

FIAT INDUSTRIAL EXCEEDS ALL UPGRADED TARGETS IN ITS FIRST FULL YEAR AS A LISTED COMPANY.

- Revenues totaled €24.3 billion, up 13.8% over the prior year, reflecting double-digit increases for all businesses.
- Trading profit came in at €1.7 billion, up €0.6 billion over the prior year, with all sectors contributing to margin growth (up 1.8 p.p. to 6.9%), led by continued strong performance by CNH (margin up 2.0 p.p. to 8.3%).
- Net profit was €701 million compared with €378 million for the prior year.
- Net industrial debt decreased to €1.2 billion (€1.9 billion at year-end 2010) on the back of strong operating performance. Available liquidity, including €1.6 billion in undrawn committed facilities, increased to €7.3 billion (€5.7 billion at 31 December 2010).
- The Board of Directors is recommending to propose a total dividend for 2011, for all 3 classes of shares of Fiat Industrial S.p.A., of €40 million.
- Fiat Industrial is expected to further improve performance in 2012, with revenues of approximately €25 billion, trading profit between €1.9 billion and €2.1 billion, net income of approximately €0.9 billion, and net industrial debt between €1.0 billion and €1.2 billion.
- The Board has established as a general guideline that it will recommend dividend payments in the range of 25% to 35% of consolidated net income, targeting €150 million in total as the minimum dividend distribution.

On 1 January 2011, the demerger of Fiat S.p.A. in favor of Fiat Industrial S.p.A. took legal effect. The 2010 data presented in this press release relates to activities transferred to Fiat Industrial and has been carved out from the Fiat consolidated financial statements for the year ended 31 December 2010.

FIAT INDUSTRIAL Income Statement – Full Year			
(€ million)	2011	2010	
Net revenues	24,289	21,342	
% change	13.8		
Trading profit/(loss)	1,686	1,092	
Change	594		
Trading margin (%)	6.9	5.1	
Operating profit/(loss)	1,629	1,017	
Change	612		
Profit/(loss) before taxes	1,169	576	
Change	593		
Profit/(loss) for the period	701	378	
Change	323		
EPS (€)			
ordinary shares	0.487	0.265	
preference shares	0.487	0.265	
savings shares	0.533	0.311	

FIAT INDUSTRIAL Income Statement – 4 th Quarter			
(€ million)	2011	2010	
Net revenues	6,820	5,950	
% change	14.6		
Trading profit/(loss)	395	294	
Change	101		
Trading margin (%)	5.8	4.9	
Operating profit/(loss)	393	220	
Change	173		
Profit/(loss) before taxes	233	116	
Change	117		
Profit/(loss) for the period	144	165	
Change	-21		
EPS (€)			
ordinary shares	0.097	0.115	
preference shares	0.097	0.115	
savings shares	0.097	0.115	

- Group revenues were up 13.8% to €24.3 billion, with double-digit growth for all sectors.
 - Agricultural and Construction Equipment (CNH) posted revenues of €13.9 billion, up 16.7% year-over-year (+22.5% in USD terms), with significant volume increases across the board and, for Agricultural Equipment, a more favorable product mix. Agricultural equipment sales were up 17% for the year, with continued positive share performance for tractors in Europe and in the high horsepower tractor segment in North America, benefiting from demand for Tier 4A/Stage IIIB compliant equipment, as well as combines in North America and in APAC region. Construction Equipment sales were 25% higher with growth recorded in all regions; worldwide share performance was in line with the market for both the light and heavy segments.
 - Trucks and Commercial Vehicles (Iveco) reported a 15.1% increase in revenues to €9.6 billion, reflecting a substantial improvement in demand in most major Western European markets, although with signs of a slowdown in the second half,



and continued positive trading conditions in Latin America. Total deliveries (including buses and special vehicles) increased 18.3% for the year to 153,384 vehicles, with the light segment up 19.6%, medium up 24.0% and heavy up 21.0%. By region, deliveries increased 12.3% in Western Europe, 28.9% in Latin America and 25.8% in Eastern Europe.

- Powertrain business (FPT Industrial) achieved revenues of €3.2 billion, up 33.3% on the back of strong growth in volumes to both Group companies and external customers.
- Group trading profit was €1.7 billion, up €0.6 billion or 54.4% over the prior year, with higher volumes for all sectors driving margin growth (trading margin up 1.8 p.p. to 6.9%).
 - CNH recorded strong performance with trading profit at €1,154 million (€755 million in 2010) and trading margin at 8.3% (6.3% in 2010), as a result of higher volumes, a more favorable mix and improved net pricing.
 - Iveco reported a €490 million trading profit (€270 million in 2010), with trading margin up 1.8 p.p. to 5.1%, primarily on the strength of higher volumes and production cost optimization.
 - FPT Industrial posted trading profit of €107 million, compared with €65 million for 2010, principally reflecting volume growth for the year. Trading margin was 0.6 p.p. higher at 3.3%.
- Net industrial debt totaled €1.2 billion at year end (€1.9 billion at year-end 2010) on the back of strong operating performance.
- Available liquidity, inclusive of €1.6 billion in undrawn committed facilities, was higher at €7.3 billion (€5.7 billion at year-end 2010).
- In March, the Group issued a dual-tranche bond: €1 billion due March 2015 and €1.2 billion due March 2018. In November, CNH Capital issued USD 500 million notes due November 2016.

Group Results

The Group posted **full-year revenues** of €24.3 billion, an increase of 13.8% over 2010. All sectors achieved significant gains: CNH reported substantial growth in volumes and, for Agricultural Equipment, a more favorable product mix; Iveco increased deliveries in several major European markets and in Latin America; and FPT Industrial recorded higher sales to both Group and external customers.

FIAT INDUSTRIAL Revenues by sector – Full Year		
(€ million)	2011	2010
Agricultural and Construction Equipment (CNH)	13,896	11,906
% change	16.7	
Trucks and Commercial Vehicles (Iveco)	9,562	8,307
% change	15.1	
FPT Industrial	3,220	2,415
% change	33.3	
Eliminations and Other	(2,389)	(1,286)
Total	24,289	21,342
% change	13.8	

For **Q4 2011**, Group **revenues** totaled €6.8 billion, up 14.6% year-on-year, driven by the significant contribution from CNH (€3,764 million, +24.5% year-over-year) and FPT Industrial (€911 million, +25.7% year-over-year). Revenues for Iveco were also up 9.9% to €2,789 million.

FIAT INDUSTRIAL Revenues by sector – 4 th Quarter		
(€ million)	2011	2010
Agricultural and Construction Equipment (CNH)	3,764	3,023
% change	24.5	
Trucks and Commercial Vehicles (Iveco)	2,789	2,538
% change	9.9	
FPT Industrial	911	725
% change	25.7	
Eliminations and Other	(644)	(336)
Total	6,820	5,950
% change	14.6	

Trading profit was €1,686 million for the **full year** (trading margin of 6.9%), up 54.4% over the €1,092 million profit for 2010 (trading margin of 5.1%), primarily on the strength of higher volumes for all sectors.

FIAT INDUSTRIAL Trading profit/(loss) by sector – Full Year		
(€ million)	2011	2010
Agricultural and Construction Equipment (CNH)	1,154	755
<i>Change</i>	399	
Trucks and Commercial Vehicles (Iveco)	490	270
<i>Change</i>	220	
FPT Industrial	107	65
<i>Change</i>	42	
Eliminations and Other	(65)	2
Total	1,686	1,092
<i>Change</i>	594	

Trading profit for the fourth quarter was €395 million (trading margin of 5.8%), compared with €294 million for the same period in 2010 (trading margin of 4.9%), reflecting positive performance from all sectors.

FIAT INDUSTRIAL Trading profit/(loss) by sector – 4 th Quarter		
(€ million)	2011	2010
Agricultural and Construction Equipment (CNH)	224	150
<i>Change</i>	74	
Trucks and Commercial Vehicles (Iveco)	161	137
<i>Change</i>	24	
FPT Industrial	50	30
<i>Change</i>	20	
Eliminations and Other	(40)	(23)
Total	395	294
<i>Change</i>	101	

The Group closed 2011 with an **operating profit** of €1,629 million (€1,017 million for 2010). The €612 million increase reflects higher trading profit (+€594 million) and lower net unusual expense (€57 million vs. €75 million for 2010), consisting of €95 million in restructuring provisions recognized by Iveco, net of €38 million in non-recurring income.

Net financial expense totaled €546 million for the year, compared to €505 million for 2010, which included a €45 million one-off charge. Excluding that charge, net financial expense was up €86 million over the prior year due to a higher opening debt level deriving from the demerger debt allocation (€2.5 billion) and the substantial cost of carry associated with maintaining excess liquidity.

Profit before taxes was €1,169 million, compared with €576 million for 2010. The increase reflects the improved operating result (+€612 million) and higher income from investments (+€22 million), net of the €41 million increase in net financial expense.



Income taxes totaled €468 million (€198 million for 2010), mainly related to taxable income of companies operating outside Italy and employment-related taxes (IRAP) in Italy (€29 million). The effective tax rate of 40% was in line with expectations.

Net profit was €701 million, up significantly over the €378 million profit for 2010.

At 31 December 2011, **net industrial debt** totaled €1.2 billion, a 37% reduction from year-end 2010 (€1.9 billion) resulting primarily from strong operating performance across sectors. **Available liquidity** (inclusive of €1.6 billion in undrawn committed facilities) totaled €7.3 billion, up €1.6 billion over year-end 2010.

In March, the Group issued a dual-tranche bond: €1 billion due March 2015 and €1.2 billion due March 2018. In November, CNH Capital issued USD 500 million notes due November 2016.

FIAT INDUSTRIAL
Key Balance Sheet Data

(€ million)	31.12.2011	31.12.2010
Total assets ⁽¹⁾	38,643	34,921
Total equity ⁽¹⁾	5,411	4,744

(1) At 31 December 2011, includes impact of consolidation (on a line-by-line basis) of Iveco Finance Holdings Limited, a joint venture with Barclays in relation to which a termination agreement was signed at the end of December.

FIAT INDUSTRIAL
Net Debt

(€ million)	31.12.2011	31.12.2010
Debt	(20,217)	(18,695)
- Asset-backed financing	(9,479)	(8,321)
- Debt payable to Fiat Group post Demerger	-	(5,626)
- Other debt	(10,738)	(4,748)
Financial receivables from Fiat Group post Demerger	-	2,865
Debt, net of financial receivables from Fiat Group post Demerger	(20,217)	(15,830)
Other financial assets/(liabilities) ⁽²⁾	(39)	(59)
Cash, cash equivalents and current securities	5,707	3,710
Net Debt ⁽¹⁾	(14,549)	(12,179)
<i>Industrial Activities</i>	(1,239)	(1,900)
<i>Financial Services ⁽¹⁾</i>	(13,310)	(10,279)
Cash, cash equivalents and current securities	5,707	3,710
Undrawn committed facilities	1,588	2,000
Available Liquidity ⁽¹⁾	7,295	5,710

(1) At 31 December 2011, includes impact of consolidation (on a line-by-line basis) of Iveco Finance Holdings Limited, a joint venture with Barclays in relation to which a termination agreement was signed at the end of December.

(2) Includes the positive and negative fair value of derivative financial instruments.

FIAT INDUSTRIAL
Change in Net Industrial Debt

(€ million)	2011	2010
Cash from operating activities before change in working capital	1,715	1,391
Cash from operating Activities	2,061	2,384
Net Industrial Cash Flow ⁽¹⁾	670	1,627
Change in Net Industrial Debt	661	1,936

(1) Change in net industrial debt, excluding capital increases, dividends and currency translation impacts.

Dividends

The Board of Directors, on the basis of the estimated profit available for distribution by Fiat Industrial S.p.A. and pending formal approval of the Group's 2011 financial statements on 22 February 2012, intends to propose to Shareholders at the Annual General Meeting a total dividend, for all 3 classes of Fiat Industrial S.p.A. shares, of €240 million.

The proposed distribution by share class is as follows:

- €0.185 per ordinary share, for a total of €202.1 million;
- €0.185 per preference share, for a total of €19.1 million;
- €0.2315 per savings share, for a total of €18.5 million.

The Board of Directors has also reviewed options relating to its dividend policy. In view of the consistent performance of the businesses and the substantial cash generation capabilities of the Group, it is of the view that Fiat Industrial could distribute between 25% and 35% of its consolidated net income for any one year, with a minimum payout in normal circumstances of €150 million.

Agricultural and Construction Equipment

AGRICULTURAL AND CONSTRUCTION EQUIPMENT Revenues & Trading profit/(loss) Full Year		
(€ million)	2011	2010
Net revenues	13,896	11,906
% change	16.7	
Trading profit/(loss)	1,154	755
Change	399	
Trading margin (%)	8.3	6.3

AGRICULTURAL AND CONSTRUCTION EQUIPMENT Revenues & Trading profit/(loss) 4 th Quarter		
(€ million)	2011	2010
Net revenues	3,764	3,023
% change	24.5	
Trading profit/(loss)	224	150
Change	74	
Trading margin (%)	6.0	5.0

CNH – Case New Holland had **revenues** of €13.9 billion for 2011, an increase of 16.7% over 2010 (+22.5% in US dollar terms) as agricultural equipment markets continue to perform well across the CNH's geographical portfolio, and as a result of the continued recovery in the construction equipment market segment.

Net sales in the Agricultural Equipment segment increased 17% for the year (+23% in US dollar terms) as a result of solid trading conditions in every region. Net sales in the EAME & CIS (Europe, Africa, Middle East and CIS) markets continued their growth with comparative reported revenues up 29% (+36% in US dollar terms) on the back of firm demand across all product segments. Full year 2011 net sales in the Construction Equipment segment grew 25% (+32% in US dollar terms) with improvements in every region.

Worldwide agricultural industry unit sales increased 12% compared to 2010. Global tractor sales grew 12%, while global combine sales grew 16%. North American tractor sales, both over and under 40 horsepower segments, were up 2% and combine sales were down 5%. Latin American tractor sales decreased 2% and combine sales increased 21%. EAME & CIS markets continued to improve during 2011, with tractor sales up 25% and combine sales up 39%. APAC (Asia Pacific) markets were up 12% for tractors and 22% for combines.

Worldwide agricultural equipment market share was in line with industry demand with continued positive performance for tractors overall in Europe and in the high horsepower segment in North America, as the FPT Industrial powered Tier 4A/Stage IIIB compliant equipment was well received by the market for its fuel savings and performance characteristics. Combine market share was up in North America, despite decreased year-over-year industry retail sales, and in the APAC region. Market share was down in the EAME & CIS region where unit retail sales increased, although less than the market overall, as a result of local content tariff restrictions. In Latin America, market share performance was stable for tractors and flat for combines despite difficult trading conditions in the fourth quarter and a difficult environment for cross border transactions. Industrial production trailed retail sales in the fourth quarter as a result of good retail activity as demonstrated by the fourth quarter market share performance, and in an overall effort to

manage down company and dealer inventories as reflected in the fourth quarter cash flow from working capital. As a result, CNH begins 2012 with a healthy profile of both new and used finished goods inventory.

Global construction equipment industry unit sales rose 27% in 2011 compared to the prior year, with a positive trend in every region. Light equipment was up 30% and heavy equipment up 23%. North American demand was up 38% and EAME & CIS markets rose 35% as the industry continued to rebuild from the prior year's low levels. In Latin America, the market was up 25%, driven by strong demand from projects in both the public and private sectors. In APAC markets, industry sales were up 19% for the year, although significantly weaker in the second half of the year.

Worldwide construction equipment market share for 2011 was in line with industry growth in both the light and heavy segments. In North America, the successful launch of new products in the light equipment range continued to gain traction. Losses in market share recorded in the first half of the year due to product launch manufacturing downtime being regained over the second half. For heavy equipment, the supply of whole-goods and componentry improved in the second half as Japanese suppliers returned to normalcy and the APAC excavator market slowed down. Trading conditions in Europe deteriorated in the 4th quarter as a result of the European financial crisis, and in Latin America demand for heavy equipment diminished as infrastructure spending was deferred to 2012. As a consequence, global production utilization was flexed down to accommodate the demand expectations of the individual markets, and to ensure that finished goods inventories at company and dealer levels matched demand on a worldwide basis.

CNH **trading profit** was €1,154 million for 2011 (trading margin at 8.3%), up €399 million from the €755 million for 2010 (trading margin at 6.3%) on the strength of higher demand, with resulting increases in plant utilization, a more favorable mix and improved net pricing for Agricultural Equipment.

Revenues totaled €3.8 billion for the **fourth quarter** of 2011, up 24.5% over the same period in 2010 (+23.9% in US dollar terms), with increases in every region, particularly North America and APAC.

Trading profit was €224 million for the quarter, up €74 million from Q4 2010 (€150 million) on increased volumes and better mix.

During 2011, New Holland Agriculture consolidated its leadership as Tier 4A/Stage IIIB compliant equipment provider introducing, in Europe and in North America, new CX and flagship CR Series combines all featuring the ECOBlue SCR technology delivering up to 10% lower fuel consumption and an increase of up to 7% in maximum horsepower versus previous models. In Latin America, the brand launched the T8 tractor range, from 273 to 389 hp, the industry's highest horsepower tractors produced in Brazil, focused on cash grain and sugar cane business, and the new SP3500 Sprayer. In November, New Holland Agriculture introduced the new mid-range tractor series TD5, T5 and T6 completely

remodelling the offering below 120 hp, T5 and T6 now featuring Tier 4A/Stage IIIB engines at the Agritechnica fair. The second generation NH2 hydrogen powered tractor, which will be tested this year on the first Energy Independent farm, was also displayed at the same venue. The Agritechnica jury recognized the new CR combine with the "Machine of the Year 2012" award for its efficient Tier 4A/Stage IIIB engines, new super-lightweight aluminum Varifeed header and state-of-the-art SmartTrax rubber tracks system. New Holland's innovative technologies also received five silver medals at the fair by the DLG jury.

During 2011, Case IH expanded its Tier 4A/Stage IIIB emission compliant offering in Europe and North America releasing the Magnum 235-340 hp Series tractors with global arm rest controls and 4WD Steiger 350–500 hp Series tractors with row crop frames and cab suspension and the 4WD Steiger/Quadrac 550–600 hp series tractors with best-in-class fuel efficiency and hydraulic flow. At the Farm Progress Show in the U.S., the brand introduced the new Efficient Power Axial-Flow 30 Series combines, Patriot 4430 sprayer and Maxxum tractors series, all Tier 4A/Stage IIIB emission compliant. In Latin America, Case IH launched the new Magnum tractor series and the new Axial Flow 2566, the brand's first ever class 5 combine for the region.

Case IH sugar cane harvesters were honored with the "Top of Mind" award by the Brazilian trade publication *Revista Rural*. The Case IH Diesel Saver Automatic Productivity Management (APM) System was given the ASABE 2011 Rain Bird Engineering Concept of the Year Award for its fully integrated drive-train management system available on the Case IH Steiger 4WD and QUADTRAC tractors. The new Case IH Patriot 4430 sprayer was chosen as the "2011 CropLife IRON Product of the Year", receiving more than half of all votes cast. Also, the Case IH's Early Riser Planter received an Honorable Mention as one of the best products for 2011 in the No-Till Equipment category, as selected by readers of the North American publication *No-Till Farmers*. Finally, Case IH Axial Flow combines were found by independent researchers at the Göttingen University (Germany) to have the lowest overall operating costs and the lowest spare parts costs of all models tested.

The CNH agricultural brands won five AE50 innovation awards from the American Society of Agricultural and Biological Engineers (ASABE), as announced in January 2012. The awards recognized the New Holland T8 and T9 tractors, the SynchroKnife drive, the MowMax II independent modular disc cutterbar and the add-on Cornrower attachment and the Case IH Steiger 600 tractor.

At the ConExpo trade show in Las Vegas, Case Construction introduced the new B Series motor grader and the F Series wheel loader, with the largest models specifically engineered for quarry, aggregate and truck-loading applications. Also launched during 2011 were 3 new models of the DV Series double drum compactors and the PT240, the brand's first pneumatic tire compactor. The new 40 ton class CX470C crawler excavator, Tier 4A/Stage IIIB emission compliant, was introduced in the North American and



European markets. The Case 850L crawler dozer, the Case 580M loader/backhoe, the Case 440 Series 3 skid steer loader and the Case 621E wheel loader were recognized, in North America, as “Contractor’s Choice” machines for 2011 by *Road & Bridges* magazine.

New Holland Construction presented its new C Series crawler excavator, featuring Tier 4A/Stage IIIB compliant SCR engines that deliver a 10% increase in productivity in terms of cubic meters per hour and up to 10% lower fuel consumption in ECO mode compared to the B Series. Also introduced were the new 200 Series Skid Steer and Compact Track loaders featuring the patented vertical lift Super Boom design delivering best-in-class forward dump height and reach. A total of 9 new models were presented to the markets.

Trucks and Commercial Vehicles

TRUCKS AND COMMERCIAL VEHICLES Revenues and Trading profit/(loss) Full Year		
(€ million)	2011	2010
Net revenues	9,562	8,307
% change	15.1	
Trading profit/(loss)	490	270
Change	220	
Trading margin (%)	5.1	3.3

TRUCKS AND COMMERCIAL VEHICLES Revenues and Trading profit/(loss) 4 th Quarter		
(€ million)	2011	2010
Net revenues	2,789	2,538
% change	9.9	
Trading profit/(loss)	161	137
Change	24	
Trading margin (%)	5.8	5.4

Iveco posted full-year **revenues** of €9.6 billion, up 15.1% over the prior year, mainly due to higher sales volumes, which reflected improved overall demand in Western European markets and continued strength in Latin America.

A total of 153,384 vehicles were delivered, including buses and special vehicles, representing an increase of 18.3% over 2010. All segments registered growth, with light vehicles up 19.6%, medium up 24.0% and heavy up 21.0%. Iveco delivered 87,981 vehicles in Western Europe (+12.3%), with growth in France (+17.8%), Germany (+14.7%), and the UK (+62.5%), and a modest increase in Italy (+2.1%). Deliveries in Spain, by contrast, were down 3.9%. In Latin America and Eastern Europe, deliveries increased 28.9% and 25.8%, respectively.

The Western European truck market (≥3.5 tons) experienced a significant upward momentum increasing 17.3% for the full year, albeit slowing in the second half. Registrations were markedly higher in France (+21.7%), the UK (+21.5%), and Germany (+20.4). By contrast, growth in Spain was very modest at 5.4%, against low 2010 levels, and Italy contracted a further 2.1%, increasing the gap between Northern and Southern European markets. By segment, the most significant increase was for heavy vehicles (+30.4%), with positive performance in almost all markets. Growth in the medium and light segments was more contained at 12.0% and 11.8%, respectively.

Eastern European markets also recorded a significant 49.4% overall increase in registrations, albeit against very low 2010 levels. The heavy segment was up 76.7%, medium 9.3% and light 31.2%.

In Latin America, demand for trucks (≥3.5 tons) increased 15% over 2010, on the back of the continued solid performance of the Brazilian market, in addition to strong recovery in Argentina.

Iveco's estimated market share in Western Europe was 12.1% for the year (-1.1 percentage point vs. 2010). Share in the light segment was estimated at 13.0%, representing a 0.8 percentage point decrease, with some customers deferring purchases in anticipation of the launch of the new Daily in September. In addition, there was a shift in market demand toward uni-body car-based van models. In

the medium segment, share was substantially unchanged at 23.6% (-0.1 percentage points), with significant increases in Spain (+5.2 percentage points to 47.6%), the UK (+3.1 percentage points to 23.1%) and Italy (+2.2 percentage points to 61.0%). In the heavy segment, estimated share was 7.3%, representing a 1.1 percentage point decline for the year, largely attributable to an unfavorable market and product mix.

In Europe, company and dealer new vehicle inventory levels were in line with growing demand, while used vehicle inventories remained at moderate levels.

For FY 2011, Iveco posted a **trading profit** of €490 million (trading margin of 5.1%), up significantly over €270 million for the prior year (trading margin of 3.3%) on the strength of higher volumes and production cost optimization.

Revenues for **Q4 2011** came in at €2.8 billion, up 9.9% over the same period in 2010 and **trading profit** was €161 million (trading margin of 5.8%), compared with €137 million for the same period in 2010 (trading margin of 5.4%).

Significant events during the year included the launch of the new Daily, the 8th generation of the light commercial vehicle that in just over 30 years since launch has sold more than 2.5 million units. The new vehicle was presented in September at Fiat Industrial Village in Turin. Substantially refreshed in both style and content, the new Daily offers outstanding performance and highly attractive total cost of ownership, with fuel consumption and CO₂ emissions up to 10% lower than the previous model. The vehicle is offered with a new range of engines including the 205 hp version of FPT Industrial's 3.0 F1C, which is at the top of its category in terms of power output, and the Natural Power version, a super eco-friendly EEV bifuel vehicle optimized for use with CNG. A zero-emission electric version of the new Daily is also available.

Within just two months of launch, the new Daily received three major awards. In Germany, the new Daily Electric received the European Award for Sustainability in Transport issued by *Transport* magazine. In Spain, the European Transport Award, established by *Transporte Profesional* magazine and the Spanish goods transport confederation (CETM), was awarded to Iveco for technological innovations introduced on the new Daily that improve comfort, active and passive safety, and haulage efficiency. The new Daily was also named Best Light Commercial Vehicle in Spain by a panel of industry experts at an event organized by the *Transporte 3* magazine.

There were also major developments in other areas of the business during the year. At Samoter 2011 in Verona (Italy), Iveco presented the new Astra RD40 rigid dumper, adding a fully-redesigned cabin and other innovative technological solutions to the dumper range. In Q4, Astra presented the new HD9, with a heat-treated steel cab, that offers driving comfort, improved acoustic levels and excellent performance on extreme terrain. Available in 2WD or AWD, 2, 3 or 4 axles, and equipped with FPT Industrial Cursor



13 engines, this new off-road vehicle strengthens Astra's leadership in the segment.

Iveco Irisbus launched the Magelys Pro, the latest in its family of specialist tour coaches. And, in the second quarter, Iveco completed introduction of the EcoStralis in European markets.

During the year, Iveco gave particular focus to development of activities in South America and China. In Brazil, Iveco launched a new version of the Trakker – an 8x4 vehicle with a 420 hp Cursor 13 engine produced by FPT Industrial and equipped with automatic transmission, designed for the mining and building sectors – and a bifuel diesel-ethanol prototype of the Trakker – developed in collaboration with FPT Industrial – equipped with a Cursor 9 engine that runs on a variable diesel-ethanol blend according to application. In April, Iveco announced the establishment of a unit at its site in Sete Lagoas (Brazil) for production of amphibious armored personnel carriers (VBTP-MR) under the supply contract signed with the Brazilian Army. At Fenatran 2011 in São Paulo, Iveco presented the new Stralis, the flagship of the new Ecoline range, built at the Sete Lagoas plant. The vehicle meets Euro V standards, effective in Brazil from 1 January 2012, and is powered by FPT Industrial's Cursor 13 engines and equipped with a Eurotronic 16-speed automatic transmission as standard. Other new features include a redesigned instrument panel.

At Auto Shanghai in April, Iveco through its JV Naveco unveiled the new Yuejin Ouka, developed for the medium-upper end of the light vehicle market and equipped with FPT Industrial's F1C diesel engine. Also in China, Iveco presented the Kingkan, a new heavy vehicle produced by the SAIC Iveco Hongyan (SIH) joint venture, which offers customers high level of performance and value for money.

Taking first, second and sixth place in the overall truck ranking, Iveco dominated the 33rd Dakar, the most famous rally in the world whose participants included the majority of European and Asian truck manufacturers. At this 2012 edition of the Dakar Rally, held in South America, Iveco participated with the Powerstar, produced and sold in Australia, and two Trakker Evolution 2, all equipped with FPT Industrial's 900 hp Cursor 13.

FPT Industrial

FPT INDUSTRIAL Revenues and Trading profit/(loss) Full Year		
(€ million)	2011	2010
Net revenues	3,220	2,415
% change	33.3	
Trading profit/(loss)	107	65
Change	42	
Trading margin (%)	3.3	2.7

FPT INDUSTRIAL Revenues and Trading profit/(loss) 4 th Quarter		
(€ million)	2011	2010
Net revenues	911	725
% change	25.7	
Trading profit/(loss)	50	30
Change	20	
Trading margin (%)	5.5	4.1

FPT Industrial reported 2011 **revenues** of €3,220 million, up 33.3% over the prior year as a result of strong growth in volumes to both Group companies and external customers. Sales to external customers accounted for 32.8% of total revenues (35.4% in 2010).

A total of 560,026 engines were sold during the year, up 32.3% over 2010. By major customer, 32% of engines were supplied to Iveco and 27% to CNH (sectors within Fiat Industrial Group), while the remaining 41% were sold to external customers (including Sevel – the Fiat JV for light commercial vehicles – which accounted for 22% and Mitsubishi Fuso, which is supplied F1C engines). In addition, 74,255 transmissions (+12.3%) and 169,722 axles (+22.5%) were delivered.

FPT Industrial closed 2011 with a **trading profit** of €107 million, compared to €65 million for 2010 that included non-recurring income of €9 million. Net of that item, trading margin was 1.0 percentage point higher, benefiting from volume increases.

For **Q4 2011**, FPT Industrial posted **revenues** of €911 million, up 25.7% over the same period in 2010. **Trading profit** came to €50 million compared with €30 million for Q4 2010.

During the year, FPT Industrial presented several major new developments. Production began on Euro 5 engines for the new Fiat Professional Ducato, including two versions of the F1A 2.3-liter engine – a 130 hp WG turbo (fixed geometry with Waste Gate valve) and a 148 hp VGT turbo (with variable geometry) – as well as a 177 hp VGT F1C 3.0-liter turbo. On the F1A, the MultiJet II injection system was applied for the first time. These new engines offer significant reductions in consumption and CO₂ emissions.

Production also began on the F1 Euro 5 and Euro V engines together with transmissions for application on the new Daily launched by Iveco in September. The new 205 hp version of the 3.0-liter F1C engine – with torque of 470 Nm and interstage cooler – is at the top of its category in terms of power output. The engine is fitted with a 6-speed double overdrive transmission for maximum fuel efficiency. FPT Industrial also released the 2.3-liter F1A engine, with Start&Stop system and new 6-speed transmission, which



offers up to a 10% reduction in fuel consumption and CO₂ emissions.

In relation to emissions standards, during the first quarter of 2011 FPT Industrial obtained EPA10 and CARB certification (the US emissions standards) for application of the Heavy Duty F1C engine for Light Commercial Vehicles. And in August, EPA Tier 4A homologation was obtained for 3.4-liter F5 Common Rail engines above 56 kW.

In 2011, FPT Industrial began production of the two-stage, turbo-charged Cursor 13 for the Case IH Steiger and New Holland T9 Series tractors. Also for application on CNH vehicles, FPT Industrial launched Tier 4A/Stage IIIB compliant NEF 4, NEF 6, Cursor 9, 10 and 13 engines. In addition, production started on the Tier 4A F5C and Stage IIIB Cursor 9 with structural oil pan, as well as the NEF and Cursor Tier 4A ranges with SCR exhaust after-treatment systems for the retail market.

At Auto Shanghai 2011, SAIC Fiat Powertrain Hongyan Co. Ltd. (a joint venture between SAIC-IVECO Commercial Vehicle Investment Co. Ltd., FPT Industrial and Chongqing Machinery & Electric Holdings Limited) presented the new Euro V compliant Cursor 13 with Common Rail injection.

After completing its marine engine range in 2010, FPT Industrial presented the N500+POD Drive propulsion system at the 2011 Genoa International Boat Show. This integrated engine/transmission system represents FPT Industrial's entry into an important segment of the pleasure boat market.

Significant events

On 1 January 2011 (the effective date of the demerger of activities from Fiat S.p.A. to Fiat Industrial S.p.A.), Fiat Industrial began operations as a separate and independent entity. On 3 January, shares in Fiat Industrial S.p.A. began trading on the Mercato Telematico Azionario managed by Borsa Italiana S.p.A.

On 5 January, Moody's Investors Service assigned Fiat Industrial S.p.A. a Ba1 Corporate Family Rating and a short-term "Not Prime" rating, with stable outlook. On 24 February, Standard & Poor's Rating Services confirmed Fiat Industrial's long-term rating of BB+ with negative outlook, assigned on 4 November 2010, and a short-term B rating.

In September, in its first year as a listed company, Fiat Industrial S.p.A. entered both the Dow Jones Sustainability (DJSI) World and Europe indexes, ranking as Industry Leader in both. The Company achieved a score of 81/100 compared to an average of 49/100 for all companies in its sector (Industrial Engineering) evaluated by SAM (the sustainability investment group). The prestigious DJSI World and DJSI Europe equity indexes only admit those companies judged best-in-class in managing their businesses sustainably, from an economic as well as social and environmental perspective. Sustainability is a key element in Fiat Industrial's strategic approach. In the Carbon Disclosure Project's Italy 100 Report, Fiat Industrial was included in the Carbon Disclosure Leadership Index (CDLI) at the top of the "Industrials" sector. It was assigned a score of 84/100 for the level of disclosure on issues linked to climate change and a "B" grade (on a scale from E-worst to A-best) for climate change mitigation.

On 30 September, the Company confirmed its decision to withdraw from Confindustria (the Italian employers' federation) with effect from 1 January 2012. On 13 December, the Company announced the signing of a new collective agreement with the majority of trade unions, which is applicable to all Fiat Industrial employees in Italy with effect from 1 January 2012.

On 27 October, the Board of Directors of Fiat Industrial S.p.A. approved a proposal to Shareholders for the conversion of the Company's preference and savings shares into Fiat Industrial ordinary shares. If the proposal is approved, all savings and preference shares will be converted into ordinary shares for the purpose of simplifying the Company's capital structure and governance. Preference and savings shares will retain any economic rights with respect to the 2011 financial year. Ordinary shares resulting from the conversion would be eligible for dividends (to the extent declared) with respect to the 2012 financial results.

During the year, the Group undertook a number of significant initiatives as part of its global development strategy. At the end of March, CNH Global N.V. acquired full ownership of L&T – Case Equipment Private Limited, a 50/50 joint venture established in 1999 with Larsen & Toubro Limited to manufacture and sell construction and building equipment in India. The company (renamed Case New Holland



Construction Equipment India Private Limited), which employs around 600 people, operates a production facility in Pithampur in Madhya Pradesh and has a distribution network of 56 dealers and 144 outlets. This investment is an important step in CNH's long-term commitment to consolidating its construction equipment business in India and other export markets.

In April, CNH announced plans to produce combines and tractors in Argentina for the Latin American market. An initial amount of over USD 100 million will be invested in new production lines and expansion of the Fiat Industrial site in Cordoba, Argentina, and the new plant will generate some 600 direct and 1,500 indirect jobs. At the new facility, CNH, for both of its agricultural brands, will produce the most powerful class of advanced, high-productivity combines, as well as specialized tractors for vineyards and orchards, which CNH does not currently produce in Latin America. These machines will be equipped with locally-produced FPT Industrial engines.

In May, Iveco and FPT Industrial announced their readiness to meet the new Euro VI regulation by means of a unique Selective Catalytic Reduction (SCR) technology, which will be introduced on the two new Cursor and Tector engine ranges for heavy-duty trucks and buses. The new engines, equipped with FPT Industrial "SCR only" technology, will feature optimized combustion and after-treatment systems to retain Iveco's class leading vehicle fuel economy with enhanced environmental performance attributable to breakthrough patented control technology which achieves very high NOx conversion efficiency (over 95% versus 80-85% of best competitors).

On 19 September, Fiat Industrial Village was inaugurated in Turin. The Group's first ever multi-functional center, it has been designed to showcase the products of CNH, Iveco and FPT Industrial, as well as selling and providing after-sales and financial services for those products. The new facility has a surface area of more than 74,000 m², of which 23,000 m² is covered, with a large showroom for exhibiting vehicles and powertrain systems.

In October, CNH announced a strategic alliance with Semeato, leader in agricultural equipment and attachments in the Brazilian market, specialized in no-till grain seeding technologies. Under the strategic partnership, the two companies will collaborate in a variety of areas, further strengthening CNH's leadership in Latin America. Semeato products will be sold under the Semeato, Case IH and New Holland Agriculture brands through their respective dealer networks. Also in October, CNH entered into an agreement with De Lage Landen, a subsidiary of Rabobank, for the provision of retail financing to customers in the Russian Federation under the CNH Capital brand. The program has become operational from the beginning of 2012 and will be run by a dedicated sales team working closely with four CNH brands – Case IH, New Holland Agriculture, New Holland Construction and Case Construction Equipment – and their dealers and customers.

On 23 December, CNH has announced an initial investment of USD 90 million to build a new

manufacturing plant in Harbin, in the Heilongjiang Province, northeast China. The new facility will produce high horsepower tractors, combine harvesters and other machinery featuring advanced technology and will expand the Group's manufacturing base in China, where it currently assembles high horsepower tractors and other agricultural equipment in Harbin, and operates a manufacturing plant dedicated to low and medium horsepower tractors in Shanghai.

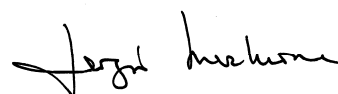
In December, Irisbus Italia S.p.A. (Iveco sector) signed a collective agreement with national and local trade unions, enabling closure of the Valle Ufita plant and recourse to the extraordinary temporary layoff benefit scheme for all 658 employees for a period of 2 years, commencing 1 January 2012. During the year, Iveco also closed a bus plant in Barcelona.

During the fourth quarter of 2011, the Group formalized procedures for orderly termination of Iveco Finance Holdings Limited ("IFHL"), the joint venture with Barclays, which manages the financial services activities (retail and dealer) for Iveco in Italy, Germany, France, the UK and Switzerland. The agreement with the joint venture partner contains an undertaking from Iveco to purchase the 51% interest held by Barclays, subject to receipt of the necessary regulatory approvals, on or before 31 May 2012 at a contractually agreed price (approximately €119 million), in addition to providing funding for IFHL's activities from 1 January 2012. For retail financing activities, the funding arrangements will be as follows: securitization with Barclays of the portfolio existing at 31 December 2011; vendor program agreements with BNP-Paribas in Germany and France for new financing generated from 1 January 2012; arrangement with Intesa Sanpaolo to fund the future portfolio in Italy; and, direct funding of the portfolio in Switzerland and the UK. For dealer financing activities, funding will be provided through a 3-year pan-European securitization program arranged with Barclays.

2012 Outlook

On the back of the Group's performance to date and our expectations of continuing strong trading conditions across all sectors, especially CNH, Fiat Industrial is setting 2012 guidance as follows:

- Revenues of approximately €25 billion;
- Trading profit between €1.9 billion and €2.1 billion;
- Net income of approximately €0.9 billion;
- Net industrial debt between €1.0 billion and 1.2 billion;
- Cash and cash equivalents in excess of €4.0 billion;
- Capital expenditures between €1.2 billion and 1.4 billion.

A handwritten signature in black ink, appearing to read "Sergio Marchionne".

Sergio Marchionne
Chairman

The managers responsible for preparing the Company's financial reports, Monica Ciceri and Camillo Rossotto, declare, pursuant to paragraph 2 of Article 154-*bis* of Legislative Decree 58/98, that the accounting information contained in this press release corresponds to the results documented in the books, accounting and other records of the company.

This press release, and in particular the section entitled "2012 Outlook", contains forward-looking statements. These statements are based on the Group's current expectations and projections about future events and, by their nature, are subject to inherent risks and uncertainties. They relate to events and depend on circumstances that may or may not occur or exist in the future and, as such, undue reliance should not be placed on them. Actual results may differ materially from those expressed in such statements as a result of a variety of factors, including: volatility and deterioration of capital and financial markets, including further worsening of the Eurozone sovereign debt crisis, changes in commodity prices, changes in general economic conditions, economic growth and other changes in business conditions, changes in government regulation (in each case, in Italy or abroad), many interrelated factors that affect consumer confidence and worldwide demand for capital goods and capital goods-related products; factors affecting the agricultural business including commodities prices, weather, floods, earthquakes or other natural disasters, governmental farm programs, production difficulties, including capacity and supply constraints and many other risks and uncertainties, most of which are outside of the Group's control.

Turin, 1 February 2012

On February 1st, at 6:00 p.m. CET, management will hold a conference call to present 2011 full year and fourth quarter results to financial analysts and institutional investors. The call can be followed live and a recording will be available later on the Group website (www.fiatindustrial.com).

Consolidated Income Statement

Unaudited

(€ million)	2011	2010	4 th Quarter 2011	4 th Quarter 2010
NET REVENUES	24,289	21,342	6,820	5,950
TRADING PROFIT/(LOSS)	1,686	1,092	395	294
Gains/(losses) on the disposal of investments	26	3	6	-
Restructuring costs	95	58	7	54
Other unusual income/(expenses)	12	(20)	(1)	(20)
OPERATING PROFIT/(LOSS)	1,629	1,017	393	220
Financial income/(expenses)	(546)	(505)	(172)	(129)
Result from investments	86	64	12	25
PROFIT/(LOSS) BEFORE TAXES	1,169	576	233	116
Income taxes	468	198	89	(49)
PROFIT/(LOSS) FROM CONTINUING OPERATIONS	701	378	144	165
Profit/(loss) from discontinued operations	-	-	-	-
PROFIT/(LOSS)	701	378	144	165
PROFIT/(LOSS) ATTRIBUTABLE TO:				
Owners of the parent	624	341	123	146
Non-controlling interests	77	37	21	19

Change in Net Industrial Debt

Unaudited

(€ million)	2011	2010
NET INDUSTRIAL (DEBT)/CASH AT BEGINNING OF THE YEAR	(1,900)	(1,315)
Profit/(loss)	701	378
Amortization and depreciation (net of vehicles sold under buy-back commitments or leased)	664	662
Change in provisions for risks and charges and similar	350	351
CASH FROM/(USED IN) OPERATING ACTIVITIES DURING THE YEAR BEFORE CHANGE IN WORKING CAPITAL	1,715	1,391
Change in working capital	346	993
CASH FROM/(USED IN) OPERATING ACTIVITIES	2,061	2,384
Investments in property, plant and equipment and intangible assets (net of vehicles sold under buy-back commitments or leased)	(991)	(871)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES, NET OF CAPITAL EXPENDITURES	1,070	1,513
Change in consolidation scope and other changes	(400)	114
NET INDUSTRIAL CASH FLOW	670	1,627
Capital increases, dividends and equity transactions	(9)	307
Currency translation differences	-	2
CHANGE IN NET INDUSTRIAL DEBT	661	1,936
NET INDUSTRIAL (DEBT)/CASH AT END OF THE YEAR (BEFORE DEMERGER)		621
Effect of Demerger on the allocation of net debt (At 31 December 2010)		(2,521)
NET INDUSTRIAL (DEBT)/CASH AT END OF THE YEAR	(1,239)	(1,900)

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

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

	Average 2011	At 31 December 2011	Average 2010	At 31 December 2010
U.S. dollar	1.392	1.294	1.326	1.336
Pound sterling	0.868	0.835	0.858	0.861
Swiss franc	1.233	1.216	1.380	1.250
Polish zloty	4.121	4.458	3.995	3.975
Brazilian real	2.327	2.416	2.331	2.218
Argentine peso	5.742	5.561	5.183	5.303