

Turin, November 12, 2004

PRESS RELEASE

Board of Directors' Meeting on November 12, 2004

The Board of Directors of IFI – Istituto Finanziario Industriale met today in Turin under the chairmanship of Gianluigi Gabetti to examine the results for the third quarter of 2004, as well as performance for the first nine months of the year.

The consolidated net result of the IFI Group for the third quarter of 2004 is a loss of € 106.5 million (a profit of € 14.4 million for the third quarter of 2003). The reduction is essentially due to IFI's higher share of the loss reported by the IFIL Group during the period. For the same reason, the consolidated result for the first nine months of the year also shows a reduction, with a loss of €172.5 million compared to a loss of €115.6 million for the nine months ending September 30, 2003.

The shareholders' equity of the Group at September 30, 2004 is €2,079.3 million. This is a reduction compared to €2,221.3 million at the end of 2003 due to the loss of the Group and other net positive changes.

Lastly, the net financial position of IFI S.p.A. shows an improvement with the net indebtedness position at September 30, 2004 amounting to €259.1 million (€295.4 million at December 31, 2003).

Business outlook for the current year

For 2004, based on the data available to date, IFI S.p.A. is expected to report a profit.

The consolidated result of the IFI Group for 2004 will be directly related to the year-end results of IFIL S.p.A. and the companies in its portfolio, as well as the gain on the sale of the investment in Società Italiana Distribuzione Moderna to the Auchan Group, expected to take place by the end of the year.

CONSOLIDATED FINANCIAL STATEMENTS OF THE IFI GROUP AT SEPTEMBER 30, 2004 – CONDENSED (*)

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

CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

| Year 2003 | € in millions | 9 months to September 30 | | | III Quarter | | |
|--------------|---|--------------------------|----------------|---------------|----------------|-------------|----------------|
| | | 2004 | 2003 | Change | 2004 | 2003 | Change |
| | Group's share of earnings (losses) of companies | | | | | | |
| (117.7) | accounted for using the equity method | (160.7) | (100.4) | (60.3) | (102.7) | 16.4 | (119.1) |
| 0.2 | Dividends from other holdings and tax credits | 0.1 | 0.2 | (0.1) | 0.0 | 0.0 | 0.0 |
| (15.0) | Financial expenses, net | (8.8) | (11.9) | 3.1 | (2.7) | (3.5) | 0.8 |
| (6.1) | General expenses, net | (3.1) | (4.7) | 1.6 | (1.1) | (1.3) | 0.2 |
| 1.0 | Other income (expenses), net | 0.0 | 1.2 | (1.2) | 0.0 | 2.8 | (2.8) |
| (137.6) | Income (loss) before taxes | (172.5) | (115.6) | (56.9) | (106.5) | 14.4 | (120.9) |
| 7.6 | Current and deferred taxes | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| (130.0) | Net income (loss) - Group | (172.5) | (115.6) | (56.9) | (106.5) | 14.4 | (120.9) |

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

| Year 2003 | € in millions | 9 months to September 30 | | | III Quarter | | |
|--------------|--|--------------------------|----------------|---------------|----------------|-------------|----------------|
| | | 2004 | 2003 | Change | 2004 | 2003 | Change |
| (27.2) | IFIL Group | (170.1) | (12.1) | (158.0) | (102.8) | 15.1 | (117.9) |
| 5.0 | Exor Group S.A. | 8.0 | 5.0 | 3.0 | (0.3) | 0.7 | (1.0) |
| (110.8) | (a) Fiat Group | - | (110.8) (a) | 110.8 | - | - | - |
| (4.5) | (a) Juventus Football Club | - | (4.5) (a) | 4.5 | - | - | - |
| (137.5) | | (162.1) | (122.4) | (39.7) | (103.1) | 15.8 | (118.9) |
| 19.8 | Consolidation adjustments | 1.4 | 22.0 | (20.6) | 0.4 | 0.6 | (0.2) |
| (117.7) | companies accounted for using the equity method | (160.7) | (100.4) | (60.3) | (102.7) | 16.4 | (119.1) |

(a) Results for the first quarter of 2003.

The consolidated quarterly report is unaudited.

CONSOLIDATED FINANCIAL STATEMENTS OF THE IFI GROUP AT SEPTEMBER 30, 2004 – CONDENSED ^(*)

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

CONDENSED CONSOLIDATED BALANCE SHEET

| 9/30/2003 | € in millions | 9/30/2004 | 12/31/2003 | Change | 6/30/2004 |
|----------------|---|----------------|----------------|----------------|----------------|
| | Financial fixed assets: | | | | |
| 2,534.2 | - investments | 2,255.0 | 2,436.0 | (181.0) | 2,366.6 |
| 70.5 | - treasury stock | 70.5 | 70.5 | 0.0 | 70.5 |
| 6.7 | - other receivables | 8.2 | 6.7 | 1.5 | 8.2 |
| <u>2,611.4</u> | | <u>2,333.7</u> | <u>2,513.2</u> | <u>(179.5)</u> | <u>2,445.3</u> |
| 1.5 | Cash | 0.1 | 0.1 | 0.0 | 40.1 |
| 18.4 | Other assets | 18.1 | 18.6 | (0.5) | 17.9 |
| <u>2,631.3</u> | Total assets | <u>2,351.9</u> | <u>2,531.9</u> | <u>(180.0)</u> | <u>2,503.3</u> |
| 2,316.7 | Stockholders' equity of the Group | 2,079.3 | 2,221.3 | (142.0) | 2,194.5 |
| | Financial payables: | | | | |
| 11.2 | - banks, short-term | 204.3 | 66.3 | 138.0 | 223.9 |
| 240.0 | - banks, medium-term | 20.0 | 212.7 | (192.7) | 30.0 |
| 36.5 | - parent company, short-term | 31.5 | 15.2 | 16.3 | 39.7 |
| <u>287.7</u> | | <u>255.8</u> | <u>294.2</u> | <u>(38.4)</u> | <u>293.6</u> |
| 26.9 | Other liabilities and reserves | 16.8 | 16.4 | 0.4 | 15.2 |
| <u>2,631.3</u> | Total liabilities and stockholders' equity | <u>2,351.9</u> | <u>2,531.9</u> | <u>(180.0)</u> | <u>2,503.3</u> |

The consolidated quarterly report is unaudited.