	
D.A.S. Difesa Automobilistica Sinistri S.p.A.	Verona	Italy	2,750,000	EUR	50.01	Toro Assicurazioni S.p.A.	50.008	
Fiat Ubezpieczenia Majatkowe Spolka Akcyjna	Warsaw	Poland	61,500,000	PLN	90.20	Toro Targa Assicurazioni S.p.A.	100.000	
Fiat Ubezpieczenia Zyciowe S.A.	Warsaw	Poland	26,013,700	PLN	90.15	Toro Targa Assicurazioni S.p.A.	99.942	
Giano Assicurazioni S.p.A.	Rome	Italy	5,200,000	EUR	47.50	Roma Vita S.p.A.	100.000	
Guardian Finances S.A.	Rueil-Malmaison	France	53,358	EUR	99.59	Continent Holding S.A. Toro Assicurazioni S.p.A. Altegia S.A. Guardian Vie S.A.	99.429 0.285 0.143 0.143	
Guardian Vie S.A.	Rueil-Malmaison	France	39,346,257	EUR	99.58	Continent Holding S.A.	100.000	
Iniziativa Sviluppo Immobiliare-Isim S.p.A.	Turin	Italy	113,900,000	EUR	100.00	Toro Assicurazioni S.p.A.	100.000	
Lloyd Italico Assicurazioni S.p.A.	Genoa	Italy	132,997,250	EUR	100.00	Toro Assicurazioni S.p.A. Augusta Assicurazioni S.p.A.	98.000 2.000	
Lloyd Italico Vita S.p.A.	Genoa	Italy	14,524,500	EUR	100.00	Lloyd Italico Assicurazioni S.p.A. Toro Assicurazioni S.p.A.	80.000 20.000	
L'Union Generale du Nord S.A.	Lille	France	4,523,484	EUR	85.20	Continent IARD S.A. L'Union Generale du Nord S.A. Continent Vie S.A. Toro Assicurazioni S.p.A.	82.809 2.875 0.279 0.006	
Nuova Tirrena S.p.A.	Rome	Italy	142,570,800	EUR	92.13	Toro Assicurazioni S.p.A.	92.125	
Phenix Seguradora S.A.	Nova Lima	Brazil	66,962,839	BRL	90.07	Toro Targa Participacoes S/C Ltda	99.851	
Roma Vita S.p.A.	Rome	Italy	85,120,000	EUR	47.50	Toro Assicurazioni S.p.A.	47.500	
Société Immobilière Belle-Terre S.A. in liq.	Geneva	Switzerland	50,000	CHF	99.58	Continent IARD S.A.	100.000	
Toro International Holding N.V.	Amsterdam	Netherlands	65,250,000	EUR	100.00	Toro Assicurazioni S.p.A.	100.000	
Toro Targa Assicurazioni S.p.A.	Turin	Italy	83,550,000	EUR	90.20	Toro Assicurazioni S.p.A. Fiat Auto S.p.A.	51.000 49.000	
Toro Targa Participacoes S/C Ltda	Nova Lima	Brazil	93,991,710	BRL	90.20	Toro Targa Assicurazioni S.p.A.	100.000	

Subsidiaries consolidated on a line-by-line basis (continued)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Services								
Business Solutions S.p.A.	Turin	Italy	101,412,065	EUR	100.00	Fiat S.p.A.	100.000	
Borello S.p.A.	Turin	Italy	5,160,000	EUR	65.95	IPI S.p.A.	100.000	
Building Services S.r.l.	Turin	Italy	90,000	EUR	51.00	Ingest Facility S.p.A.	51.000	
Building Support S.r.l. a socio unico	Turin	Italy	90,000	EUR	51.00	Building Services S.r.l.	100.000	
Business Solutions Deutschland FiatGroup GmbH	Ulm	Germany	200,000	EUR	100.00	Business Solutions S.p.A.	100.000	
Business Solutions do Brasil Ltda	Nova Lima	Brazil	35,011,000	BRL	100.00	Business Solutions S.p.A.	100.000	
Business Solutions FiatGroup USA Inc.	Wilmington	U.S.A.	1,000	USD	100.00	Business Solutions S.p.A.	100.000	
Business Solutions France FiatGroup S.a.s.	Paris	France	695,600	EUR	100.00	Business Solutions S.p.A.	60.000	
						Fiat France S.A.	40.000	
Business Solutions Iberica Fiat Group SL	Madrid	Spain	369,327	EUR	100.00	Business Solutions S.p.A.	80.000	
						Fiat Iberica S.A.	20.000	
Business Solutions Polska Sp. z o.o.	Bielsko-Biala	Poland	3,600,000	PLN	100.00	Business Solutions S.p.A.	99.986	
						Fiat Polska Sp. z o.o.	0.014	
Cleantecno S.r.l.	Turin	Italy	25,000	EUR	100.00	Ingest Facility S.p.A.	100.000	
Cromos Consulenza e Formazione S.r.l.	Turin	Italy	13,000	EUR	77.14	Isvor Knowledge System S.p.A.	80.000	
Delivery & Mail S.r.l.	Turin	Italy	90,000	EUR	100.00	Ingest Facility S.p.A.	99.000	
						Società Italiana Commerciale Industriale-SICI S.p.A.	1.000	
Easy Drive S.r.l. a S.U.	Turin	Italy	10,400	EUR	100.00	Business Solutions S.p.A.	100.000	
eSPIN S.p.A.	Turin	Italy	6,932,000	EUR	90.00	Business Solutions S.p.A.	90.000	
Fast Buyer France S.a.r.l.	Paris	France	7,700	EUR	99.92	Fast-Buyer S.p.A.	100.000	
Fast-Buyer S.p.A.	Turin	Italy	7,000,000	EUR	99.92	Business Solutions S.p.A.	99.916	
Fiat Engineering France S.A.	Paris	France	680,000	EUR	99.98	Fiat Engineering S.p.A.	99.984	
Fiat Engineering India Ltd.	New Delhi	India	3,500,000	INR	100.00	Fiat Engineering S.p.A.	100.000	
						Fiat Engineering France S.A.	0.000	
Fiat Engineering S.p.A.	Turin	Italy	10,588,250	EUR	100.00	Investimenti e Gestioni S.p.A.	85.000	
						Business Solutions S.p.A.	15.000	
Fiat GES.CO. Belgium N.V.	Brugge	Belgium	62,500	EUR	100.00	Gesco U.K. Limited	99.960	
						Fiat Gesco S.p.A.	0.040	
Fiat Gesco S.p.A.	Turin	Italy	3,600,000	EUR	100.00	Business Solutions S.p.A.	100.000	
FiatEngineering do Brasil-Comercio e Industria Ltda	Belo Horizonte	Brazil	1,000,000	BRL	100.00	Fiat Engineering S.p.A.	78.800	
						Fiat Engineering France S.A.	21.200	
FiatEngineering Polska Sp. z o.o.	Bielsko-Biala	Poland	100,000	PLN	100.00	Fiat Engineering S.p.A.	100.000	
Gesco Active S.p.A.	Turin	Italy	100,000	EUR	100.00	Fiat Gesco S.p.A.	100.000	
Gesco Sud S.p.A.	Turin	Italy	100,000	EUR	100.00	Fiat Gesco S.p.A.	100.000	
Gesco U.K. Limited	Basildon	United Kingdom	750,000	GBP	100.00	Fiat Gesco S.p.A.	75.000	
						Fiat United Kingdom Limited	25.000	
Global Value S.p.A.	Turin	Italy	1,000,000	EUR	50.00	ITS Information Technology Services S.r.l. a S.U.	50.000	
H.R. Services S.p.A.	Turin	Italy	1,200,000	EUR	100.00	Business Solutions S.p.A.	100.000	
Impreinvest S.p.A.	Turin	Italy	516,000	EUR	100.00	Fiat Engineering S.p.A.	100.000	
Individua S.p.A.	Milan	Italy	105,000	EUR	100.00	WorkNet società di fornitura di lavoro temporaneo-per azioni	100.000	
Ingest Facility S.p.A.	Turin	Italy	1,000,000	EUR	100.00	Investimenti e Gestioni S.p.A.	100.000	
Ingest Segim Polska Sp. z o.o.	Bielsko-Biala	Poland	500,000	PLN	100.00	Ingest Facility S.p.A.	100.000	
Investimenti e Gestioni S.p.A.	Turin	Italy	302,374,000	EUR	100.00	Business Solutions S.p.A.	100.000	
Ipi Intermediazione S.r.l.	Turin	Italy	4,378,400	EUR	65.95	IPI S.p.A.	99.988	
						Sicind S.p.A.	0.012	
IPI Società di Gestione del Risparmio S.p.A.	Turin	Italy	1,250,000	EUR	65.95	IPI S.p.A.	100.000	
IPI S.p.A.	Turin	Italy	40,784,134	EUR	65.95	Investimenti e Gestioni S.p.A.	50.850	
						Fiat Ge.Va. S.p.A.	15.099	

Subsidiaries consolidated on a line-by-line basis (continued)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Isvor Knowledge System S.p.A.	Turin	Italy	500,000	EUR	96.43	Business Solutions S.p.A.	70.000	
						Isvor Fiat S.p.A. - Società di Sviluppo e Addestramento Industriale	30.000	
ITS Information Technology Services S.r.l. a S.U.	Turin	Italy	1,490,000	EUR	100.00	Business Solutions S.p.A.	100.000	
Japigia 2000 S.r.l.	Turin	Italy	98,000	EUR	95.00	Fiat Engineering S.p.A.	95.000	
KeyG Consulting S.p.A.	Turin	Italy	125,000	EUR	60.00	Fiat Gesco S.p.A.	52.800	
						Business Solutions S.p.A.	7.200	
Learning Systems S.p.A.	Milan	Italy	104,000	EUR	49.18	Isvor Knowledge System S.p.A.	51.000	
Matrix S.r.l.	Turin	Italy	30,000	EUR	75.21	Isvor Knowledge System S.p.A.	78.000	
New Business Nove S.r.l.	Turin	Italy	50,000	EUR	100.00	Business Solutions S.p.A.	100.000	
Progetto Lavoro Impresa S.p.A.	Turin	Italy	160,000	EUR	100.00	Business Solutions S.p.A.	100.000	
Risk Management S.p.A.	Turin	Italy	104,000	EUR	100.00	Business Solutions S.p.A.	100.000	
Sadi Brasil Ltda.	Nova Lima	Brazil	100,000	BRL	95.53	Business Solutions do Brasil Ltda	60.000	
						Iveco Fiat Brasil Ltda	10.000	
						Iveco Latin America Ltda	10.000	
						Fiat Automoveis S.A. - FIASA	10.000	
						CNH Latino Americana Ltda	10.000	
Sadi Polska-Agencja Celna Sp. z o.o.	Bielsko-Biala	Poland	500,000	PLN	100.00	Servizi e Attività Doganali per l'Industria S.p.A.	100.000	
Scuola di Pubblica Amministrazione s.p.a.	Lucca	Italy	100,000	EUR	50.82	Isvor Knowledge System S.p.A.	52.700	
Servizi e Attività Doganali per l'Industria S.p.A.	Turin	Italy	520,000	EUR	100.00	Business Solutions S.p.A.	100.000	
Sestrieres S.p.A.	Sestriere	Italy	16,120,000	EUR	100.00	Business Solutions S.p.A.	70.000	
						Toro Assicurazioni S.p.A.	30.000	
SOLGESA-Soluzioni Gestionali Avanzate S.p.A.	Ferrara	Italy	4,110,000	EUR	100.00	Fiat Gesco S.p.A.	100.000	
Sporting Club Sestrieres S.r.l.	Sestriere	Italy	312,000	EUR	100.00	Sestrieres S.p.A.	100.000	
TRANSFIMA S.p.A.	Turin	Italy	1,020,000	EUR	51.00	Fiat Engineering S.p.A.	51.000	
Trantor S.r.l.	Milan	Italy	104,000	EUR	100.00	Ingest Facility S.p.A.	100.000	
WorkNet società di fornitura di lavoro temporaneo-per azioni	Rome	Italy	5,480,000	EUR	100.00	Business Solutions S.p.A.	100.000	
■ Miscellaneous and Holding companies								
Celt Receivables Limited	Dublin	Ireland	52	EUR	100.00	Fiat Geva Europe Ltd.	100.000	
Centro Ricerche Plast-Optica S.r.l.	Amaro	Italy	1,033,000	EUR	69.96	C.R.F. Società Consortile per Azioni	51.000	
						Seima Italiana S.p.A.	24.500	
C.R.F. Società Consortile per Azioni	Orbassano	Italy	25,000,000	EUR	89.15	Fiat Auto S.p.A.	40.000	
						Magneti Marelli Holding S.p.A.	20.000	
						Iveco S.p.A.	20.000	
						Teksid S.p.A.	5.000	
						Comau S.p.A.	5.000	
						Case New Holland Italia s.p.a.	5.000	
						FiatAvio S.p.A.	2.000	
						Sicind S.p.A.	2.000	
						Ferrari S.p.A.	1.000	
Elasis-Società Consortile per Azioni	Pomigliano d'Arco	Italy	19,240,000	EUR	59.90	Fiat Auto S.p.A.	56.000	
						CNH Movimento Terra S.p.A.	6.800	
						FiatAvio S.p.A.	5.800	
						Iveco S.p.A.	3.300	
						Fiat S.p.A.	0.167	
						C.R.F. Società Consortile per Azioni	0.033	
European Engine Alliance S.c.r.l.	Turin	Italy	24,000,000	EUR	61.77	Iveco S.p.A.	33.333	
						CNH Global N.V.	33.333	
Fahag Immobilien-und Finanz-Gesellschaft AG	Zurich	Switzerland	500,000	CHF	100.00	IHF-Internazionale Holding Fiat S.A.	100.000	

Subsidiaries consolidated on a line-by-line basis (continued)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Ferrari Fin. Services Inc.	Englewood Cliffs	U.S.A.	10,000	USD	100.00	Fiat U.S.A. Inc.	100.000	
Fias Fiat Administration und Service GmbH	Ulm	Germany	200,000	DEM	96.00	Iveco Magirus AG	80.000	
						Fiat Automobil AG	20.000	
Fiat Argentina S.A.	Buenos Aires	Argentina	520,002	ARS	100.00	Sicind S.p.A.	99.990	
						SGR-Sociedad para la Gestion de Riesgos S.A.	0.010	
Fiat Concord S.A.	Buenos Aires	Argentina	1	ARS	100.00	Fiat Argentina S.A.	99.990	
						SGR-Sociedad para la Gestion de Riesgos S.A.	0.010	
Fiat do Brasil S.A.	Nova Lima	Brazil	999,684	BRL	100.00	Sicind S.p.A.	99.932	
						Fiat Gesco S.p.A.	0.061	
						Isvor Fiat S.p.A. - Società di Sviluppo e Addestramento Industriale	0.007	
Fiat Energia S.r.l.	Turin	Italy	350,088,770	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Financas Brasil Ltda	Nova Lima	Brazil	2,469,701	BRL	100.00	Fiat Ge.Va. S.p.A.	99.994	
						Fiat do Brasil S.A.	0.006	
Fiat Finance and Trade Ltd	Luxembourg	Luxembourg	251,494,000	EUR	100.00	Fiat Ge.Va. S.p.A.	99.990	
						Fiat Finance Canada Ltd.	0.010	
Fiat Finance Canada Ltd.	Calgary	Canada	10,099,885	CAD	100.00	Fiat Ge.Va. S.p.A.	100.000	
Fiat Finance Corporation B.V.	Amstelveen	Netherlands	9,200,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Finance France S.N.C.	Paris	France	228,674	EUR	99.67	Fiat France S.A.	98.333	
						Fiat France Participations Financieres S.A.	1.667	
Fiat Finance Luxembourg S.A.	Luxembourg	Luxembourg	100,000	USD	100.00	Intermap (Nederland) B.V.	99.000	
						Fiat Finance Corporation B.V.	1.000	
Fiat Finance North America Inc.	Wilmington	U.S.A.	40,090,000	USD	100.00	Fiat Ge.Va. S.p.A.	60.526	
						Fiat S.p.A.	39.474	
Fiat France S.A.	Paris	France	55,216,000	EUR	100.00	Sicind S.p.A.	100.000	
Fiat Ges.co France (GEIE)	Paris	France	0	EUR	96.98	Fiat Gesco S.p.A.	50.000	
						Magneti Marelli France S.A.	20.000	
						Fiat Auto (France) S.A.	15.000	
						Iveco France S.A.	15.000	
Fiat Gesco UK Limited in liq.	London	United Kingdom	625,767	GBP	100.00	Fiat United Kingdom Limited	100.000	
Fiat Geva Europe Ltd.	Dublin	Ireland	219,494,225	EUR	100.00	Fiat Finance and Trade Ltd	100.000	
Fiat Ge.Va. S.p.A.	Turin	Italy	224,440,000	EUR	100.00	Fiat S.p.A.	100.000	
Fiat Gra.De EEIG	Watford	United Kingdom	100	GBP	86.98	Fiat Auto S.p.A.	46.000	
						CNH Global N.V.	23.000	
						Iveco N.V.	23.000	
						Fiat S.p.A.	2.000	
						Business Solutions S.p.A.	2.000	
						Magneti Marelli Holding S.p.A.	1.000	
						C.R.F. Società Consortile per Azioni	1.000	
						Comau S.p.A.	1.000	
						Teksid S.p.A.	1.000	
Fiat Iberica S.A.	Madrid	Spain	2,797,054	EUR	100.00	Sicind S.p.A.	100.000	
Fiat Information & Communication Services S.r.l.	Turin	Italy	800,000	EUR	100.00	Sicind S.p.A.	100.000	
Fiat International S.p.A.	Turin	Italy	1,300,000	EUR	100.00	Fiat S.p.A.	100.000	
Fiat Netherlands Holding N.V.	Amstelveen	Netherlands	134,325,000	EUR	100.00	Fiat S.p.A.	74.000	
						Sicind S.p.A.	26.000	

Subsidiaries consolidated on a line-by-line basis (continued)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Fiat Partecipazioni S.p.A.	Turin	Italy	1,667,963,158	EUR	100.00	Fiat S.p.A.	76.076	
						FiatAvio S.p.A.	12.977	
						Business Solutions S.p.A.	10.930	
						Fiat Partecipazioni S.p.A.	0.017	
Fiat Polska Sp. z o.o.	Warsaw	Poland	25,500,000	PLN	100.00	Sicind S.p.A.	100.000	
Fiat Servizi per l'Industria S.c.p.a.	Turin	Italy	3,850,000	EUR	92.02	Fiat S.p.A.	36.468	
						Fiat Auto S.p.A.	33.532	
						Iveco S.p.A.	6.000	
						Magneti Marelli Holding S.p.A.	4.000	
						FiatAvio S.p.A.	3.000	
						Case New Holland Italia s.p.a.	3.000	
						Business Solutions S.p.A.	3.000	
						Toro Assicurazioni S.p.A.	2.500	
						H.R. Services S.p.A.	2.000	
						Teksid S.p.A.	2.000	
						Editrice La Stampa S.p.A.	1.500	
						Comau S.p.A.	1.500	
						C.R.F. Società Consortile per Azioni	1.500	
Fiat United Kingdom Limited	London	United Kingdom	860,000	GBP	100.00	Sicind S.p.A.	100.000	
Fiat U.S.A. Inc.	New York	U.S.A.	16,830,000	USD	100.00	Fiat S.p.A.	100.000	
Fiat-Revisione Interna e Ispettorato S.c.r.l.	Turin	Italy	300,000	EUR	90.66	Fiat Auto S.p.A.	20.000	
						Sicind S.p.A.	10.667	
						CNH Global N.V.	10.000	
						Iveco N.V.	10.000	
						Fiat S.p.A.	9.000	
						Magneti Marelli Holding S.p.A.	5.000	
						Ferrari S.p.A.	5.000	
						Itedi-Italiana Edizioni S.p.A.	5.000	
						Teksid S.p.A.	5.000	
						FiatAvio S.p.A.	5.000	
						Comau S.p.A.	5.000	
						Toro Assicurazioni S.p.A.	5.000	
						Business Solutions S.p.A.	4.333	
Fiat Ge.Va. S.p.A.	1.000							
IHF-Internazionale Holding Fiat S.A.	Paradiso	Switzerland	2,000,000,000	CHF	100.00	Fiat S.p.A.	100.000	
Immobiliera Moderna 2000 S.L.	Madrid	Spain	3,065	EUR	100.00	Fiat Iberica S.A.	100.000	
Intermap (Nederland) B.V.	Amsterdam	Netherlands	72,605	EUR	100.00	Fiat Finance Corporation B.V.	100.000	
Isvor Dealernet S.r.l.	Turin	Italy	10,000	EUR	86.47	Isvor Fiat S.p.A. - Società di Sviluppo e Addestramento Industriale	80.000	
						Fiat Auto S.p.A.	20.000	
Isvor Fiat S.p.A. - Società di Sviluppo e Addestramento Industriale	Turin	Italy	780,000	EUR	88.09	Fiat Auto S.p.A.	38.000	21.000
						Fiat S.p.A.	26.000	52.000
						Teksid S.p.A.	12.000	13.000
						Iveco S.p.A.	9.000	13.000
						Magneti Marelli Holding S.p.A.	6.000	0.000
						FiatAvio S.p.A.	2.000	0.000
						Case New Holland Italia s.p.a.	2.000	1.000
						Fiat Engineering S.p.A.	2.000	0.000
						Comau S.p.A.	2.000	0.000
						Sicind S.p.A.	1.000	0.000

Subsidiaries consolidated on a line-by-line basis (continued)

<i>Name</i>	<i>Registered office</i>	<i>Country</i>	<i>Capital stock</i>	<i>Currency</i>	<i>% of Group consolidation</i>	<i>Interest held by</i>	<i>% interest held</i>	<i>% of voting rights</i>
La Stampa Europe SAS	Paris	France	18,600,000	EUR	100.00	Fiat France S.A.	100.000	
Motorcomsa S.A.	Paradiso	Switzerland	3,000,000	CHF	100.00	IHF-Internazionale Holding Fiat S.A.	100.000	
Neptunia Assicurazioni Marittime S.A.	Lugano	Switzerland	10,000,000	CHF	100.00	Rimaco S.A.	100.000	
New Business Quattordici S.p.A.	Turin	Italy	1,000,000	EUR	100.00	Società Italiana Commerciale Industriale-SICI S.p.A.	100.000	
Palazzo Grassi S.p.A.	Venice	Italy	10,200,000	EUR	100.00	Sicind S.p.A.	100.000	
Pharos S.r.l.	Turin	Italy	105,000	EUR	92.40	Fiat Servizi per l'Industria S.c.p.a.	95.238	
						Società Italiana Commerciale Industriale-SICI S.p.A.	4.762	
Rimaco S.A.	Lausanne	Switzerland	350,000	CHF	100.00	IHF-Internazionale Holding Fiat S.A.	100.000	
Sicind S.p.A.	Turin	Italy	1,547,290,108	EUR	100.00	Fiat S.p.A.	100.000	
Sisport Fiat Società per Azioni-SF	Turin	Italy	7,120,800	EUR	100.00	Sicind S.p.A.	100.000	
Società Italiana Commerciale Industriale-SICI S.p.A.	Turin	Italy	618,800	EUR	100.00	Sicind S.p.A.	100.000	

Jointly-owned companies consolidated by the proportional integration method

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Commercial Vehicles								
Naveco Ltd.	Nanjing	People's Rep. of China	2,527,000,000	CNY	50.00	Iveco S.p.A.	50.000	
Aviation								
Europropulsion S.A.	Suresnes	France	1,200,000	EUR	50.00	FiatAvio S.p.A.	50.000	
Vegaspazio S.p.A.	Rome	Italy	100,000	EUR	50.00	FiatAvio S.p.A.	50.000	
Services								
Global Value Soluções Ltda	Nova Lima	Brazil	2,000	BRL	50.00	Business Solutions do Brasil Ltda	50.000	

Subsidiaries valued by the equity method

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Automobiles								
Alfa Romeo Inc.	Orlando	U.S.A.	3,000,000	USD	80.00	Fiat Auto S.p.A.	100.000	
Alfa Romeo Motors Ltd.	Bangkok	Thailand	100,000,000	THB	80.00	Fiat Auto S.p.A.	99.999	
Andalcar Motor S.L.	Jerez	Spain	4,898,916	EUR	80.00	Inmap 2000 Espana S.L.	100.000	
Auto Italia Erfurt GmbH	Erfurt	Germany	1,284,000	EUR	80.00	Fiat Automobil Vertriebs GmbH	100.000	
B.D.C. & Co. Société en Commandite Simple	Auderghem	Belgium	13,912,261	EUR	80.00	Internat.Metrop.Automotive Prom. (Belgio) S.A. B.D.C. S.A.	81.481 18.519	
Centro Automobile GmbH Frankfurt	Frankfurt	Germany	3,067,751	EUR	80.00	Fiat Automobil Vertriebs GmbH	100.000	
Copada S.A.S.	Paris	France	750,000	EUR	80.00	International Metropolitan Automotive Promotion (France) S.A.	100.000	
F.A. Austria Commerz & Co. SCS	Brussels	Belgium	5,651,972	EUR	80.00	Internat.Metrop.Automotive Prom. (Belgio) S.A. F.A. Austria Commerz GmbH	86.842 13.158	
F.A. Austria Commerz GmbH	Vienna	Austria	36,336	EUR	80.00	Fiat Auto (Suisse) S.A.	100.000	
Fiat Auto Egypt Industrial Company SAE	Giza	Egypt	50,000,000	EGP	64.32	Fiat Auto S.p.A.	80.400	
Fiat Auto Egypt S.A.E.	Giza	Egypt	500,000	EGP	63.68	Fiat Auto Egypt Industrial Company SAE	99.000	
Fiat Auto S.A. de Ahorro para Fines Determinados	Buenos Aires	Argentina	60,000	ARS	80.02	Fiat Auto Argentina S.A. Fiat Argentina S.A.	99.900 0.100	
Fiat Auto Thailand Pvt. Ltd.	Bangkok	Thailand	150,000,000	THB	80.00	Fiat Auto S.p.A.	100.000	
Fiat Automoviles Venezuela C.A.	Caracas	Venezuela	300,000	VEB	80.00	Fiat Automoveis S.A. - FIASA	100.000	
Italcar SA	Casablanca	Morocco	1,000,000	MAD	80.00	Inmap 2000 Espana S.L.	100.000	
Leasys S.p.A.	Fiumicino	Italy	319,200,000	EUR	40.80	Fidis Renting Italia S.p.A.	51.000	
Multipoint Sevilla S.A.	Seville	Spain	6,180,330	EUR	80.00	Inmap 2000 Espana S.L.	100.000	
New City Car S.A.	Brussels	Belgium	5,201,137	EUR	80.00	Internat.Metrop.Automotive Prom. (Belgio) S.A. Fiat Auto (Belgio) S.A.	99.999 0.001	
SA France Auto	Roubaix	France	1,981,837	EUR	80.00	International Metropolitan Automotive Promotion (France) S.A.	100.000	
SA France Auto Roubaix	Roubaix	France	89,213	EUR	80.00	International Metropolitan Automotive Promotion (France) S.A.	100.000	
Saigarage S.p.A. in liq.	Turin	Italy	516,456	EUR	80.00	Fiat Auto Var S.r.l. a S.U.	100.000	
Sirio Polska Sp. z o.o.	Bielsko-Biala	Poland	1,350,000	PLN	69.32	Fiat Auto Poland S.A.	100.000	
Targa Infomobility S.p.A.	Turin	Italy	100,000	EUR	80.00	Fidis S.p.A.	100.000	
Targa Servizi Assicurativi S.p.A.	Turin	Italy	100,000	EUR	80.00	Fidis S.p.A.	100.000	
Zao Nizhegorod Motors	Nizhnjy Novgorod	Russia	24,660,000	RUR	58.51	Fiat Auto S.p.A.	73.139	73.127
Agricultural and Construction Equipment								
Agriserve Inc.	Wilmington	U.S.A.	333,800	USD	85.32	New Holland North America Inc.	100.000	
Bizon-Ukraina S.P.	Kowel	Ukraine	1,000	USD	43.51	CNH Polska Sp. z o.o.	51.000	
Case IH Power & Equipment Inc.	Wilmington	U.S.A.	961,700	USD	85.32	New Holland North America Inc.	100.000	
Challenger New Holland Ltd.	Ottawa	Canada	623,000	CAD	50.00	New Holland Canada Ltd.	58.604	
First New Holland Inc.	Wilmington	U.S.A.	650,000	USD	85.32	New Holland North America Inc.	100.000	
First State New Holland Inc.	Wilmington	U.S.A.	260,000	USD	61.13	New Holland North America Inc.	71.654	
Garden City New Holland Inc.	Wilmington	U.S.A.	542,500	USD	55.97	New Holland North America Inc.	65.604	
Hayward Implement Inc.	Wilmington	U.S.A.	375,000	USD	85.32	New Holland North America Inc.	100.000	
La Grande New Holland Inc.	Wilmington	U.S.A.	404,800	USD	64.70	New Holland North America Inc.	75.840	
Medicine Hat New Holland Ltd.	Ottawa	Canada	1,327,900	CAD	75.56	New Holland Canada Ltd.	88.568	
Memphis New Holland Inc.	Wilmington	U.S.A.	487,600	USD	82.53	New Holland North America Inc.	96.739	
Neuse River New Holland Inc.	Wilmington	U.S.A.	223,300	USD	85.32	New Holland North America Inc.	100.000	
Newton Tractor Sales Inc.	Wilmington	U.S.A.	445,000	USD	68.06	New Holland North America Inc.	79.775	
Niagara Frontier Equipment Sales Inc.	Wilmington	U.S.A.	612,500	USD	57.03	New Holland North America Inc.	66.841	
Northside New Holland Inc.	Wilmington	U.S.A.	250,000	USD	78.49	New Holland North America Inc.	92.000	
Pensacola Tractor & Equipment Inc.	Wilmington	U.S.A.	330,000	USD	85.32	New Holland North America Inc.	100.000	
Redwood Equipment Inc.	Wilmington	U.S.A.	547,500	USD	80.48	New Holland North America Inc.	94.338	
Ridgeview New Holland Inc.	Wilmington	U.S.A.	440,000	USD	77.15	New Holland North America Inc.	90.432	
Speedway New Holland Inc.	Wilmington	U.S.A.	585,000	USD	83.86	New Holland North America Inc.	98.291	
St. Catharines New Holland Ltd.	Ottawa	Canada	327,700	CAD	57.74	New Holland Canada Ltd.	67.680	
Sunrise Tractor & Equipment Inc.	Wilmington	U.S.A.	875,000	USD	80.28	New Holland North America Inc.	94.103	

Subsidiaries valued by the equity method (continued)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Tallahassee New Holland Inc.	Wilmington	U.S.A.	385,000	USD	83.10	New Holland North America Inc.	97.403	
Team New Holland Equipment Inc.	Wilmington	U.S.A.	541,800	USD	85.32	New Holland North America Inc.	100.000	
Topeka New Holland Inc.	Wilmington	U.S.A.	400,000	USD	70.94	New Holland North America Inc.	83.150	
Tri-County New Holland Inc.	Wilmington	U.S.A.	400,000	USD	85.32	New Holland North America Inc.	100.000	
West Shore New Holland Inc.	Wilmington	U.S.A.	385,000	USD	61.96	New Holland North America Inc.	72.623	
Woodstock New Holland Ltd	Ottawa	Canada	1,480,000	CAD	85.32	New Holland Canada Ltd.	100.000	
Commercial Vehicles								
Altra S.p.A.	Genoa	Italy	516,400	EUR	66.67	Irisbus Italia S.p.A.	66.670	
F. Pegaso S.A.	Madrid	Spain	993,045	EUR	100.00	Iveco Pegaso S.L.	100.000	
Financiere Pegaso France S.A.	Trappes	France	260,832	EUR	100.00	Iveco Pegaso S.L.	100.000	
Iveco S.P.R.L.	Kinshasa	Congo (Dem. Rep. Congo)	340,235,000	ZRN	100.00	Iveco N.V.	100.000	
Metallurgical Products								
Compania Industrial Frontera S.A. de C.V.	São Pedro	Mexico	50,000	MXN	49.88	Teksid Hierro de Mexico S.A. de C.V.	100.000	
Teksid of India Private Limited Company	Panaji	India	403,728,450	INR	66.50	Teksid S.p.A.	100.000	
Components								
Cofap Companhia Fabricadora de Pecas S.A.	Santo Andre	Brazil	36,481,518	BRL	67.97	Magneti Marelli Iberica S.A.	33.990	34.158
						Magneti Marelli Holding S.p.A.	33.990	34.158
Seima Italiana Auto Svet	Krasnig Oktjabr Kirz	Russia	24,290,000	RUR	59.99	Seima Italiana S.p.A.	60.000	
Seima Italiana Russia	Vjazniki Vladimir	Russia	100,000,000	RUR	99.99	Seima Italiana S.p.A.	100.000	
Production Systems								
Progressive Tool Argentina S.de R.L. in liq.	Buenos Aires	Argentina	12,000	ARS	100.00	Comau B.V.	99.000	
						Comau S.p.A.	1.000	
Insurance								
Ogepa S.A.	Paris	France	38,100	EUR	96.43	Continent IARD S.A.	79.720	
						L'Union Generale du Nord S.A.	20.000	
Omnium de Financement et de realisation du Batiment-O.F.I.BA. S.A.	Paris	France	38,100	EUR	99.31	Continent IARD S.A.	99.720	
Miscellaneous and Holding companies								
Ayfra S.A. in liq.	Asuncion	Paraguay	135,000,000	PYG	100.00	Sicind S.p.A.	99.990	
						Fiat Argentina S.A.	0.010	
Banca Unione di Credito (Cayman) Ltd	Grand Cayman	Cayman Islands	10,000,000	CHF	100.00	BUC - Banca Unione di Credito	100.000	
BUC - Banca Unione di Credito	Lugano	Switzerland	100,000,000	CHF	100.00	IHF-Internazionale Holding Fiat S.A.	100.000	
Centro Studi sui Sistemi di Trasporto-CSSIT S.p.A.	Turin	Italy	520,000	EUR	79.01	Fiat Auto S.p.A.	49.000	
						Iveco S.p.A.	30.000	
						C.R.F. Società Consortile per Azioni	11.000	
European Engine Alliance EEIG	Maindenhead	United Kingdom	0	GBP	61.77	CNH U.K. Limited	33.333	
						Iveco S.p.A.	33.333	
Fiat Deutschland GmbH	Ulm	Germany	511,292	EUR	100.00	Fiat Finance and Trade Ltd	100.000	
Fiat Russia OOO	Moscow	Russia	18,509,050	RUR	100.00	Sicind S.p.A.	80.000	
						Fiat International S.p.A.	20.000	
Luganov S.A.	Lugano	Switzerland	3,000,000	CHF	100.00	BUC - Banca Unione di Credito	100.000	
New Business 7 S.p.A.	Turin	Italy	35,000,000	EUR	100.00	Sicind S.p.A.	100.000	
New Business 8 S.p.A.	Turin	Italy	25,000,000	EUR	100.00	New Business 7 S.p.A.	100.000	
Norfinance & Associes S.A.	Geneva	Switzerland	4,600,000	CHF	100.00	BUC - Banca Unione di Credito	100.000	
Norfinance Gestion S.A.	Lausanne	Switzerland	281,000	CHF	65.13	Norfinance & Associes S.A.	65.125	
Norfinance Gestion (Ticino) S.A.	Mendrisio	Switzerland	300,000	CHF	100.00	Norfinance & Associes S.A.	100.000	
Overseas Union Bank and Trust (Bahamas) Ltd.	Nassau	Bahamas	5,000,000	USD	100.00	BUC - Banca Unione di Credito	100.000	
SGR-Sociedad para la Gestion de Riesgos S.A.	Buenos Aires	Argentina	10,000	ARS	99.96	Rimaco S.A.	99.960	
Sistemi Ambientali S.p.A. in liq.	Rivoli	Italy	9,544,080	EUR	99.77	Sicind S.p.A.	99.768	

Subsidiaries valued at cost

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Automobiles								
Consorzio di Ricerca per Veicoli a Minimo Impatto Ambientale	Arese	Italy	82,630	EUR	58.04	Fiat Auto S.p.A.	62.503	
						C.R.F. Società Consortile per Azioni	6.250	
						Centro Studi sui Sistemi di Trasporto-CSSST S.p.A.	3.125	
Fiat Auto de Mexico Sociedad Anonima de Capital Variable (S.A. de C.V.)	Mexico City	Mexico	50,000	MXN	80.00	Fiat Auto S.p.A.	99.998	
						Fiat Automoveis S.A. - FIASA	0.002	
Fiat Auto Espana Marketing Instituto Agrupacion de Interes Economico	Alcalá De Henares	Spain	30,051	EUR	76.00	Fiat Auto Espana S.A.	95.000	
Fiat Auto Marketing Institute (Portugal) ACE	Lisbon	Portugal	15,000	EUR	64.00	Fiat Auto Portuguesa S.A.	80.000	
Hidrofiasa Ltda	Nova Lima	Brazil	10,000	BRL	80.00	Fiat Automoveis S.A. - FIASA	99.990	
						Teksid do Brasil Ltda	0.010	
La Fenice S.A.	Buenos Aires	Argentina	12,000	ARS	80.02	Fiat Auto Argentina S.A.	99.900	
						Fiat Argentina S.A.	0.100	
Nuove Iniziative Finanziarie 2 S.r.l.	Turin	Italy	25,000	EUR	80.00	Fiat Auto S.p.A.	99.000	
						Fidis S.p.A.	1.000	
Powertrain India Pvt. Ltd.	Mumbai	India	101,000	INR	80.00	Fiat India Automobiles Private Limited	100.000	
Pro-Car LLC	Moscow	Russia	999,250	RUR	80.00	Nuove Iniziative Finanziarie 2 S.r.l.	100.000	
Agricultural and Construction Equipment								
Case Credit Limited	Doncaster	United Kingdom	6,500,000	GBP	85.32	Case United Kingdom Limited	100.000	
Case Credit Wholesale Pty. Limited	St. Marys	Australia	347,750	AUD	85.32	CNH Australia Pty Limited	100.000	
Case India USLT Limited	Wilmington	U.S.A.	5	USD	85.32	Case LLC	100.000	
Case Mauritius US Limited	Port Louis	Mauritius	2	USD	85.32	Case India USLT Limited	100.000	
Case Melbourne Pty Ltd.	St. Marys	Australia	2	AUD	85.32	CNH Australia Pty Limited	100.000	
Case Poclair Ltd.	Doncaster	United Kingdom	2	GBP	85.32	Case United Kingdom Limited	100.000	
Case Sprayers Limited	Lincoln	United Kingdom	1	GBP	85.32	Case United Kingdom Limited	100.000	
Consorzio Fiat-Kobelco Isvor Dealernet Rete	San Mauro Torinese	Italy	21,175	EUR	40.05	Fiat Kobelco Construction Machinery S.p.A.	46.341	
						Isvor Dealernet S.r.l.	12.195	
David Brown Tractors (Ireland) Ltd.	Dublin	Ireland	25,395	EUR	85.32	Pryor Foundry Inc.	100.000	
Fermec North America Inc.	Wilmington	U.S.A.	5	USD	85.32	Case LLC	100.000	
International Harvester Company	Wilmington	U.S.A.	1,000	USD	85.32	Case LLC	100.000	
J.I. Case Company Limited	Doncaster	United Kingdom	2	GBP	85.32	Case United Kingdom Limited	100.000	
J.I. Case International S.A.	Caracas	Venezuela	3,000,000	VEB	85.32	Pryor Foundry Inc.	100.000	
Kestrin Pty. Ltd.	Bundaberg	Australia	2	AUD	85.32	CNH Australia Pty Limited	100.000	
New Holland Superannuation Pty. Ltd.	St. Marys	Australia	2	AUD	85.32	New Holland Australia Pty. Limited	100.000	
Steiger International Ltd.	Agana	Guam	20	USD	85.32	Pryor Foundry Inc.	100.000	
Versatile Farm Equipment Pty. Ltd.	Bundaberg	Australia	20,000	AUD	85.32	Austoft Industries Limited	100.000	
Commercial Vehicles								
Consorzio per la Formazione Commerciale Iveco-Coforma	Turin	Italy	51,646	EUR	58.81	Iveco S.p.A.	50.000	
						Isvor Fiat S.p.A. - Società di Sviluppo e Addestramento Industriale	10.000	
Gestrans S.A.	Suresnes	France	45,730	EUR	100.00	Irisbus France S.A.	100.000	
IkarusBus Trejd KFT	Moscow	Russia	20,000	USD	95.00	Ikarusbus Jamugyarto RT	100.000	
Iran Magirus-Deutz	Teheran	Iran	180,000,000	IRR	100.00	Iveco Magirus AG	100.000	
Irisbus North America Limited Liability Company	Dover	U.S.A.	20,000	USD	100.00	Irisbus France S.A.	100.000	
Iveco Colombia Ltda.	Santa Fe' de Bogota	Colombia	75,699,000	COP	99.00	Iveco Venezuela C.A.	99.000	
Iveco Hong Kong Limited	Hong Kong	People's Rep. of China	1,000	HKD	100.00	Iveco S.p.A.	100.000	

Subsidiaries valued at cost (continued)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
M.R. Fire Fighting International S.A.	Brasov	Romenia	35,000,000	ROL	75.88	Iveco Magirus Brandschutztechnik GmbH Iveco Eurofire (Holding) GmbH Brandschutztechnik Gorlitz GmbH	74.000 1.000 1.000	
SIVI S.p.A.	Trezzano Rosa	Italy	500,000	EUR	100.00	Iveco S.p.A.	100.000	
■ Components								
Automotive Lighting Japan K.K.	Kohoku-Ku-Yokohama	Japan	10,000,000	JPY	74.89	Automotive Lighting Reutlingen GmbH	100.000	
Magneti Marelli Auto Pecas Ltda.	São Paulo	Brazil	1,000	BRL	99.99	Magneti Marelli Holding S.p.A. Magneti Marelli do Brasil Industria e Comercio SA	99.900 0.100	
Magneti Marelli Automotive Components (India) Limited	Pune	India	125,000,000	INR	99.99	Magneti Marelli Components B.V.	100.000	
Magneti Marelli Componentes S.A. in liq.	Buenos Aires	Argentina	12,000	ARS	98.90	Magneti Marelli Argentina S.A.	99.000	
Magneti Marelli Pecas de Reposicao Ltda	São Paulo	Brazil	1,000	BRL	99.99	Magneti Marelli Holding S.p.A. Magneti Marelli do Brasil Industria e Comercio SA	99.900 0.100	
MM GB Limited	Cannock	United Kingdom	250,000	GBP	99.99	Magneti Marelli U.K. Limited	100.000	
Rien E.U.R.L. in liq.	Vaulx-En-Velin	France	45,735	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Yorka Northamerica Corp.	Southfield	U.S.A.	10,000	USD	99.99	Yorka de Mexico S.A. de CV	100.000	
■ Production Systems								
Comau U.K. Limited	Telford	United Kingdom	2,500	GBP	100.00	Comau S.p.A.	100.000	
■ Publishing and Communications								
Centro.com. S.r.l.	Turin	Italy	25,000	EUR	100.00	Editrice La Stampa S.p.A.	100.000	
■ Insurance								
Royal Servizi Tecnici S.r.l. in liq.	Genoa	Italy	91,800	EUR	100.00	Lloyd Italico Assicurazioni S.p.A.	100.000	
S.C.I. Continent Pierre Grenier	Paris	France	5,335,750	EUR	96.71	Continent IARD S.A. L'Union Generale du Nord S.A.	80.000 20.000	
S.C.I. Le Continent Asnieres	Paris	France	4,116,150	EUR	96.71	Continent IARD S.A. L'Union Generale du Nord S.A.	80.000 20.000	
Société Civile Immobilière Continent Pierre	Paris	France	10,113,017	EUR	97.86	Société Civile Immobilière Continent Wagram Continent Vie S.A. Continent IARD S.A.	60.731 38.154 1.115	
Société Civile Immobilière Continent Pyramides	Paris	France	30,161,892	EUR	97.10	Continent IARD S.A. Société Civile Immobilière Continent Wagram L'Union Generale du Nord S.A.	56.955 32.123 10.922	
Société Civile Immobilière Continent Wagram	Paris	France	18,523,543	EUR	96.75	Continent IARD S.A. L'Union Generale du Nord S.A.	80.300 19.700	
Société Civile Immobilière Immo vie	Paris	France	17,378	EUR	99.58	Continent Vie S.A. Continent IARD S.A.	99.983 0.017	
■ Services								
C.O.AV. Città Ospedaliera Avellino S.c. a.r.l.	Parma	Italy	25,500	EUR	51.00	Fiat Engineering S.p.A.	51.000	
Consorzio Co.Ge.Av. in liquidazione	Turin	Italy	51,646	EUR	100.00	Fiat Engineering S.p.A.	100.000	
Consorzio Infatecno	Turin	Italy	15,000	EUR	66.67	Cleantecno S.r.l. Ingest Facility S.p.A.	33.333 33.333	
CONSORZIO SERMAGEST - Servizi Manutentivi Gestionali	Turin	Italy	10,000	EUR	60.00	Ingest Facility S.p.A.	60.000	
Fast Buyer do Brasil Ltda	Belo Horizonte	Brazil	50,000	BRL	99.92	Fast-Buyer S.p.A. Business Solutions do Brasil Ltda	99.998 0.002	
Fast Buyer Middle East A.S.	Bursa	Turkey	95,000,000,000	TRL	98.72	Fast-Buyer S.p.A.	98.800	
Fast-Buyer India Private Limited	New Delhi	India	220,000	INR	99.92	Fast-Buyer S.p.A.	100.000	
GestioneLavoro S.p.A.	Turin	Italy	100,000	EUR	51.00	H.R. Services S.p.A.	51.000	
Immobiliare F.E. S.r.l.	Turin	Italy	30,000	EUR	100.00	Fiat Engineering S.p.A.	100.000	
Nuova Immobiliare Cinque S.r.l.	Turin	Italy	50,000	EUR	100.00	Investimenti e Gestioni S.p.A. Società Italiana Commerciale Industriale-SICI SpA	99.000 1.000	
Nuova Immobiliare Due S.r.l.	Turin	Italy	50,000	EUR	100.00	Investimenti e Gestioni S.p.A. Società Italiana Commerciale Industriale-SICI SpA	99.000 1.000	

Subsidiaries valued at cost (continued)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Nuova Immobiliare Quattro S.r.l.	Turin	Italy	50,000	EUR	100.00	Investimenti e Gestioni S.p.A.	99.000	
						Società Italiana Commerciale Industriale-SICI S.p.A.	1.000	
Nuova Immobiliare Tre S.r.l.	Turin	Italy	50,000	EUR	100.00	Investimenti e Gestioni S.p.A.	99.000	
						Società Italiana Commerciale Industriale-SICI S.p.A.	1.000	
Nuova Immobiliare Uno S.r.l.	Turin	Italy	50,000	EUR	100.00	Investimenti e Gestioni S.p.A.	99.000	
						Società Italiana Commerciale Industriale-SICI S.p.A.	1.000	
SCI Saint Michel in liq.	Nice	France	1,524	EUR	99.99	Fiat Engineering France S.A.	85.000	
						Fiat Engineering S.p.A.	15.000	
Telexis do Brasil Ltda.	Nova Lima	Brazil	1,000	BRL	99.92	Fast Buyer do Brasil Ltda	99.900	
						Business Solutions do Brasil Ltda	0.100	
Transfima Gruppo Europeo di Interesse Economico	Turin	Italy	250,000	EUR	50.65	Fiat Engineering S.p.A.	43.000	
						TRANSFIMA S.p.A.	15.000	
Unisud S.r.l.	Avellino	Italy	10,000	EUR	79.47	Fast-Buyer S.p.A.	79.540	
Worknet Formazione S.r.l.	Milan	Italy	50,000	EUR	100.00	WorkNet società di fornitura di lavoro temporaneo-per azioni	100.000	

■ Miscellaneous and Holding companies

Consorzio Fiat Media Center	Turin	Italy	214,330	EUR	51.19	Fiat S.p.A.	1.587	
						Midas Italia S.p.A.	1.587	
						Irisbus Italia S.p.A.	1.587	
						Astra Veicoli Industriali S.p.A.	1.587	
						Augusta Assicurazioni S.p.A.	1.587	
						Ferrari Idea S.A. in liq.	1.587	
						Fast-Buyer S.p.A.	1.587	
						Fiat Auto S.p.A.	1.587	
						eSPIN S.p.A.	1.587	
						Augusta Vita S.p.A.	1.587	
						IPI S.p.A.	1.587	
						Targa Automotive S.p.A.	1.587	
						Leasys S.p.A.	1.587	
						Magneti Marelli After Market S.p.A.	1.587	
						Pharos S.r.l.	1.587	
						Lloyd Italico Vita S.p.A.	1.587	
						Fiat Information & Communication Services S.r.l.	1.587	
						Savarent Società per Azioni	1.587	
						Fiat Kobelco Construction Machinery S.p.A.	1.587	
						Iveco S.p.A.	1.587	
						FiatSava S.p.A.	1.587	
						Palazzo Grassi S.p.A.	1.587	
						Comau S.p.A.	1.587	
						Itedi-Italiana Edizioni S.p.A.	1.587	
						Fiat Gesco S.p.A.	1.587	
						Nuova Tirrena S.p.A.	1.587	
						Business Solutions S.p.A.	1.587	
						Maserati S.p.A.	1.587	
						Ipi Intermediazione S.r.l.	1.587	
						Toro Assicurazioni S.p.A.	1.587	
MotorMust.com S.p.A. in liq.	1.587							
Case New Holland Italia s.p.a.	1.587							
Roma Vita S.p.A.	1.587							
Editrice La Stampa S.p.A.	1.587							
Global Value S.p.A.	1.587							
Lloyd Italico Assicurazioni S.p.A.	1.587							
WorkNet società di fornitura di lavoro temporaneo-per azioni	1.587							

Subsidiaries valued at cost (continued)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Consorzio "Sirio" per la Sicurezza Industriale	Turin	Italy	56,139	EUR	69.22	Fiat Auto S.p.A.	37.364	
						Iveco S.p.A.	9.200	
						FiatAvio S.p.A.	8.279	
						Magneti Marelli Powertrain S.p.A.	1.637	
						Comau S.p.A.	1.610	
						Fiat S.p.A.	1.564	
						Ferrari S.p.A.	1.518	
						Teksid S.p.A.	1.379	
						Irisbus Italia S.p.A.	1.288	
						Fiat Kobelco Construction Machinery S.p.A.	1.104	
						C.R.F. Società Consortile per Azioni	1.104	
						Fiat Gesco S.p.A.	1.104	
						Fiat Servizi per l'Industria S.c.p.a.	1.035	
						Sistemi Sospensioni S.p.A.	0.919	
						Isvor Fiat S.p.A. - Società di Sviluppo e Addestramento Industriale	0.919	
						Fiat Ge.Va. S.p.A.	0.919	
						Toro Assicurazioni S.p.A.	0.483	
						Magneti Marelli Sistemi di Scarico S.p.A.	0.470	
						Iveco Aifo S.p.A.	0.460	
						Automotive Lighting Italia S.p.A.	0.460	
						Elasis-Società Consortile per Azioni	0.460	
						Editrice La Stampa S.p.A.	0.460	
						Ingest Facility S.p.A.	0.460	
						Fiat Engineering S.p.A.	0.460	
						FiatSava S.p.A.	0.460	
						Fidis S.p.A.	0.369	
						H.R. Services S.p.A.	0.346	
						Autocomponents Suspension S.r.l. a Socio Unico	0.187	
						Astra Veicoli Industriali S.p.A.	0.183	
						Augusta Assicurazioni S.p.A.	0.183	
						Savarent Società per Azioni	0.183	
						Fiat Information & Communication Services S.r.l.	0.183	
						Magneti Marelli Holding S.p.A.	0.183	
						Società Elettronica per l'Automazione S.p.A.	0.183	
						Case New Holland Italia s.p.a.	0.183	
						Sava-Leasing Società per Azioni	0.183	
						Servizi e Attività Doganali per l'Industria S.p.A.	0.183	
						Investimenti e Gestioni S.p.A.	0.183	
						Società di Servizi Comprensoriali e di Sviluppo Immobiliare-SE.CO.SV.IM. S.r.l.	0.183	
						CNH Movimento Terra S.p.A.	0.178	
						Midas Italia S.p.A.	0.096	
						Vegaspazio S.p.A.	0.093	
						Iveco Mezzi Speciali S.p.A.	0.093	
						Fiat-Revisione Interna e Ispettorato S.c.r.l.	0.093	
						Business Solutions S.p.A.	0.048	
						eSPIN S.p.A.	0.048	
						Fast-Buyer S.p.A.	0.048	
						Pharos S.r.l.	0.046	
						Orione-Consorzio Industriale per la Sicurezza e la Vigilanza	0.046	

Subsidiaries valued at cost (continued)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
						New Holland Logistics S.p.A.	0.046	
						Iniziativa Sviluppo Immobiliare-Isim S.p.A.	0.046	
						Consorzio Fiat Media Center	0.046	
						Risk Management S.p.A.	0.046	
						Itedi-Italiana Edizioni S.p.A.	0.046	
						Maserati S.p.A.	0.046	
						Sisport Fiat Società per Azioni-SF	0.046	
						Cleantecno S.r.l.	0.009	
						IPI S.p.A.	0.009	
						Gesco Active S.p.A.	0.009	
						CST-Centro Servizi Toro S.p.A.	0.009	
						ELV S.p.A.	0.009	
						Fiat International S.p.A.	0.009	
						Delivery & Mail S.r.l.	0.009	
						Isvor Dealernet S.r.l.	0.009	
						Easy Drive S.r.l. a S.U.	0.009	
						Iveco Finanziaria S.p.A.	0.009	
						Palazzo Grassi S.p.A.	0.009	
						Global Value S.p.A.	0.009	
Fiat Common Investment Fund Limited	London	United Kingdom	2	GBP	100.00	Fiat United Kingdom Limited	100.000	
Fiat Oriente S.A.E. in liq.	Cairo	Egypt	50,000	EGP	100.00	Fiat S.p.A.	100.000	
Fides Corretagens de Seguros Ltda	Nova Lima	Brazil	365,526	BRL	100.00	Rimaco do Brasil Ltda.	99.998	
Immobilier 92 SAS	Paris	France	38,115	EUR	100.00	Fiat France S.A.	100.000	
ISVOR DILTS Leadership Systems Inc.	Burlingame	U.S.A.	1,000	USD	44.92	Isvor Fiat S.p.A. - Società di Sviluppo e Addestramento Industriale	51.000	
Isvor Fiat India Private Ltd.	New Delhi	India	1,750,000	INR	88.09	Isvor Fiat S.p.A. - Società di Sviluppo e Addestramento Industriale	100.000	
Komdix SAS	Paris	France	40,000	EUR	100.00	Fiat France S.A.	100.000	
Luto Servizi S.A.	Lugano	Switzerland	100,000	CHF	100.00	BUC - Banca Unione di Credito	100.000	
Mixerventivove S.r.l.	Turin	Italy	50,000	EUR	100.00	Società Italiana Commerciale Industriale-SICI S.p.A.	99.000	
						Sicind S.p.A.	1.000	
Mixerventisei S.r.l.	Turin	Italy	50,000	EUR	100.00	Società Italiana Commerciale Industriale-SICI S.p.A.	99.000	
						Sicind S.p.A.	1.000	
Mixerventisette S.r.l.	Turin	Italy	50,000	EUR	100.00	Società Italiana Commerciale Industriale-SICI S.p.A.	99.000	
						Sicind S.p.A.	1.000	
Mixerventotto S.r.l.	Turin	Italy	50,000	EUR	100.00	Società Italiana Commerciale Industriale-SICI S.p.A.	99.000	
						Sicind S.p.A.	1.000	
New Business Dodici S.r.l.	Turin	Italy	50,000	EUR	100.00	Società Italiana Commerciale Industriale-SICI S.p.A.	99.000	
						Sicind S.p.A.	1.000	
New Business Sei S.r.l.	Turin	Italy	50,000	EUR	100.00	Società Italiana Commerciale Industriale-SICI S.p.A.	99.000	
						Sicind S.p.A.	1.000	
New Business Tredici S.r.l.	Turin	Italy	50,000	EUR	100.00	Società Italiana Commerciale Industriale-SICI S.p.A.	99.000	
						Sicind S.p.A.	1.000	
New Business Undici S.r.l.	Turin	Italy	50,000	EUR	100.00	Società Italiana Commerciale Industriale-SICI S.p.A.	99.000	
						Sicind S.p.A.	1.000	
Nuove Iniziative Finanziarie 3 S.r.l.	Turin	Italy	50,000	EUR	100.00	Società Italiana Commerciale Industriale-SICI S.p.A.	99.000	
						Sicind S.p.A.	1.000	

Subsidiaries valued at cost (continued)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Orione-Consorzio Industriale per la Sicurezza e la Vigilanza	Turin	Italy	26,081	EUR	96.14	Fiat S.p.A.	82.010	
						Fiat Auto S.p.A.	2.000	
						Editrice La Stampa S.p.A.	2.000	
						Magneti Marelli Holding S.p.A.	1.000	
						Case New Holland Italia s.p.a.	1.000	
						Fiat Gesco S.p.A.	1.000	
						Comau S.p.A.	1.000	
						Sisport Fiat Società per Azioni-SF	1.000	
						FiatSava S.p.A.	1.000	
						Palazzo Grassi S.p.A.	1.000	
						Isvor Fiat S.p.A. - Società di Sviluppo e Addestramento Industriale	1.000	
						Iveco S.p.A.	1.000	
						Fiat Ge.Va. S.p.A.	1.000	
FiatAvio S.p.A.	1.000							
Rimaco do Brasil Ltda.	Nova Lima	Brazil	365,520	BRL	100.00	Rimaco S.A.	100.000	
Sacafet in liq.	Addis Ababa	Ethiopia	2,000,000	ETB	100.00	IHF-Internazionale Holding Fiat S.A.	100.000	

Associated companies valued by the equity method

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Automobiles								
Fiat-GM Powertrain B.V.	Amstelveen	Netherlands	232,000	EUR	40.00	Fiat Auto Holdings B.V.	50.000	
GM-Fiat Worldwide Purchasing B.V.	Amstelveen	Netherlands	300,000	EUR	40.00	Fiat Auto Holdings B.V.	50.000	
Jiangsu Nanya Auto Co. Ltd.	Nanjing	People's Rep. of China	1,409,469,782	CNY	40.00	Fiat Auto S.p.A.	50.000	
Società di Commercializzazione e Distribuzione Ricambi S.p.A.	Turin	Italy	100,000	EUR	15.20	Fiat Auto S.p.A.	19.000	
Società Europea Veicoli Leggeri-Sevel S.p.A.	Atessa	Italy	68,640,000	EUR	40.00	Fiat Auto S.p.A.	50.000	
Société Européenne de Vehicules Legers du Nord-Sevelnord Société Anonyme	Paris	France	49,725,000	EUR	40.00	Fiat Auto S.p.A.	50.000	
Somaca-Société Marocaine Construction Automobiles S.A.	Casablanca	Morocco	60,000,000	MAD	16.00	Fiat Auto S.p.A.	20.000	
Targa Trafficmaster S.p.A.	Turin	Italy	8,340,000	EUR	40.00	Fidis S.p.A.	50.000	
Targasys S.r.l. a S.U.	Turin	Italy	10,400,000	EUR	40.00	Fidis S.p.A.	50.000	
Tofas-Türk Otomobil Fabrikası Tofas A.S.	Levent	Turkey	170,412,875,000,000	TRL	30.28	Fiat Auto S.p.A.	37.856	
Agricultural and Construction Equipment								
AG-Chem / New Holland LLC	Wilmington	U.S.A.	1,000	USD	42.66	New Holland North America Inc.	50.000	
Al-Ghazi Tractors Ltd	Karachi	Pakistan	195,165,660	PKR	36.83	CNH Global N.V.	43.170	
Casady Brothers Implement Inc.	Wilmington	U.S.A.	550,000	USD	38.78	New Holland North America Inc.	45.455	
CNH Capital Europe S.A.S.	Puteaux	France	52,480,083	EUR	42.66	CNH Global N.V.	49.999	
Consolidated Diesel Company	Whitakers	U.S.A.	100	USD	42.66	CNH Engine Corporation	50.000	
Employers Health Initiatives LLC	Wilmington	U.S.A.	790,000	USD	42.66	New Holland North America Inc.	50.000	
GQM Products LLC	Wilmington	U.S.A.	12,000,000	USD	42.66	Case LLC	50.000	
Kobelco Construction Machinery Co. Ltd.	Hiroshima	Japan	320,000,000,000	JPY	17.06	Case New Holland Italia s.p.a.	20.000	
LBX Company LLC	Wilmington	U.S.A.	41,000,000	USD	42.66	Case LBX Holdings Inc.	50.000	
L&T Case Equipment Limited	Mumbai	India	180,100,000	INR	42.66	Case Mauritius US Limited	50.000	
Megavolt L.P. L.L.L.P.	Wilmington	U.S.A.	500,000	USD	34.13	Case LLC	40.000	
New Holland de Mexico SA de CV	Queretaro	Mexico	24,000,000	MXN	42.66	CNH Global N.V.	50.000	
New Holland Finance Ltd	Basingstoke	United Kingdom	2,900,000	GBP	41.80	CNH Global N.V.	49.000	
New Holland HFT Japan Inc.	Sapporo	Japan	240,000,000	JPY	42.66	New Holland North America Inc.	50.000	
New Holland Trakmak Traktor A.S.	Ankara	Turkey	525,000,000,000	TRL	31.99	CNH Global N.V.	37.500	
Rathell Farm Equipment Company Inc.	Wilmington	U.S.A.	640,000	USD	36.91	New Holland North America Inc.	43.266	
Sip-Mot S.A.	Zamosc	Poland	4,000,000	PLN	18.68	CNH Polska Sp. z o.o.	21.890	
Türk Traktor Ve Ziraat Makineleri A.S.	Ankara	Turkey	12,000,000,000,000	TRL	31.99	CNH Global N.V.	37.500	
Commercial Vehicles								
GEIE VIVRE	Boulogne	France	0	EUR	50.00	Iveco S.p.A.	50.000	
Haveco Automotive Transmission Co. Ltd.	Zhaji Jiang	People's Rep. of China	200,010,000	CNY	33.33	Iveco S.p.A.	33.333	
Iveco Uralaz Ltd.	Miass	Russia	65,255,056	RUR	33.33	Iveco S.p.A.	33.330	
Machen-Iveco Holding S.A.	Luxembourg	Luxembourg	26,000,000	GBP	30.00	Iveco S.p.A.	30.000	
Otoyol Pazarlama A.S.	Kartal/Istanbul	Turkey	1,410,000,000,000	TRL	27.00	Iveco S.p.A.	27.000	
Otoyol Sanayi A.S.	Kartal/Istanbul	Turkey	12,000,000,000,000	TRL	27.00	Iveco S.p.A.	27.000	
VIVRE Gruppo Europeo di Interesse Economico	Turin	Italy	0	EUR	50.00	Iveco S.p.A.	50.000	
Metallurgical Products								
Hua Dong Teksid Automotive Foundry Co. Ltd.	Zhenjiang-Jiangsu	People's Rep. of China	307,100,000	CNY	33.25	Teksid S.p.A.	50.000	
Nanjing Teksid Iron Foundry Co. Ltd.	Nanjing	People's Rep. of China	199,617,600	CNY	33.25	Teksid Investment N.V.	50.000	
Components								
Mako Elektrik Sanay Ve Ticaret A.S.	Osmangazi Bursa	Turkey	1,500,000,000,000	TRL	43.00	Magneti Marelli Holding S.p.A.	43.000	
Production Systems								
Gerbi & Sciaky s.a.s.	Bonneuil Sur Marne	France	50,000	EUR	44.89	Comau Sciaky S.A.	45.000	

Associated companies valued by the equity method (continued)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Gonzales Production Systems Inc.	Pontiac	U.S.A.	10,000	USD	49.00	Comau Pico Holdings Corporation	49.000	
G.P. Properties I L.L.C.	Pontiac	U.S.A.	10,000	USD	49.00	Comau Pico Holdings Corporation	49.000	
■ Publishing and Communications								
Editalia S.r.l.	Caserta	Italy	2,868,918	EUR	45.00	Editrice La Stampa S.p.A.	45.000	
Editoriale Corriere Romagna S.r.l.	Forlì	Italy	2,856,000	EUR	40.00	Editrice La Stampa S.p.A.	40.000	
Edizioni Dost S.r.l.	Bologna	Italy	1,042,914	EUR	40.00	Editrice La Stampa S.p.A.	40.000	
E.D.M. S.r.l.	Ponte Felcino	Italy	21,930,000	EUR	41.40	Editrice La Stampa S.p.A.	41.400	
Società Editrice Mercantile S.r.l.	Genoa	Italy	4,247,000	EUR	40.00	Editrice La Stampa S.p.A.	40.000	
■ Services								
Atlanet S.p.A.	Rome	Italy	120,571,516	EUR	29.90	Business Solutions S.p.A.	29.900	
Fiumicello S.r.l.	Turin	Italy	114,400	EUR	13.19	IPI S.p.A.	20.000	
Global Value Services S.p.A.	Turin	Italy	10,000,000	EUR	50.00	ITS Information Technology Services S.r.l. a S.U.	50.000	
Global Value Solutions S.p.A.	Turin	Italy	1,000,000	EUR	50.00	ITS Information Technology Services S.r.l. a S.U.	50.000	
Immobiliare Novoli S.p.A.	Florence	Italy	20,640,000	EUR	40.00	Investimenti e Gestioni S.p.A.	40.000	
Iupiter S.r.l.	Milan	Italy	7,700,000	EUR	13.19	IPI S.p.A.	20.000	
Marina Cala de' Medici Circolo Nautico S.p.A.	Ospedaletto	Italy	5,160,000	EUR	30.00	Investimenti e Gestioni S.p.A.	30.000	
Rubattino 87 S.r.l.	Milan	Italy	10,845,400	EUR	30.59	Investimenti e Gestioni S.p.A.	30.589	
Servizio Titoli S.r.l.	Turin	Italy	105,000	EUR	27.24	Business Solutions S.p.A.	27.238	
S.I.NO.DO. - Sistema Informativo Normativa Doganale in liq.	Turin	Italy	77,469	EUR	50.00	Servizi e Attività Doganali per l'Industria S.p.A.	50.000	
■ Miscellaneous and Holding companies								
Euro Capitale Structures Limited (ECS)	Dublin	Ireland	125,000	EUR	48.00	Fiat Geva Europe Ltd.	48.000	
Holding di Partecipazioni Industriali S.p.A.	Milan	Italy	760,559,800	EUR	10.12	Sicind S.p.A.	9.816	10.210
						Toro Assicurazioni S.p.A.	0.265	0.276
						Nuova Tirrena S.p.A.	0.035	0.036
						Lloyd Italico Assicurazioni S.p.A.	0.006	
						Lloyd Italico Vita S.p.A.	0.002	
Italenergia Bis S.p.A.	Turin	Italy	906,624,000	EUR	24.61	Fiat Energia S.r.l.	24.613	
Lingotto S.p.A.	Turin	Italy	122,400,000	EUR	30.93	Toro Assicurazioni S.p.A.	15.646	
						Sicind S.p.A.	12.793	
						Lingotto S.p.A.	8.068	
Livingstone Motor Assemblers Ltd.	Livingstone	Zambia	20,000,000	ZMK	20.00	Fiat Partecipazioni S.p.A.	20.000	

Associated companies valued at cost

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Automobiles								
Car City Club S.r.l.	Turin	Italy	110,000	EUR	26.40	Savarent Società per Azioni	33.000	
Consorzio delle Dennie	None	Italy	3,615	EUR	22.84	Saigarage S.p.A. in liq.	28.548	
Consorzio per la Reindustrializzazione dell'area di Arese S.c.r.l.	Arese	Italy	1,020,000	EUR	24.00	Fiat Auto S.p.A.	30.000	
Fabrication Automobiles de Tiaret SpA	Wilaya de Tiaret	Algeria	1,225,000,000	DZD	29.26	Fiat Auto S.p.A.	36.571	
G.E.I.E. Gisevel	Paris	France	15,200	EUR	40.00	Fiat Auto (France) S.A.	50.000	
G.E.I.E.-Sevelind	Paris	France	15,200	EUR	40.00	Fiat Auto (France) S.A.	50.000	
N. Technology S.p.A.	Chivasso	Italy	1,500,000	EUR	16.00	Fiat Auto S.p.A.	20.000	
Agricultural and Construction Equipment								
Brahma Steyr Tractors Limited	Chandigarh	India	32,000,000	INR	30.47	CNH Osterreich GmbH	35.719	
Commercial Vehicles								
Afin Leasing AG	Vienna	Austria	1,500,000	EUR	40.00	Iveco N.V.	40.000	
Atlas Vehicules Industriels S.A.	Casablanca	Morocco	19,700,000	MAD	48.99	Iveco N.V. Iveco S.p.A.	48.984 0.001	
CBC-Iveco Ltd.	Changzhou	People's Rep. of China	664,000,000	CNY	50.00	Iveco S.p.A. Iveco N.V.	37.500 12.500	
Consorzio Iveco Fiat-Oto Melara	Rome	Italy	51,646	EUR	50.00	Iveco S.p.A.	50.000	
Elettronica Trasporti Commerciali S.r.l. (Etrac S.r.l.)	Turin	Italy	109,200	EUR	50.00	Iveco S.p.A.	50.000	
Sotra S.A.	Abidjan	Ivory Coast	3,000,000,000	XAF	39.80	Irisbus France S.A.	39.800	
Zastava-Kamioni D.O.O.	Kragujevac	Yugoslavia	1,234,433,600	YUM	46.50	Iveco S.p.A.	46.500	
Metallurgical Products								
S.A.S.-Società Assofond Servizi S.r.l.	Trezzano sul Naviglio	Italy	520,000	EUR	13.30	Teksid S.p.A.	20.000	
Servicios Industriales Parque Fundidores S.de r.l. de C.V.	São Pedro	Mexico	10,000	MXN	16.62	Teksid Hierro de Mexico S.A. de C.V.	33.330	
Components								
Flexider S.p.A.	Turin	Italy	4,131,655	EUR	25.00	Magneti Marelli Holding S.p.A.	25.000	
Gulf Carrosserie India Limited	Worli	India	5,000,000	INR	20.00	Magneti Marelli Holding S.p.A.	20.000	
Johnson Matthey Argentina S.A.	Buenos Aires	Argentina	8,420,000	ARS	30.00	Magneti Marelli Components B.V.	30.000	
Mars Seal Private Limited	Mumbai	India	400,000	INR	23.97	Magneti Marelli France S.A.	24.000	
Matay Otomotiv Yan Sanay Ve Ticaret A.S.	Istanbul	Turkey	855,000,000,000	TRL	28.00	Magneti Marelli Holding S.p.A.	28.000	
M.I.P.-Master Imprese Politecnico	Milan	Italy	20,658	EUR	50.00	Magneti Marelli Holding S.p.A.	50.000	
Parades GEIE	Milan	Italy	216,900	EUR	33.33	Magneti Marelli Powertrain S.p.A.	33.330	
Trust Plastron S.r.l.	Asti	Italy	660,000	EUR	33.00	Magneti Marelli Holding S.p.A.	33.000	
Production Systems								
Consorzio Fermag	Rome	Italy	144,608	EUR	40.00	Comau S.p.A.	40.000	
Consorzio Generazione Forme-CO.GE.F.	San Mauro Torinese	Italy	15,494	EUR	33.33	Comau S.p.A.	33.333	
Mixerotto S.r.l. in liq.	Turin	Italy	25,000	EUR	30.00	Comau S.p.A.	30.000	
Aviation								
Atla S.r.l.	Chieri	Italy	500,000	EUR	30.00	FiatAvio S.p.A.	30.000	
Consaer	Pozzuoli	Italy	213,200	EUR	24.39	FiatAvio S.p.A.	24.390	
Consorzio Italmissile	Rome	Italy	77,469	EUR	33.33	FiatAvio S.p.A.	33.333	
Consorzio Oto-BPD in liq.	Aulla	Italy	103,291	EUR	50.00	FiatAvio S.p.A.	50.000	
Consorzio Promav in liq.	Portoscuso	Italy	77,746	EUR	33.33	FiatAvio S.p.A.	33.333	
Consorzio Riva-Sepa	Turin	Italy	10,329	EUR	50.00	FiatAvio S.p.A.	50.000	
Consorzio Sagat	Pomezia	Italy	10,329	EUR	25.01	FiatAvio S.p.A.	25.007	
Consorzio Servizi Acqua Potabile	Colleferro	Italy	100	EUR	36.00	FiatAvio S.p.A.	29.000	
						Società di Servizi Comprensoriali e di Sviluppo Immobiliare-SE.CO.SV.IM. S.r.l.	7.000	

Associated companies valued at cost (continued)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Consorzio Servizi Colleferro	Colleferro	Italy	0	EUR	32.00	FiatAvio S.p.A.	21.000	
						Società di Servizi Comprensoriali e di Sviluppo Immobiliare-SE.CO.SV.IM. S.r.l.	11.000	
Consorzio Sitab	Rome	Italy	25,823	EUR	20.00	FiatAvio S.p.A.	20.002	
Eurojet Turbo GmbH	Munich	Germany	1,022,584	EUR	21.00	FiatAvio S.p.A.	21.000	
Italiana Sistemi Inerziali-Gruppo Europeo di Interesse Economico	Turin	Italy	0	EUR	50.00	FiatAvio S.p.A.	50.000	
Turbo-Union Limited	Bristol	United Kingdom	1,008	GBP	20.04	FiatAvio S.p.A.	20.040	

Services

C.I.S.A. Consorzio per Impiantistica e Servizi Aerospaziali	Naples	Italy	103,291	EUR	34.00	Fiat Engineering S.p.A.	34.000	
Coberga S.c.r.l. in liq.	Imola	Italy	10,329	EUR	37.51	Fiat Engineering S.p.A.	37.506	
Consorzio Brescia Val	Sesto S. Giovanni	Italy	25,000	EUR	30.00	Fiat Engineering S.p.A.	30.000	
Consorzio CO.RI.R.E. in liq.	Brindisi	Italy	51,646	EUR	20.00	Fiat Engineering S.p.A.	20.000	
Consorzio "Dinamicity"	Milan	Italy	25,000	EUR	33.00	Fiat Engineering S.p.A.	33.000	
Consorzio Parco Industriale di Villastellone	Villastellone	Italy	51,646	EUR	21.50	Investimenti e Gestioni S.p.A.	21.500	
Consorzio per il Barocco in liq.	Rome	Italy	154,937	EUR	24.50	Fiat Engineering S.p.A.	24.500	
Feic-Consorzio Imprese Lavori FFSS di Saline	Misterbianco	Italy	15,494	EUR	33.34	Fiat Engineering S.p.A.	33.335	
Finanziaria Sistemi Trasporto S.r.l. in liq.	Mestre	Italy	23,400	EUR	33.33	Fiat Engineering S.p.A.	33.333	
Gestlotto 6 S.c. a r.l.	Zola Predosa	Italy	10,000	EUR	29.68	IPI S.p.A.	45.000	
Motorcity Park S.r.l.	Milan	Italy	3,112,463	EUR	40.00	Investimenti e Gestioni S.p.A.	40.000	
Niugarit Promocao e Desenvolvimento de Actividades Industriais em Cooperacao Ltd	Lisbon	Portugal	49,880	EUR	29.97	Fast-Buyer S.p.A.	30.000	
Parco Grande S.c.r.l.	Turin	Italy	10,000	EUR	50.00	Fiat Engineering S.p.A.	50.000	
Ravizza S.c.r.l.	Turin	Italy	10,000	EUR	50.00	Fiat Engineering S.p.A.	50.000	
Santa Teresa 2000 S.r.l.	Turin	Italy	10,200	EUR	16.49	IPI S.p.A.	25.000	
S.I.MA.GEST2 SOC.CON.S. A R.L.	Zola Predosa	Italy	50,000	EUR	30.00	Ingest Facility S.p.A.	30.000	
Società Consortile a Responsabilità Limitata Nova Vetera S.c.r.l. in liq.	Turin	Italy	40,800	EUR	25.00	Fiat Engineering S.p.A.	25.000	
Uffici Finanziari 2000 S.c.r.l.	Turin	Italy	10,200	EUR	40.00	Fiat Engineering S.p.A.	40.000	
Villaggio Olimpico S.r.l.	Turin	Italy	102,000	EUR	14.89	IPI S.p.A.	15.000	
						Investimenti e Gestioni S.p.A.	5.000	

Miscellaneous and Holding companies

Acomarit Holdings Ltd.	Hamilton	Bermuda	12,000	USD	22.68	BUC - Banca Unione di Credito	22.675	
Agenzia Internazionalizzazione Imprese Torino S.r.l.	Turin	Italy	102,000	EUR	35.00	Sicind S.p.A.	35.000	
Alcmena S.a.r.l.	Luxembourg	Luxembourg	5,000,000	EUR	20.00	BUC - Banca Unione di Credito	20.000	
Ciosa S.p.A. in liq.	Milan	Italy	516	EUR	25.00	Sicind S.p.A.	25.000	
Concordia Finance S.A.	Luxembourg	Luxembourg	12,900,000	EUR	30.00	Fiat Netherlands Holding N.V.	30.000	
CONFORM - Consorzio Formazione Manageriale	Avellino	Italy	51,646	EUR	43.53	Isvor Fiat S.p.A. - Società di Sviluppo e Addestramento Industriale	33.000	
						Isvor Knowledge System S.p.A.	15.000	
Consorzio Parco Industriale di Chivasso	Chivasso	Italy	51,646	EUR	33.24	Fiat Partecipazioni S.p.A.	29.800	
						Fiat Auto S.p.A.	4.300	
Consorzio per lo Sviluppo delle Aziende Fornitrici	Turin	Italy	250,741	EUR	27.32	Fiat Auto S.p.A.	10.299	
						Case New Holland Italia s.p.a.	10.299	
						Iveco S.p.A.	10.299	
Consorzio Prode	Naples	Italy	51,644	EUR	29.95	Elasis-Società Consortile per Azioni	50.000	
Consorzio Scire	Pomigliano d'Arco	Italy	51,644	EUR	29.95	Elasis-Società Consortile per Azioni	50.000	
Consorzio Scuola Superiore per l'Alta Formazione Universitaria Federico II	Naples	Italy	127,500	EUR	11.98	Elasis-Società Consortile per Azioni	20.000	
Expo 2000 - S.p.A.	Turin	Italy	2,828,750	EUR	24.50	Sicind S.p.A.	24.498	
FMA-Consultoria e Negocios Ltda	São Paulo	Brazil	1	BRL	50.00	Fiat do Brasil S.A.	50.000	

Associated companies valued at cost (continued)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Giraglia Immobiliare S.p.A.	Milan	Italy	3,500,000	EUR	28.24	Sicind S.p.A.	28.240	
GPWC Holdings B.V.	Amsterdam	Netherlands	2,500,000	EUR	20.00	Fiat S.p.A.	20.000	
Interfinanziaria S.A.	Paradiso	Switzerland	1,000,000	CHF	33.33	IHF-Internazionale Holding Fiat S.A.	33.330	
Italimpianti S.p.A.	Milan	Italy	5,356,000	EUR	41.76	Sicind S.p.A.	41.760	
Italpark-Società per Infrastrutture Ausiliarie di Trasporti S.p.A. in liq.	Rome	Italy	247,899	EUR	29.00	Sicind S.p.A.	29.000	
Le Monde Europe S.A.	Paris	France	3,658,800	EUR	32.00	La Stampa Europe SAS	32.000	
Le Monde Presse S.A.	Paris	France	7,327,930	EUR	28.00	La Stampa Europe SAS	28.000	
Lombard Bank Malta PLC	Valletta	Malta	1,980,000	MTL	26.36	BUC - Banca Unione di Credito	26.361	
MB Venture Capital Fund I N.V.	Amsterdam	Netherlands	50,000	EUR	45.00	Sicind S.p.A.	45.000	
Nuova Didactica S.c. a r.l.	Modena	Italy	112,200	EUR	19.63	Ferrari S.p.A. Case New Holland Italia s.p.a.	16.364 12.273	
Presse Europe Regions S.A.	Paris	France	62,087,232	EUR	25.28	La Stampa Europe SAS	25.280	
OSF Qualità Servizi Formazione GEIE	Turin	Italy	10,329	EUR	22.02	Isvor Fiat S.p.A. - Società di Sviluppo e Addestramento Industriale	25.000	
Tecnologie per il Calcolo Numerico-Centro Superiore di Formazione S.c. a r.l.	Trento	Italy	100,000	EUR	22.29	C.R.F. Società Consortile per Azioni	25.000	
Zetesis S.p.A.	Milan	Italy	700,000	EUR	40.00	Sicind S.p.A.	40.000	

Other companies valued at cost

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
■ Agricultural and Construction Equipment								
Lubelska Fabryka Maszyn Rolniczych S.A.	Lublin	Poland	13,000,000	PLN	15.75	CNH Polska Sp. z o.o.	18.460	
Plast-Form Sp. z o.o.	Lublin	Poland	3,400,000	PLN	12.55	CNH Polska Sp. z o.o.	14.705	
Polagris S.A.	Pikieliszki	Lithuania	1,173,392	LTT	9.43	CNH Polska Sp. z o.o.	11.054	
■ Commercial Vehicles								
Consorzio Bolzano Energia	Bolzano	Italy	12,000	EUR	16.67	Iveco S.p.A.	16.667	
Consorzio Spike	Genoa	Italy	90,380	EUR	15.00	Iveco S.p.A.	15.000	
Trucks & Bus Company	Tajoura	Libya	87,000,000	LYD	17.24	Iveco Pegaso S.L. Iveco S.p.A.	8.621 8.620	
■ Metallurgical Products								
Infun For S.p.A.	Rovigo	Italy	6,037,000	EUR	11.41	Teksid S.p.A.	17.163	
■ Components								
Consorzio U.L.I.S.S.E.	Rome	Italy	227,241	EUR	11.36	Magneti Marelli Holding S.p.A.	11.360	
■ Aviation								
Consorzio Sorore	Siena	Italy	9,296	EUR	16.66	Società Elettronica per l'Automazione S.p.A.	16.663	
■ Insurance								
S.C.I. Le Hameau du Golf	Paris	France	3,040	EUR	14.94	Continent IARD S.A.	15.000	
■ Services								
Byte Software House - S.p.A.	Turin	Italy	4,215,000	EUR	17.79	Business Solutions S.p.A.	17.794	
Consorzio Alta Velocità Torino Milano C.A.V.T.O.MI.	Turin	Italy	258,228	EUR	16.00	Fiat Engineering S.p.A.	16.000	
H.R.O. Polska Sp. z o.o.	Bielsko-Biala	Poland	400,000	PLN	18.00	Business Solutions Polska Sp. z o.o.	18.000	
Inmobiliaria Urbanitas SL	Madrid	Spain	600,000	EUR	9.89	IPI S.p.A.	15.000	
We-Cube.Com S.p.A.	Turin	Italy	666,668	EUR	14.79	Business Solutions S.p.A.	14.790	
■ Miscellaneous and Holding companies								
Ascai Servizi S.r.l.	Rome	Italy	63,008	EUR	14.45	Isvor Fiat S.p.A. - Società di Sviluppo e Addestramento Industriale	16.401	
Charta Net S.r.l.	Collecchio	Italy	1,040,000	EUR	15.00	New Business 8 S.p.A.	15.000	
Consorzio Technapoli	Naples	Italy	1,626,855	EUR	6.65	Elasis-Società Consortile per Azioni	11.110	
Ercole Marelli e C. S.p.A.	Milan	Italy	9,633,000	EUR	13.00	Sicind S.p.A.	13.000	
Euromedia Luxembourg One S.A.	Luxembourg	Luxembourg	52,500,000	EUR	14.29	Fiat Netherlands Holding N.V.	14.286	
Fin.Priv. S.r.l.	Milan	Italy	20,000	EUR	14.29	Fiat S.p.A.	14.285	
Gerbi & Fase S.p.A.	Turin	Italy	3,000,000	EUR	14.00	BUC - Banca Unione di Credito	14.000	
I.M. Intermetro S.p.A.	Rome	Italy	2,461,320	EUR	12.50	Sicind S.p.A.	12.500	
IRCC-Istituto per la Ricerca e la Cura del Cancro-Torino S.p.A.	Turin	Italy	15,500,000	EUR	19.36	Fiat S.p.A.	19.355	
Istituto Europeo di Oncologia S.r.l.	Milan	Italy	82,500,000	EUR	12.69	Fiat S.p.A.	12.690	
Kish Receivables Company	Dublin	Ireland	123,451,123	EUR	1.49	Celt Receivables Limited	1.485	16.248
Selvi & Cie S.A.	Geneva	Switzerland	2,400,000	CHF	16.67	BUC - Banca Unione di Credito	16.666	
Société Anonyme Technique Immobilière et Financière de la Sadim (S.A.T.I.F.)	Monaco	Princ. of Monaco	750,000	EUR	12.60	Sicind S.p.A.	12.600	

Fiat S.p.A. — Financial Statements at December 31, 2002

Fiat S.p.A.

Head Office: 250 Via Nizza, Turin, Italy
Paid-in Capital: 3,082,128,000 euros
Entered in the Turin Company Register
Fiscal Code: 00469580013

Balance Sheet

■ ASSETS

	December 31, 2002 in euros	December 31, 2001 in euros
FIXED ASSETS		
<i>Intangible fixed assets</i> (note 1)		
Start-up and expansion costs	15,405,925	157,472
Concessions, licenses, trademarks and similar rights	62,159	25,807
Intangible assets in progress and advances	242,084	227,840
Other intangible fixed assets	29,876,447	-
Total	45,586,615	411,119
<i>Property, plant and equipment</i> (note 2)		
Land and buildings	38,947,852	40,127,142
Plant and machinery	4,917,146	5,918,340
Other assets	4,309,108	4,681,434
Construction in progress and advances	-	126,893
Total	48,174,106	50,853,809
<i>Financial fixed assets</i> (note 3)		
Investments in:		
Subsidiaries	7,908,826,095	7,549,946,301
Associated companies	500,000	-
Other companies	140,867,643	155,659,465
	8,050,193,738	7,705,605,766
Receivables from: (*)		
Subsidiaries	-	25,822,845
Other securities	74,974	74,974
Total	8,050,268,712	7,731,503,585
TOTAL FIXED ASSETS	8,144,029,433	7,782,768,513
CURRENT ASSETS		
<i>Inventories</i> (note 4)		
Contract work in progress	54,364,194	38,144,394
Advances to suppliers	3,711,196,990	2,375,228,924
Total	3,765,561,184	2,413,373,318
<i>Receivables</i> (note 5)		
Trade receivables (**)	216,836,545	170,940,694
Receivables from subsidiaries (***)	7,124,425	12,624,822
Receivables from others (****)	385,413,113	61,145,547
Total	609,374,083	244,711,063
<i>Financial assets not held as fixed assets</i> (note 6)		
Treasury stock (total par value 11,652,100 euros)	20,374,862	37,541,700
Financial receivables:		
From subsidiaries	1,475,178,226	64,426,436
From others	10,396,148	10,372,634
	1,485,574,374	74,799,070
Total	1,505,949,236	112,340,770
<i>Cash</i> (note 7)		
Bank and post office accounts	850,810	6,715,615
Cheques	130,804	1,614,681
Cash on hand	474	1,076
Total	982,088	8,331,372
TOTAL CURRENT ASSETS	5,881,866,591	2,778,756,523
ACCRUED INCOME AND PREPAID EXPENSES (note 8)	1,013,765	6,128,575
■ TOTAL ASSETS	14,026,909,789	10,567,653,611
(*) Amounts due beyond one year	-	25,822,845
(**) Amounts due within one year	216,500,848	170,579,174
Amounts due beyond one year	335,697	361,520
(***) Amounts due within one year	7,124,425	12,624,822
(****) Amounts due within one year	361,624,827	57,378,227
Amounts due beyond one year	23,788,286	3,767,320

Balance Sheet

■ MEMORANDUM ACCOUNTS (note 14)

	December 31, 2002 in euros	December 31, 2001 in euros
GUARANTEES GRANTED		
Unsecured guarantees		
Suretyships on behalf of:		
Subsidiaries	2,094,695,513	3,678,511,374
Others	163,522,241	106,828,127
	2,258,217,754	3,785,339,501
Other unsecured guarantees on behalf of:		
Subsidiaries	15,830,466,835	13,912,557,367
Others	171,465,991	263,769,628
	16,001,932,826	14,176,326,995
TOTAL GUARANTEES GRANTED	18,260,150,580	17,961,666,496
COMMITMENTS		
Commitments for supply contracts		
To others	7,717,521,984	3,728,132,731
Other commitments		
To others	16,431,045	24,817,289
TOTAL COMMITMENTS	7,733,953,029	3,752,950,020
OTHER MEMORANDUM ACCOUNTS	19,244,380	31,275,822
■ TOTAL MEMORANDUM ACCOUNTS	26,013,347,989	21,745,892,338

Statement of Operations

	2002 in euros	2001 in euros
VALUE OF PRODUCTION (note 15)		
Service revenues	68,927,335	74,681,528
Change in contract work in progress	16,219,800	10,529,470
Other income and revenues	10,230,420	10,884,943
TOTAL VALUE OF PRODUCTION	95,377,555	96,095,941
COSTS OF PRODUCTION (note 16)		
Raw materials, supplies and merchandise	428,191	441,296
Services	115,877,073	84,327,962
Leases and rentals	982,252	983,725
Personnel		
Wages and salaries	36,328,802	36,121,049
Social security contributions	7,333,885	7,593,346
Employee severance indemnities	10,077,951	17,900,254
Employee pensions and similar obligations	7,869,665	7,069,358
Other costs	4,584,858	860,355
	66,195,161	69,544,362
Amortization, depreciation and writedowns		
Amortization of intangible fixed assets	6,988,334	429,443
Depreciation of property, plant and equipment	3,146,922	3,277,019
	10,135,256	3,706,462
Other operating costs	28,206,031	32,941,634
TOTAL COSTS OF PRODUCTION	221,823,964	191,945,441
DIFFERENCE BETWEEN THE VALUE AND COSTS OF PRODUCTION	(126,446,409)	(95,849,500)
FINANCIAL INCOME AND EXPENSES (note 17)		
Investment income		
Subsidiaries	273,446,956	708,861,328
Other companies	4,989,540	4,358,985
	278,436,496	713,220,313
Other financial income		
From receivables held as fixed assets		
Subsidiaries	441,189	1,144,382
From securities held as fixed assets other than equity investments	3,277	3,813
Other income		
Subsidiaries	60,390,523	14,061,578
Others	8,220,122	929,136
	68,610,645	14,990,714
	69,055,111	16,138,909
Interest and other financial expenses		
Subsidiaries	18,773,875	23,468,914
Others	75,551,420	29,521,695
	94,325,295	52,990,609
TOTAL FINANCIAL INCOME AND EXPENSES	253,166,312	676,368,613

Statement of Operations

	2002 in euros	2001 in euros
ADJUSTMENTS TO FINANCIAL ASSETS	(note 18)	
Writedowns		
equity investments	2,846,000,910	3,839,904
securities among current assets other than equity investments	20,434,360	-
TOTAL ADJUSTMENTS	(2,866,435,270)	(3,839,904)
EXTRAORDINARY INCOME AND EXPENSES	(note 19)	
Income		
gains on disposals	672,955,280	-
other income	209,110	69,336
	673,164,390	69,336
Expenses		
losses on disposals	-	15,002
other expenses	41,185,543	841,599
	41,185,543	856,601
TOTAL EXTRAORDINARY INCOME AND EXPENSES	631,978,847	(787,265)
INCOME BEFORE TAXES	(2,107,736,520)	575,891,944
Income taxes	(note 20)	197,218,650
NET INCOME/ (LOSS)	(2,052,620,996)	378,673,294

Notes to the Financial Statements

ACCOUNTING PRINCIPLES AND METHODS

Consistently with the previous fiscal year, the financial statements at December 31, 2002, which include the balance sheet, the statement of operations and the notes to the Financial Statements, have been prepared in accordance with the format and regulations set forth in Legislative Decree No. 127 of April 9, 1991, and provide the additional information required by CONSOB.

The valuation criteria used, which are discussed below, are consistent with those used in previous fiscal years, and conform to the provisions of Article 2426 of the Italian Civil Code.

In particular:

Intangible fixed assets

Start-up and expansion costs consist of costs incurred in connection with capital increases and leasehold improvements. They are capitalized on the basis of their estimated useful life. They are amortized on a straight-line basis over five years; the available reserves exceed not already amortized costs by a substantial amount.

Trademarks are recorded at a value that reflects only the administrative cost of registration. To ensure a conservative valuation, this amount is amortized on a straight-line basis over three years.

The other intangible fixed assets are represented by the commissions paid for organization of the convertible facility granted by a pool of banks arranged by Capitalia, IntesaBCI, Sanpaolo IMI, and Unicredito Italiano.

They are amortized on a pro-rated basis according to the terms of the facility.

Property, plant and equipment and depreciation

Property, plant and equipment is recorded at acquisition cost plus directly attributable charges. As indicated in a separate schedule, the value of some of these assets includes the inflation adjustments required under the pertinent laws. Improvement costs are added to the value of the asset in question only when they permanently increase their value. Depreciation is computed on a straight-line basis at rates deemed adequate in view of the estimated useful life of the assets. For assets acquired during the fiscal year, the annual depreciation is taken at half the regular rate. The cost of maintenance and repairs is charged directly to income when incurred.

Financial fixed assets

Financial fixed assets are held by Fiat S.p.A. on a long-term basis, for the purpose of creating an integrated and diversified industrial group.

They are shown in the balance sheet at their historical cost and, more exactly, on the basis of the costs incurred or, when business operations are transferred, at the values set forth in the respective contracts in accordance with the appraisals required by law, determined by the LIFO method with annual adjustments. As shown in a separate schedule, some of these assets have been adjusted for inflation, as required by the relevant legislation.

Investments in companies that have suffered a permanent loss in value are written down accordingly. If in subsequent fiscal years the reasons for these adjustments are no longer valid, the writedowns are reversed. No reversals are made for writedowns recognized prior to the effective date of Decree Law No. 127/1991.

Nevertheless, any pertinent provisions of Article 2426, Last Section, of the Italian Civil Code will continue to apply.

Other securities are shown at their net purchase price, adjusted for the accrual of any premium or discount earned or incurred upon issuance or purchase, because the securities, which are pledged to fund scholarship grants, are not held for trading purposes.

Inventories

Inventories also include work in progress under long-term contracts, valued on the basis of the respective production cost. Amounts received from customers while work is in progress are treated as a form of financing and are included among the liabilities under advances.

Revenues are booked when the work is actually delivered and accepted by customers.

Treasury stock

Treasury stock is stated at the lower of purchase cost, determined using the annual lot LIFO method and the average market price for the last month of the year.

If in subsequent fiscal years the reasons for these adjustments are no longer valid, the writedowns are reversed.

A corresponding treasury stock reserve for the same amount has been recorded in the balance sheet under stockholders' equity.

Receivables and payables

Accounts receivable are shown at their estimated realizable value, which represents the difference between their face value and the adjustments included in the allowance for doubtful accounts. The individual items are shown in the balance sheet net of the respective allowances.

Based on past experience, the amount of these allowances is determined in accordance with a prudent estimate of uncollectible amounts and reflects the risks associated with specific delinquent accounts.

Receivables and payables denominated in currencies of non-EMU countries are converted into euros using the exchange rate prevailing at the time when booked. These receivables and payables are adjusted at year-end exchange rates only in the case where balances translated at year-end exchange rates produce a net exchange loss. Any difference, if material, is reflected in the statement of operations.

Accruals and deferrals

Accruals and deferrals are determined by the accrual method, in accordance with the general principle of assigning revenues and expenses to the accounting period in which they are earned or incurred.

Reserves for risks and charges

Reserves for risks and charges are established to cover costs or liabilities that have already been incurred or the occurrence of which was probable or definite at the end of the fiscal year, but were undetermined either as to amount or time of probable occurrence.

Reserve for employee severance indemnities

The reserve for employee severance indemnities represents the actual liability toward employees accrued as of the end of the fiscal year and is adjusted each year in accordance with current laws and collective bargaining agreements.

Income taxes

Liability for corporate income taxes due for the fiscal year is determined in accordance with the current legislation.

Deferred tax liabilities and assets are determined on the basis of the temporary differences that arise between asset and liability items and the corresponding tax items.

In particular, deferred tax assets are recognized only when it is reasonably certain that they will be recovered. Conversely, deferred tax liabilities are not recognized if it is unlikely that the corresponding obligations will in fact arise.

Dividends

Dividends are recorded in the year when declared by the disbursing companies.

The respective tax credits are booked when the dividends are collected.

ANALYSIS OF THE INDIVIDUAL ITEMS

Fixed assets

1 Intangible fixed assets

Start-up and expansion costs

At December 31, 2002, they totaled 15,406 thousand euros, and include costs (bank charges and other charges) incurred in connection with the 2002 capital increase and leasehold improvements, which are amortized over five years.

The net increase of 15,249 thousand euros since December 31, 2001 is the net result of:

(in thousands of euros)

Capitalization of expenses connected with the capital increase resolved on December 10, 2001	19,224
Amortization for the fiscal year	(3,975)
Net change	15,249

Concessions, licenses, trademarks and similar rights

This item, which amounted to 62 thousand euros at December 31, 2002, includes trademarks owned by the Company, which are amortized over three years.

The net increase of 36 thousand euros compared with December 31, 2001 is the net effect of the following items:

(in thousands of euros)

Capitalization of expenses for new trademark registrations	79
Amortization for the fiscal year	(43)
Net change	36

Intangible assets in progress and advances

This item reflects the costs incurred in connection with ongoing administrative procedures required to register trademarks.

It showed a net increase of 14 thousand euros to 242 thousand euros at December 31, 2002, as a result of new trademark registrations.

Other intangible fixed assets

They totaled 29,876 thousand euros at December 31, 2002 and are represented by the commissions paid for organization of the three-year convertible facility granted in 2002 by a pool of banks arranged by Capitalia, IntesaBCI, Sanpaolo IMI, and Unicredito Italiano. They are amortized on a pro-rated basis according to the term of the facility.

The net increase of 29,876 thousand euros with respect to December 31, 2001 is due to:

(in thousands of euros)

Capitalization of expenses	32,846
Amortization for the fiscal year	(2,970)
Net change	29,876

2 Property, plant and equipment

At December 31, 2002 and 2001, property, plant and equipment totaled 48,174 thousand euros and 50,854 thousand euros, respectively. These amounts are net of accumulated depreciation of 16,364 thousand euros at December 31, 2002 and 14,638 thousand euros at December 31, 2001.

The net decrease of 2,680 thousand euros is the net effect of the following items:

(in thousands of euros)

Additions	
Including: construction at buildings (74); new vehicles (2,768); modernization of equipment (131)	2,973
Disposals	
sales of vehicles	(2,466)
elimination of obsolete plants, furniture and equipment	(40)
Total disposals	(2,506)
Provision for the fiscal year charged to accumulated depreciation	(3,147)
Net change	(2,680)

Depreciation taken in 2002 was computed using the following rates:

	Depreciation rates
Buildings	3%
Plant and machinery	10%
Furniture	12%
Equipment	20%
Vehicles	25%

3 Financial fixed assets**Investments**

This item totaled 8,050,194 thousand euros at December 31, 2002. A breakdown of the net increase of 344,588 thousand euros from December 31, 2001 is provided in the following table:

(in thousands of euros)

Increases	
Acquisitions	470,127
Capital increases	1,902,780
Contributions	2,033,396
Mergers of subsidiaries and associated companies	218,626
Total increases	4,624,929
Decreases	
Disposals	185,816
Repayment of principal	14,000
Contributions	1,016,698
Mergers of subsidiaries and associated companies	218,626
Writedowns of carrying value	2,845,201
Total decreases	4,280,341
Net increases	344,588

Increases include:

(in thousands of euros)

Acquisitions

Subsidiaries

100% of the ordinary shares and 98.99% of the preference shares of Magneti Marelli Holding S.p.A. from Fiat Netherlands Holding N.V.	302,505
39.47% of Fiat Finance North America Inc. from Internazionale Holding Fiat S.A.	17,118
33.5% of Teksid S.p.A. from Teksid Partecipazioni S.p.A.	67,569
33.5% of Teksid Partecipazioni S.p.A. from Renault s.a.s. (through exchange for 33.5% of Teksid S.p.A.)	67,569
Total subsidiaries	454,761

Associated companies

20% of GPWC Holding B.V.	500
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Other companies

0.16% of Mediobanca S.p.A. from Tredicimarzo S.r.l.	14,863
Consortium S.r.l.	3
Total other companies	14,866

Total	470,127
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Capital increases

Subsidiaries

Magneti Marelli Holding S.p.A.	500,000
Sicind S.p.A.	1,400,000
Fiat International S.p.A.	860
Fiat Se.p.In. S.c.p.A.	1,404
Isvor Fiat S.p.A.	489
Fiat Revi S.c.r.l.	27
Total	1,902,780

Contributions

Subsidiaries

CNH Global NV shares received following contribution of financial receivables	1,016,698
Fiat Netherlands Holding NV shares received following the contribution of CNH Global NV shares	1,016,698
Total	2,033,396

Mergers

Subsidiaries

Fiat Partecipazioni S.p.A. shares received following merger of 100% of Teksid Partecipazioni S.p.A.	218,626
Total increases	4,624,929

Decreases include:

*(in thousands of euros)***Disposals**

Subsidiaries

34% of Ferrari S.p.A. to Mediobanca S.p.A.	104,230
33.5% of Teksid S.p.A. to Renault s.a.s. (exchange for Teksid Partecipazioni S.p.A. shares)	67,569

Total subsidiaries	171,799
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Other companies

10% of Tredicimarzo S.r.l.	1
7.679% of Cartiere Burgo S.p.A. to Marchi Group S.p.A.	14,016

Total other companies	14,017
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Total	185,816
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Repayment of principal

Other companies

Tredicimarzo S.r.l.	14,000
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Contributions

Subsidiaries

shares of CNH Global NV contributed to Fiat Netherlands Holding NV	1,016,698
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Mergers

Subsidiaries

cancellation of 100% of Teksid Partecipazioni S.p.A. following its merger with Fiat Partecipazioni S.p.A.	218,626
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Writedowns of carrying value

Subsidiaries

Fiat Partecipazioni S.p.A. (due to the negative performance of the Automobile Sector)	1,189,200
Fiat Netherlands Holding N.V. (due to the losses of the Magneti Marelli and CNH subsidiaries)	732,359
Iveco N.V.	280,025
Comau B.V.	349,673
Sicind S.p.A.	291,376
Isvor Fiat S.p.A.	580
Fiat Se.p.In. S.c.p.A.	320
Fiat Revi S.c.r.l.	27

Total subsidiaries	2,843,560
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Other companies

Istituto Europeo di Oncologia S.r.l.	1,641
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Total	2,845,201
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Total decreases	4,280,341
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As part of a consortium for acquisition and stock market listing organized by Mediobanca, Fiat sold 3,400 shares of Ferrari S.p.A. (34% of its capital stock) to Mediobanca for 228,000 euros per share, for a total price of 775,200 thousand euros. This price is subject to future adjustment if a higher price is realized upon listing on the Stock Exchange, with the eventual premium to be worth between 50% and 90% of the higher price realized upon listing. Mediobanca granted Fiat a three-year option, extendable to four years, for repurchase of the Ferrari shares at their original sale price plus interest. On behalf of the consortium and itself, Mediobanca plans to start by June 2003 the procedure for listing of Ferrari S.p.A. on the Stock Exchange through placement of its acquired share on the market. If this target is not met, Fiat may ask Mediobanca for a one-year extension.

This item also includes the interests held in the Orione, Fiat Media Center, Sirio and Lingotto consortium funds, valued at 27 thousand euros.

As required by Article 2426, Section 3, of the Italian Civil Code, we wish to emphasize that certain investments are carried at an amount that exceeds the value of the corresponding portion of the underlying stockholders' equity in the latest approved financial statements, after deducting dividends and after the adjustments required for consolidation purposes.

In particular, Fiat S.p.A. carries its investments in Iveco N.V. and Ferrari S.p.A. at amounts that exceed the shares held in the underlying stockholders' equities (by 181 million euros and 51 million euros, respectively) because these companies enjoy positive economic prospects and/or possess assets whose value has appreciated.

It should also be noted that, when the criteria discussed above are applied, the stockholders' equity of all other subsidiaries and associated companies is higher than the respective carrying values.

With regard to the investment held in Fiat Partecipazioni S.p.A., the Board of Directors of Fiat S.p.A., at a meeting held on February 28, 2003, approved a motion to increase the capital stock of Fiat Auto Holdings B.V., a company in which it holds an indirect interest, by a total of 5 billion euros by means of a rights offering, which will entitle the stockholders of Fiat Auto Holdings B.V. to purchase through subscription the newly issued shares for a period of 18 months. Fiat Partecipazioni S.p.A. will underwrite its pro-rata shares of the capital increase, equal to 3 billion euros, immediately once the filing requirements concerning the motion that the next Stockholders' Meeting of Fiat Auto Holdings B.V. is expected to approve have been satisfied.

The table at the end of the Notes to the Financial Statements contains a list of subsidiaries and associated companies and the additional information required under Article 2427 of the Italian Civil Code and the supplemental data recommended by CONSOB, including changes in quantity and value of subsidiaries and associated companies and, for publicly traded companies, a comparison between carrying value and market value.

Receivables

There were no receivables at December 31, 2002.

In 2001, they referred to a loan of 25,823 thousand euros granted in the past to the subsidiary Elasis, completely repaid in 2002.

Other securities

These consist primarily of listed Treasury securities pledged to fund scholarship grants.

At December 31, 2002, their book values totaled 75 thousand euros (based on their quotations at December 30, 2002), in line with the previous year.

The list of subsidiaries and associated companies appearing at the end of these Notes to the Statutory Financial Statements includes the following:

- the additional information on cost, upward adjustments, writedowns and amortization required under Article 2427 of the Italian Civil Code; and
- as required under Article 10 of Law No. 72 of March 19, 1983, a mention of the assets held at December 31, 2002 which have been adjusted for inflation pursuant to the relevant laws.

Current assets

4 Inventories

This item consists of costs incurred in connection with the High-Speed Railway Project. Fiat has been hired as general contractor by Treno Alta Velocità - T.A.V. S.p.A. (which, in turn, had received the order from F.S. S.p.A. - Italian State Railways) for the executive design and construction of two high-speed rail lines (Bologna-Florence and Turin-Milan) for a contract price of 3,537 million euros and 4,180 million euros, respectively. The supplemental agreement between T.A.V. S.p.A. and Fiat S.p.A. for the Turin-Novara segment of the Turin-Milan line was signed in February 2002, as amended and adjusted for inflation.

Fiat S.p.A. has subcontracted this job to the CAVE.T. and CAV.TO.MI consortia, retaining responsibility for coordination, organization, and project management. The contract for the job connected to the Turin-Novara line is still in course of definition with the CAV.TO.MI Consortium.

Financing of the project is carried out by means of advances paid by T.A.V. S.p.A. to Fiat S.p.A., which then transfers to the two consortia the net amounts after deducting its fee (about 3.846%).

The following items are included under Inventories:

■ **Contract work in progress**

This item, which totaled 54,364 thousand euros at December 31, 2002, refers for 42,673 thousand euros to the Florence-Bologna line and for 11,691 thousand euros to the Turin-Novara line. The item includes capitalized costs for coordination, organization, and project management work. Contract work in progress increased by 16,220 thousand euros from the end of 2001.

■ **Advances to suppliers**

Advances totaled 3,711,197 thousand euros and include disbursements made to the Alta Velocità Emilia Toscana - CAVE.T. (2,461,040 thousand euros) and Alta Velocità Torino-Milano - CAV.TO.MI. Consortia (1,249,949 thousand euros) for contractual advances and work completed. They also include advances for 208 thousand euros paid to the temporary joint venture that is supervising work on the Turin-Novara line on behalf of Fiat S.p.A. Work completed as at December 31, 2002 amounted to 2,151,803 thousand euros for the Bologna-Florence line and 763,024 thousand euros for the Turin-Novara line.

Advances to suppliers show a net increase of 1,335,968 thousand euros from December 31, 2001, mainly as a result of the advances for 350,336 thousand euros paid for work completed during the fiscal year to CAVE.T. and contractual advances and advances for work completion paid to CAV.TO.MI. for 416,300 thousand euros and 569,124 thousand euros, respectively.

As explained later, the item Advances on the liabilities side of the balance sheet includes contractual advances totaling 3,859,044 thousand euros paid by the bidder company Treno Alta Velocità - T.A.V. S.p.A.

Fiat S.p.A. provided T.A.V. S.p.A. with bank and insurance guarantees totaling 1,664,869 thousand euros (636,903 thousand euros for the Bologna-Florence line and 1,027,966 thousand euros for the Turin-Milan line) as security for contractual advances and proper execution of work. The CAVE.T. Consortium provided Fiat S.p.A. with bank suretyships totaling 612,408 thousand euros, as envisaged by contract. The CAV.TO.MI. Consortium paid Fiat S.p.A. 250,000 thousand euros as cash collateral in addition to bank guarantees for 37,204 thousand euros, which will be repaid when the consortium issues the contractually envisaged guarantees (988,908 thousand euros).

5 Receivables

Receivables amounted to 609,374 thousand euros at December 31, 2002. A breakdown of the net increase of 364,663 thousand euros from the figure at the end of 2001 is provided in the following table:

<i>(in thousands of euros)</i>	12/31/02	12/31/01	Change
Trade receivables	217,095	171,199	45,896
Allowance for doubtful accounts	(258)	(258)	-
Total trade receivables	216,837	170,941	45,896
Subsidiaries	7,124	12,625	(5,501)
Others			
Due from the Tax Authorities	318,982	60,054	258,928
Receivables for net deferred tax assets	56,096	-	56,096
Due from employees	484	553	(69)
Other (security deposits, social security institutions, factoring companies, advances to suppliers, etc.)	9,851	538	9,313
Total others	385,413	61,145	324,268
Total receivables	609,374	244,711	364,663

Compared with December 31, 2001, trade receivables increased by 45,896 thousand euros. These receivables are mainly the result of corresponding amounts owed by T.A.V. S.p.A. for works completed in 2002.

The liabilities include, under trade payables, the amounts owed to CAVE.T. and CAV.TO.MI.

Receivables from subsidiaries stem from the provision of services. At December 31, 2002, they were 5,501 thousand euros lower than at the end of 2001.

At the end of 2002, receivables from others amounted to 385,413 thousand euros. The amount due from the Tax Authorities totaled 318,982 thousand euros. It comprised overpayments of 224,218 thousand euros for consolidated Group VAT and 90,194 thousand euros for corporate income taxes (mainly related to 2002), 964 thousand euros for the regional tax on production activities, 1,668 thousand euros for prepayments of taxes on employee severance indemnities, and 1,938 thousand euros in miscellaneous items.

Receivables from others showed an increase of 324,268 thousand euros from December 31, 2001, as a net result of the following items:

<i>(in thousands of euros)</i>	
Higher consolidated Group VAT receivables	224,196
Corporate income tax receivables for the fiscal year	88,869
2001 corporate income tax receivables transferred to Group companies	(45,000)
Receivables for net deferred tax assets	56,096
Miscellaneous items	107
Net change	324,268

The receivables for net deferred tax assets reflect the result of provisions set aside during the fiscal year for tax prepayments on quotas of losses on investments that are deductible in subsequent years (238,000 thousand euros) and deferred tax liabilities on the

portion of gain from the sale of Ferrari S.p.A. shares that are taxable in future years (177,791 thousand euros), as well as transfer from the Tax Reserve of amounts set aside in previous fiscal years.

They were calculated at the currently known corporate income tax rate (34%) and only partially accrued according to what can presumably be recovered in future years.

Deferred tax assets for tax prepayments that were not posted to the balance sheet, due to the uncertainty of their future recovery, totaled approximately 133 million euros.

Receivables with a residual term of more than five years amounted to 232 thousand euros.

6 Financial assets not held as fixed assets

Treasury stock

This item consists of 2,330,420 ordinary shares with a total par value of 11,652 thousand euros, earmarked for the Stock Option Plans. Treasury stock totaled 20,375 thousand euros at December 31, 2002. A breakdown of the net decrease by 17,167 thousand euros from December 31, 2001 is provided in the following table:

(in thousands of euros)

Purchases	3,536
Compensation in kind to the Chairman of the Board of Directors	(269)
Writedown to market value during the last month of the year	(20,434)
Net change	(17,167)

Financial receivables

This item totaled 1,485,574 thousand euros at December 31, 2002, compared with 74,799 thousand euros at the end of 2001.

A breakdown is provided below:

(in thousands of euros)	12/31/02	12/31/01	Change
Subsidiaries			
Fiat Ge.Va. S.p.A.	1,475,178	64,426	1,410,752
Others			
Tax Authorities	10,396	10,373	23
Total financial receivables	1,485,574	74,799	1,410,775

This item consists of liquidity left on deposit with the subsidiary Fiat Ge.Va. S.p.A. and of corporate income tax refunds from 1990 for which Government securities have been requested in lieu of cash.

7 Cash

Bank and post office accounts

This item, which at the end of the fiscal year amounted to 851 thousand euros, showed a decrease of 5,864 thousand euros with respect to December 31, 2001 due to payment to the CAV.TO.MI. Consortium in 2002 of its portion of the funds received by T.A.V. S.p.A. after early release of the amounts withheld in guarantee of work progress on the Turin-Novara line.

Cheques

This item, which at the end of the fiscal year amounted to 131 thousand euros, showed a decrease of 1,484 thousand euros compared with the figure at December 31, 2001, due to collection in 2002 of promissory notes issued by Banca d'Italia in refund of the registration tax not owed on the capital increase of 1990.

Cash on hand

Fiat S.p.A. had practically no cash on hand at December 31, 2002.

8 Accrued income and prepaid expenses*Accrued income*

At 79 thousand euros, accrued income showed a decrease of 1 thousand euros from the amount at December 31, 2001. It mainly consists of accrued interest on receivables due from Tax authorities.

Prepaid expenses

This item, which at the end of the fiscal year amounted to 935 thousand euros, showed a net decrease of 5,114 thousand euros as compared with December 31, 2001. This change was largely attributable to transfer to the statement of operations of the allocable portion of interest for discounting of VAT receivables.

They include:

<i>(in thousands of euros)</i>	12/31/02	12/31/01	Change
Interest on the disposal of receivables due from Tax Authorities	254	5,501	(5,247)
Other operating costs	681	548	133
Total prepaid expenses	935	6,049	(5,114)

9 Stockholders' Equity*Capital stock*

The capital stock fully paid in at December 31, 2002 is 3,082,128 million euros, equal to No. 616,425,600 shares, and consists of:

- 433,220,490 ordinary shares;
- 103,292,310 preference shares;
- 79,912,800 savings shares;

all with a par value of 5 euros each.

The capital stock increase of Fiat S.p.A. resolved by the Board of Directors on December 10, 2001 and executed in February 2002 led to the issue of 65,820,600 ordinary shares at an issue price of 15.50 euros per share, inclusive of a premium of 10.50 euros per share. Each share is coupled with a warrant valid for subscription in January 2007 of an ordinary share at a par value of 5 euros, at a price of 30 euros each, for every four warrants.

To this end, the Board of Directors approved an additional capital increase of 82,276 thousand euros through the issue of 16,455,150 ordinary shares at a par value of 5 euros each, to be kept in reserve for exercise of the aforesaid warrants.

Fiat reserved the right to pay the warrant holders cash, starting on January 2, 2007, in place of the shares to be issued (shares for the exchange of warrants) for the difference between the arithmetic average of the official prices of Fiat ordinary shares reported in December 2006 and the warrant exercise price, unless this difference exceeds the maximum amount determined and previously communicated by Fiat, in which case the holder of the warrant may opt to subscribe the shares for the exchange of the warrants.

It should be noted that the Stockholders' Meeting of September 12, 2002 authorized the Board of Directors, by September 11, 2007, to increase the capital stock, in a single transaction, or repeatedly, up to a maximum of 8 billion euros, and to issue bonds or convertible bonds up to the same amount, but without exceeding in any one transaction the limits set forth by law.

As regards the Mandatory Convertible Facility described in the following Note 12, the same Stockholders' Meeting also established that the Directors, by virtue of the aforesaid mandate and the particular conditions and terms established therein, must resolve, in the event the facility is not repaid at an earlier date, the capital stock increase and reserve it, in accordance with the seventh paragraph of article 2441 of the Italian Civil Code, for the banks identified in the aforementioned resolution, with subscription and payment of the newly issued ordinary shares to be achieved exclusively by compensating the Banks' receivables for principal up a maximum total of 3 billion euros.

Capital increases authorized by the Board of Directors as of today total 109,806 thousand euros, and consist of 82,276 thousand euros for the capital increase approved on December 10, 2001 and 27,530 thousand euros for capital increases to service stock option plans.

Additional paid-in capital

This reserve totaled 2,327,119 thousand euros at December 31, 2002, for an increase of 691,116 thousand euros as compared with December 31, 2001, resulting from the share premium of 10.50 euros per share paid by stockholders upon subscription of the capital increase resolved on December 10, 2001.

Treasury stock valuation reserve

The treasury stock valuation reserve totaled 20,375 thousand euros at December 31, 2002, with a net decrease of 17,167 thousand euros from the prior year. The change comes from the difference between the increase of 3,536 thousand euros equal to the countervalue of the stock purchased during 2002 and a decrease of 20,703 thousand euros for the writedown of the stock to market value during the last month of the year (20,434 thousand euros), and compensation of the Chairman of the Board of Directors in the form of stock (269 thousand euros).

Other reserves

Extraordinary reserve

At December 31, 2002, this item amounted to 112,254 thousand euros, or 18,746 thousand euros less than at the end of 2001, owing to transfer to the reserve for purchases of treasury shares.

Reserve for purchases of treasury shares

The reserve for purchases of treasury shares totaled 979,625 thousand euros at December 31, 2002, with a net increase of 35,913 thousand euros from the prior year as a result of the transfer from the extraordinary reserve (18,746 thousand euros) and from the treasury stock valuation reserve of the amount corresponding to the writedown of the stock to market value and the value of the shares assigned to the Chairman of the Board of Directors (20,703 thousand euros), net of the transfer of the equivalent amount of the purchased shares (3,536 thousand euros) to the treasury stock valuation reserve.

Retained earnings

Retained earnings totaled 763,110 thousand euros at December 31, 2002, or 175,918 thousand euros more than a year earlier, owing to the appropriation of the remaining 2001 net income.

The table appearing at the end of the Notes to the financial statements provides a detailed breakdown of the tax status of the various components of stockholders' equity.

The table below shows the changes that affected stockholders' equity in 2001 and 2002:

(in millions of euros)	Total	Capital stock	Additional paid-in capital	Revaluation reserve under Law No. 413 of 12/30/91	Legal reserve	Treasury stock valuation reserve	Other reserves (*)	Retained earnings	Net income (loss)
Balance at December 31, 2000	7,142.6	2,753.0	1,636.0	22.6	659.3	27.2	1,104.8	247.6	692.1
Allocation of net income for the 2000 fiscal year:									
Dividends paid to Stockholders	(352.5)								(352.5)
Transfer of the remaining net income	-							339.6	(339.6)
Utilization of part of the reserve for purchases of treasury shares with transfer to treasury stock valuation reserve	(26.3) 26.3					26.3	(26.3)		
Transfer of part of treasury stock valuation reserve to extraordinary reserve following writedown of treasury stock	(15.9) 15.9					(15.9)	15.9		
Transfer from contribution reserve to extraordinary reserve	(2.2) 2.2						(2.2) 2.2		
Net income for the year	378.7								378.7
Balance at December 31, 2001	7,168.8	2,753.0	1,636.0	22.6	659.3	37.6	1,094.4	587.2	378.7
Allocation of net income for the 2001 fiscal year:									
Dividends paid to Stockholders	(202.8)								(202.8)
Transfer of the remaining net income	-							175.9	(175.9)
Utilization of part of the reserve for purchases of treasury shares with transfer to treasury stock valuation reserve	(3.5) 3.5					3.5	(3.5)		
Transfer of part of treasury stock valuation reserve to reserve for purchases of treasury shares following writedown of treasury stock	(20.4) 20.4					(20.4)	20.4		
Transfer of part of treasury stock valuation reserve to reserve for the purchases of treasury shares for assignment of shares to the Chairman of the Board of Directors	(0.3) 0.3					(0.3)	0.3		
Transfer of part of extraordinary reserve to reserve for purchases of treasury shares	(18.7) 18.7						(18.7) 18.7		
Capital increase from 2,753 million euros to 3,082.1 million euros through issue of shares with a share premium as resolved by the Board of Directors on December 10, 2001	1,020.2	329.1	691.1						
Loss for the year	(2,052.6)								(2,052.6)
Balance at December 31, 2002	5,933.6	3,082.1	2,327.1	22.6	659.3	20.4	1,111.6	763.1	(2,052.6)
(*) Broken down as follows:									
			12/31/02	12/31/01					
Extraordinary reserve			112.3	131.0					
Out-of-period income reserve under Article 55 of Presidential Decree No. 917 of 12/22/86			1.9	1.9					
Reserve for capital grants under Article 102 of Presidential Decree No. 1523 of 6/30/67			17.7	17.7					
Reserve for capital grants under Regional Law No. 19/84			0.1	0.1					
Reserve for purchases of treasury shares			979.6	943.7					
Total			1,111.6	1,094.4					

10 Reserves for risks and charges**Reserve for pensions and similar obligations**

This reserve covers early retirement incentives and payments and bonuses due to retired employees. Determined on the basis of actuarial computations, it was established as a result of supplemental collective and individual agreements.

At December 31, 2002, it totaled 37,943 thousand euros, for a net decrease of 7,024 thousand euros compared with the end of 2001, broken down as follows:

<i>(in thousands of euros)</i>	
Provision for the fiscal year charged to income	10,215
Personnel transfers	792
Utilization for the fiscal year	(18,031)
Net change	(7,024)

Of the total charges to these reserves, 16,005 thousand euros refer to part of the severance indemnities due to the Chief Executive Officer Paolo Cantarella upon his resignation, which will be paid over a period of twenty years.

Income tax reserve

This reserve was fully depleted at December 31, 2002. At December 31, 2001 it amounted to 12,827 thousand euros. It reflected the liability for deferred taxes on capital gains and deferred tax assets generated by tax-deductible items (depreciation and amortization, pension fund contributions, entertainment expenses).

A breakdown of the change is as follows:

<i>(in thousands of euros)</i>	
Utilization of deferred tax liabilities, net of rate adjustments	(9,988)
Utilization of deferred tax assets	1,274
Transfer of balance to receivables for deferred tax assets	(4,113)
Net change	(12,827)

Other reserves

This item consists of contractually envisaged commissions owed for future listing of Ferrari S.p.A. shares (23,256 thousand euros) on the Stock Exchange, expenses for employee bonuses (4,063 thousand euros), scholarships (73 thousand euros), remuneration of directors who opted for deferred payment in the form of Fiat shares (130 thousand euros), and costs connected to personnel laid off with long-term unemployment benefits (521 thousand euros). It totaled 28,043 thousand euros at December 31, 2002, or 27,121 thousand euros more than at December 31, 2001.

The change resulted from the following:

<i>(in thousands of euros)</i>	
Provision for the fiscal year charged to income	27,825
Utilization for the fiscal year, mainly for bonuses granted to employees	(704)
Net change	27,121

Fiat S.p.A. is still subject to a pending lawsuit for damages resulting from alleged violation of an agreement granting the right of first refusal on the sale of land located at Via Rivalta 15 in Turin and tax litigation regarding corporate income tax for 1992. Given the currently pending nature of these actions, as well as the specific conditions of each one, no reasonable prediction can be made as to their outcome or the costs that the company might sustain.

11 Reserve for employee severance indemnities

At December 31, 2002, this reserve totaled 24,475 thousand euros, a net increase of 339 thousand euros from the end of 2001.

A breakdown of the change is as follows:

(in thousands of euros)

Provision for the fiscal year charged to income	10,078
Utilization for the fiscal year	(9,739)
Net change	339

12 Payables**Borrowings from banks**

This item amounted to 3 billion euros at December 31, 2002 with a net increase of 2,998,878 thousand euros comparable to the figures at December 31, 2001.

It refers to the 3 billion euros Mandatory Convertible Facility stipulated in execution of the Framework Agreement, dated May 27, 2002, with Money Lending Banks (Capitalia, IntesaBCI, SanPaolo IMI and subsequently Unicredito Italiano) for the purpose of providing the Fiat Group with the financial support it needs to implement its strategic and industrial plans. The facility was secured on September 24, 2002 from a syndicate of banks, in which BNL, Monte dei Paschi di Siena, ABN Amro, BNP Paribas, Banco di Sicilia and Banca Toscana (hereinafter "the Banks") also participated, mainly in substitution of the already existing short-term credit lines. The main features of the Mandatory Convertible Facility are as follows:

- The facility has a term of three years and expires on October 10, 2005. Moreover, Fiat may elect to repay the facility in cash at an earlier date, even partially, on a six-monthly basis on condition that, even after the repayment, its rating remains at least equal to the investment grade level. Any residual liability for principal will be repaid with ordinary shares of Fiat S.p.A., which the banks have agreed to underwrite and offer pre-emptively to all Fiat stockholders. The issue price per share will be the average of 15.5 euros and the average stock market price in the last three or six months, depending on the case, preceding the facility repayment date. The same formula will be applied in the event of an earlier expiration date.
- The capital stock increase should be approved at the expiration of the three-year term of the facility, for an amount equal to the outstanding balance of the facility which, under certain conditions, could become due at an earlier date.
- Conditions giving rise to an earlier expiration date of the facility include the occurrence of an event that creates a serious crisis for the company, such as the request for a court-appointed administrator or other proceedings of composition with creditors, a bankruptcy filing, or one of the causes of business dissolution set forth in Article 2448 of the Italian Civil Code. In addition, the Banks in the facility arrangement have the authority to demand early repayment of the entire amount of the facility in the following cases:
 - Fiat Group companies have not fulfilled their duty to repay liquid and current financial obligations of an aggregate amount of more than 1 billion euros;
 - the independent auditors have issued a negative opinion on the consolidated financial statements, unless new auditors, who must have accepted the assignment within 30 days, issue a favorable opinion no later than 60 days thereafter;
 - Fiat becomes the target of a take-over bid in accordance with Articles 106 and 107 of the Consolidated Law on Financial Intermediation.
- Lastly, the Banks also have the right but are not obliged to demand early repayment of a portion of the amount of the facility, up to a maximum of 2 billion euros, after 24 months have elapsed from the signing of the agreement (and, therefore, beginning from July 26, 2004), in the event that at least one of the leading international rating agencies does not maintain the "investment grade" rating and, after 18 months have elapsed from the signing of the agreement (January 26, 2004), in the event that the level of net and/or gross financial indebtedness (respectively in the definitions of "net financial position" and "Total financial liabilities" used by the Group and detailed in the Report on Operations) is more than 20% higher than the corresponding level established by the Financial Objectives stipulated in the facility agreement.
- The aforementioned Financial Objectives refer, in particular, to the reduction in net indebtedness to less than 3 billion euros by the date the Board of Directors approves the 2002 financial statements and the maintenance of that level until the expiration

of the facility. Pursuant to the agreement, the proceeds generated from the transactions related to the sale of the investment in Italenergia Bis S.p.A. are also considered, including those connected with the Citigroup facility of 1,150 million euros, and the financial effects arising from binding contracts for the sale of assets (investments, companies, plant and equipment, etc.), including those not yet executed. The agreement also states that gross indebtedness must be reduced by 12 billion euros, compared to March 31, 2002, by the date the Board of Directors approves the 2002 financial statements and must be maintained at less than 23.6 billion euros until the expiration of the facility.

The Group has achieved the objective of reducing net indebtedness to 3 billion euros as stipulated in the agreement with the banks. The objective of reducing gross indebtedness to 23.6 billion euros is expected to be met upon the execution of the sale of 51% of Fidis Retail Italia to Capitalia, Banca Intesa, San Paolo-IMI and Unicredito, as established by contract.

Moreover, Moody's Investors Service, on December 23, 2002, and Fitch and Standard & Poor's Rating Services, in March 2003, lowered their ratings of Fiat below "investment grade". Accordingly, should this condition persist, and after 24 months have elapsed from the signing of the agreement, in the event that at least one of the leading international rating agencies does not maintain their rating at "investment grade", the banks have the right but are not obliged to demand early repayment of the facility and proceed with the conversion of the debt into capital for an amount up to 2 billion euros.

Advances

These consist of advances received from Treno Alta Velocità - T.A.V. S.p.A. for the High-Speed Railway Project, as previously described at the item "Advances to suppliers" for contractual advances and work completion. They consisted of 2,556,577 thousand euros for the Florence-Bologna line and 1,302,467 thousand euros for the Turin-Novara line. Work completed as at December 31, 2002 amounted to 2,237,875 thousand euros and 797,052 thousand euros, respectively.

The 1,392,634 thousand euro increase since December 31, 2001 is due to 364,349 thousand euros in advances received for work completed on the Florence-Bologna line and contractual advances and advances for work completion on the Turin-Novara line in the amount of 432,818 thousand euros and 595,467 thousand euros, respectively.

As previously mentioned, T.A.V. S.p.A. has been provided with bank and insurance guarantees to secure these advances and proper execution of work for a total of 1,664,869 thousand euros.

Trade payables

Trade payables stem from services received (consulting, publications, etc.) and amounts due to C.A.V.E.T. and C.A.V.TO.MI.; they reflect progress payments due for work completed in the fourth quarter of 2002 and paid in the first quarter of 2003. These items totaled 323,128 thousand euros at December 31, 2002, a net increase of 77,078 thousand euros compared with December 31, 2001, mainly due to the consideration owed to the CAV.TO.MI. Consortium.

Payables to subsidiaries

These stood at 480,565 thousand euros at December 31, 2002, showing a net decrease of 87,005 thousand euros from a year earlier.

A breakdown of this item is as follows:

<i>(in thousands of euros)</i>	12/31/02	12/31/01	Change
Financial payables	466,563	542,995	(76,432)
Trade payables	12,991	13,589	(598)
Other payables	1,011	10,986	(9,975)
Total payables to subsidiaries	480,565	567,570	(87,005)

Financial payables at December 31, 2002 include loans payable to the subsidiary Fiat Ge.Va. S.p.A. for 340,000 thousand euros (of which 90,000 thousand euros are for a variable rate loan due on January 2, 2003, and 250,000 thousand euros for a fixed rate loan due on July 15, 2004), and amounts payable to subsidiaries for their VAT receivables, which they transferred to Fiat S.p.A. under the consolidated VAT filing system (126,563 thousand euros).

Trade payables reflect mainly the purchase of external relations, administrative and general services.

Taxes payable

At December 31, 2002, taxes payable totaled 11,699 thousand euros, a net decrease of 2,847 thousand euros from the figure at December 31, 2001. A breakdown is as follows:

<i>(in thousands of euros)</i>	12/31/02	12/31/01	Change
VAT payable	4,631	6,351	(1,720)
Liability for substitute tax payable on the capital gain from the sale of IN.TE.SA. (Legislative Decree No. 358/1997)	3,494	5,241	(1,747)
Taxes withheld on payments to employees and independent contractors	3,143	2,523	620
Miscellaneous items	431	431	-
Total taxes payable	11,699	14,546	(2,847)

The last installment of the substitute tax payable on the capital gain earned on the sale of IN.TE.SA. S.p.A. will be paid within the filing deadline for the 2003 tax return.

Social security payable

This item totaled 1,435 thousand euros at December 31, 2002, a decrease of 194 thousand euros from December 31, 2001.

Other payables

At December 31, 2002, other payables were 265,157 thousand euros, for a net year-on-year increase of 249,597 thousand euros. A breakdown is provided below:

<i>(in thousands of euros)</i>	12/31/02	12/31/01	Change
CAV.TO.MI. "Cash Collateral" (see the item "Inventories")	250,000	-	250,000
Former Chief Executive Officer for fees to be paid in installments over 20 years	6,549	-	6,549
Amounts owed to employees paid in the first quarter of the following year	3,219	11,816	(8,597)
Payables to shareowners of Toro Assicurazioni S.p.A., Magneti Marelli S.p.A. and Comau S.p.A. for the purchases of shares	909	1,031	(122)
Dividends payable	560	638	(78)
Miscellaneous payables (mainly charges for dividend payments)	3,920	2,075	1,845
Total other payables	265,157	15,560	249,597

Payables due within five years amounted to 5,727 thousand euros.

13 Accrued expenses and deferred income**Accrued expenses**

The balance of 61,749 thousand euros at December 31, 2002 is 57,643 thousand euros higher than the figure at December 31, 2001.

A breakdown of this item is provided below:

<i>(in thousands of euros)</i>	12/31/02	12/31/01	Change
Interest on convertible facility	38,653	-	38,653
Commissions on convertible facility	18,785	-	18,785
Interest on Fiat Ge.Va. loans	4,068	4,070	(2)
Miscellanea	243	36	207
Total accrued expenses	61,749	4,106	57,643

Deferred income

This totaled 20 thousand euros at December 31, 2002, representing an increase for the same amount with respect to the end of the previous year and regarding income to be collected in 2003.

14 Memorandum accounts

Unsecured guarantees

Suretyships

Suretyships totaled 2,258,218 thousand euros at December 31, 2002, and were mainly provided on behalf of subsidiaries.

They include suretyships provided on behalf of FiatSava S.p.A. (1,268,769 thousand euros) to secure a debenture issue and to secure commercial paper and billets de trésorerie issued by other Group companies (totaling 83,414 thousand euros), bank loans (496,164 thousand euros), and rent payment obligations for buildings leased from Morgan Stanley & Co. International Ltd. and other lessors (409,871 thousand euros).

The net decrease of 1,527,121 thousand euros from December 31, 2001 is mainly due to lower guarantees provided to secure billets de trésorerie and commercial paper (1,454,605 thousand euros) and Sava debentures (90,824 thousand euros) net of increases for bank loans (19,502 thousand euros).

Other unsecured guarantees

This item totaled 16,001,933 thousand euros at December 31, 2002, or 1,825,606 thousand euros more than at the end of 2001.

It includes the following:

- 15,830,467 thousand euros in guarantees provided on behalf of subsidiaries to secure loans (Banco CNH Capital S.A. 377,073 thousand euros, Fiat Automoveis SA 92,581 thousand euros, Iveco Fiat Brasil Ltda 32,997 thousand euros, Case LLC 192,619 thousand euros, Iveco Latin America Ltda 1,594 thousand euros, Sicind S.p.A. 1,130,387 thousand euros), bond issues (Fiat Finance and Trade Ltd. 9,357,112 thousand euros, Fiat Finance North America Ltd. 452,849 thousand euros, Fiat Finance Luxembourg S.A. 2,125,484 thousand euros, Fiat Finance Canada Ltd. 100,000 thousand euros), credit lines (New Holland Credit Company LLC 476,781 thousand euros, Fiat Auto Financial Services Limited 668,332 thousand euros), VAT payable under the Group consolidation process (183,347 thousand euros), as provided under Ministerial Decree of 12/13/79 as amended, for lease payments (316,386 thousand euros), and sundry guarantees (322,925 thousand euros);
- 90,467 thousand euros for the risk on nonpayment on receivables due from tax authorities;
- 80,999 thousand euros in miscellaneous guarantees.

The net increase of 1,917,919 thousand euros in guarantees provided on behalf of subsidiaries is due mainly to new guarantees provided to secure bond issues, loans and credit lines net of lower guarantees for lease payments.

In connection with the sale of the investment in General Motors Co. and as part of the equity swap agreement on General Motors Co. shares between Intermap BV (Fiat Partecipazioni S.p.A. subsidiary) and Merrill Lynch International, Fiat S.p.A. offered the latter a guarantee for the obligations assumed by its subsidiary Intermap BV for payment of any positive difference between the price of the 32,053,422 General Motors Co. shares sold, which was set at the beginning of the agreement (December 2002) at US \$36.11 per share, and the eventually higher price of the shares at maturity (March 16, 2007) with respect to the initial value of the agreement (US \$1,157 million), net of the dividends paid against the shares during the term of the agreement.

Upon sale of its controlling interest in the rolling stock activities, Fiat S.p.A. assumed certain obligations towards the purchaser Alstom N.V. in guarantee of any breaches of contract occurring prior to the sale. On the basis of due diligence results, it is believed that Fiat does not face a reasonable likelihood of loss.

Commitments for capital expenditures

This item totaled 7,717,522 thousand euros at December 31, 2002. Of this amount, 3,537,186 thousand euros represent the commitment (corresponding to the contractual amounts) stemming from the agreement executed on May 7, 1996 and the supplemental agreements signed by Fiat S.p.A. and Treno Alta Velocità - T.A.V. S.p.A. for the design and construction of the Bologna-Florence high-speed rail line, and 4,180,336 thousand euros the commitment for the design and construction of the Turin-Novara line. The increase of 3,989,389 thousand euros compared with December 31, 2001 includes agreements reached during 2002 for bypasses on the Florence-Bologna line (5,099 thousand euros), urgent corrective measures (74,086 thousand euros) and inflation adjustments (53,169 thousand euros) and agreements regarding the Turin-Novara line, specifically the supplemental agreement of February 14, 2002 (3,823,847 thousand euros), changes in connection with work costs (28,850 thousand euros), and inflation adjustments (4,338 thousand euros).

Fiat S.p.A. has subcontracted design and construction to the CAVE.T. and CAV.TO.MI. Consortia.

As mentioned in the note on Inventories, Fiat provided T.A.V. S.p.A. with bank and insurance guarantees totaling 1,664,869 thousand euros to secure the contractual advances and proper execution of work. Likewise, the CAVE.T. Consortium provided Fiat with bank suretyships totaling 612,408 thousand euros, as envisaged by contract, while the CAV.TO.MI. Consortium paid Fiat S.p.A. 250,000 thousand euros as cash collateral in addition to bank guarantees for 37,204 thousand euros in anticipation of obtaining funds on the market to provide Fiat S.p.A. with the necessary guarantees for 988,908 thousand euros.

Other commitments

This item, which totaled 16,431 thousand euros at December 31, 2002 (24,817 thousand euros at December 31, 2001), represents the residuary amount of the commitment, undertaken by Fiat on the occasion of its centennial under a resolution adopted by the Stockholders' Meeting on June 22, 1998, to defray, over a ten-year period, the costs incurred to provide courses for a Degree in Automotive Engineering and pay for the renovation of the respective building. The decrease of 8,386 thousand euros from December 31, 2001 reflects the outlays incurred in the year to renovate the building and teach the courses.

As part of the sale of Piemongest S.p.A. to Iupiter S.r.l., Fiat S.p.A. guaranteed performance of the obligations envisaged under that transaction.

It should be noted that, while Renault has a 33.5% interest in Teksid S.p.A., Fiat S.p.A. and Renault have agreed that this may be resold to Fiat S.p.A., should there be a material change in the conditions upon which the original agreement was based.

Other memorandum accounts

Company assets held by third parties

This item totaled 19,244 thousand euros at December 31, 2002, a net decrease of 12,031 thousand euros compared with the figure at December 31, 2001, mainly due to the sale of Cartiere Burgo S.p.A. shares. It refers to Fiat USA Inc. shares on deposit at the issuer.

15 Value of production

Service revenues

Service revenues, which amounted to 68,927 thousand euros in 2002, are mainly the result of transactions with Group companies.

The main component of this item (55,526 thousand euros) is fees paid for the use of the Fiat trademark. The amounts paid by the individual companies, which are determined as a percentage of sales are: 46,656 thousand euros from Fiat Auto S.p.A., 8,760 thousand euros from Iveco Fiat S.p.A., 110 thousand euros from FiatAvio S.p.A. The percentages are as follows: Fiat Auto S.p.A. and FiatAvio S.p.A. 0.5% and Iveco Fiat S.p.A. 0.2%.

Service revenues also include 13,401 thousand euros for services rendered by management personnel of Fiat S.p.A. at the main Group companies. Overall, they decreased by 5,755 thousand euros over a year earlier.

Change in contract work in progress

This item represents mainly direct costs incurred for project management, coordination, and organization services during the fiscal year in connection with the High-Speed Railway Project and capitalized as part of inventories.

Totaling 16,220 thousand euros in 2002, or 5,691 thousand euros more than in 2001, it mainly consists of services provided by suppliers outside the Group (15,854 thousand euros).

Other income and revenues

These amounted to 10,231 thousand euros in 2002 and include 2,223 thousand euros in rental income from buildings owned by Fiat S.p.A. and leased to Group companies; 4,793 thousand euros in fees paid by subsidiaries for services performed by employees of Fiat S.p.A. in the capacity of Directors; 1,675 thousand euros in miscellaneous income and expense reimbursements and 1,540 thousand euros in prior period income. They present a decrease of 654 thousand euros from the 2001 figure.

16 Costs of production

Raw materials, supplies and merchandise

This item totaled 428 thousand euros in 2002, against 441 thousand euros in 2001.

It consists mainly of the cost of research publications, office supplies and printed forms.

Services

Service costs amounted to 115,877 thousand euros in 2002, an increase of 31,549 thousand euros compared with 2001 due to higher expenses for financial and legal consulting services, general services and travel.

This item represents expenses for consulting services and research studies, as well as for travel, financial, administrative, tax and external relations services. It also includes ordinary and extraordinary maintenance and general expenses (security, cleaning, EDP, telephone, insurance, etc.). The main components of this item are amounts paid to Group companies for services provided totaling 49,701 thousand euros. They include support and consulting services in Italy (2,060 thousand euros to Fiat Gesco S.p.A., 1,225 thousand euros to Fiat Ge.Va. S.p.A. and 1,500 thousand euros to Fiat International S.p.A. – KeiG Consulting S.p.A. 963 thousand euros) and abroad (2,415 thousand euros to Fiat USA Inc., 1,183 thousand euros to Fiat UK Ltd., 624 thousand euros to Fiat Iberica S.A. and 1,421 thousand euros to Fiat do Brasil S.A.); external relations services (3,148 thousand euros to Fiat I.&C.S. S.r.l.); personnel training services (801 thousand euros to Isvor Fiat S.p.A.); office management, maintenance (4,968 thousand euros to Ingest Facility S.p.A.); personnel and similar services (6,820 thousand euros to Fiat Se.p.In. S.c.p.A.); information technology services (8,353 thousand euros to Global Value S.p.A.); security services (5,677 thousand euros to Consorzio Orione and 872 thousand euros to Consorzio Sirio), and services related to accounting and to Internal Auditing (1,904 thousand euros to Fiat Revi S.c.r.l.).

It also includes consulting, research and professional fees of 45,382 thousand euros.

Leases and rentals

Leases and rentals totaled 982 thousand euros in 2002, or 2 thousand euros less than in 2001.

Personnel

This item amounted to 66,195 thousand euros in 2002 and includes provisions to the Reserve for pensions and similar obligations for bonuses and severance incentives (7,870 thousand euros). The decrease of 3,349 thousand euros from 2001 resulted from lower costs related to personnel who left the Company and higher costs for wages and salaries. The Company's average number of staff decreased from 216 employees in 2001, including 113 managers, 97 clerical staff, and 6 blue collar workers, to 210 employees in 2002, including 108 managers, 96 clerical staff, and 6 blue collar workers.

During 2002, 16 managers were seconded to the Group's main subsidiaries (17 in 2001), which were billed for the respective costs.

Amortization and depreciation

This item totaled 10,135 thousand euros in 2002, with a net increase of 6,429 thousand euros from the previous year. This change is largely attributable to amortization of the expenses for the capital increase and convertible facility, which were capitalized in fiscal 2002. Amortization of intangible fixed assets totaled 6,988 thousand euros, and depreciation of property, plant, and equipment amounted to 3,147 thousand euros.

Other operating costs

At 28,206 thousand euros, this item was 4,736 thousand euros less than in 2001.

It includes indirect taxes and fees (53 thousand euros for municipal property taxes, 194 thousand euros for nondeductible VAT, etc.); contributions and association fees (1,571 thousand euros); costs incurred to renovate a building located at the Lingotto complex and owned by Turin Politecnico University (8,686 thousand euros) and contributions to fund the automotive engineering degree course (2,085 thousand euros); losses on sales of vehicles and office equipment (523 thousand euros), and sundry items.

It also includes fees paid to the Statutory Auditors and Directors of Fiat S.p.A. amounting to 145 thousand euros and 8,640 thousand euros, respectively.

Directors' fees include 8,256 thousand euros in compensation awarded by the Stockholders' Meeting as well as annual fees approved by the Board of Directors for Directors vested with particular offices, and 384 thousand euros for compensation provided in kind, which was booked under services.

17 Financial income and expenses**Investment income**

Income from investments came to 278,436 thousand euros in 2002, a decrease of 434,784 thousand euros compared with 2001.

A breakdown is as follows:

<i>(in thousands of euros)</i>	2002	2001
Subsidiaries		
Dividends distributed by:		
Ferrari S.p.A.	108,000	-
FiatAvio S.p.A.	67,000	60,000
Elasis S.c.p.A.	9	61
Soparind S.p.A.	-	182,000
Fiat Auto Partecipazioni S.p.A. (now Fiat Partecipazioni S.p.A.)	-	99,973
Sicind S.p.A.	-	30,000
Iveco N.V.	-	28,662
Toro Assicurazioni S.p.A.	-	28,475
Fiat Ge.Va. S.p.A.	-	20,000
Internazionale Holding Fiat S.A.	-	14,417
Itedi S.p.A.	-	1,000
Magneti Marelli S.p.A.	-	32
Total	175,009	464,620
Tax credit on dividends (56.25% of the dividends paid by Italian companies in 2002)	98,438	244,241
Total subsidiaries	273,447	708,861
Other companies		
Dividends distributed by:		
Mediobanca S.p.A.	2,118	1,989
Tredicimarzo S.r.l.	783	-
Fin. Priv. S.r.l.	292	274
Assicurazioni Generali S.p.A.	-	11
Total	3,193	2,274
Tax credit on dividends paid	1,796	1,336
Capital gains from the sale of Assicurazioni Generali S.p.A.	-	749
Total other companies	4,989	4,359
Total investment income	278,436	713,220

Other financial income**■ From receivables held as fixed assets**

This item represents accrued interest on a loan to Elasis S.c.p.A. paid off in the first half of 2002. Interest totaled 441 thousand euros in 2002, or 703 thousand euros less than in 2001.

■ From securities held as fixed assets other than equity investments

This item consists of interest earned on securities pledged to fund scholarship grants.

Income from these securities totaled 3 thousand euros in 2002, 1 thousand euros less than in 2001.

■ Other income

Other income came to 68,611 thousand euros in 2002, an increase of 53,620 thousand euros compared with 2001.

A breakdown is as follows:

<i>(in thousands of euros)</i>	2002	2001
Subsidiaries		
Interest earned from:		
Fiat Ge.Va. S.p.A.	50,320	2,312
Miscellanea	-	670
Total	50,320	2,982
Fees for suretyships provided on behalf of the following Group companies:		
FiatSava S.p.A.	3,274	3,352
Fiat Finance and Trade Ltd	3,281	2,991
Fiat Finance Luxembourg S.A.	678	-
New Holland Credit Company LLC	306	518
Fiat Auto S.p.A.	280	308
Miscellanea	1,988	1,807
Total	9,807	8,976
Foreign exchange gains	264	2,104
Total subsidiaries	60,391	14,062
Others		
Interest earned on bank deposits	227	278
Interest earned on amounts receivable from the Tax Authorities	7,735	539
Other interest income	80	81
Foreign exchange gains	178	31
Total others	8,220	929
Total other income	68,611	14,991

Interest and other financial expenses

Interest and other financial expenses amounted to 94,326 thousand euros in 2002, or 41,335 thousand euros more than in 2001.

A breakdown is provided below:

<i>(in thousands of euros)</i>	2002	2001
Subsidiaries		
Interest paid to:		
Fiat Ge.Va. S.p.A.	18,538	23,402
Fees paid to:		
Fiat Ge.Va. S.p.A.	41	12
Foreign exchange losses	156	12
Miscellanea	39	43
Total subsidiaries	18,774	23,469
Others		
Interest paid on convertible facility	38,655	-
Fees paid on convertible facility	18,838	-
Interest and other financing charges paid to banks	20	209
Interest paid to other lenders	3,170	274
Writedown of treasury stock	-	15,953
Discounting of receivables	5,246	9,390
Losses on receivables discounted without recourse	6,846	1,821
Charges for stock listings, dividend payments and other charges	2,707	1,819
Foreign exchange losses	70	56
Total others	75,552	29,522
Total interest and other financial expenses	94,326	52,991

In 2002, writedown of treasury stock was recorded under "Writedown of securities among current assets other than equity investments".

18 Adjustments to financial assets*Writedowns of equity investments*

This item totaled 2,846,001 thousand euros in 2002 and includes 2,845,201 thousand euros for writedown to book value of several equity investments and 800 thousand euros for losses in excess of their book value. These include Fiat Partecipazioni S.p.A. (1,189,200 thousand euros), Iveco N.V. (280,025 thousand euros), Fiat Netherlands Holding N.V. (732,359 thousand euros), Comau B.V. (349,673 thousand euros), Sicind S.p.A. (291,376 thousand euros), Isvor Fiat S.p.A. (580 thousand euros), Istituto Europeo di Oncologia S.r.l. (1,641 thousand euros), Fiat Se.p.In. S.c.p.A. (320 thousand euros), and Fiat Revi S.c.r.l. (27 thousand euros).

The writedowns taken in 2001 were attributable to Fiat Se.p.In. S.c.p.A. (1,404 thousand euros), Fiat International S.p.A. (890 thousand euros), Fiat Revi S.c.r.l. (23 thousand euros), and the Istituto Europeo di Oncologia S.r.l. (1,221 thousand euros).

Writedowns of securities among current assets other than equity investments

This item amounted to 20,434 thousand euros and consists of writedown of the book value of treasury stock to the average stock market price for the month of December.

In 2001, it amounted to 15,953 thousand euros and was recorded under "Interests and other financial expenses".

19 Extraordinary income and expenses

Extraordinary income

Extraordinary income totaled 673,164 thousand euros in 2002, for an increase of 673,095 thousand euros from the previous year. It consists of 672,955 thousand euros in gains from the disposal of investments and 209 thousand euros in other income.

The gains from disposal of investments derive from the sale of 34% of the capital stock of the subsidiary Ferrari S.p.A. to Mediobanca S.p.A. (670,970 thousand euros) and the minority shareholdings in Cartiere Burgo S.p.A. (1,984 thousand euros) and Tredicimarzo S.r.l. (1 thousand euros).

Extraordinary expenses

This item totaled 41,186 thousand euros in 2002 and consists of 40,582 thousand euros for the expenses connected to the sale of 34% of the capital stock of Ferrari S.p.A. to Mediobanca S.p.A. and its listing on the stock market.

20 Income taxes

In 2002, Fiat S.p.A. had a tax credit of 55,116 thousand euros, including a corporate income tax liability of 14,251 thousand euros and net deferred tax assets of 69,401 thousand euros (68,421 thousand euros for corporate income tax, and 980 thousand euros for the regional tax on production activities).

The corporate income tax liability was completely offset by the tax credit on dividends posted at the item "Investment income" of 100,234 thousand euros (245,577 thousand euros in 2001).

Income taxes totaled 2.6% of income before taxes, as opposed to the theoretical rate of 36%, largely in consequence of the negative effect of certain non-deductible writedowns of investments carried out during the fiscal year and posting of deferred tax assets for tax prepayments on writedowns of investments that are deductible on a deferred basis in an amount less than what was theoretically possible, as explained in the note on "receivables from others."

ANALYSIS OF FIXED ASSETS AND SUPPLEMENTAL INFORMATION

Cost of fixed assets

(in thousands of euros)	Gross value at beginning of fiscal year			Increases			Decreases		Gross value at end of fiscal year		
	Historical cost	Upward adjustments	Total	Reclassifications	Purchases	Reclassifications	Disposals, sales and contributions		Historical cost	Upward adjustments	Total
							Historical cost	Upward adjustments			
Intangible fixed assets											
Start-up and expansion costs:											
Cost of capital increase to 5,006.05 billion lire (Resolution of the Stockholders' Meeting of 4/24/97)	1,342		1,342				(1,342)		-		-
Cost of capital increase to 3,082.128 million euros (Board Resolution of 12/10/01)					19,224				19,224		19,224
Leasehold improvements	651		651						651		651
	1,993		1,993		19,224		(1,342)		19,875		19,875
Concessions, licenses, trademarks and similar rights	789		789	48	31		(14)		854		854
Intangible assets in progress and advances	228		228		68	(48)	(6)		242		242
Other Intangible fixed assets											
Expenses connected to convertible facility					32,846				32,846		32,846
	3,010		3,010	48	52,169	(48)	(1,362)		53,817		53,817
Property, plant and equipment											
Land and buildings	45,865	918	46,783	127	74				46,066	918	46,984
Plant and machinery	10,220	37	10,257				(78)		10,142	37	10,179
Other fixed assets	8,325		8,325		2,899		(3,849)		7,375		7,375
Construction in progress and advances	127		127				(127)		-		-
	64,537	955	65,492	127	2,973	(127)	(3,927)		63,583	955	64,538

(in thousands of euros)	Gross value at beginning of fiscal year			Increases				Decreases		Gross value at end of fiscal year		
	Historical cost	Upward adjustments	Total	Capital increases, purchases	Reclassifications	Permanent losses in value		Disposals Sales		Historical cost	Upward adjustments	Total
						Historical cost	Upward adjustments	Historical cost	Upward adjustments			
Financial fixed assets												
Investments in:												
Subsidiaries	8,137,272	38,583	8,175,855	3,374,239		(406)	(171,799)			11,339,306	38,583	11,377,889
Associated companies				500						500		500
Other companies	160,747		160,747	14,866			(28,017)			147,596		147,596
	8,298,019	38,583	8,336,602	3,389,605		(406)	(199,816)			11,487,402	38,583	11,525,985
Loans to:												
Subsidiaries	25,823		25,823				(25,823)			-		-
	25,823		25,823				(25,823)			-		-
Other securities:												
Debt securities	75		75							75		75
	75		75							75		75

Revaluation of fixed assets

<i>Classes of assets</i> <i>(in thousands of euros)</i>	<i>Upward adjustments</i> <i>included in gross value</i> <i>at beginning of period</i>	<i>Increases</i>	<i>Deductions</i> <i>for divested</i> <i>assets</i>	<i>Upward adjustments</i> <i>included in gross value</i> <i>at end of period</i>
Property, plant and equipment				
Land and buildings	918			918
Plant and machinery	37			37
	955			955
Financial fixed assets				
Investments in:				
Subsidiaries	38,583			38,583

Depreciation and amortization of fixed assets

<i>Classes of assets</i> <i>(in thousands of euros)</i>	<i>Amortization</i> <i>and depreciation</i> <i>at beginning</i> <i>of fiscal year</i>	<i>Increases due</i> <i>to additions</i> <i>during the</i> <i>fiscal year</i>	<i>Decreases due</i> <i>to disposals</i> <i>during the</i> <i>fiscal year</i>	<i>Reclassi-</i> <i>fications</i>	<i>Amortization</i> <i>and depreciation</i> <i>at end of</i> <i>fiscal year</i>
Intangible fixed assets					
Start-up and expansion costs					
Cost of capital increase to 5,506.05 billion lire (Resolution of the Stockholders' Meeting of 4/24/97)	1,342		(1,342)		-
Cost of capital increase to 3,082.13 million euros (Board Resolution of 12/10/2001)		3,845			3,845
Leasehold improvements	494	130			624
	1,836	3,975	(1,342)		4,469
Concessions, licenses, trademarks and similar rights	763	43	(14)		792
Other Intangible fixed assets					
Expenses connected to convertible facility		2,970			2,970
	2,599	6,988	(1,356)		8,231
Property, plant and equipment					
Land and buildings	6,656	1,381			8,037
Plant and machinery	4,339	1,001	(78)		5,262
Other fixed assets	3,643	765	(1,343)		3,065
	14,638	3,147	(1,421)		16,364

Writedowns of financial fixed assets

<i>Classes of assets</i> <i>(in thousands of euros)</i>	<i>Writedowns</i> <i>at beginning</i> <i>of fiscal year</i>	<i>Increases due to</i> <i>additions during</i> <i>the fiscal year</i>	<i>Disposals during</i> <i>the fiscal year</i>	<i>Decreases due to</i> <i>Permanent losses</i> <i>in value</i>	<i>Reversals of</i> <i>writedowns</i>	<i>Writedowns</i> <i>at end of</i> <i>fiscal year</i>
Financial fixed assets						
Investments in:						
Subsidiaries	625,908	2,843,154				3,469,062
Other companies	5,088	1,641				6,729
	630,996	2,844,795				3,475,791

Art. 10, Law No. 72 of March 19, 1983 – Analysis of assets adjusted for inflation as of December 31, 2002

Classes of assets (in euros)	Historical cost		Upward adjustments permitted by Law			Upward adjustments included in carrying value at end of period
	not subject to upward adjustments	subject to upward adjustments	No. 74 of 2/11/52	No. 72 of 3/19/83	No. 413 of 12/30/91	
Property, plant and equipment						
Land and buildings	46,845,854	220,770	35,188	578,432	304,249	917,869
Plant and machinery	10,124,393	17,353		37,701		37,701
Other fixed assets	7,374,160					
	63,344,407	238,123	35,188	616,133	304,249	955,570

Classes of assets (in euros)	Historical cost			Upward adjustments permitted by Law			Upward adjustments included in carrying value at end of period
	not subject to upward adjustments	subject to upward adjustments	Valuation reserves	No. 74 of 2/11/52	No. 576 of 12/2/75	No. 72 of 3/19/83	
Financial fixed assets							
Investments in:							
Subsidiaries	11,311,405,361	27,900,943	(3,469,063,198)	48,494	2,123,212	36,411,284	38,582,990
Associated companies	500,000						
Other companies	147,596,590		(6,728,948)				
	11,459,501,951	27,900,943	(3,475,792,146)	48,494	2,123,212	36,411,284	38,582,990

List of investments in subsidiaries and associated companies required under Art. 2427, Section 5, of the Italian Civil Code and additional information specified in the Consob communication of February 23, 1994

I Subsidiaries

included in financial fixed assets

Company and registered office	Capital stock (in euros)	Result for the last fiscal year (in euros)	Stockholders (in euros)	% owned by Fiat S.p.A.	Number of shares	Total book value (in euros)
CNH Global N.V. - Amsterdam (Netherlands)						
At 12/31/01	-	-	-	-	-	-
I subscription of capital increase through contribution of financial receivables					240,500,000	1,016,698,372
I Contribution to Fiat Netherlands Holding B.V.					(240,500,000)	(1,016,698,372)
At 12/31/02	-	-	-	-	-	-
Iveco N.V. - Amsterdam (Netherlands)						
At 12/31/01	1,179,440,000	(163,057,000)	2,110,184,000	44.71	11,464,864	948,058,255
I Writedown to reflect loss in value						(280,025,156)
At 12/31/02	1,179,440,000	(535,031,895)	1,494,146,956	44.71 +55.29 indirect	11,464,864	668,033,099
Ferrari S.p.A. - Modena						
At 12/31/01	516,500	24,310,091	195,663,482	90.00	9,000	264,905,657
I Disposals					(3,400)	(104,230,177)
I Cancellation and issue of new shares following a capital increase on a non-contributory basis					(5,600)	
At 12/31/02	20,000,000	72,455,471	148,118,953	56.00	4,480,000	160,675,480
Teksid Partecipazioni S.p.A. (formerly Teksid S.p.A.) - Turin						
At 12/31/01	229,200,000	(101,621,900)	313,728,864	66.50	152,418,000	151,057,103
I Purchases (through exchange of Teksid S.p.A. shares)					76,782,000	67,569,165
I Merger with Fiat Partecipazioni S.p.A.					(229,200,000)	(218,626,268)
At 12/31/02	-	-	-	-	-	-
Teksid S.p.A. - Turin						
At 12/31/01	-	-	-	-	-	-
I Purchases					46,766,000	67,569,165
I Disposals (through exchange of Teksid Partecipazioni S.p.A. shares)					(46,766,000)	(67,569,165)
At 12/31/02	-	-	-	-	-	-
Magneti Marelli Holding S.p.A. - Turin						
At 12/31/01	-	-	-	-	-	-
Ordinary shares						
At 12/31/01	-	-	-	-	-	-
I Purchases					150,300,361	298,001,216
I Advance on capital contribution						492,555,689
At 12/31/02				100.00	150,300,361	790,556,905
Preference shares						
At 12/31/01	-	-	-	-	-	-
I Purchases					2,271,586	4,503,884
I Advance on capital contribution						7,444,311
At 12/31/02				98.99	2,271,586	11,948,195
At 12/31/02	152,595,000	(402,949,641)	754,587,980	99.99	152,571,947	802,505,100
Comau B.V. - Amsterdam (Netherlands)						
At 12/31/01	150,000	(6,431)	383,541,720	100.00	300	383,045,927
I Writedown to reflect loss in value						(349,673,666)
At 12/31/02	150,000	(350,169,459)	33,372,261	100.00	300	33,372,261

List of investments (continued)

Company and registered office	Capital stock (in euros)	Result for the last fiscal year (in euros)	Stockholders' equity (in euros)	% owned by Fiat S.p.A.	Number of shares	Total book value (in euros)
FiatAvio S.p.A. – Turin						
At 12/31/01	148,200,000	75,520,386	332,195,248	100.00	285,000,000	161,109,227
At 12/31/02	148,200,000	100,094,436	364,890,316	100.00	285,000,000	161,109,227
Itedi - Italiana Edizioni S.p.A. – Turin						
At 12/31/01	5,980,000	1,615,170	18,372,212	100.00	11,500,000	5,899,105
At 12/31/02	5,980,000	619,970	18,992,182	100.00	11,500,000	5,899,105
Toro Assicurazioni S.p.A. – Turin						
At 12/31/01	181,841,880	42,688,105	1,330,195,613	0.03	46,500	419,895
Ordinary shares						
At 12/31/01				-	-	-
At 12/31/02				-	-	-
				+100.00	indirect	
Preference shares						
At 12/31/01				0.06	46,500	419,895
At 12/31/02				0.06	46,500	419,895
At 12/31/02	181,841,880	24,787,248	1,165,202,946	0.03	46,500	419,895
Business Solutions S.p.A. – Turin						
At 12/31/01	101,412,065	154,772,952	526,602,775	100.00	101,412,065	229,558,489
At 12/31/02	101,412,065	(35,390,761)	491,212,014	100.00	101,412,065	229,558,489
Fiat GE.VA. S.p.A. – Turin						
At 12/31/01	224,440,000	3,490,392	299,574,700	100.00	224,440,000	222,262,897
At 12/31/02	224,440,000	15,327,404	314,902,104	100.00	224,440,000	222,262,897
Fiat International S.p.A. – Turin						
At 12/31/01	1,300,000	(859,953)	566,642	100.00	2,500,000	696,282
					(2,500,000)	
					1,300,000	
					(859,953)	
					859,953	859,953
At 12/31/02	1,300,000	51,813	1,478,408	100.00	1,300,000	1,556,235
Fiat Oriente S.A.E. (in liquidation) – Cairo (Egypt)						
At 12/31/01	EGP 12,455 50,000	4,155 16,681	78,521 315,223	100.00	12,500	7,472
At 12/31/02	EGP 10,331 50,000	2,448 11,849	67,580 327,072	100.00	12,500	7,472
Fiat USA Inc. – New York (USA)						
At 12/31/01	USD 19,096,789 16,830,000	9,522,800 8,392,444	34,952,444 30,803,589	100.00	1,000	34,644,823
At 12/31/02	USD 16,048,441 16,830,000	254,565 266,962	29,627,683 31,070,551	100.00	1,000	34,644,823
IHF - Internazionale Holding Fiat S.A. – Paradiso (Switzerland)						
At 12/31/01	CHF 1,348,708,611 2,000,000,000	49,612,944 73,571,034	1,681,564,586 2,493,592,124	100.00	2,000,000	668,897,557
At 12/31/02	CHF 1,377,031,121 2,000,000,000	15,892,733 23,082,606	1,732,769,712 2,516,674,730	100.00	2,000,000	668,897,557
Sicind S.p.A. – Turin						
At 12/31/01	1,547,290,108	(228,466,236)	1,739,303,584	100.00	1,547,290,108	1,898,435,910
						1,400,000,000
						(291,375,770)
At 12/31/02	1,547,290,108	(132,243,443)	3,007,060,140	100.00	1,547,290,108	3,007,060,140

List of investments (continued)

Company and registered office	Capital stock (in euros)	Result for the last fiscal year (in euros)	Stockholders' equity (in euros)	% owned by Fiat S.p.A.	Number of shares	Total book value (in euros)
"Orione" - Consorzio Industriale per la Sicurezza e la Vigilanza - Turin						
At 12/31/01	26,081	(309,377)	(283,296)	82.00 +15.00 indirect		21,108
At 12/31/02	26,342	(14,109)	12,233	82.01 +15.00 indirect		21,108
Fiat Partecipazioni S.p.A. (formerly Fiat Auto Partecipazioni S.p.A.) - Turin						
At 12/31/01	1,040,000,000	(43,655,860)	2,961,996,176	99.97	3,998,928,571	1,698,395,035
I Cancellation and reverse stock split of shares					(3,998,928,571) 1,039,721,428	
I Merger of Teksid Partecipazioni S.p.A.					229,200,000	218,626,268
I Writedown to reflect loss in value						(1,189,200,247)
At 12/31/02	1,667,963,158	(2,915,398,746)	956,652,282	76.08 +23.92 indirect	1,268,921,428	727,821,056
Fiat Netherlands Holding N.V. - Amsterdam (Netherlands)						
At 12/31/01	62,325,000	(353,438,000)	1,739,639,000	74.00	102,490,000	882,273,089
I Contribution of CNH Global N.V.					118,400,000	1,016,698,372
I Writedown to reflect loss in value						(732,359,100)
At 12/31/02	134,325,000	(1,290,175,839)	1,576,503,191	74.00 +26.00 indirect	220,890,000	1,166,612,361
Isvor Fiat S.p.A. - Società di Sviluppo e Addestramento Industriale - Turin						
At 12/31/01	780,000	235,914	1,015,914	26.00	202,800	202,800
Ordinary shares						
At 12/31/01				52.00	202,800	202,800
I Cancellation and capital replenishment					(202,800) 202,800	202,800
I Advance on capital contribution						286,000
I Writedown to reflect loss in value						(580,156)
At 12/31/02				52.00 +48.00 indirect	202,800	111,444
Preference shares						
At 12/31/01				-	-	-
At 12/31/02				-	-	-
At 12/31/02	780,000	(5,543,233)	428,630	26.00	202,800	111,444
Fiat Finance North America Inc. - Wilmington (USA)						
At 12/31/01				-	-	-
I Purchases					150	17,118,000
At 12/31/02				39.47 +60.53 indirect	150	17,118,000
Fiat Servizi per l'Industria SE.P.I.N. S.c.p.A. - Turin						
At 12/31/01	3,850,000	(4,678,862)	(828,862)	36.47	1,404,000	-
I Cancellation and capital replenishment					(1,404,000) 1,404,000	1,404,000
I Writedown to reflect loss in value						(319,687)
At 12/31/02	3,850,000	(876,837)	2,973,163	36.47 +63.53 indirect	1,404,000	1,084,313

List of investments (continued)

Company and registered office	Capital stock (in euros)	Result for the last fiscal year (in euros)	Stockholders' equity (in euros)	% owned by Fiat S.p.A.	Number of shares	Total book value (in euros)	
Fiat Revi S.c.r.l. – Turin							
At 12/31/01	300,000	(250,221)	300,000	9.00	quotas	27,000	27,000
┆ Advance on capital contribution							27,000
┆ Writedown to reflect loss in value							(26,637)
At 12/31/02	300,000	(295,968)	304,032	9.00 +91.00	quotas indirect	27,000	27,363
Consorzio Fiat Media Center – Turin							
At 12/31/01	193,671	-	193,671	1.72			5,165
At 12/31/02	214,329	-	214,329	1.59 +66.65	indirect		5,165
Consorzio "Sirio" per la Sicurezza Industriale – Turin							
At 12/31/01	55,426	(27,382)	59,091	1.58			764
At 12/31/02	56,139	6,909	66,714	1.59 +86.29	indirect		764
Elasis S.c.p.A. – Pomigliano d'Arco							
At 12/31/01	19,240,000	5,203,330	28,459,512	0.17		61,667	22,741
At 12/31/02	19,240,000	(7,618,741)	15,660,471	0.17 +71.93	indirect	61,667	22,741
┆ Total subsidiaries							7,908,826,095

┆ Associated companies
included in financial fixed assets

Company and registered office	Capital stock (in euros)	Result for the last fiscal year (in euros)	Stockholders' equity (in euros)	% owned by Fiat S.p.A.	Number of shares	Total book value (in euros)
GPWC Holdings B.V. – Amsterdam (Netherlands)						
At 12/31/01						
┆ Purchases					5,000	500,000
At 12/31/02	2,500,000	(1,756,389)	743,611	20.00	5,000	500,000
┆ Total associated companies						500,000
┆ Total subsidiaries and associated companies						7,909,326,095

List of investments in other companies and additional information specified in the Consob communication of February 23, 1994

■ Other companies included in financial fixed assets

Company and registered office	% owned by Fiat S.p.A.	Number of shares	Total book value (in euros)
Mediobanca S.p.A. – Milan			
At 12/31/01	1.65	12,837,000	77,977,270
■ Purchases		1,281,350	14,863,118
At 12/31/02	1.81	14,118,350 ^{*)}	92,840,388
Istituto per la Ricerca e la Cura del Cancro S.p.A. – Turin			
At 12/31/01	19.35	6,000,000	6,197,483
At 12/31/02	19.35	6,000,000	6,197,483
Istituto Europeo di Oncologia S.r.l. – Milan			
At 12/31/01	12.69		9,585,891
■ Writedown to reflect loss in value			(1,640,743)
At 12/31/02	12.69		7,945,148
Fin.Priv. S.r.l. – Milan			
At 12/31/01	14.29		14,354,662
At 12/31/02	14.29		14,354,662
Cartiere Burgo S.p.A. (formerly Dieci s.r.l.) – Verzuolo			
At 12/31/01	7.68	23,076,923	14,015,684
■ Disposals		(23,076,923)	(14,015,684)
At 12/31/02	-	-	-
Consortium S.r.l. – Milan			
At 12/31/01	2.27		19,527,217
■ Capitalized expenses			2,466
At 12/31/02	2.27		19,529,683
Tredicimarzo S.r.l. – Milan			
At 12/31/01	10.00		14,001,000
■ Capitalized expenses			309
■ Repayment of principal			(14,000,000)
■ Disposals			(1,309)
At 12/31/02	-		-
Consorzio Lingotto – Turin			
At 12/31/01	5.4		258
■ payment of partnership fee			21
At 12/31/02	5.4		279
■ Total other companies			140,867,643

*) Based on market prices on December 30, 2002.

% owned by Fiat
The indirect percentage held in the ordinary capital of subsidiaries is also indicated.

Treasury stock at December 31, 2002

	% owned by Fiat S.p.A.	Number of shares	per share (in euros)	Book value		Par value per share (in euros)	Par value total (in euros)
				total (in euros)	per share (in euros)		
Ordinary shares							
At 12/31/01	0.38	2,100,000	17.88	37,541,700	5.00	10,500,000	
! purchases		249,372	14.18	3,536,275	5.00	1,246,860	
! Chairman's compensation		(18,952)	14.18	(268,753)	5.00	(94,760)	
! writedown to market value during the month of December				(20,434,360)			
At 12/31/02	0.38	2,330,420	8.74	20,374,862 *) 18,081,729	5.00	11,652,100	

*) Based on market prices on December 30, 2002.

Tax status of equity reserves and other reserves — Presidential Decree No. 917 of December 22, 1986

Description	Total amount of equity reserves and other reserves which would be included in the Company's taxable income in the event of distribution (in euros)	Total amount of other reserves generated from net income (in euros)	Total amount of equity reserves and other reserves which would not be included in the stockholders' taxable income in the event of distribution (in euros)	Total (in euros)
Additional paid-in capital			2,327,119,028	2,327,119,028
Revaluation reserve under Law No. 413 of Dec. 30, 1991	22,590,857			22,590,857
Legal reserves	520,153,616	48,573,886	90,612,509	659,340,011
Treasury stock valuation reserve		20,374,862		20,374,862
Other reserves				
Extraordinary reserve	16,526,621	95,726,966		112,253,587
Reserve for purchases of treasury shares	299,115,106	680,510,032		979,625,138
Out-of-period income reserve under Art. 55 of Presidential Decree No. 917 of Dec. 22, 1986 (Law No. 675 of Aug. 12, 1977, Art. 18)	1,914,925			1,914,925
Reserve for capital grants under Art. 102 of Presidential Decree No. 1523 of June 30, 1967	17,027,454	665,644		17,693,098
Reserve for investment grants under Regional Law No. 19/84	92,962	29,818		122,780
Retained earnings		763,109,624		763,109,624
	877,421,541	1,608,990,832	2,417,731,537	4,904,143,910

In accordance with specific resolutions of the Stockholders' Meeting, the following reserves were transferred to stockholders' equity

I Reserve under Art. 34 of Law No. 576 of 12/2/75	453,070,328
I Revaluation reserve under Law No. 576 of 12/2/75	97,675,103
I Revaluation reserve under Law No. 72 of 3/19/83	266,350,533

which in the event of distribution would be included in the Company's taxable income, and:

I Revaluation reserve under Law No. 74 of 2/11/52	20,052,596
I Extraordinary reserve	953,046

Analysis of cash flow*(in thousands of euros)*

	2002	2001
A. Initial short-term borrowings	(119,987)	(224,849)
B. Cash flow — operating activities		
Net result for the fiscal year	(2,052,621)	378,673
Depreciation and amortization	10,135	3,706
Capital gains on sale of fixed assets	(672,557)	121
Writedowns of equity investments	2,845,201	3,538
Net change in reserve for employee severance indemnities and other reserves	7,608	697
Changes in capital stock	68,790	195,239
	206,556	581,974
C. Cash flow — investing activities		
Investments in fixed assets		
Equity investments	(3,322,036)	(110,773)
Other fixed assets	(55,136)	(2,960)
Selling price, or redemption value, of long-term investments	833,133	2,371
	(2,544,039)	(111,362)
D. Cash flow — financing activities		
New borrowings	3,000,000	90,000
Contributions by stockholders	1,020,219	-
Repayment of borrowings	-	(103,291)
	4,020,219	(13,291)
E. Distribution of net income	(202,755)	(352,459)
F. Net cash flow for the period	(B+C+D+E)	104,362
G. Final short-term financial assets	(A+F)	(119,987)

Fees paid to Directors, Statutory Auditors and Chief Operating Officers (in thousands of euros) (Article 78 of Consob Regulations, Resolution No. 11971 of May 14, 1999)

First name and last name	Position held	Term of office	Expiration (*)	Compensation for office held	Non-cash benefits (**)	Bonuses and other incentives	Other compensation
Paolo Fresco	Chairman and Chief Executive Officer	1/1 - 12/31	(***)	1,151.4	49.2		
				1)			
Franzo Grande Stevens	Director and Secretary of the Board	1/1 - 12/13	2005	337.5	30.6		49.6
	Vice Chairman	12/13 - 12/31		2)			
Alessandro Barberis	Chief Operating Officer	6/27 - 12/13	2003	-			609.6
	Chief Executive and Operating Officer	12/13 - 12/31					3)
Angelo Benessia	Director	1/1 - 12/31	2005	96.5	30.6		
Flavio Cotti	Director	1/1 - 12/31	2005	75.5	30.6		
John Philip Elkann	Director	1/1 - 12/31	2005	96.5	30.6		
Gabriele Galateri di Genola	Director	1/1 - 12/31	2005	1,028.0	35.6		18.6
	Chief Executive and Operating Officer	6/27 - 12/13		4)			
Virgilio Marrone	Director	1/1 - 12/31	2005	75.5	30.6		
				5)			
Felix George Rohatyn	Director	1/1 - 12/31	(***)	51.5	30.6		
John Francis Welch	Director	1/1 - 12/31	(***)	62.4	30.6		
				6)			
Hermann-Josef Lamberti	Director	5/14 - 12/31	2005	55.8	26.3		
Daniel John Winteler	Director	12/10 - 12/31	2003	7.4	2.8		
				5)			
Pierluigi Bernasconi	Director	5/14 - 12/10	expired	42.1	23.5		
				5)			
Franco Bernabè	Director	1/1 - 5/14	expired	19.8	4.3		
Carl L. von Boehm-Bezing	Director	1/1 - 5/14	expired	22.8	4.3		
Paolo Cantarella	Chief Executive Officer	1/1 - 6/10	expired	1,351.9	7.5		20,052.9
							7)
Ugo Draetta	Director	9/12 - 12/13	expired	21.5	11.6		
Gianfranco Guty	Director	1/1 - 5/14	expired	16.8	4.3		
Cesare Ferrero	Chairman of the Board of Statutory Auditors	1/1 - 12/31	2003	62.0			89.2
Giorgio Ferrino	Statutory Auditor	1/1 - 12/31	2003	41.3			41.0
Lamberto Jona Celesia	Statutory Auditor	1/1 - 12/31	2003	41.3			137.7

(*) Year in which the Stockholders' Meeting is convened for approval of the financial statements, coinciding with expiration of the term of office. The Board resigned effective from the date of the 2003 Stockholders' Meeting.

(**) They include the pro-rata share of the insurance policy approved by the Stockholders' Meeting and the use of means of transport.

(***) Expired on February 28, 2003.

1) Since May 14, 2002 the gross semiannual fee for the office of Chairman has been based on the average stock market value of 70,000 ordinary Fiat shares during the months of April and October, with net amount being converted into ordinary Fiat shares.

2) The fee for the post of Secretary amounted to 250 thousand euros.

3) Gross fee for employment as Chief Operating Officer. No compensation was paid for his services as Chief Executive Officer.

4) The fee for the post of Chief Executive Officer and Chief Operating Officer amounted to 931.5 thousand euros.

5) The fee is paid directly to the company of which this Director is an employee.

6) The fee, upon request of the Director, is deferred up to the expiration of his office and will be paid in ordinary Fiat shares pursuant to the resolutions of the Stockholders' Meetings of June 5, 2000 and May 14, 2002.

7) His severance indemnity totaled 20,033.91 thousand euros, of which 9,296.2 is to be paid over 20 years.

Stock Options granted to Directors and Chief Operating Officers (Article 78 of Consob Regulations, Resolution No. 11971 of May 14, 1999)

Grantees	Office held at the date of the grant	Options held at the beginning of the year			Options granted during the year			Options exercised during the year		Options expired		Options held at the end of the year	
		Number of options	Average exercise price	Exercise period (mm/yy)	Number of options	Average exercise price	Exercise period (mm/yy)	Number of options	Average exercise price	Average market price at exercise date	Number of options	Number of options	Average exercise price
Paolo Fresco	Chairman and Chief Executive Officer	1,250,000	26.202	1/7-8/10	1,000,000	13.63	5/1-10/1				2,250,000	20.614	1/7-10/1
Alessandro Barberis	Chief Operating Officer	—			150,000	12.96	3/6-10/6				150,000	12.96	3/6-10/6
Gabriele Galateri	Chief Executive and Operating Officer	—			400,000	12.96	3/6-10/6				400,000	12.96	3/6-10/6
Paolo Cantarella	Chief Executive Officer	450,000	28.841	1/7-9/2							450,000 (*)		

(*) Options expired upon termination of office.

Turin, March 27, 2003

The Board of Directors

By:

V. A. 1-14

Umberto Agnelli

Chairman

Report of the Independent Auditors on the Consolidated Financial Statements pursuant to art. 156 of Legislative Decree no. 58 of February 24, 1998

To the Stockholders of Fiat S.p.A.:

1. We have audited the consolidated financial statements of Fiat S.p.A. and subsidiaries as of and for the year ended December 31, 2002. These consolidated financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with generally accepted auditing standards in Italy as recommended by the Italian Regulatory Commission for Companies and the Stock Exchange ("Consob"). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement and are, as a whole, reliable. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the adequacy and the fairness of the accounting principles used and the reasonableness of the estimates made by the Directors. We believe that our audit provides a reasonable basis for our opinion.

The financial statements of certain subsidiaries and affiliates principally in the Components and Insurance sectors, which statements reflect total assets representing 25% of consolidated total assets and revenues representing 14% of consolidated revenues, have been audited by other auditors who have provided us their reports thereon. Our opinion expressed herein, insofar as it relates to the amounts included in the consolidated financial statements for those subsidiaries and affiliates, is based also on the audits performed by other auditors.

For our opinion on the prior year's consolidated financial statements, which are presented for comparative purposes as required by law, reference should be made to our auditors' report dated April 9, 2002 issued under our firm's former name "Arthur Andersen S.p.A."

3. In our opinion, the consolidated financial statements of Fiat S.p.A. and subsidiaries as of and for the year ended December 31, 2002 comply with the Italian statutory provisions governing the criteria for their preparation; accordingly, they give a true and fair view of the financial position and results of operations of the Company and its subsidiaries.

Turin, Italy
March 31, 2003

Deloitte & Touche Italia S.p.A.



Colin Johnston - Partner

This report and the consolidated financial statements to which it refers have been translated into English from the original version in Italian. The consolidated financial statements have been prepared in accordance with the Italian law related to such financial statements. Certain accounting practices applied by the Company that conform with generally accepted accounting principles in Italy, may not conform with generally accepted accounting principles in other countries.

Report of the Independent Auditors on the Financial Statements pursuant to art. 156 of Legislative Decree no. 58 of February 24, 1998

To the Stockholders of Fiat S.p.A.:

1. We have audited the financial statements of Fiat S.p.A. as of and for the year ended December 31, 2002. These financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with generally accepted auditing standards in Italy as recommended by the Italian Regulatory Commission for Companies and the Stock Exchange ("Consob"). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and are, as a whole, reliable. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the adequacy and the fairness of the accounting principles used and the reasonableness of the estimates made by the Directors. We believe that our audit provides a reasonable basis for our opinion.

The financial statements of certain directly-held and indirectly-held investments in subsidiaries and affiliates, principally in the Components and Insurance sectors, which statements reflect total assets representing 25% of consolidated total assets and revenues representing 14% of consolidated revenues, have been audited by other auditors who have provided us their reports thereon. Our opinion expressed herein, insofar as it relates to the valuation of the investments recorded in the statutory financial statements, is therefore based also on the audits performed by other auditors.

For the opinion on the prior year's financial statements, which are presented for comparative purposes as required by law, reference should be made to our auditors' report dated April 9, 2002 issued under our firm's former name "Arthur Andersen S.p.A."

3. In our opinion, the financial statements of Fiat S.p.A. as of and for the year ended December 31, 2002 comply with the Italian statutory provisions governing the criteria for their preparation; accordingly, they give a true and fair view of the Company's financial position and results of operations.

Turin, Italy
March 31, 2003

Deloitte & Touche Italia S.p.A.



Colin Johnston - Partner

This report and the financial statements to which it refers have been translated into English from the original version in Italian. The financial statements have been prepared in accordance with the Italian law related to such financial statements. Certain accounting practices applied by the Company that conform with generally accepted accounting principles in Italy, may not conform with generally accepted accounting principles in other countries.

Report of the Board of Statutory Auditors pursuant to Article 41 of Legislative Decree No. 127/1991

Dear Stockholders,

The consolidated financial statements of the Fiat S.p.A. Group at December 31, 2002, including the balance sheet, statement of operations and respective notes, which are being submitted for your consideration, show net loss of 3,948 million euros.

They were communicated to us within the statutory deadlines, together with the Report on Operations, and were prepared in accordance with the method of presentation required under Legislative Decree No. 127 of April 9, 1991.

The tests carried out by Deloitte & Touche Italia S.p.A., which is responsible for the audit, have shown that the amounts included in the financial statements are consistent with the Parent Company's accounting records, the statutory and consolidated financial statements of its subsidiaries and the official information provided by said subsidiaries.

The financial statements communicated by the subsidiaries to the Parent Company for the purpose of compiling the consolidated financial statements were prepared by the respective management entities, reviewed by the entities and/or individuals responsible for monitoring each individual company, as required under the pertinent legal systems, and audited by

independent accountants, in accordance with the procedure required for certification of the consolidated financial statements. Consequently, the Board of Statutory Auditors did not review these financial statements.

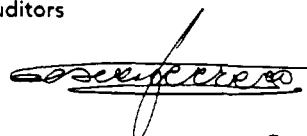
The determination of the scope of consolidation, the selection of the principles used to consolidate investments in subsidiaries and associated companies and the procedures used for that purpose comply with the requirements of Legislative Decree No. 127 of April 9, 1991. Therefore, the structure of the consolidated financial statements is technically correct and overall consistent with the pertinent legislation. In particular, it also provides the information required by Consob with registered letter DAC/RM/97002477 of March 14, 1997 concerning companies whose securities are listed both in Italy and in regulated markets in North America.

The Report on Operations presents fairly the results and financial position, as well as the operations in 2002 and the events that have occurred since the end of the fiscal year, for the complex of companies subject of the consolidation process. Based on our examination, this report is consistent with the consolidated financial statements.

Turin, April 17, 2003

The Statutory Auditors

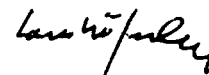
Cesare Ferrero



Giorgio Ferrino



Lamberto Jona Celesia



Report of the Board of Statutory Auditors pursuant to Article 153 of Legislative Decree No. 58/1998, and Article 2429, Section 3, of the Italian Civil Code

The "Avvocato" Giovanni Agnelli is no longer with us. While reaffirming our deepest condolences to his family, we know that his memory will remain in our hearts forever.

Dear Stockholders,

Article 153 of Legislative Decree No. 58 of February 24, 1998 requires that the Board of Statutory Auditors report to the Stockholders' Meeting the results of its oversight activity, indicating any omissions or improper transactions it discovered, and empowers it to put forth motions regarding the financial statements, their approval and other matters under its jurisdiction.

This Report is provided in accordance with the abovementioned provision.

During the fiscal year just ended, we performed the duties incumbent upon us under Article 149 of Legislative Decree No. 58 of February 24, 1998, and are able to report specific information on the subjects listed below.

We attended the meetings of the Board of Directors, where we received detailed information on the Company's operations and on the main operating, financial and asset transactions carried out or in the process of being carried out by the Company and/or its subsidiaries. In this area, we determined and ascertained that all pending or completed transactions comply with all pertinent provisions of the law or the Articles of Association, are not in conflict with any resolution adopted by the Stockholders' Meeting or produce no potential conflicts of interest, and are consistent with the principles of good management.

The Company's organization is adequate, based on the size of the Company. As part of our work, we met with the Company officials who oversee its organization and with representatives of the Independent Auditors, from whom we obtained comprehensive information indicating that the Company was complying with the principles of fair and efficient administration.

The Board of Directors established an Audit Committee and a Compensation Committee. In addition, a system of internal control has been created at the Group level and is operational at Fiat S.p.A. and its subsidiaries. We express a favorable opinion on the Company's system of internal control, and on its ability to check the proper implementation of the internal operating and administrative procedures adopted to ensure that the Company is managed correctly and efficiently, while at the same time identifying, preventing or minimizing financial and operating risks and the danger of fraud.

Based on our determinations and on the information garnered in previous fiscal years, we further believe that the Company's administrative and accounting system is adequate for the purpose of presenting fairly the results of operations.

The guidelines provided by Fiat S.p.A. to its subsidiaries pursuant to Article 114, Section 2, of Legislative Decree No. 58/98 also appear to be adequate.

The Board of Directors provided us with the Report on Operations for the first half of 2002 within the statutory deadline and published it in accordance with the formalities required by the Consob. It also complied with statutory requirements as regards quarterly reports.

With regard to the Consob Communications of February 20, 1997, March 2, 1998 and April 6, 2001, insofar as they apply to our task, we can confirm the following:

- The information provided by the Board of Directors in its Report on Operations is exhaustive and complete.
- As required by the Consolidated Law on Financial Intermediation (Legislative Decree No. 58-98), the Board of Statutory Auditors has been informed on a constant basis on matters falling under its jurisdiction.
- The checks and audits of the Company conducted by us on a periodic basis reveal no atypical or unusual transactions.
- With regard to intra-Group transactions, the Board of Directors mentions in its Report on Operations that numerous transactions involving the delivery of goods and the provision of services took place among the Company, the Group companies and/or related parties on standard market terms, and explains these transactions.
- The Auditors' report neither contains objections nor does it draw attention to any particular event or set forth relevant qualifications or suggestions.
- As already mentioned above, the relevant components of the Company's organization are adequate for their purpose and its administrative and accounting system is reliable in providing a fair presentation of the results from operations.
- The system of internal control is adequate and effective and, as explained in the Report on Operations, is carefully monitored by the Audit Committee.
- During 2002, the Board of Directors met 13 times. We were present at all of these meetings. The Board of Statutory Auditors met 14 times. The independent auditors attended four of these meetings.
- The Board of Statutory Auditors received no complaints under Article 2408 of the Italian Civil Code and, at this point, is not aware of any memoranda sent to Fiat S.p.A.
- During the course of the year we issued the various opinions that the Board of Statutory Auditors is required to provide pursuant to law.
- The Company has complied promptly with the recommendations of the Code of Conduct issued by the Committee for the Corporate Governance of Listed Companies and a member of the Board of Statutory Auditors was present at all Audit Committee meetings.
- The auditing firm of Deloitte & Touche Italia S.p.A., which already audits the Company's statutory financial statements

and the consolidated financial statements, performs a limited audit of the semiannual report and audits the Form 20-F, was also asked to perform the assignments listed below, for which it received the fees listed separately in each case.

- Required analysis of the accounting treatment under Italian, international and U.S. accounting principles of extraordinary transactions carried out by Fiat S.p.A. and its subsidiaries (fees totaling 18,000 euros).
- Professional fees for accounting services connected with the Cartridge Project and Box Project (fees totaling 27,000 euros);
- Assistance in implementing the project "Adoption of International Accounting Principles (IAS) (fees totaling 24,000 euros)";
- Services provided in connection with projects undertaken by Fiat S.p.A. for "maintenance of the Group administration and control structure (fees totaling 60,000 euros)";

- Audit of the costs incurred for the automotive engineering degree program, as set forth in a report by the Permanent Joint Committee (fees totaling 5,200 euros).

Based on our direct audits and the information received from the Independent Auditors, we have verified that the statutory financial statements, which show a net loss of 2,052,620,996 euros, against an income of 378,673,294 euros in the previous fiscal year, as explained in the Report on Operations, have been prepared and presented in accordance with the applicable provisions of law. Therefore, we recommend that you approve them, together with the motion to cover the loss for the year submitted by the Board of Directors.

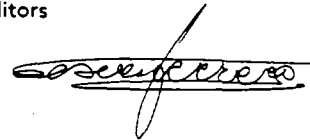
The Board of Directors has also asked you to approve the purchase of treasury shares, for the amounts and with the procedures and deadlines set forth in the respective motion. Insofar as it concerns matters under our jurisdiction, we certify that the proposed transaction is consistent with the provisions of the pertinent legislation.

We take this opportunity to thank you for your confidence and to inform you that our term of office has expired.

Turin, April 17, 2003

The Statutory Auditors

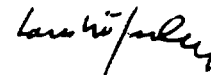
Cesare Ferrero

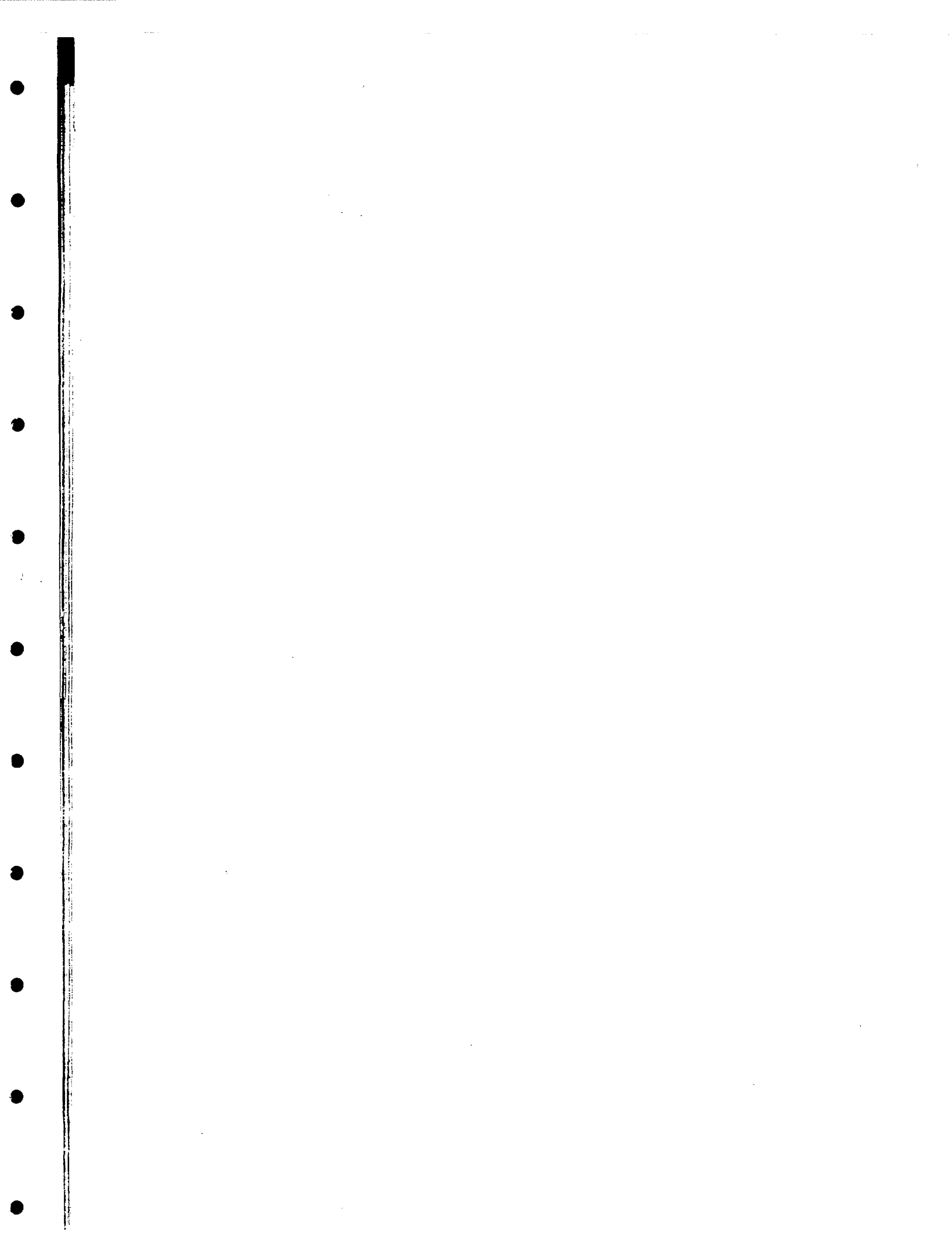


Giorgio Ferrino



Lamberto Jona Celesia





Other Items on the Agenda and Related Reports and Motions

Motion to Purchase Treasury Shares and Modalities of their Disposition

Dear Stockholders,

We ask you, as is customary, to renew the authorization empowering the Board of Directors to purchase treasury shares and dispose of them, setting the respective limits and procedures pursuant to Article 2357 of the Italian Civil Code.

We would in fact like to remind you that the ability to purchase treasury shares, apart from being connected to the need to service stock options already granted, also provides the Board of Directors with useful strategic potential and a management tool.

We ask you to authorize us to purchase, for an 18-month period, a maximum number of shares of all three classes equal to 10% of the capital stock (61,642,560 shares with a par value of 5 euros each). Considering that treasury shares held by the Company may not exceed the abovementioned ceiling set by law and that Fiat and its subsidiaries hold approximately 20 million shares, we hereby inform you that at present approximately 40 million shares may still be purchased.

The maximum and minimum purchase price per share may be set in amounts directly related to market quotations and thus the reference price reported on the Stock Exchange on the day before the intended purchase, with the maximum and minimum prices being 10% more or less than this price, respectively.

Nevertheless, we intend to maintain available reserves for purchases of an aggregate maximum amount of 1 billion euros including previously restricted reserves for treasury stock.

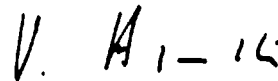
To ensure equal treatment for all stockholders, these purchases will be made using the Mercato Telematico Azionario following the procedures set by Borsa Italiana. Should the opportunity arise, tender offers may also be used.

The purchased shares, provided you confirm the authorization that empowers us to use said shares, may also be used to service stock options already granted to executives and directors, and to service additional stock option plans which the Board of Directors may approve in the future with exercise prices based on the value of the Fiat shares at the time the options are granted.

Furthermore, the sale price of shares not included in stock option plans should be such that it does not have a negative financial impact on the Company.

The Board of Directors

By:



Umberto Agnelli

Chairman

Appointment of the Board of Directors after determining the Number of its Members and their Fees

Dear Stockholders,

In consequence of the replacement of five directors during the first year of its term, the Board of Directors has decided to resign effective on the date of the Stockholders' Meeting. This will permit the Stockholders' Meeting to appoint an entirely new Board of Directors also in respect of the recommendations contained in the Code of Conduct for listed companies regarding independent directors.

Therefore the Stockholders' Meeting is asked to:

- set the number of members that will constitute the Board of Directors between a minimum of nine and a maximum of fifteen members, as envisaged by Article 13 of the Articles of Association,
- appoint the Directors to a new term, albeit in compliance with the rules set forth in the Articles of Association that no one over the age of 75 may be nominated,
- set the fees to be paid to the members of the Board of Directors or the procedures for computing them.

Because a special committee of directors has not been formed to make nominations, the Board of Directors has directed the Chairman, in conjunction with the most important stockholders, to handle personally the preparation of motions for nominations to be submitted to the Stockholders' Meeting.

In regard to Directors' fees, it is suggested that the annual compensation for each Director comprise the following:

- 50,000 euros to be paid pro-rata within the end of the fiscal year
- an additional sum based on a fee of 3,000 euros for every board or committee meeting attended by the director, with the exception of directors with executive authority
- the proportional amount of the insurance premium for a maximum coverage limit of approximately 50 million euros to cover civil liability deriving from legal and contractual obligations connected with directors' duties.

Finally, we move that the appointed directors not be restricted by the prohibition envisaged in Article 2390 of the Italian Civil Code.

The Board of Directors

By:

V. A1-14

Umberto Agnelli
Chairman

Appointment of the Board of Statutory Auditors, its Chairman and Determination of the Relevant Fees

Dear Stockholders,

The term of office of the Board of Statutory Auditors expires on the date of the Stockholders' Meeting that will approve the Financial Statements at December 31, 2002. Consequently, you are asked to elect a new oversight body which, pursuant to Article 19 of the Articles of Association, must comprise three Statutory Auditors and three Alternate Auditors. The minority has the right to appoint one statutory and one alternate auditor.

To that effect, stockholders who, alone or together with others, hold ordinary shares representing at least 3% of the total, may submit lists of candidates for the posts of Statutory Auditor and Alternate Auditor. These lists, together with affidavits signed by the individual candidates attesting that they meet statutory requirements and those set forth in the Articles of Association, must be filed at the Head Office of the Company by April 30 2003. The ownership of an interest equal to or greater than 3% of the ordinary shares (12,996,615 shares) by the stockholders who submit a list must be verified by an appropriate certification issued by authorized intermediaries, unless the shares in question are deposited in a securities account directly at the Company.

As required under the Articles of Association, the first two Statutory Auditors and the first two Alternate Auditors will be taken from the list that received the highest number of votes. The third Auditor will be taken from the list that received the second highest number of votes. In both cases, the Auditors will be chosen in the order in which they are indicated on the respective lists. The first candidate on the list that received the most votes will be appointed Chairman of the Board of Statutory Auditors.

In determining the fee payable to the Statutory Auditors, we recommend that you set their annual compensation on the basis of the professional fees charged by Italian certified public accountants and therefore 42,000 euros for the Statutory Auditors and 63,000 euros for the Chairman, unless different regulations become applicable upon the future enactment of the Regulations that implement Article 13 of Presidential Decree No. 88/92.

The Board of Directors

By:

V. A1-14

Umberto Agnelli
Chairman

Appointment of the Independent Auditors for the 2003-2005 Period

Dear Stockholders,

The contract awarded to the independent auditor Arthur Andersen S.p.A. for the 2000-2002 period by the Stockholders' Meeting of June 23, 1999 expired. Therefore, we ask that you express your preference for award of a new contract for the 2003-2005 period.

In the meantime, Arthur Andersen S.p.A. has joined the international network of Deloitte & Touche and changed its business name to Deloitte & Touche Italia S.p.A. Thus, two companies are operating in Italy under the names "Deloitte & Touche S.p.A." and "Deloitte & Touche Italia S.p.A." and, on request by Consob, they have committed themselves to act "as a single legal entity" when they accept new statutory audit commissions until integration of the two entities is completed, which should occur by the end of 2003. The commitments assumed by the D & T network did not involve any change in their relationship with your Company for the 2000-2002 period and the auditors' reports on the 2002 statutory financial statements issued under the new business name "Deloitte & Touche Italia S.p.A."

The aforesaid commitment requires that the rule envisaged in Article 159, paragraph 4 of Legislative Decree No. 58/1998, which states that an independent auditor may be commissioned for a maximum of nine years (three distinct three-year contracts), be applied to both of the companies that, in Italy, belong to the international network of Deloitte & Touche Tohmatsu.

Accordingly, we have asked Deloitte & Touche Italia S.p.A. to submit a bid for auditing services during the 2003-2005 period and thus exploit on the one hand, the Company's familiarity with the auditing procedures of the independent auditor and on the other hand, the independent auditor's familiarity with the accounting techniques, administrative procedures, and internal control system of the Company in order to realize synergies and savings with respect to other solutions.

However, the growing severity of international auditing rules following recent events in the United States has entailed improvements in the quality of resources dedicated to auditing activities and thus an inevitable increase in costs.

The proposal made by Deloitte & Touche Italia realizes the envisaged synergies by reducing scheduled work time, thereby limiting the cost increases stemming from the higher average level of employed resources.

As usual, the independent auditors' work consists of:

- the activities envisaged in Articles 155 and 156 of the Consolidated Law on Financial Intermediation and, therefore, audits of proper bookkeeping and reporting of management activities in the account ledgers, the consistency of statutory and consolidated financial statements with accounting records, and their conformity with applicable norms

- limited audits of first half reports and the audit procedures agreed on for auditing of quarterly reports
- further audit of the consolidated financial statements prepared in conformity with Form 20 F for submission to the United States Securities and Exchange Commission

The expected annual fee is 160,000 euros; it may change in the event of exceptional or unforeseen circumstances or changes in the structure of the Company or Group and will be adjusted starting in 2004 according to the ISTAT cost of living increase.

Deloitte & Touche Italia S.p.A. has also been appointed to audit most of the Italian and foreign subsidiaries; therefore, along with the motion for appointment that we are submitting for your approval you will find enclosed the Group auditing plan, which also includes the subsidiaries that have retained other auditors (Reconta E. & Y. and KPMG).

Deloitte & Touche Italia SpA	
Fiat SpA	160
Automobiles	4,082
Agricultural and Construction Equipment	3,408
Commercial Vehicles	2,343
Ferrari S.p.A.	141
Metallurgical Products	395
Production Systems	1,055
Aviation	253
Publishing and Communications	63
Services	412
Miscellaneous and Holding Companies	932
	13,244
Reconta Ernst & Young SpA	
Components	1,300
Insurance	436
	1,736
KPMG	
Insurance companies with mandates expiring after 2002	209
	209
Grand total	15,189

Therefore, we move that you appoint Deloitte & Touche Italia S.p.A. for the 2003-2005 period and approve payment of 160,000 euros per annum as the fee for its work on behalf of your Company.

The Board of Directors

By:

V. Agnelli

Umberto Agnelli
Chairman

**Opinion of the Board of Statutory Auditors on the
Appointment of Deloitte & Touche Italia S.p.A. as
Independent Auditors**

Dear Stockholders,

Article 159 No.1 of Legislative Decree No. 58 of February 24,
1998 provides that:

"The Stockholders' Meeting called to approve the Annual
Report shall appoint an independent auditor entered in the
special register envisaged at Article 161 to audit the statutory
and consolidated financial statements after receiving the
opinion of the Board of Statutory Auditors. It shall set the fee
to be paid to the independent auditor."

We have carefully examined the proposal submitted by Deloitte
& Touche Italia S.p.A., which the Directors have nominated as

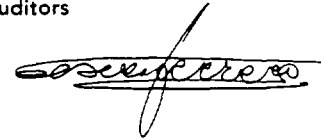
independent auditors for the 2003-2005 period. This has
allowed us to issue a favorable opinion on said proposal with
respect to the aforesaid norm, with the following qualifications

- to the extent of our knowledge, no situations exist as to cast
doubt on the independence of Deloitte & Touche Italia S.p.A.
with respect to Fiat S.p.A.;
- based on our examination, we find that the sequence and
procedures of the proposed audit are exhaustive and
envisage an appropriate and complete audit plan consistent
with generally accepted principles;
- to the extent of our knowledge, the organization and
operating structure of the independent auditors ensure
that the auditing activities will fully satisfy the extent
and complexity of the work assigned;
- Deloitte & Touche Italia S.p.A. is an independent auditor
entered in the special register of qualified auditors kept
by Consob.

Turin, April 17, 2003

The Statutory Auditors

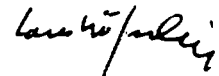
Cesare Ferrero



Giorgio Ferrino



Lamberto Jona Celesia



Principal Fiat Group Companies

Automotive Companies

Automobiles

Fiat Auto Holdings B.V. Netherlands	Fiat Automobil AG Germany
Fiat Auto S.p.A. Italy	Fiat Automobil GmbH Austria
SATA - Società Automobilistica Tecnologie Avanzate S.p.A. Italy	Fiat Automobiler Danmark A/S Denmark
Fiat Auto Argentina S.A. Argentina	Fiat Automóveis S.A. - FIASA Brazil
Fiat Auto (Belgio) S.A. Belgium	Fiat CR Spol S.R.O. Czech Republic
Fiat Auto España, S.A. Spain	Fiat India Automobiles Private Limited India
Fiat Auto (France) S.A. France	Fiat Magyarország Kereskedelmi KFT. Hungary
Fiat Auto Hellas S.A. Greece	Società Europea Veicoli Leggeri-Sevel S.p.A. (*) Italy
Fiat Auto (Ireland) Ltd. Ireland	Fiat-GM Powertrain B.V. (*) Netherlands
Fiat Auto Japan K.K. Japan	GM-Fiat Worldwide Purchasing B.V. (*) Netherlands
Fiat Auto Maroc S.A. Morocco	Société Européenne de Vehicules Legers du Nord-Sevelnord Société Anonyme (*) France
Fiat Auto Nederland B.V. Netherlands	Tofas-Türk Otomobil Fabrikasi Tofas A.S. (*) Turkey
Fiat Auto Poland S.A. Poland	Ferrari S.p.A. Italy
Fiat Auto Portuguesa, S.A. Portugal	Maserati S.p.A. Italy
Fiat Auto South Africa (Proprietary) Ltd South Africa	
Fiat Auto (Suisse) S.A. Switzerland	
Fiat Auto (U.K.) Ltd United Kingdom	

Agricultural and Construction Equipment

CNH Global N.V. Netherlands	O&K Orenstein & Koppel AG Germany
Case New Holland Italia s.p.a. Italy	Shanghai New Holland Agricultural Machinery Corporation Limited People's Rep. of China
Fiat Kobelco Construction Machinery S.p.A. Italy	Al-Ghazi Tractors Ltd. (**) Pakistan
Case Harvesting Systems GmbH Germany	Consolidated Diesel Company (*) U.S.A.
Case LLC U.S.A.	Kobelco Construction Machinery Co. Ltd. (*) Japan
CNH Australia Pty Limited Australia	LBX Company LLC (*) U.S.A.
CNH Belgium N.V. Belgium	New Holland de Mexico SA de CV (*) Mexico
CNH Canada Ltd. Canada	New Holland Trakmak Traktor A.S. (*) Turkey
CNH Deutschland GmbH Germany	Türk Traktör Ve Ziraat Makinaleri A.S. (**) Turkey
CNH France S.A. France	
CNH Latino Americana Ltda Brazil	
CNH Maquinaria Spain S.A. Spain	
CNH Österreich GmbH Austria	
CNH U.K. Limited United Kingdom	
Kobelco Construction Machinery America LLC U.S.A.	
New Holland North America Inc. U.S.A.	

FiatSava S.p.A.
Italy

Fidis Renting Italia S.p.A.
Italy

Fidis Retail Italia S.p.A.
Italy

Fidis S.p.A.
Italy

Leasys S.p.A.
Italy

Sava-Leasing Società per Azioni
Italy

Savarent Società per Azioni
Italy

Banco Fiat SA
Brazil

FC France SA
France

Fiat Auto Contracts Ltd
United Kingdom

Fiat Auto Financial Services Limited
United Kingdom

Fiat Bank GmbH
Germany

Fiat Bank Polska S.A.
Poland

Fiat Credito Portugal S.A.
Portugal

Fiat Distribuidora Portugal S.A.
Portugal

Fiat Finance Netherlands B.V.
Netherlands

Sofice - Société de Financement
des Concessionnaires S.A.
France

TarCredit E.F.C. S.A.
Spain

Targasys S.r.l. a S.U. (*)
Italy

Case Canada Investments Ltd.
Canada

Case Credit Corporation
U.S.A.

Case Credit Ltd.
Canada

Case Wholesale Receivables Inc.
U.S.A.

CNH Capital Australia Pty. Ltd.
Australia

CNH Capital Corporation
U.S.A.

CNH Receivables Inc.
U.S.A.

CNH Trade N.V.
Netherlands

New Holland Credit
Company LLC
U.S.A.

New Holland Receivables
Corporation
U.S.A.

CNH Capital Europe S.A.S. (**)
France

Automotive Companies (continued) Other Industrial Companies
Commercial Vehicles

Iveco N.V.
Netherlands

Astra Veicoli Industriali S.p.A.
Italy

Iveco Aifo S.p.A.
Italy

Iveco S.p.A.
Italy

Irisbus Holding S.L.
Spain

Iveco Argentina S.A.
Argentina

Iveco Austria GmbH
Austria

Iveco Danmark A/S
Denmark

Iveco Ford Truck Ltd
United Kingdom

Iveco France S.A.
France

Iveco Latin America Ltda
Brazil

Iveco Magirus AG
Germany

Iveco Otomotiv Ticaret A.S.
Turkey

Iveco Pegaso, S.L.
Spain

Iveco Portugal-Comercio
de Veiculos Industriais Ltda
Portugal

Iveco South Africa (Pty) Ltd.
South Africa

Iveco Trucks Australia Limited
Australia

Iveco Trucks of North America Inc.
U.S.A.

S.A. Iveco Belgium N.V.
Belgium

Naveco Ltd (*)
People's Rep. of China

Iveco Finanziaria S.p.A.
Italy

Transolver Service S.p.A.
Italy

Fraikin Société Anonyme
France

Iveco Finance Limited
United Kingdom

Transolver Finance S.A.
France

Transolver Operational
Services Limited
United Kingdom

Transolver Services S.A.
France

Metallurgical Products

Teksid S.p.A.
Italy

Fonderie du Poitou Fonte
S.A.S.
France

Funfrap-Fundicao
Portuguesa S.A.
Portugal

Meridian Technologies Inc.
Canada

Société Bretonne de Fonderie
et de Mécanique S.A.
France

Teksid do Brasil Ltda
Brazil

Teksid Hierro
de Mexico S.A. de C.V.
Mexico

Teksid Inc.
U.S.A.

Teksid Iron Poland Sp. z o.o.
Poland

Components

Magneti Marelli Holding S.p.A.
Italy

Magneti Marelli After Market S.p.A.
Italy

Magneti Marelli Powertrain S.p.A.
Italy

Magneti Marelli
Sistemi di Scarico S.p.A.
Italy

Seima Italiana S.p.A.
Italy

Sistemi Sospensioni S.p.A.
Italy

Magneti Marelli Cofap
Companhia Fabricadora de
Pecas
Brazil

Magneti Marelli
Conjuntos de Escape S.A.
Argentina

Magneti Marelli
Control Motor Ltda.
Brazil

Magneti Marelli do Brasil
Industria e Comercio SA
Brazil

Magneti Marelli
Escapamentos Ltda
Brazil

Midas Europe S.A. M.
Princ. of Monaco

Production Systems

Comau B.V.
Netherlands

Comau S.p.A.
Italy

Geico S.p.A.
Italy

Italtech S.p.A.
Italy

Autodie International, Inc.
U.S.A.

Comau Argentina S.A.
Argentina

Comau Deutschland GmbH
Germany

Comau do Brasil Ltda.
Brazil

Comau Estil Unl.
United Kingdom

COMAU Germann-Intec GmbH
& Co. KG
Germany

Comau India Private Limited
India

Comau Pico Holdings Corporation
U.S.A.

Comau Poland Sp. z o.o.
Poland

Comau Sciaky S.A.
France

Comau South Africa (Pty) Ltd.
South Africa

Mecaner S.A.
Spain

Progressive Mexico
S.de R.L. de C.V.
Mexico

Progressive Tool
& Industries Company
U.S.A.

Renault Automation Comau S.A.
France

Comau Service U.K. Ltd.
United Kingdom

Other Industrial Companies (continued) Service Companies
Aviation

FiatAvio S.p.A.
Italy

ELV S.p.A.
Italy

Società di Servizi
Comprensoriali e di Sviluppo
Immobiliare-SE.CO.SV.IM. S.r.l.
Italy

Società Elettronica per
l'Automazione S.p.A.
Italy

Fiat Avio Inc.
U.S.A.

Fiat Avio Polska Sp. z o.o.
Poland

Regulus S.A.
French Guiana

Eurojet Turbo GmbH (*)
Germany

Europropulsion S.A. (*)
France

Turbo-Union Limited (*)
United Kingdom

Engine overhaul activities carried out
by FiatAvio S.p.A.

Insurance

Toro Assicurazioni S.p.A.
Italy

Augusta Assicurazioni S.p.A.
Italy

Augusta Vita S.p.A.
Italy

D.A.S. Difesa Automobilistica
Sinistri S.p.A.
Italy

Giano Assicurazioni S.p.A.
Italy

Iniziativa Sviluppo
Immobiliare - Isim S.p.A.
Italy

Lloyd Italico Assicurazioni
S.p.A.
Italy

Lloyd Italico Vita S.p.A.
Italy

Nuova Tirrena S.p.A.
Italy

Roma Vita S.p.A.
Italy

Toro Targa Assicurazioni S.p.A.
Italy

Altegia S.A.
France

Continent Assistance S.A.
France

Continent IARD S.A.
France

Continent Vie S.A.
France

Fiat Ubezpieczenia
Majatkowe Spolka Akcyjna
Poland

Fiat Ubezpieczenia Zyciowe S.A.
Poland

Guardian Vie S.A.
France

L'Union Générale du Nord S.A.
France

Phenix Seguradora S.A.
Brazil

**Publishing and
Communications**

Itedi - Italiana Edizioni S.p.A.
Italy

Editrice La Stampa S.p.A.
Italy

Publikompass S.p.A.
Italy

Services

Business Solutions S.p.A.
Italy

Easy Drive S.r.l. a S.U.
Italy

eSPIN S.p.A.
Italy

Fast-Buyer S.p.A.
Italy

Fiat Engineering S.p.A.
Italy

Fiat Gesco S.p.A.
Italy

Global Value S.p.A.
Italy

H.R. Services S.p.A.
Italy

Ingest Facility S.p.A.
Italy

Investimenti e Gestioni S.p.A.
Italy

IPI S.p.A.
Italy

Isvor Knowledge System S.p.A.
Italy

Risk Management S.p.A.
Italy

Servizi e Attività Doganali
per l'Industria S.p.A.
Italy

Sestrieres S.p.A.
Italy

Worknet-società di fornitura di
lavoro temporaneo-per azioni
Italy

**Miscellaneous and
Holding Companies**

Fiat Ge.Va S.p.A.
Italy

Sicind S.p.A.
Italy

Fiat do Brasil S.A.
Brazil

Fiat France S.A.
France

Fiat Netherlands Holding N.V.
Netherlands

IHF - Internazionale
Holding Fiat S.A.
Switzerland

C.R.F.
Società Consortile per Azioni
Italy

Elasis - Società Consortile
per Azioni
Italy

Isvor Fiat S.p.A. - Società di
Sviluppo e Addestramento
Industriale
Italy

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