

Turin, September 15th, 2005

PRESS RELEASE

IFIL to maintain 30.06% shareholding in Fiat

- **IFIL seizes the opportunity to benefit in Fiat Group's expected progress**
- **IFIL purchases 82,250,000 Fiat ordinary shares; an investment of €535 million**
- **The transaction occurs simultaneously to the Fiat capital increase**
- **Significant improvement expected in IFIL 2005 results**

The Board of Directors of IFIL Spa, which met today under the chairmanship of Gianluigi Gabetti, took note of the substantial changes underway at Fiat, which lead to improved expectations regarding both the group's industrial/organizational profile as well as future financial results.

For IFIL this represents a unique opportunity to participate fully in expected progress of the Fiat Group, while at the same time assuring IFIL's support to the company's top management, currently committed in the turnaround of the country's largest industrial group.

To this effect, the Board of Directors of IFIL approved the purchase of a block of 82,250,000 Fiat ordinary shares, resulting from an equity swap established in April between Exor Group and Merrill Lynch International.

IFIL's purchase price in the transaction is €6.50 per share. The closing price of Fiat ordinary shares on September 15th was €7.76 per share, compared to the weighted average price of the past three months of €6.91 per share and a weighted average price of the past six months of €6.16 per share. IFIL's investment therefore totals €535 million.

The transfer of shares from Merrill Lynch to Exor Group will happen simultaneously to the execution of the Fiat capital increase of September 20th, 2005. The sale of Exor Group's shares to IFIL will follow immediately on the same date. IFIL has approved the sale of all its option rights on the Fiat capital increase to Merrill Lynch on the same date.

The option rights will be sold at a price equal to 90% of the average trading prices of those rights with a minimum price of €1,000 in total.

Prior to the above transaction IFIL's stake in Fiat was equal to n. 246,083,447 ordinary shares and n. 31,082,500 preferred shares, following the purchase of 5.5 million ordinary shares executed on the open market on September 7th, 8th and 9th representing a total investment of approximately €41 million.

The above mentioned transactions allow IFIL to maintain its stake in Fiat unchanged post capital increase, which was approved today by Fiat's Board of Directors and take effect on September 20th 2005. The transaction is in accordance with the mandatory convertible agreement. After the IFIL Board's meeting, the contracts regarding the above mentioned transaction were signed.

IFIL's advisor in this process is Dr. Gerardo Braggiotti of G.B. Partners.

The chairman of IFIL, Gianluigi Gabetti, commenting on the transaction, declared the following:

“The decisions taken by IFIL's Board of Directors are in line with the active management role of the stake in Fiat stated in the 2003 regrouping and streamlining. Considering our strategy, which emphasizes a dynamic approach rather than a static one, IFIL's Board of Directors determined that it would have been a mistake not to seize this opportunity to maintain our current stake in Fiat.

At the same time, confirming our underlying strategy, IFIL will continue to seek new investments, based on the considerable liquidity that the company raised through the disposal of La Rinascente and considering the proceeds that will be made available in Sequana Capital after the sale of Permal. This will be implemented gradually and prudently, taking into careful account the economic outlook and trends across different geographical areas. Those trends have in any case led us to bide our time, without having missed any significant opportunities.

IFIL will show strong improvement in economic and financial results this year, thanks in part to the foreseeable positive contribution from Fiat. This constitutes a comforting premise considering the choices that will be made regarding investments in different geographical areas and currencies.

In conclusion, the Board of Directors, along with the management team of IFIL, will continue to exercise their current duties in the portfolio companies as well as seek new investment opportunities with renewed attention, rationality and rigor. The same attitude



will be maintained in relationships with the top management of Fiat, a relationship which will take place under the new norms of corporate governance announced at Fiat and through the various committees in which IFIL management will work together with independent directors”.

In order to further explain the transactions to investors and the financial community in general, a conference call will be held on

Friday, September 16th, 2005 at 10:00 a.m. (Italian time)

Please note that, as of the morning of September 16th, the relevant presentation material will be available on the Internet site (www.ifil.it).

Those who wish to connect can dial

071.2861.848 (Italian Investors and Analysts)
071.2900.683 (Italian Press – listen only mode)
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starting from 9:45 a.m., providing name and company details and utilizing the password “gruppo IFIL”. Questions may be asked by dialing *1 (to cancel request, dial *2).

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