



Istituto Finanziario Industriale

Turin, March 3, 2003

PRESS RELEASE

Group Reorganization

The Board of Directors of IFI, which met today, appointed Umberto Agnelli as Chairman of the Company, Gabriele Galateri as Chief Executive Officer and co-opted John Philip Elkann and Annibale di Collobiano as Directors.

The Board of Directors, under the chairmanship of Umberto Agnelli, approved the Reorganization Plan of the Group which calls for:

- the contribution to IFIL of the investments held by IFI in FIAT, JUVENTUS FOOTBALL CLUB, SANPAOLO IMI and SOIEM (services company in the IFI-IFIL Group), having a total market value on February 28, 2003 of approximately Euros 927 million (Euros 1,052 million on the basis of the average Official Price over the last six months), against a share increase by IFIL reserved for IFI with the issue of 167,450,949 ordinary shares and 119,635,991 savings shares.
- within the framework of the voluntary conversion of IFIL savings shares to IFIL ordinary shares, the conversion by IFI of the savings shares received following the contribution.

The Reorganization Plan and the contribution of the investments held in FIAT, JUVENTUS FOOTBALL CLUB, SANPAOLO IMI and SOIEM are directed to achieving the following objectives:

- **Rationalization and simplification of the Group structure.** The objective of the Reorganization Plan is to rationalize and simplify the Group structure wherein IFI becomes the controlling holding company and IFIL becomes the operating holding company managing the investments.
- **Centralization of investment management.** The contribution to IFIL of the FIAT, SANPAOLO IMI and SOIEM shares will make it possible to bring together the common investments and ensure a greater efficiency in their management.

Following the implementation of the Reorganization Plan, in addition to the investment in EXOR Group, IFI will maintain control of IFIL (59.6% of ordinary capital stock post-reorganization, in the event all savings shareholders are tendered for conversion).

The Board of Directors was assisted by Schroeder Salomon Smith Barney, in the capacity of Financial Advisor.

The Reorganization Plan will be executed after approval by the Extraordinary Shareholders' Meeting of IFIL which may be held in April.

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Registro Imprese di Torino, Codice Fiscale e Partita IVA n. 00470400011 – REA n. 91712



Delegation of authority for a possible future increase in capital stock

The Board of Directors also passed a resolution to put a proposal before a special Extraordinary Shareholders' Meeting, which may be held in April, to grant to the Board the power, in accordance with article 2443 of the Italian Civil Code, to increase, in one or more occasions, the capital stock for a maximum amount of Euros 500,000,000 and therefore to a maximum of Euros 561,750,000.

Preliminary December 31, 2002 figures

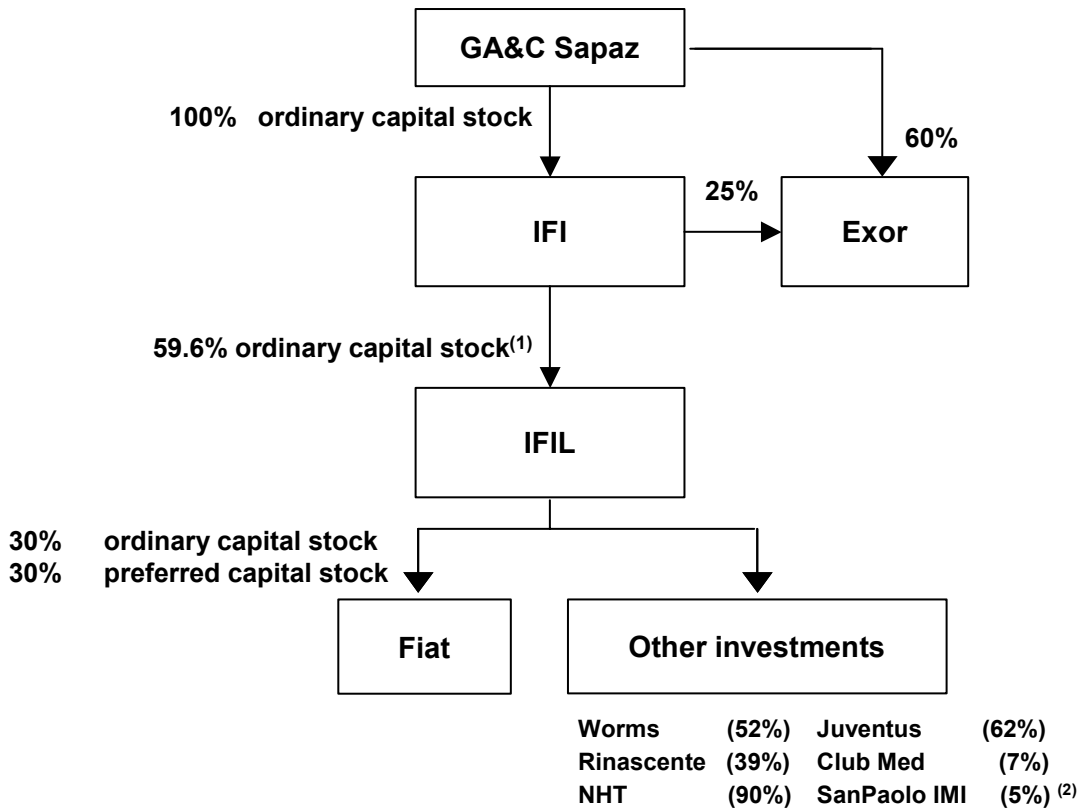
The results for the year ended December 31, 2002 of IFI S.p.A. are expected to show a loss of about Euros 227 million, due entirely to the writedown of the carrying values of FIAT preferred shares and IFIL ordinary shares, as well as IFI preferred treasury shares. Accordingly, no distribution of dividends will be proposed for the year 2002.

As for the consolidated financial statements for the year ended December 31, 2002, the IFI Group is expected to report a loss of about Euros 800 million, substantially originating from the share (approximately Euros 780 million) of the loss of the FIAT Group.

The IFI Board of Directors is expected to convene on March 28, 2003 to approve the draft statutory financial statements and the consolidated financial statements for the year ended December 31, 2002, which will be made available to the public in accordance with existing laws. The Ordinary Shareholders' Meeting to be called to approve the statutory financial statements is scheduled for May.



Group Structure post-Regrouping



(1) Assuming conversion by all IFIL savings shareholders

(2) Ordinary capital stock