



*Istituto Finanziario Industriale*



Finanziaria di Partecipazioni

Turin, April 23, 2003

### **IFI and IFIL joint press release**

#### ***IFI/IFIL Reorganization Plan Contribution to IFIL executed***

Within the framework of the Reorganization Plan announced on March 3, 2003, IFI and IFIL have executed the IFIL capital increase reserved for IFI approved today by the IFIL Shareholders' Meeting.

IFI therefore contributed the following investments to IFIL:

- (i) **FIAT S.p.A.:** 77,944,334 ordinary shares, 19,582,500 preferred shares (equal, respectively, to 17.99% of ordinary capital stock and 18.96% of preferred capital stock) and 11,216,334 FIAT warrants 2007, valid for the subscription of FIAT ordinary shares;
- (ii) **SANPAOLO IMI S.p.A.:** 16,300,000 ordinary shares (equal to 1.13% of ordinary capital stock);
- (iii) **JUVENTUS FOOTBALL CLUB S.p.A.:** 74,992,103 ordinary shares (equal to 62.01% of capital stock);
- (iv) **SOIEM S.p.A.** (the services company of the IFI-IFIL Group): 18,286,500 ordinary shares (equal to 50.1% of capital stock).

In exchange for the contribution, IFIL issued, in favor of IFI, 167,450,949 ordinary shares and 119,635,991 savings shares, for a total par value of € 287,086,940.

Based on the Official Prices of the investments contributed by IFI and of the IFIL ordinary and savings shares at February 28, 2003 (the last business day of the stock market prior to the announcement of the Reorganization Plan), the terms proposed carry an implicit premium on the issue of the new IFIL shares equal to about 30%. Based on April 22, 2003 Official Prices, the proposed terms carry an implicit premium on the issue of the new IFIL shares equal to about 30%. Based on the average Official Prices over the six months prior to February 28, 2003, the proposed terms imply a premium on the issue of the new IFIL shares equal to 20%. Based on the average of the Official Prices over the six months prior to April 22, 2003, the terms proposed imply a premium on the issue of the new IFIL shares equal to about 22%.

After the deed of contribution was drawn up, the Board of Directors of IFIL met and checked and confirmed the adequacy of the valuations of the contributed assets.

The voluntary conversion of IFIL savings shares into IFIL ordinary shares based upon a conversion ratio of 17 IFIL ordinary shares for every 20 IFIL savings shares, without payment of any cash settlement, as established by the Reorganization Plan and today approved by Shareholders' Meeting of IFIL, will be executed starting from the end of April – beginning of May. IFI has stated its intention to fully convert the IFIL savings shares in its possession.



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**Pursuant to the requirements of art. 71 bis of Consob Regulation 11971/99, the following disclosure is also provided.**

Being IFI the parent company of IFIL, the capital increase of IFIL to be subscribed for by IFI falls under the concept of a «transaction with related parties» pursuant to Art. 71 bis of Consob Regulation 11971/99.

The Boards of Directors of IFI and IFIL have assessed that there are no risks associated therewith as no conflict of interest exists, in the case in point, between the company contributing assets against newly issued shares (IFI) and the company issuing new shares against the assets being contributed (IFIL). In the framework of the above described transaction the interests of IFI and IFIL are to be regarded as rather converging, since the consolidation in IFIL of the investments up to date held in common by IFI and IFIL will afford a better use of the strategic capacity of active investment management of the IFIL's structure to the benefit of the whole group IFI-IFIL.

Moreover, according to Italian mandatory law, in a transaction involving a capital increase in kind with the exclusion of the shareholders' right of option, the interests of the shareholders are protected (i) by a court-appointed expert appraising the value of the assets contributed and (ii) by the company's external auditors releasing an opinion on the adequacy of the issue price of the shares.

In support of the adequacy of the economic terms of the transactions, the expert appointed by the Turin Courts, Mr. Franco Ilotte, on April 2, 2003, issued the appraisal report on the investments in accordance with art. 2343 of the Italian Civil Code and the firm auditing the financial statements, Deloitte & Touche Italia S.p.A., on April 7, 2003, issued an opinion on adequacy in accordance with art. 2441, paragraph 6 of the Italian Civil Code. These documents were made available to the public in accordance with the terms of the law and were attached to the Prospectus prepared as set forth by article 70, paragraph 4 of Consob Regulation No. 11971/99 and filed with Borsa Italiana on April 11, 2003.

Furthermore, according to the provisions of the «corporate governance code» for the Italian listed companies and in line with international market practice, the transaction has been carried out with the assistance of different independent experts for each of the party. Particularly, IFI has been assisted by Schroder Salomon Smith Barney acting in the capacity of Financial Advisor and IFIL has been assisted by Merrill Lynch.

In execution of its assignment, Merrill Lynch, on March 3, 2003, issued a fairness opinion (attached to the Prospectus), on the adequacy, from a financial standpoint, of the number of IFIL shares to be issued to the contributing company IFI as a result of the contribution of the investments.

Following the contribution, IFI continues to hold, indirectly through IFIL, the contributed investments and increased its holding in IFIL by the new IFIL shares issued in exchange for the contribution.

The proforma economic, equity and financial data, prepared to reflect the effects of the transaction for the capital increase reserved for IFI, are contained in the aforementioned Prospectus.

None of the directors of IFI and IFIL has a personal interest in the aforementioned transactions, nor is any change anticipated in the compensation to the directors of IFI and IFIL in correlation to the completion of the transactions themselves.