

Turin, September 13, 2004

PRESS RELEASE

Board of Directors Meeting on September 13, 2004

The Board of Directors of IFI – Istituto Finanziario Industriale met today in Turin to review the performance for the first half of 2004.

The first half of the year shows a consolidated net loss of €66 million. This is a reduction of more than half that of the corresponding period of 2003 when the loss amounted to €130 million. The current result essentially reflects IFI's share of the consolidated result of the IFIL Group.

Consolidated shareholders' equity of the Group at June 30, 2004 amounts to €2,194.5 million (€2,221.3 million at December 31, 2003).

IFI S.p.A. reported an improvement in the net result for the period, which shows a profit of €42.5 million compared to a profit of €13.8 million in the first half of 2003.

Lastly, IFI S.p.A. registered a reduction in its net indebtedness position to €254.7 million at June 30, 2004 from €295.4 million at June 30, 2003.

Business outlook for the current year

With reference to the current year, IFI S.p.A. is expected to report a profit based on the data available to date. 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 JUNE 30, 2004 – CONDENSED (*)

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

CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

Year		I Half	I Half	
2003	€ in millions	2004	2003	Change
(117.7)	Group's share of earnings (losses) of companies accounted for using the equity method	(58.0)	(116.8)	58.8
0.2	Dividends from other holdings and tax credits	0.1	0.2	(0.1)
(15.0)	Financial expenses, net	(6.1)	(8.4)	2.3
(6.1)	General expenses, net	(2.0)	(3.4)	1.4
1.0	Other income (expenses), net	0.0	(1.6)	1.6
(137.6)	Loss before taxes	(66.0)	(130.0)	64.0
7.6	Current and deferred taxes	0.0	0.0	0.0
(130.0)	Net loss - Group	(66.0)	(130.0)	64.0

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

Year		I Half	I Half	
2003	€ in millions	2004	2003	Change
(27.2)	IFIL Group	(67.3)	(27.2)	(40.1)
5.0	Exor Group S.A.	8.3	4.3	4.0
(110.8) (a)	Fiat Group	-	(110.8) (a)	110.8
(4.5) (a)	Juventus Football Club	-	(4.5) (a)	4.5
(137.5)		(59.0)	(138.2)	79.2
19.8	Consolidation adjustments	1.0	21.4	(20.4)
(117.7)	Group's share of earnings (losses) of companies accounted for using the equity method	(58.0)	(116.8)	58.8

(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 JUNE 30, 2004 – CONDENSED (*)**

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

CONDENSED CONSOLIDATED BALANCE SHEET

6/30/2003	€ in millions	6/30/2004	12/31/2003	Change
	Financial fixed assets:			
2,216.8	- investments	2,366.6	2,436.0	(69.4)
70.5	- treasury stock	70.5	70.5	0.0
6.7	- other receivables	8.2	6.7	1.5
2,294.0		2,445.3	2,513.2	(67.9)
2.6	Cash and dividends receivable from IFIL	40.1	0.1	40.0
14.2	Other assets	17.9	18.6	(0.7)
2,310.8	Total assets	2,503.3	2,531.9	(28.6)
1,848.8	Stockholders' equity of the Group	2,194.5	2,221.3	(26.8)
	Financial payables:			
160.0	- banks, short-term	223.9	66.3	157.6
277.5	- banks, medium-term	30.0	212.7	(182.7)
0.0	- parent company, short-term	39.7	15.2	24.5
437.5		293.6	294.2	(0.6)
24.5	Other liabilities and reserves	15.2	16.4	(1.2)
2,310.8	Total liabilities and stockholders' equity	2,503.3	2,531.9	(28.6)

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

FINANCIAL STATEMENTS OF IFI S.P.A. AT JUNE 30, 2004

CONDENSED INCOME STATEMENT

Year		I Half	I Half	
2003	€ in millions	2004	2003	Change
4.6	Dividends	50.6	4.6	46.0
22.6	Gains	0.0	22.6	(22.6)
(15.0)	Financial expenses, net	(6.1)	(8.4)	2.3
(6.1)	General expenses, net	(2.0)	(3.4)	1.4
1.0	Other income (expenses), net	0.0	(1.6)	1.6
7.1	Income before taxes	42.5	13.8	28.7
7.6	Current and deferred taxes	0.0	0.0	0.0
14.7	Net income	42.5	13.8	28.7

CONDENSED BALANCE SHEET

6/30/2003	€ in millions	6/30/2004	12/31/2003	Change
1,551.7	Financial fixed assets	1,858.2	1,856.8	1.4
2.4	Dividends receivable from IFIL	39.9	0.0	39.9
14.5	Other assets	18.2	18.7	(0.5)
1,568.6	Total assets	1,916.3	1,875.5	40.8
1,108.7	Stockholders' equity	1,609.5	1,567.0	42.5
	Payables:			
160.0	- borrowings from banks, short-term	223.9	66.3	157.6
277.5	- borrowings from banks, medium-term	30.0	212.7	(182.7)
0.0	- payables to parent company, short-term	39.7	15.2	24.5
0.4	- payables to subsidiaries, short-term	0.3	0.4	(0.1)
437.9		293.9	294.6	(0.7)
22.0	Other liabilities and reserves	12.9	13.9	(1.0)
1,568.6	Total liabilities and stockholders' equity	1,916.3	1,875.5	40.8

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