



Istituto Finanziario Industriale

Turin, March 30, 2004

PRESS RELEASE

Board of Directors' Meeting on March 30, 2004

The Board of Directors of IFI – Istituto Finanziario Industriale, which met today in Turin under the chairmanship of Umberto Agnelli, approved the consolidated financial statements and the draft statutory financial statements at December 31, 2003, which will be submitted to the Shareholders' Meeting, to be convened in June (dates will be announced later on).

IFI S.p.A. ended the year 2003 with a net income € 14.7 million, marking the return to a profit position after the loss of € 226.9 million reported last year.

The consolidated result of the IFI Group was a loss of € 130 million, a decisive improvement over the loss of € 803 million reported in 2002. The improvement derives from the share of the lower losses of the subsidiaries IFIL, Fiat and Juventus F.C. and the share of the profit reported by the subsidiary Exor.

The financial position also displayed a significant improvement: net indebtedness decreased, in fact, from € 421 million at December 31, 2002 to € 295.4 million at the end of 2003.

The Board of Directors will propose a motion to the Shareholders' Meeting to appropriate the net income to the extraordinary reserve and not to proceed to distribute dividends.

The Board, moreover, decided to submit, for approval by the Shareholders' Meeting, some amendments to the Company's by-laws that were also made to bring the by-laws in line with recent provisions introduced by the reform of corporate law.

Major events in 2003

During the course of 2003, the IFI – IFIL Reorganization Plan was brought to a close. The Plan made it possible to create a more efficient and rational organizational structure and a clearer distinction between the roles of the two companies, assigning the task of purely the controlling holding company to IFI and concentrating the investments of the Group in IFIL.



A capital stock increase against payment was concluded in July with € 457.4 million of capital raised which allowed the Company to subscribe to IFIL's capital stock increase and also reduce its debt.

As far as the performance of its investment holdings is concerned, IFIL S.p.A. ended the year 2003 with a net income of € 72.7 million. The consolidated result of the IFIL Group was a loss of € 45 million, which is nevertheless a considerable improvement over the loss of € 367 million reported in 2002. Moreover, the objective of decreasing net debt was reached, with a reduction of more than half from € 484 million at the end of 2002 to € 234.7 million at December 31, 2003.

Future outlook

Taking into account the motions for the distribution of dividends formulated by the Boards of Directors of IFIL and Exor Group, it is believed that the result for 2004 of IFI S.p.A. will be a profit. The consolidated result of the IFI Group for 2004 will be closely linked to the performance of IFIL and its main holdings.



CONSOLIDATED FINANCIAL STATEMENTS OF THE IFI GROUP AT DECEMBER 31, 2003 – CONDENSED (*)

(*) Prepared by valuing the investments held in IFIL and in the Exor Group using the equity method.

CONDENSED CONSOLIDATED INCOME STATEMENT

€ in millions	2003	2002	Change
Group's share of earnings (losses) of companies accounted for using the equity method	(117.7)	(755.2)	637.5
Dividends from other holdings and related tax credits	0.2	14.7	(14.5)
Gains (losses), net	0.0	(60.3)	60.3
Amortization of goodwill	0.0	(7.4)	7.4
Investment income (expenses), net	(117.5)	(808.2)	690.7
Financial expenses, net	(15.0)	(17.5)	2.5
General expenses, net	(6.1)	(9.2)	3.1
Other income (expenses), net	1.0	(4.5)	5.5
Loss before taxes	(137.6)	(839.4)	701.8
Current income taxes, net	0.0	21.8	(21.8)
Deferred taxes	7.6	14.6	(7.0)
Net loss - Group	(130.0)	(803.0)	673.0

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

€ in millions	Earnings (losses)		IFI's share		Change
	2003	2002	2003	2002	
IFIL Group	(45.0)	(367.0)	(27.2)	(118.6)	91.4
Exor Group S.A.	17.1	15.4	5.0	3.9	1.1
Fiat Group	(681.0) (a)	(3,948.0)	(110.8)	(642.2)	531.4
Juventus Football Club S.p.A.	(7.2) (a)	(35.3)	(4.5)	(22.0)	17.5
			(137.5)	(778.9)	641.4
Consolidation adjustments			19.8	23.7	(3.9)
Group's share of earnings (losses) of companies accounted for using the equity method			(117.7)	(755.2)	637.5

(a) Results for the first quarter of 2003.

Unaudited by the audit firm and not examined by the board of statutory auditors



CONSOLIDATED FINANCIAL STATEMENTS OF THE IFI GROUP AT DECEMBER 31, 2003 – CONDENSED ^(*)

(*) Prepared by valuing the investments held in IFIL and in the Exor Group using the equity method.

CONDENSED CONSOLIDATED BALANCE SHEET

€ in millions	12/31/2003	12/31/2002	Change
Financial fixed assets:			
- investments	2,436.0	2,366.9	69.1
- treasury stock	70.5	70.5	0.0
- other receivables	6.7	6.7	0.0
	2,513.2	2,444.1	69.1
Cash, receivables and other financial assets	0.1	1.8	(1.7)
Other assets	18.6	29.7	(11.1)
Total assets	2,531.9	2,475.6	56.3
Stockholders' equity:			
- of the Group	2,221.3	2,026.2	195.1
- minority interest	0.0	10.4	(10.4)
	2,221.3	2,036.6	184.7
Financial payables:			
- banks, short-term	66.3	211.7	(145.4)
- banks, medium-term	212.7	170.0	42.7
- parent company, short-term	15.2	39.3	(24.1)
- subsidiaries, short-term	0.0	0.5	(0.5)
	294.2	421.5	(127.3)
Other liabilities and reserves	16.4	17.5	(1.1)
Total liabilities and stockholders' equity	2,531.9	2,475.6	56.3

Unaudited by the audit firm and not examined by the board of statutory auditors



FINANCIAL STATEMENTS OF IFI S.p.A. AT DECEMBER 31, 2003

CONDENSED INCOME STATEMENT

€ in millions	2003	2002	Change
Dividends	4.5	79.9	(75.4)
Dividend tax credits	0.1	36.2	(36.1)
Writedowns	0.0	(304.8)	304.8
Gains	22.6	1.0	21.6
Income/(expenses), net, from financial fixed assets	27.2	(187.7)	214.9
Financial expenses, net	(15.0)	(17.6)	2.6
General expenses, net	(6.1)	(9.4)	3.3
Other expenses, net	1.0	(4.5)	5.5
Income (loss) before income taxes	7.1	(219.2)	226.3
Income taxes	7.6	(7.7)	15.3
Net income (loss)	14.7	(226.9)	241.6

CONDENSED BALANCE SHEET

€ in millions	12/31/2003		12/31/2002		Change
	Amount	%	Amount	%	
Financial fixed assets	1,856.8	99.0	1,524.7	98.8	332.1
Other assets	18.7	1.0	18.1	1.2	0.6
Total assets	1,875.5	100.0	1,542.8	100.0	332.7
Stockholders' equity	1,567.0	83.6	1,094.9	71.0	472.1
Financial payables:					
- banks, short-term	66.3	3.5	211.7	13.7	(145.4)
- banks, medium-term	212.7	11.3	170.0	11.0	42.7
- parent company	15.2	0.8	39.3	2.6	(24.1)
- subsidiaries	0.4	0.0	4.7	0.3	(4.3)
	294.6	15.6	425.7	27.6	(131.1)
Other liabilities and reserves	13.9	0.8	22.2	1.4	(8.3)
Total liabilities and stockholders' equity	1,875.5	100.0	1,542.8	100.0	332.7

Unaudited by the audit firm and not examined by the board of statutory auditors