

Turin, November 11, 2005

PRESS RELEASE

IFIL's BOARD APPROVES THIRD-QUARTER 2005 RESULTS

Highlights

<i>€ in millions</i> <i>Criteria used for preparation indicated in attached financial statements</i>	III Quarter 2005	III Quarter 2004 ^(a)	<i>Change in € millions</i>
Consolidated profit (loss) - IFIL Group	291.7	(123.4)	+415.1

	9 months to 9/30/2005	9 months to 9/30/2004 ^(a)	<i>Change in € millions</i>
Consolidated profit (loss) - IFIL Group	915.8	(212.5)	+1,128.3

	at 9/30/2005	at 12/31/2004 ^(a)	<i>Change in € millions</i>
Consolidated net financial position - "Holdings System"	356.5	680	-323.5
Consolidated equity - IFIL Group	5,121.2	3,792.9	+1,328.3

(a) IFRS adjusted data.

- **Third-quarter 2005 ends with a consolidated profit of the IFIL Group of €291.7 million**
- **Nine months cumulative profit of the IFIL Group at €915.8 million**
- **Positive €356.5 million consolidated net financial position of "Holdings System" at 9/30/2005**
- **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 consolidated results for the third quarter of 2005 and the first nine months of the year.

The third quarter of 2005 ends with a consolidated profit of €291.7 million for the IFIL Group; a consolidated loss of €123.4 million was reported for the corresponding period of 2004. The positive change of €415.1 million is mainly due to the improvement in the results of the Fiat Group. The advances made by the Fiat Group and the net gain realized on the sale of La Rinascente are principally the reasons for the improvement in the consolidated result for the first nine months of the year which went from a loss of €12.5 million to a profit of € 915.8 million: the positive change is a total of €1,128.3 million.

The consolidated net financial position of the “Holdings System” at September 30, 2005 shows a liquidity position of €356.5 million. This is a decrease of €23.5 million compared to the balance at the end of 2004 (€380 million) and is due, on one hand, to net cash generated by the sale of the investment in La Rinascente and the collection of dividends from the holdings and, on the other, by the payment of dividends on the part of IFIL S.p.A. and the investments made in Fiat and Sanpaolo IMI.

Consolidated equity of the Group at September 30, 2005 amounts to €5,121.2 million (€3,792.9 million at the end of 2004). The increase of €1,328.3 million is primarily due to the fair value adjustment of the investment in Sanpaolo IMI, consolidated profit for the period and positive foreign exchange differences.

Major events

On September 20, 2005, IFIL purchased 82,250,000 Fiat ordinary shares from Exor Group (a subsidiary of Giovanni Agnelli e C. S.p.a.) at the price of €6.5 per share for an investment of €34.6 million. 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 €1.1 million, the investment held by IFIL in Fiat totaled 246,083,447 ordinary shares and 31,082,500 preferred shares. These 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 17, 2005, in response to a request by Consob to provide additional information, IFIL and Giovanni Agnelli e C. issued two press releases containing the information requested.

In its press release of October 6, 2005, IFIL announced that by the end of 2005 the Managing Director and General Manager of the Company, Daniel John Winteler, will become the Chairman of the subsidiary Alpitour, while the manager of Corporate Finance, Fabrizio Prete, will take over the position of General Manager of the same tourism company. An important stock option plan for Alpitour stock will be offered to both men who will continue to carry out their functions at IFIL until they assume their new posts. At one of its next meetings, the IFIL Board will review and adopt the new organizational structure of the Company.

On October 26, 2005, Standard & Poor's - following the investment in Fiat announced on September 15, 2005 - downgraded its rating of IFIL's debt from A-/A-2 to BBB+/A-2, with a stable outlook.

Once approval was received from the European antitrust authority, Pirelli RE became a stockholder of Turismo&Immobiliare at the beginning of November, purchasing about an 8.3% stake in the capital of this company from each of the three founding stockholders (IFIL, Banca Intesa and the Marcegaglia Group) for €1.1 million and assuming the same commitments. Turismo&Immobiliare, the capital of which is today owned by the aforementioned four private stockholders, each with a 25% holding, has a 49% interest in Italia Turismo, the largest real estate operator in the tourism-hotel sector in Italy with important investments in Apulia, Calabria, Basilicata, Sicilia and Sardinia. A 51% stake in Italia Turismo is held by Sviluppo Italia.

Finally, on November 4, 2005, Sequana Capital, the French company controlled by IFIL, announced the closing of the sale of 70.5% of Permal Group capital to Legg Mason for an equivalent amount of \$705 million, of which 25% is in Legg Mason stock.

Business outlook

Taking into account the consolidated profit reported for the first nine months of 2005 (€15.8 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.

Also with regard to 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 SEPTEMBER 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 the interim financial statements of the companies of the Group have been prepared in accordance with IFRS.

CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT

Year 2004	€ in millions	9 months to September 30			III Quarter		
		2005	2004	Change	2005	2004	Change
(396.1)	Group's share of the earnings (losses) of operating subsidiaries and associates accounted for by the equity method	439.8	(179.5)	619.3	294.4	(104.6)	399.0
27.4	Dividends from other holdings	43.7	27.4	16.3	0.0	0.0	0.0
603.3	Gains	460.9	2.1	458.8	0.0	0.0	0.0
(2.3)	Profit (loss) from discontinued operations	0.5	(3.9)	4.4	(0.1)	(5.7)	5.6
(74.4)	Impairment losses on investments and securities	2.1	(24.7)	26.8	2.1	(1.7)	3.8
(20.9)	Financial income (expenses)	2.0	(17.1)	19.1	0.3	(6.5)	6.8
(22.2)	Net general expenses	(32.2)	(15.2)	(17.0)	(4.7)	(4.5)	(0.2)
0.3	(Accruals to)/releases of provisions	(1.1)	(1.6)	0.5	(0.3)	(0.4)	0.1
10.8	Income taxes	0.1	0.0	0.1	0.0	0.0	0.0
125.9	Profit (loss) - Group	915.8	(212.5)	1,128.3	291.7	(123.4)	415.1

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

Year 2004	€ in millions	9 months to September 30			III Quarter		
		2005	2004	Change	2005	2004	Change
(453.3)	Fiat Group	363.2	(300.6)	663.8	231.4	(111.9)	343.3
(13.2)	Sequana Capital Group	54.1	75.6	(21.5)	15.2	15.9	(0.7)
5.7	Alpitour Group (NHT in 2004)	(24.1) (a)	(28.2) (a)	4.1	(0.2)	(5.6)	5.4
(5.6)	Juventus Football Club	(12.3) (b)	(1.8) (b)	(10.5)	(10.9)	(5.0)	(5.9)
(466.4)		380.9	(255.0)	635.9	235.5	(106.6)	342.1
70.3	Consolidation adjustments	58.9	75.5	(16.6)	58.9	2.0	56.9
(396.1)	Total	439.8	(179.5)	619.3	294.4	(104.6)	399.0

(a) Results for the period November 1 – July 31.

(b) Accounting results for the period January 1 – September 30 prepared in accordance with IFRS solely for purposes of valuing the investment according to the equity method by IFIL on consolidation.

The consolidated quarterly report is unaudited.

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CONDENSED INTERIM CONSOLIDATED BALANCE SHEET

€ in millions	9/30/2005	12/31/2004	Change
Assets			
Investments in operating subsidiaries and associates accounted for by the equity method	3,519.2	2,243.0	1,276.2
Other investments	1,209.7	744.9	464.8
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	0.0	72.4	(72.4)
Current securities	786.8	1,047.9	(261.1)
Receivables and other current assets	61.3	300.2	(238.9)
Cash and cash equivalents	6.5	4.2	2.3
Total assets	5,605.9	4,433.5	1,172.4
Equity and liabilities			
Capital and reserves	5,173.3	3,842.9	1,330.4
Treasury stock	(52.1)	(50.0)	(2.1)
Equity - Group	5,121.2	3,792.9	1,328.3
Provisions for other liabilities and charges	9.6	8.4	1.2
Bonds	300.6	300.6	0.0
Current and non-current bank debt	154.2	323.9	(169.7)
Other current and non-current liabilities	20.3	7.7	12.6
Total equity and liabilities	5,605.9	4,433.5	1,172.4

CONSOLIDATED NET FINANCIAL POSITION OF THE "HOLDINGS SYSTEM"

6/30/2005			9/30/2005			12/31/2004		
Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
€ in millions								
1,402.4	0.0	1,402.4	786.8	0.0	786.8	1,047.9	0.0	1,047.9
20.8	0.0	20.8	18.0	0.0	18.0	252.4	0.0	252.4
34.5	0.0	34.5	6.5	0.0	6.5	4.2	0.0	4.2
1,457.7	0.0	1,457.7	811.3	0.0	811.3	1,304.5	0.0	1,304.5
(201.1)	0.0	(201.1)	(200.4)	0.0	(200.4)	(200.7)	0.0	(200.7)
0.0	(100.1)	(100.1)	0.0	(100.2)	(100.2)	0.0	(99.9)	(99.9)
(226.5)	0.0	(226.5)	(154.2)	0.0	(154.2)	(323.9)	0.0	(323.9)
(427.6)	(100.1)	(527.7)	(354.6)	(100.2)	(454.8)	(524.6)	(99.9)	(624.5)
Consolidated net financial position of the								
1,030.1	(100.1)	930.0	456.7	(100.2)	356.5	779.9	(99.9)	680.0
"Holdings System"								

The consolidated quarterly report is unaudited.