

Turin, September 17th, 2005

PRESS RELEASE

In accordance with art. 114, paragraph 5 of D.Lgs. 58/1998

In compliance with the request by CONSOB below are further details regarding the September, 15th announcement of the purchase of 82,250,000 Fiat ordinary shares:

- EXOR Group S.A. is a Luxembourg holding company controlled by Giovanni Agnelli e C. S.a.p.az.. The latter controls EXOR through a 70.45% direct stake and 29.30% indirect stake through IFI S.p.A.. IFI ordinary capital is fully owned by Giovanni Agnelli e C. S.a.p.az.. IFI S.p.A. hold 63.6% of IFIL Investments S.p.A. ordinary capital.
- IFIL S.p.A. rationale for the transaction can be summarized as follows: maintaining its stake above 30% of ordinary capital at a favourable price compared to current market prices as well as to the price of the capital increase (approved by Fiat on September, 15th 2005) with pre-emption rights to existing shareholders pursuant the conversion of the Mandatory Convertible Facility. The transaction represents a unique and timely opportunity to maintain its level of ownership and to participate fully in the expected progress of the Fiat Group thanks to the increased visibility on the implementation of the turnaround currently underway.

IFIL considers this investment to have a beneficial risk reward profile.

Furthermore, IFIL Investment S.p.A., by acting on the repeatedly communicated intention to remain the reference shareholder of Fiat, believed it important to avoid the dilution due to the Mandatory Convertible Facility considering: (i) the progress underway at Fiat and its potential for value creation; (ii) the potential destabilization of Fiat management without a reference shareholder; (iii) the consequent possible decrease in value of the company and hence of the value of IFIL's investment.

The transaction is in line with the active management role of the stake in Fiat stated in IFIL's 2003 regrouping and streamlining. This investment offers significant potential for value

increase reflected in the appreciation of IFIL's NAV (Net Asset Value). In particular, Fiat offers: (i) net debt reduction from recently closed extraordinary transactions (GM, Italenergia, Convertendo); (ii) operating improvement (doubling of industrial trading profit at the end of June) as compared to the preceding year; (iii) technological excellence; (iv) strengthening of Fiat Auto's competitive position (positive acceptance of new products and identification of new industrial partners); (v) partial underestimation of CNH and Iveco potential (prospective recovery of profitability and cash flow generation, strong competitive geographical and technological positioning).

At the same time, confirming our underlying strategy, IFIL will continue to seek new investments, based on the considerable liquidity that the company will have after the transaction (€ 350 million approx.), the particular type of investment that Sanpaolo IMI represents (€1,200 million approx.) and the proceeds that will be available in Sequana Capital after the disposal of Permal.

- The price of € 6.5 for each Fiat ordinary share agreed in the Sale & Purchase Agreement for n. 82,250,000 Fiat ordinary shares between EXOR Group and IFIL Investments S.p.A. is the result of the negotiation between EXOR Group and IFIL Investment S.p.A.. The agreement takes into consideration the size of the block (which would have made the sale on the open market potentially lengthy and the price uncertain), the weighted average official prices of the past 3 and 6 months, respectively € 6.9 and € 6.1 per share, and also the consensus Fiat target prices published by the main financial analysts. Such price has been considered fair by the Board of Directors of IFIL S.p.A.
- On September 8th, 2005, IFIL Investments S.p.A. mandated Mr. Gerardo Bragiotti of G.B. Partners to advise on the transaction. Mr. Bragiotti also provided a "fairness opinion", submitted to the Board of Directors of IFIL Investment S.p.A. on September 15th, confirming the adequacy of the terms of the transaction and of the price of €6.5 per Fiat ordinary share.
- In summary, the transaction has the following economic and financial effects for IFIL Investments S.p.A.:
 - (i) Economic effects: a higher participation in Fiat's expected results corresponding to the avoidance of dilution from the Fiat capital increase; the absence of financial positive interest on the cash invested has no significant impact;

- (ii) Financial effects: considering the current price of Fiat shares the transaction implies an increase in IFIL NAV of approx €100 million. The Net Financial Position will decrease to €349 million (from € 884 million) following the cash out flow of €535 million for the purchase of the Fiat shares.
- No modification in the compensation of Members of the Board of Directors of IFIL and/or of its subsidiaries is envisaged in connection with the transaction.

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GIOVANNI AGNELLI e C.

Società in accomandita per azioni

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In compliance with CONSOB's request we set out below further details regarding the September 15th announcement of the purchase of 82,250,000 Fiat ordinary shares:

- The equity swap between Merrill Lynch International and EXOR Group was entered into on April 26th, 2005. It is a standard ISDA (International Swaps and Derivatives Association) cash-settled equity swap agreement on 90,000,000 Fiat ordinary shares, with termination date on December 26th, 2006. The agreement provides for cash settlement of the difference between the cost of the shares (equal to the average price for Merrill Lynch International plus EURIBOR +0,50% and broken funding costs, if any) and the price of disposal of the equity swap for Merrill Lynch International in the month following the termination notice, with the possibility for Merrill Lynch International to extend such period.. Such difference would be paid by Merrill Lynch International to EXOR Group if the final price is higher than the cost; alternatively, if the final price is below the cost, the difference must be reimbursed by EXOR Group to Merrill Lynch International. EXOR Group posted a collateral of € 10 million, initially, to guarantee Merrill Lynch's counterparty risk and then increased such amount to €49.5 million, equal to 10% of the total cost of shares. The equity swap agreement also includes an early termination provision for EXOR Group (in whole or in part), always with cash settlement of the difference.

The economic terms of the equity swap agreement are market terms for a prime counterparty. No further payments or commissions are due to Merrill Lynch International.

The average price of the equity swap for Merrill Lynch International in the period between April 26th and June 7th 2005 is approx. €5.5 per share, corresponding to a total notional of approx. €495 million.

With the transaction described above, EXOR Group intended to enter into a financial derivative contract linked to the performance of Fiat Ordinary shares which, in the company's opinion, were trading at particularly depressed market price at the time.

- With the agreement dated September, 15th 2005, (i) EXOR Group and Merrill Lynch International agreed to modify the terms of the equity swap dates April 26th 2005, allowing for physical settlement as an alternative way to terminate the swap for up to n. 82,250,000 Fiat ordinary shares; (ii) EXOR Group gave notice to Merrill Lynch International for the partial early termination of the equity swap via the transfer of n. 82,250,000 Fiat ordinary shares, (iii) EXOR Group purchased the abovementioned n. 82,250,000 Fiat ordinary shares from Merrill Lynch International effective September 20th, simultaneously with the execution of the Fiat capital increase; (iv) the purchase price pursuant to the terms of the equity swap agreement is equal to €5.6 per share (€5.5 + €0.1 of interest and broken funding costs).

With the agreement dated September, 15th 2005, IFIL Investments S.p.A. agreed to sell all its the pre-emptive rights on Fiat capital increase to Merrill Lynch International, simultaneously with the execution of the Fiat capital increase and the purchase by EXOR Group of the abovementioned n. 82,250,000 Fiat ordinary shares.

Thus, all the three connected transactions (the capital increase, the disposal of the pre-emption rights by IFIL Investments S.p.A. and the purchase of n. 82,250,000 Fiat ordinary shares by EXOR Group) are executed simultaneously.

- With the agreement dated September, 15th 2005, (i) EXOR Group sells n. 82,250,000 Fiat ordinary shares to IFIL Investments S.p.A. effective immediately after their transfer by Merrill Lynch International to EXOR Group, and (ii) the price is €6.5 for each Fiat ordinary share. The price of such block of shares is the result of the negotiation between EXOR Group and IFIL Investments S.p.A.. The agreement takes into consideration the size of the block (which would have made the sale on the open market potentially lengthy and the price uncertain) and the weighted average official prices of the past 3 and 6 months, respectively €6.9 and €6.1 per share. Such price has been considered fair by the Board of Directors of EXOR Group.

EXOR Group realizes thus a significant capital gain (€74 million) and continues to have exposure, to a residual number of 7,750,000 Fiat ordinary shares on the original terms of the equity swap agreement subject to cash settlement.

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Capitale sociale €158.306.050

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