



Fiat Industrial Finance Europe S.A.

(Incorporated with limited liability under the laws of the Grand-Duchy of Luxembourg;
Registre de Commerce et des Sociétés de Luxembourg No. 155849)

Fiat Industrial Finance North America, Inc.

(Incorporated under the laws of the State of Delaware)

€10,000,000,000

Global Medium Term Note Programme

unconditionally and irrevocably guaranteed by

Fiat Industrial S.p.A.

(incorporated as a *Società per Azioni* under the laws of the Republic of Italy)

This base prospectus supplement (the **Supplement**) is supplemental to and should be read in conjunction with the Base Prospectus dated 27 March 2012 (the **Base Prospectus**) in relation to the €10,000,000,000 Global Medium Term Note Programme (the **Programme**) of Fiat Industrial Finance Europe S.A. (FIFE) and Fiat Industrial Finance North America, Inc. (FIFNA) (each an **Issuer** and together the **Issuers**) and guaranteed by Fiat Industrial S.p.A. (the **Guarantor**). This Supplement constitutes a base prospectus supplement for the purposes of Article 16 of Directive 2003/71/EC (the **Prospectus Directive**) and is prepared in connection with the Programme. This Supplement has been approved by the Central Bank of Ireland (the **Central Bank**), as competent authority under the Prospectus Directive. The Central Bank only approves this Supplement as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive.

Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

FIFE accepts responsibility for the information contained in this document, with the exception of any information in respect of FIFNA. To the best of the knowledge of FIFE, the information contained in this document in respect of which it accepts responsibility is in accordance with the facts and does not omit anything likely to affect the importance of such information.

FIFNA accepts responsibility for the information contained in this document, with the exception of any information in respect of FIFE. To the best of the knowledge of FIFNA, the information contained in this document in respect of which it accepts responsibility is in accordance with the facts and does not omit anything likely to affect the importance of such information.

The Guarantor accepts responsibility only for the information contained in this document relating to itself and to the Guarantee, with the exception of any information in respect of FIFE and FIFNA. To the best of the knowledge of the Guarantor, the information contained in those parts of this document relating to itself and to the Guarantee in respect of which it accepts responsibility is in accordance with the facts and does not omit anything likely to affect the importance of such information.

On 2 August 2012, the Guarantor published its 2012 Half-year Financial Report for the first half of 2012 which includes its unaudited consolidated financial statements as at and for the six months ended 30 June 2012. Copies of such financial statements were filed with Borsa Italiana S.p.A. (the **Italian Stock Exchange**) in accordance with applicable laws and regulations and are available on the website of the Irish Stock Exchange at <http://www.ise.ie/app/announcementDetails.aspx?ID=11290577> and, by virtue of this Supplement, such financial statements are deemed to be incorporated in, and form part of, the Base Prospectus. The Irish Stock Exchange's website and its content (except for the financial statements as at and for the six months ended 30 June 2012 available at the link mentioned above) do not form part of this Supplement. Copies of all documents incorporated by reference in the Base Prospectus can be obtained free of charge from the registered offices of the Issuers and at the offices of the paying agents.

On 5 April 2012, the Guarantor's shareholders, in an ordinary session of the general meeting of shareholders, approved, among other things, (i) the annual audited statutory stand-alone financial statements of the Guarantor for the financial year ended 31 December 2011, (ii) the distribution of a gross dividend of €0.185 per ordinary share, €0.185 per preference share and €0.2315 per savings share, (iii) the compensation policy, (iv) a long-term equity-based incentive plan, and (v) the grant of a share buy-back authorisation of up to €500 million. In addition, the Guarantor's shareholders voted to set the number of board members to eleven and elected the members of the board of directors for the 2012-2014 period through the voting-list system as set forth in the Guarantor's by-laws.

The current members of the Guarantor's board of directors are Alberto Bombassei, Gianni Coda, John Elkann, Robert Liberatore, Sergio Marchionne, Libero Milone, Giovanni Perissinotto, Guido Tabellini, Jacqueline A. Tammenoms Bakker, John Zhao, who were all candidates from the list presented by Exor S.p.A., and Maria Patrizia Grieco, a candidate from the list presented by a group of Italian and international asset managers and institutional investors. Alberto Bombassei, Robert Liberatore, Libero Milone, Giovanni Perissinotto, Guido Tabellini, Jacqueline A. Tammenoms Bakker, John Zhao and Maria Patrizia Grieco declared that they met the requirements to qualify as independent directors pursuant to Legislative Decree 58/98 and the evaluation criteria adopted by the board of directors on 22 February 2012.

Finally, the Guarantor's shareholders, in an extraordinary session of the general meeting of shareholders, approved the mandatory conversion of all 103,292,310 preference shares and all 79,912,800 savings shares into 130,241,379 ordinary shares having the same characteristics as those already issued and with distribution rights accruing from 1 January 2012, subject to certain conditions precedent. The approved conversion ratio was 0.700 ordinary shares per preference share and 0.725 ordinary shares per savings share. The mandatory conversion of preference and savings shares into the Guarantor's ordinary shares had already been approved by the respective holders of those special classes. At the extraordinary session of the general meeting, shareholders also approved an increase in par value per share, subsequent to the conversion of the preference and savings shares, to €1.57 (from €1.50) through utilization of approximately €6.1 million from the share premium reserve, resulting in total share capital increasing to €1,919,433,144.74.

Immediately after the conclusion of the general meeting of shareholders, a meeting of the board of directors took place and confirmed Sergio Marchionne as Chairman granting him with the relevant powers. Furthermore, the board of directors also confirmed that Alberto Bombassei, Robert Liberatore, Libero Milone, Giovanni Perissinotto, Guido Tabellini, Jacqueline A. Tammenoms Bakker, John Zhao and Maria Patrizia Grieco met the requirements to qualify as independent directors. The board of directors also appointed its committees, whose members are as follows:

<u>Internal Control Committee</u>	<u>Nominating, Corporate Governance and Sustainability Committee</u>	<u>Compensation Committee</u>
Libero Milone (Chairman)	John Elkann (Chairman)	John Elkann (Chairman)
Alberto Bombassei	Robert Liberatore	Giovanni Perissinotto
Guido Tabellini	Maria Patrizia Grieco	Jacqueline A. Tammenoms Bakker

On 14 May 2012, the Guarantor announced that in the following few days it would proceed with the conversion of its preference and savings shares into ordinary shares as approved by the Guarantor's shareholders on 5 April 2012. The mandatory conversion was subject to total disbursements to shareholders exercising the right of withdrawal not exceeding €56 million in relation to the preference shares and €44 million in relation to the savings shares. Upon expiration of the withdrawal right period, the Guarantor received withdrawal notices in relation to 12,476 preference shares (for a total amount of €51,850) and 23,664 savings shares (for a total amount of €102,607). As a result, the conditions precedent were satisfied.

On 17 May 2012, the Guarantor announced that the mandatory conversion of all 103,292,310 of its preference shares and 79,912,800 of its savings shares into 130,241,397 of its ordinary shares, pursuant to the shareholder resolution of 5 April 2012, would take place on 21 May 2012, according to the conversion ratios mentioned above. The Guarantor also announced that the final trading date for its preference and savings shares would be 18 May 2012 and that from 21 May 2012 only its ordinary shares would trade on Borsa Italiana's electronic exchange (MTA). After conversion, the Guarantor's total share capital of €1,919,433,144.74 is divided into 1,222,568,882 shares with a par value of €1.57 each.

On 30 May 2012, the Guarantor proposed a combination with CNH Global N.V. (CNH) to simplify the existing shareholding structure of the Guarantor and its 88% stake in CNH as well as to fully integrate the businesses controlled by the Guarantor. Under the proposal submitted to CNH's board of directors, CNH and the Guarantor would combine into a new holding company organized in the Netherlands or adopt a similar structure (Newco) on the basis of exchange ratios to be established at market and determined based upon the undisturbed market prices of the shares of each of the Guarantor and CNH (identified as the period in March/April 2012 before the matter was first raised publicly). Neither the shareholders of CNH nor the shareholders of the Guarantor would receive a premium in the transaction, since expected cost savings are minimal. Under the proposal, at the closing of the transaction, the shares of Newco would be listed on the New York Stock Exchange with a secondary European listing.

In order to foster the development and continued involvement of a core base of long-term shareholders, the new company would adopt a high-low loyalty voting structure. Under the loyalty voting structure, shareholders that participate in the shareholders' meetings of the Guarantor and CNH to consider the transaction and continue to hold their shares until the transaction's closing, regardless of how they vote, could elect to have the shares they receive be entitled to two votes per share until those shares are transferred. After the closing of the transaction, shareholders with single-vote shares of Newco would be entitled to "earn" a double vote by holding the shares for at least three years. This structure is intended to facilitate a stable shareholder base and reward long-term share ownership, while allowing the Fiat Industrial Group enhanced flexibility to pursue strategic opportunities in the future.

The transaction's closing would be subject to certain conditions, including a €250 million cap on the exercise by the Guarantor's shareholders of withdrawal rights that arise under Italian law as a consequence of the redomiciliation from Italy to the Netherlands as well as any exercise of creditors' rights. Because the Guarantor does not intend to consider a cash offer for CNH shares, this would be the maximum cash outlay by the Fiat Industrial Group in connection with the transaction. In addition, the closing of the transaction for each company would be conditioned on one another as well as on the implementation of the loyalty high-low vote structure and receipt of any necessary regulatory approvals. The proposed transaction would require the approval by the board of directors and the shareholders of each company. The CNH minority shareholders would not have a separate vote on the transaction, and the Guarantor intends to vote all of its shareholdings in CNH in favour of the proposed transaction. The proposed transaction is not expected to have any impact on operations or headcounts.

In order to comply with U.S. securities laws and Italian law, on 30 May 2012, the Guarantor filed an amended Schedule 13D with the U.S. Securities and Exchange Commission and issued a press release concerning the proposed transaction.

On 5 July 2012, the Guarantor announced the entry into a €350 million loan agreement by and between the European Investment Bank (EIB) and a subsidiary of the Guarantor to finance projects carried out by five of the Fiat Industrial Group's European R&D centres with the aim of improving the energy efficiency and reducing CO₂ emissions of the Fiat Industrial Group's products.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in, or incorporated by reference in, the Base Prospectus, such statements described in clause (b) will be deemed to be superseded by such statements described in clause (a).

Save as disclosed in this Supplement no significant new factor, material mistake or inaccuracy relating to the information included in the Base Prospectus, which is capable of affecting the assessment of Notes issued under the Programme, has arisen or been noted, as the case may be, since the publication of the Base Prospectus.