



Finanziaria di Partecipazioni SpA

Turin, May 14, 2003

**PRESS RELEASE**

**Shareholders' Meeting and Board of Directors Meeting held on May 14, 2003**

The IFIL Shareholders' Meeting, which met today in Turin under the chairmanship of Gianluigi Gabetti, approved the financial statements for the year ended December 31, 2002 in ordinary session. As previously announced, the year closed with a loss of € 516.4 million; therefore no dividends have been declared.

The Shareholders' Meeting renewed the authorization for the buy-back of treasury stock for a maximum 44 million ordinary and/or savings shares, for a maximum €300 million.

The Shareholders' Meeting also confirmed the appointment of Deloitte & Touche Italia S.p.A. for the audit of the financial statements for the three-year period 2003-2005.

In extraordinary session, the Shareholders' Meeting renewed the authorization delegating power to the Directors to increase, in one or more instances, also in separable form, capital stock up to a maximum par value of € 1,500 million and to issue, in one or more instances, convertible or non-convertible bonds, up to the same amount but for an amount which does not exceed the limits set, each time, by law.

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On the same day, under the chairmanship of Gianluigi Gabetti, the Board of Directors of IFIL also met to examine the consolidated results for the first quarter ended March 31, 2003 (the period prior to the implementation of the Reorganization Plan, which took place in April-May).

The first quarter of 2003 showed a consolidated loss of the IFIL Group of €75 million (compared to a net income of €6.5 million in the first quarter of 2002). This result essentially derives from the share of the loss of the Fiat Group (€74.1 million), only partly compensated by the Worms & Cie Group's result which, despite lower gains from disposals compared to 2002, made a positive contribution of €23.9 million.

Rinascente Group increased sales performance by 8.5% during the first three months compared to the corresponding period of 2002 although it reported results that, as usual, reflect the seasonal nature of the business, with IFIL's share of the loss amounting to €7.1 million.

Operations in the tourism sector, headed by the NHT Group, despite the international geopolitical situation, also showed signs of an upturn (+30% in revenues compared to the prior year), although on account of the extremely seasonal nature of the business, IFIL's share of the loss amounted to € 7.9 million.



The shareholders' equity of the IFIL Group at March 31, 2003 amounted to €2,587.5 million, a decrease from December 31, 2002 (€2,708.1 million).

The consolidated net financial position of the "holdings system" showed a net debt position at March 31, 2003 of €513 million (compared to €484.4 million at December 31, 2002).

### **Implementation of the Reorganization Plan**

With the approval of the Reorganization Plan by the Shareholders' Meeting held on April 23, 2003, IFIL received the investments already held by IFI in Fiat S.p.A. (17.99% of ordinary capital stock and 18.96% of preferred capital stock), Sanpaolo IMI (1.13% of ordinary capital stock), Juventus Football Club (62.01%) and Soiem (50.1%).

Moreover, May 12, 2003 marked the date of the conclusion of the transaction to convert IFIL savings shares to ordinary shares. Based upon the preliminary results communicated by Monte Titoli, 266.335.609 savings shares, equal to 87,69% of IFIL savings capital stock, were converted to 226.385.269 ordinary shares.

### **Future outlook of IFIL Group's operations for the current year**

As regards the year 2003, the parent company IFIL S.p.A., on the basis of information available to date, is expected to report a profit.

At consolidated level, the persisting negative international economic outlook makes it difficult to advance any forecasts on the result for the current year. Nevertheless, the efforts taken to turnaround Fiat and the balanced portfolio of investments held by IFIL – less than one-third of which is concentrated in the automotive sector and over two-thirds is diversified – constitute valid bases for the resumption of growth by the Group.

The new organization of the Group will lend support to this prospect: IFIL will be able to count on greater equity and financial soundness and to fully carry out its role as the operating holding company of the Group.

### **Co-option of a new director**

The Board of Directors, after the Shareholders' Meeting, took note of the resignation of Guglielmo Isoardi as director of the Company and cordially thanked him for his invaluable contribution to the development of IFIL. The Board then co-opted Giuseppe Recchi, after having verified the requisites of independence according to the Code of Self-discipline of listed companies.



## CONSOLIDATED FINANCIAL STATEMENTS OF THE IFIL GROUP AT MARCH 31, 2003 - CONDENSED<sup>(\*)</sup>

(\*) Prepared by consolidating the financial holding companies on a line-by-line or proportional basis and accounting for the operating holding companies and the other subsidiaries and associated companies using the equity method.

### CONDENSED CONSOLIDATED INCOME STATEMENT

Year		1st Quarter	1st Quarter	
2002	€ in millions	2003	2002	Change
	Group's share of earnings (losses) of companies accounted for using the equity method	<b>(62.4)</b>	16.1	(78.5)
38.8	Dividends from other holdings and tax credits	<b>0.0</b>	0.0	0.0
(51.8)	Gains/(losses), net	<b>0.0</b>	0.0	0.0
(6.8)	Amortization of goodwill	<b>(2.4)</b>	(1.7)	(0.7)
<b>(321.4)</b>	<b>Investment income (expenses), net</b>	<b>(64.8)</b>	14.4	(79.2)
(20.6)	Financial expenses, net	<b>(6.8)</b>	(5.0)	(1.8)
(13.1)	General expenses, net	<b>(3.9)</b>	(2.9)	(1.0)
(12.5)	Other expenses, net	<b>(0.4)</b>	(0.1)	(0.3)
<b>(367.6)</b>	<b>Profit (loss) before income taxes</b>	<b>(75.9)</b>	6.4	(82.3)
4.6	Current income taxes, net	<b>0.0</b>	(0.6)	0.6
(4.0)	Deferred income taxes	<b>0.9</b>	0.7	0.2
<b>(367.0)</b>	<b>Net profit (loss) - Group</b>	<b>(75.0)</b>	6.5	(81.5)

### GROUP'S SHARE OF EARNINGS (LOSSES) OF COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

Year		1st Quarter	1st Quarter	
2002	€ in millions	2003	2002	Change
(429.5)	Fiat Group	<b>(74.1)</b>	(57.6)	(16.5)
98.1	Worms & Cie Group	<b>23.9</b>	79.0	(55.1)
15.2 (a)	Rinascente Group	<b>(7.1)</b>	(4.8)	(2.3)
(11.1)	NHT Group (b)	<b>(7.9)</b>	(9.1)	1.2
1.2	Sifalberghi S.r.l.	<b>(0.2)</b>	(0.1)	(0.1)
(1.0)	Soiem S.p.A.	<b>0.1</b>	0.0	0.1
<b>(327.1)</b>		<b>(65.3)</b>	7.4	(72.7)
25.5 (c)	Consolidation adjustments	<b>2.9 (c)</b>	8.7	(5.8)
<b>(301.6)</b>	<b>Group's share of earnings (losses) of companies accounted for using the equity method</b>	<b>(62.4)</b>	16.1	(78.5)

(a) Calculated on the basis of the pre-takeover percentage ownership (29.9%).

(b) Pre-amortization of goodwill. The first quarter coincides, for the NHT Group, to the period November 1, 2002 – January 31, 2003.

(c) Relating to the Worms & Cie Group. In 2002, they related to the Fiat Group (€9.1 million) and the Worms & Cie Group (€16.4 million).

**The quarterly report is unaudited.**



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### CONDENSED CONSOLIDATED BALANCE SHEET

3/31/2002	€in millions	3/31/2003	12/31/2003	Change
	Long-term financial assets:			
3,789.3	- investments	3,063.9	3,161.0	(97.1)
44.9	- treasury stock	41.7	41.7	0.0
0.0	- long-term bonds	4.6	4.5	0.1
3,834.2		3,110.2	3,207.2	(97.0)
284.0	Cash and banks and short-term investments	131.0	244.5	(113.5)
97.5	Other assets	57.8	53.8	4.0
4,215.7	<b>Total assets</b>	<b>3,299.0</b>	<b>3,505.5</b>	<b>(206.5)</b>
3,395.8	Shareholders' equity - Group	2,587.5	2,708.1	(120.6)
	Financial debt:			
619.3	- short-term	294.0	434.2	(140.2)
150.0	- medium-term	350.0	295.0	55.0
769.3		644.0	729.2	(85.2)
45.1	Reserve for employees' severance indemnity and reserves for liabilities and expenses	37.6	41.3	(3.7)
5.5	Other liabilities	29.9	26.9	3.0
4,215.7	<b>Total liabilities and shareholders' equity</b>	<b>3,299.0</b>	<b>3,505.5</b>	<b>(206.5)</b>

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