

COMUNICATO STAMPA

Turin, September 28, 2005

PRESS RELEASE

IFIL'S BOARD OF DIRECTORS APPROVES FIRST HALF 2005 RESULTS

Highlights

<i>€ in millions</i> <i>Criteria used for preparation indicated in attached financial statements</i>	I Half 2005	I Half 2004	<i>Change in € millions</i>
Consolidated net income (loss) – IFIL Group	624.1	(89.1) ^(a)	+713.2
Net income – IFIL S.p.A., parent company	29.4	26.9	+2.5

	at 6/30/2005	at 12/31/2004	<i>Change in € millions</i>
Net financial position – “Holdings System”	930	680 ^(a)	+250
Consolidated stockholders' equity – IFIL Group	4,628.7	3,792.9 ^(a)	+835.8

(a) IFRS adjusted data.

- Consolidated income of €24.1 million reported by the IFIL Group for first six months of 2005
- Positive €30 million net financial position of the Holdings System at June 30, 2005
- Net income of €29.4 million for IFIL S.p.A. for the first six months of 2005
- Strong growth in full-year 2005 results expected over 2004

The Board of Directors of IFIL, which met today in Turin under the chairmanship of Gianluigi Gabetti, examined the results for the first six months of 2005.

The first half of the year ended with a consolidated income for the IFIL Group of €24.1 million; the consolidated loss for the corresponding period of 2004 had been €89.1 million. The positive change of €713.2 million is principally due to the gain realized on the sale of La Rinascente and the improvement in the results of the Fiat Group.

The net financial position of the “Holdings System” at June 30, 2005 shows a liquidity position of €30 million. This is an increase of €250 million compared to the balance at the end of 2004 (€680 million) due to the cash generated by the sale of the investment in



La Rinascente and the collection of dividends from holdings and partially absorbed by the investment made in SanpaoloIMI and the dividends paid out by IFIL.

Consolidated stockholders' equity of the Group at June 30, 2005 amounts to €4,628.7 million, with an increase of €335.8 million compared to the end of 2004 (€3,792.9 million).

The parent company, IFIL S.p.A., recorded income of €29.4 million for the first six months of 2005, with an increase (+9.3%) over the income for the corresponding period of 2004 (€26.9 million).

Major events during the first six months of 2005

During March and April 2005, IFIL purchased 22,700,000 SanpaoloIMI ordinary shares on the market (equal to 1.54% of the class of stock) for €63.5 million and increased its percentage investment in the bank to 6.28% of ordinary capital stock and 4.98% of total capital stock.

After obtaining approval from the relevant antitrust authorities, on May 6, 2005, 99.09% of the share capital of Rinascente S.p.A. held by Eurofind Textile S.A. (a company controlled by Auchan and IFIL) was sold to Tamerice S.r.l. for €888 million. On May 17, 2005, the remaining 50% interest in Eurofind Textile was then purchased from the Auchan Group for €49.5 million. As a result of these transactions, the IFIL Group received net proceeds for a total of €29.1 million and realized a gain of €459.1 million.

In April 2005, the agreement was executed between IFIL, Banca Intesa, the Marcegaglia Group and Sviluppo Italia for the partial privatization of Italia Turismo (ex-Sviluppo Italia Turismo - SIT). Once approval was obtained from the European antitrust authority, Turismo&Immobiliare (the company in which the three private stockholders each own equal stakes) subscribed to Italia Turismo's capital stock increase of €60 million and purchased stock of the company from Sviluppo Italia for €16 million thus acquiring a 49% stake for a total investment of €76 million. By reason of subsequent agreements sealed in July, Pirelli RE will become a stockholder of Turismo&Immobiliare, purchasing about an 8.3% stake in the capital of this company from each of the three private stockholders for €1.1 million and assuming the same commitments. After executing the transaction, subject to approval by the antitrust authorities, Turismo&Immobiliare's capital will be owned by private stockholders each holding a 25% interest.

Performance by the main subsidiaries and affiliates

Fiat Group

During the first six months of the year, sales by the Fiat Group totaled €22.8 billion. The income from ordinary operations was €407 million, roughly double that of €205 million

reported for the first six months of 2004. The consolidated net result for the first half of 2005 was a profit of €75 million against a loss of €80 million for the same period of 2004.

Sequana Capital Group

The consolidated net income of the Sequana Capital Group for the first half of 2005, under IFRS, was €73.5 million (€12.7 million in the first half of 2004). Among the major events in the first six months of 2005 is the agreement signed at the end of June between Sequana Capital, Legg Mason and the managers of Permal Group for the sale of the investment held in Permal Group by Sequana Capital to Legg Mason, for varying interest holdings and at different conditions. Closing of the transaction is scheduled to take place by the end of 2005, with the consequent transfer of control of Permal Group to Legg Mason by Sequana Capital. For the current year, the gain on this deal is expected to be in the order of €50 million while the net debt of the Group should decline by approximately €400 million as a result of the receipt of the consideration on the sale. The liquidity available at the holding level would be above €300 million.

Alpitour Group

The interim consolidated data of the Alpitour Group for the first six months to April 30, 2005 show net sales of €39.6 million, a figure that is basically in line with that of the first half of the prior year (proforma) of the NHT Group. In a highly negative season for tourism (which principally generates revenues in the summer, while costs are incurred uniformly throughout the year), the consolidated result shows a net loss for the Group of €3.9 million, recorded after posting depreciation and amortization charges of €7.9 million and deferred tax benefits of €9.9 million.

Juventus Football Club

Operating revenues by Juventus during the period January 1 – June 30, 2005 (€133.8 million) show a considerable increase (+13%) over the first half of 2004 (€118.4 million). This is partly due to the bonuses obtained as a result of winning the Championship, which allowed the team to directly play in the current season's U.E.F.A. Champions League. Net income grew from €4.1 million in the first half of 2004 to €6.8 million in the same period of this year.

Significant events subsequent to the end of the first six months of 2005



Maintaining a 30.06% stake in the ordinary capital stock of Fiat S.p.A.

On September 20, 2005, IFIL purchased 82,250,000 Fiat ordinary shares from Exor Group (controlled by Giovanni Agnelli e C. S.a.p.az. through a 70.45% direct stake and 29.30% indirect stake through IFI S.p.A.). These shares came from an equity swap agreement between Exor Group and Merrill Lynch International last April. This purchase was deliberated on September 15, 2005 by the Board of Directors, which used the services of an advisor, Mr. Gerardo Braggiotti of G.B. Partners.

The purchase price was €6.5 per share for an investment of €35 million. Fiat stock was officially traded at €7.76 per share on September 15, 2005 compared to the weighted average official prices over the last three months of €6.91 per share and the weighted average official prices of the last six months of €6.16 per share. The stock was transferred from Merrill Lynch to Exor Group at the same time the Fiat capital increase was executed, on September 20, 2005. The sale by Exor Group to IFIL immediately followed on the same date. In the identical context, IFIL, on the same date, sold Merrill Lynch all the option rights to which it was entitled on the Fiat capital increase.

Prior to the purchase of the above stock, after the purchase of 5,500,000 ordinary shares on the market by IFIL on September 7, 8 and 9 for approximately €41 million, the investment held by IFIL in Fiat totaled 246,083,447 ordinary shares and 31,082,500 preferred shares.

The aforementioned transactions allowed IFIL to maintain its investment in Fiat ordinary capital stock unchanged (30.06%) after the capital increase by Fiat which took place on September 20, 2005.

On September 16, 2005, Consob asked IFIL and the parent Giovanni Agnelli e C. to provide further information on the above-described transaction. IFIL and Giovanni Agnelli e C. complied with Consob's request and on September 17, 2005 issued two press releases containing the requested information.

Change in the consolidated net financial position of the "Holdings System"

Following the investment in Fiat ordinary stock (-€76 million) and other net changes (-€2 million), the positive consolidated net financial position of the "Holdings System" at the end of September amounts to €352 million (€30 million at the end of June).

Rating

It should also be mentioned that on September 16, 2005, Standard & Poor's announced that it had placed the rating on IFIL's long-term debt ("A -") under observation, in view of a possible downgrade, and confirmed the rating on IFIL's short-term debt ("A - 2").



Business outlook

Taking into account the consolidated income reported for the first six months of 2005 (€24.1 million) and the forecasts formulated by the major holdings, it is expected that the 2005 consolidated financial statements of the IFIL Group will show a strong growth in the economic and financial results compared to 2004.

As for IFIL S.p.A., the profit for 2005 is expected to be significantly higher than that of the prior year (€80.2 million).

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**IFIL GROUP - INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AT JUNE 30, 2005 - CONDENSED^(*)**

(*) Prepared by consolidating IFIL and the financial holding companies on a line-by-line basis and accounting for the other operating subsidiaries and associates by the equity method. All financial data of the companies of the Group has been prepared in accordance with IFRS.

CONDENSED CONSOLIDATED INCOME STATEMENT

Year	I Half	Half	
2004 € in millions	2005	2004	Change
Group's share of the earnings (losses) of subsidiaries and			
(396.1) associates accounted for by the equity method	145.4	(74.9)	220.3
27.4 Dividends from other holdings	43.7	27.4	16.3
603.3 Gains	460.9	2.1	458.8
(2.3) Share of earnings (losses) of companies held for sale	0.5	1.8	(1.3)
(74.4) Impairment losses of investments and securities	0.0	(23.6)	23.6
(20.9) Net financial income (expenses)	1.7	(10.0)	11.7
(22.2) Net general expenses	(27.4)	(10.7)	(16.7)
0.3 (Accruals to)/releases of provisions	(0.8)	(1.2)	0.4
10.8 Income taxes	0.1	0.0	0.1
125.9 Net income (loss) - Group	624.1	(89.1)	713.2

GROUP'S SHARE OF THE EARNINGS (LOSSES) OF OPERATING SUBSIDIARIES AND ASSOCIATES ACCOUNTED FOR BY THE EQUITY METHOD

Year	Earnings (losses) of holdings		IFIL's share		Change
	I Half 2005	I Half 2004	06.30.2005	06.30.2004	
2004 € in millions					
(453,3) Fiat Group	475,2	(680,2)	131,8	(188,7)	320,5
(13,2) Sequana Capital Group	73,5	112,7	38,9	59,7	(20,8)
5,7 Alpitour Group (NHT in 2004)	(23,9) (a)	(22,6) (a)	(23,9)	(22,6)	(1,3)
(5,6) Juventus Football Club	(2,3) (b)	5,2 (b)	(1,4)	3,2	(4,6)
(466,4)			145,4	(148,4)	293,8
70,3 Consolidation adjustments			0,0	73,5	(73,5)
(396,1) Total			145,4	(74,9)	220,3

(a) Results for the six-month period November 1 – April 30.

(b) Accounting results for the six-month periods January 1 – June 30 prepared in accordance with IFRS for purposes of consolidation in IFIL.

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

**IFIL GROUP - INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AT JUNE 30, 2005 - CONDENSED^(*)**

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CONDENSED CONSOLIDATED BALANCE SHEET

€ in millions	6/30/2005	12/31/2004	Change
Assets			
method	2,596.3	2,243.0	353.3
Other investments	1,064.1	744.9	319.2
Non-current securities	8.8	7.3	1.5
Property, plant and equipment and intangible assets	13.6	13.6	0.0
Assets held for sale	2.2	72.4	(70.2)
Marketable securities	1,402.4	1,047.9	354.5
Receivables and other current assets	64.1	300.2	(236.1)
Cash and cash equivalents	34.5	4.2	30.3
Total assets	5,186.0	4,433.5	752.5
Equity and liabilities			
Capital and reserves	4,680.8	3,842.9	837.9
Treasury stock	(52.1)	(50.0)	(2.1)
Stockholders' equity - Group	4,628.7	3,792.9	835.8
Provisions	9.2	8.4	0.8
Bonds	301.2	300.6	0.6
Current and non-current bank debt	181.2	323.9	(142.7)
Dividends payable to IFI	45.3	0.0	45.3
Other current and non-current liabilities	20.4	7.7	12.7
Equity and liabilities	5,186.0	4,433.5	752.5

CONSOLIDATED NET FINANCIAL POSITION OF THE "HOLDINGS SYSTEM"

€ in millions	6/30/2005			12/31/2004		
	Current	Non-current	Total	Current	Non-current	Total
Marketable securities	1,402.4	0.0	1,402.4	1,047.9	0.0	1,047.9
Receivables and other current assets	20.8	0.0	20.8	252.4	0.0	252.4
Cash and cash equivalents	34.5	0.0	34.5	4.2	0.0	4.2
Total financial assets	1,457.7	0.0	1,457.7	1,304.5	0.0	1,304.5
IFIL 2002/2005 bonds	(201.1)	0.0	(201.1)	(200.7)	0.0	(200.7)
IFIL 2003/2006 bonds	0.0	(100.1)	(100.1)	0.0	(99.9)	(99.9)
Bank debt and other financial liabilities	(226.5)	0.0	(226.5)	(323.9)	0.0	(323.9)
Total financial liabilities	(427.6)	(100.1)	(527.7)	(524.6)	(99.9)	(624.5)
Consolidated net financial position of the "Holdings System"	1,030.1	(100.1)	930.0	779.9	(99.9)	680.0

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

**IFIL S.p.A. - INTERIM FINANCIAL STATEMENTS AT JUNE 30, 2005
(PREPARED IN ACCORDANCE WITH ITALIAN GAAP)**

CONDENSED INCOME STATEMENT

Year		I Half	I Half	
2004	€ in millions	2005	2004	Change
301.4	Dividends	62.7	47.8	14.9
0.5	Gains	2.5	0.1	2.4
(185.6)	Writedowns	0.0	0.0	0.0
(26.1)	Financial expenses, net	(11.3)	(12.8)	1.5
(13.4)	General expenses, net	(8.3)	(6.5)	(1.8)
(1.5)	Other expenses, net	(16.2)	(1.7)	(14.5)
75.3	Income before income taxes	29.4	26.9	2.5
4.9	Income taxes	0.0	0.0	0.0
80.2	Net income	29.4	26.9	2.5

CONDENSED BALANCE SHEET

6/30/2004	€ in millions	6/30/2005	12/31/2004	Change
7.8	Intangible fixed assets	5.6	6.7	(1.1)
3,712.7	Financial fixed assets	3,583.3	3,518.0	65.3
0.0	Financial receivables, short-term	40.0	253.6	(213.6)
55.8	Other assets	80.0	53.9	26.1
3,776.3	Total assets	3,708.9	3,832.2	(123.3)
3,151.5	Stockholders' equity	3,162.5	3,204.9	(42.4)
	Financial payables:			
200.0	- IFIL 2002/2005 bonds	200.0	200.0	0.0
100.0	- IFIL 2003/2006 bonds	100.0	100.0	0.0
81.6	- borrowings from banks, short-term	150.1	318.6	(168.5)
150.0	- borrowings from banks, medium-term	0.0	0.0	0.0
8.6	- payables to subsidiaries	0.5	0.0	0.5
69.8	- dividends payable	73.3	0.0	73.3
610.0		523.9	618.6	(94.7)
14.8	Other liabilities, provisions and accrued liabilities	22.5	8.7	13.8
3,776.3	Total liabilities and stockholders' equity	3,708.9	3,832.2	(123.3)

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