

Turin, March 30, 2005

**PRESS RELEASE**

**IFI Board of Directors approves 2004 results**

<b>Highlights</b>			
<i>€ in millions - Criteria used for preparation indicated in attached financial statements</i>	<b>2004</b>	<b>2003</b>	<b>Change</b>
<b>IFI Group</b>			
Net income (loss) - Group	<b>117.0</b>	(130.0)	+247.0
Share of results of holdings	<b>130.1</b>	(117.7)	+247.8
Consolidated stockholders' equity - Group	<b>2,269.4</b>	2,221.3	+48.1
<b>IFI S.p.A.</b>			
Net income	<b>37.7</b>	14.7	+23
Stockholders' equity	<b>1,604.7</b>	1,567.0	+37.7
Net financial position	<b>(263.8)</b>	(295.4)	+31.6

- *Stockholders' Meeting convened for May 19 in first call and May 23 in second call*
- *Motion to renew the authorization for the purchase of treasury stock*
- *10,122,097 ordinary shares and 750,000 savings shares of IFIL purchased*
- *Net income forecast for 2005 both for the IFI Group and IFI S.p.A.*

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The Board of Directors of IFI – Istituto Finanziario Industriale, which met today in Turin under the chairmanship of Gianluigi Gabetti, approved the consolidated financial statements and the draft statutory financial statements at December 31, 2004 which will be submitted to the Stockholders' Meeting convened on May 19 in first call and on May 23 in second call.

The year 2004 signifies a return to a positive profit position by the IFI Group with a net income of € 117 million; this is a decisive improvement compared to the loss of €130 million reported in 2003. The increase stems from the earnings reported by the subsidiary IFIL and the growth in earnings of Exor Group.

The statutory result of IFI S.p.A. also registers an improvement. In fact, IFI S.p.A. ended the year 2004 with a net income of €37.7 million compared to €14.7 million in the prior year.

Consolidated stockholders' equity also increased (from €2,221.3 million at the end of 2003 to €2,269.4 million at the end of 2004) as did statutory stockholders' equity (from €1,567 million at the end of 2003 to €1,604.7 million at the end of 2004).

The financial position also improved and shows a reduction of net indebtedness from €295.4 million at the end of 2003 to €263.8 million at the end of 2004.

The Board of Directors will put forward a motion to the Stockholders' Meeting to appropriate net income to the extraordinary reserve and therefore not to distribute dividends.

Lastly, the Board voted to put forward a motion to the Stockholders' Meeting to renew the authorization for the purchase and disposition of treasury stock. In particular, the authorization vests the Board with the right to purchase on the market, for 18 months from the date of the stockholders' resolution, up to a maximum of 16 million preferred shares for a maximum outlay of €150 million, at a price of not less and not more than 15% of the market price of the stock in the trading session on the day before each single transaction. The purchases may be made to intervene in the case of fluctuations in the market prices of the shares beyond normal variations associated with stock market performance and in conformity with market practice. To date, IFI holds 5,360,300 preferred treasury shares, equal to 6.98% of the class of stock.

#### Performance of the major group companies

The IFIL Group ended the year 2004 with a consolidated net income of €119 million, which compares with a loss of €45 million in the prior year. The consolidated result principally stems from the gains realized on the sales of the investments in Eurofind Food and in Club Méditerranée (respectively, €586.3 million and €26.4 million), as well as the share of the results of the holdings, which show a loss of €402 million.

In 2004, Exor Group reported a consolidated net income of €92.6 million (€17.1 million in 2003). Revenues for the year include gains on the sale of equity investments or the release of accruals referring to those investments of €80.4 million (in respect of the sales of the stakes held in Société Foncière Lyonnaise and Club Méditerranée), in addition to dividends of €8.2 million and financial income of €13 million.

#### Significant events

On March 13, 2005 an agreement was reached for the sale of the 99.09% stake in La Rinascente S.p.A., the company heading the textile activities of the Rinascente Group. As a result of this deal, the IFIL Group will receive net proceeds for a total of approx. €530 million and record a gain on consolidation of more than €450 million.

In the first quarter of 2005, IFI purchased 10,122,097 IFIL ordinary shares (0.98% of the class of stock) on the market for €26.5 million. Moreover, in accordance with the requirements of Consob

regulations (communication No. DME/3019271 dated March 26, 2003), it should be pointed out that IFI S.p.A., a company controlled by Giovanni Agnelli e C. S.a.p.az., today purchased 750,000 IFIL savings shares (2.01% of the class of stock) for a total investment of about €2.6 million. At the end of March 2005, IFI thus holds 653,905,496 IFIL ordinary shares, equal to 63.01% of ordinary capital stock and 750,000 IFIL savings shares, equal to 2.01% of the class of stock.

### Business outlook

Taking into account the motions for the payment of dividends formulated by the Boards of Directors of IFIL and Exor Group from the results of the 2004 financial statements, it is believed that the result of IFI S.p.A. for 2005 will show a profit.

Moreover, considering the forecasts formulated by the same holdings, it is believed that the consolidated result of the IFI Group for 2005 will also show a profit.

### Information on the status of the implementation of the systems and procedures for the application of international accounting principles (Consob communication No. DME/5015175 dated March 10, 2005)

As provided by Regulation No. 1606 dated July 19, 2002 of the European Union, starting in 2005 the IFI Group will draw up its consolidated financial statements in compliance with the international accounting principles (IFRS/IAS) approved by the European community.

In particular, the IFI Group will adopt international accounting principles beginning from the consolidated quarterly report at March 31, 2005.

The audit firm, Deloitte & Touche S.p.A., has been assigned the following additional audit work with regard to the accounting data prepared in accordance with international accounting principles:

- audit of the opening consolidated balance sheet at January 1, 2004;
- limited review of the consolidated accounting data at June 30, 2004;
- limited review with agreed testing procedures of the accounting data at March 31, 2004 and September 30, 2004;
- audit of the consolidated financial statements at December 31, 2004.

The following table presents the reconciliations of the stockholders' equity of IFI S.p.A. and the consolidated stockholders' equity of the IFI Group taken from the financial statements for the years ended December 31, 2003 (prepared in accordance with Italian regulations) with the corresponding data drawn up in accordance with international accounting principles. Such data has been audited by the audit firms.

€ milioni	IFI S.p.A.	Consolidated IFI Group
Stockholders' equity at December 31, 2003 (taken from financial statements prepared according to Italian regulations)	1,567.0	2,221.3
Reclassification of the carrying value of preferred treasury stock	(70.5)	(70.5)
<b>IAS/IFRS adjustments</b>		
- IAS 39 - Valuation of instruments hedging rate risks	(5.1)	(5.1)
- IAS 19 - Lower liability relating to employee benefits	n.s.	n.s.
	(5.1)	(5.1)
<b>IFI's share of IAS/IFRS adjustments by:</b>		
- IFIL Group	-	(78.2) (a)
- Exor Group	-	n.s.
	-	(78.2)
<b>Stockholders' equity at January 1, 2004 (IAS/IFRS)</b>	<b>1,491.4</b>	<b>2,067.5</b>

(a) Net of consolidation adjustments at IFI level.

At December 31, 2004, the consolidated financial statements of the IFI Group show net income of the Group of €117 million and stockholders' equity of the Group of €2,269.4 million (reduced to €2,198.9 million after deducting the carrying value of preferred treasury stock held of €70.5 million).

The corresponding data prepared by IFI and its holdings IFIL and Exor Group on the basis of international accounting principles, to be considered provisional in that the audit firms have not concluded their examination of this data, show consolidated net income of the IFI Group that has remained substantially unchanged and consolidated stockholders' equity of the IFI Group of about €2,170.4 million. The decrease in this last figure, equal to €28.5 million, is due to negative adjustments by IFI (-€2 million) and IFI's share of the adjustments made by IFIL (-€26.5 million).

<b>Contacts</b>		
<b>Press Office</b>	<b>+39.011.5090320</b>	<b>ufficio.stampa@gruppoifi.com</b>
<b>Investor Relations</b>	<b>+39.011.5090246</b>	<b>relazioni.investitori@gruppoifi.com</b>

## CONSOLIDATED FINANCIAL STATEMENTS OF THE IFI GROUP AT DECEMBER 31, 2004 – CONDENSED (\*)

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

### CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

€ in millions	2004	2003	Change
Group's share of earnings (losses) of companies accounted for using the equity method	130.1	(117.7)	247.8
Dividends from other holdings	0.1	0.2	(0.1)
Financial expenses, net	(11.5)	(15.0)	3.5
General expenses, net	(4.0)	(6.1)	2.1
Other income (expenses), net	(1.4)	1.0	(2.4)
<b>Income (loss) before taxes</b>	<b>113.3</b>	<b>(137.6)</b>	<b>250.9</b>
Current and deferred taxes	3.7	7.6	(3.9)
<b>Net income (loss) - Group</b>	<b>117.0</b>	<b>(130.0)</b>	<b>247.0</b>

### CONDENSED CONSOLIDATED BALANCE SHEET

€ in millions	12/31/2004	12/31/2003	Change
Financial fixed assets:			
- investments	2,446.3	2,436.0	10.3
- preferred treasury stock	70.5	70.5	0.0
- other receivables	8.2	6.7	1.5
	<b>2,525.0</b>	<b>2,513.2</b>	<b>11.8</b>
Other assets	19.2	18.7	0.5
<b>Total assets</b>	<b>2,544.2</b>	<b>2,531.9</b>	<b>12.3</b>
Stockholders' equity - Group	2,269.4	2,221.3	48.1
Financial payables:			
- borrowings from banks, short-term	208.5	66.3	142.2
- borrowings from banks, medium-term	30.0	212.7	(182.7)
- Giovanni Agnelli e C., short-term	24.2	15.2	9.0
	<b>262.7</b>	<b>294.2</b>	<b>(31.5)</b>
Other liabilities and reserves	12.1	16.4	(4.3)
<b>Total liabilities and stockholders' equity</b>	<b>2,544.2</b>	<b>2,531.9</b>	<b>12.3</b>

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

## FINANCIAL STATEMENTS OF IFI S.p.A. AT DECEMBER 31, 2004

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### CONDENSED INCOME STATEMENT

€ in millions	2004	2003	Change
Dividends	50.6	4.6	46.0
Gains	0.0	22.6	(22.6)
Financial expenses, net	(11.5)	(15.0)	3.5
General expenses, net	(4.0)	(6.1)	2.1
Other income (expenses), net	(1.4)	1.0	(2.4)
<b>Income before taxes</b>	<b>33.7</b>	<b>7.1</b>	<b>26.6</b>
Current and deferred taxes	4.0	7.6	(3.6)
<b>Net income</b>	<b>37.7</b>	<b>14.7</b>	<b>23.0</b>

### CONDENSED BALANCE SHEET

€ in millions	12/31/2004	12/31/2003	Change
Financial fixed assets	1,858.1	1,856.8	1.3
Other assets	19.2	18.7	0.5
<b>Total assets</b>	<b>1,877.3</b>	<b>1,875.5</b>	<b>1.8</b>
Stockholders' equity	1,604.7	1,567.0	37.7
Payables:			
- borrowings from banks, short-term	208.5	66.3	142.2
- borrowings from banks, medium-term	30.0	212.7	(182.7)
- Giovanni Agnelli e C., short-term	24.2	15.2	9.0
	262.7	294.2	(31.5)
Other liabilities and reserves	9.9	14.3	(4.4)
<b>Total liabilities and stockholders' equity</b>	<b>1,877.3</b>	<b>1,875.5</b>	<b>1.8</b>

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

## FINANCIAL STATEMENTS OF IFI S.p.A. AT DECEMBER 31, 2004

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### FINANCIAL POSITION OF IFI S.p.A.

€ in millions	12/31/2004			12/31/2003		
	Short-term	Medium/long-term	Total	Short-term	Medium/long-term	Total
Cash	0.1		0.1	0.1		0.1
Borrowings from banks	(208.5)	(30.0)	(238.5)	(66.3)	(212.7)	(279.0)
Payable to Giovanni Agnelli e C.	(24.2)		(24.2)	(15.2)		(15.2)
Financial accrued income and prepaid expenses	(1.2)		(1.2)	(1.3)		(1.3)
<b>Total financial liabilities</b>	<b>(233.9)</b>	<b>(30.0)</b>	<b>(263.9)</b>	<b>(82.8)</b>	<b>(212.7)</b>	<b>(295.5)</b>
<b>Net financial position of IFI S.p.A.</b>	<b>(233.8)</b>	<b>(30.0)</b>	<b>(263.8)</b>	<b>(82.7)</b>	<b>(212.7)</b>	<b>(295.4)</b>

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