

Turin, May 12, 2006

**PRESS RELEASE**

**IFIL's Board of Directors approves Q1 2006 results**

**Highlights of condensed consolidated results**

<i>€ in millions</i>			
Criteria used in preparing data indicated in attached statements	<b>Q1 2006</b>	Q1 2005	<i>Change € in millions</i>
Consolidated profit - Group	<b>67.3</b>	81.4	-14.1

	<b>at 3/31/2006</b>	at 12/31/2005	<i>Change € in millions</i>
Consolidated net financial position - "Holdings System"	<b>337.2</b>	348.3	-11.1
Consolidated equity - Group	<b>5,370</b>	5,186	+ 184

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The Board of Directors of IFIL S.p.A., which met today in Turin under the chairmanship of Gianluigi Gabetti, examined the consolidated results for the first three months of 2006.

The consolidated profit of the IFIL Group for the first quarter of 2006 is €67.3 million (€81.4 million in the same period of 2005). The decrease of €14.1 million is basically due to the reduction in the Fiat Group's result (which in the first quarter of 2005 had included significant net unusual income). The decline was only partially compensated by the results of the other operating subsidiaries and associates.

The consolidated net financial position of the "Holdings System" at March 31, 2006 is a positive €337.2 million, down by €11.1 million compared to the balance at the end of 2005 (€348.3 million); the decrease originates from the change in the flows from ordinary activities.

The consolidated equity of the Group at March 31, 2006 is €5,370 million (€5,186 million at the end of 2006). The increase of €184 million is due to the fair value adjustment of the investment in Sanpaolo IMI (+€148.4 million), consolidated profit of the Group in the first quarter (+€67.3 million), negative translation differences (-€39.1 million) and other net changes (+€7.4 million).

The Board of Directors of IFIL took note of the resignation of the Board of Directors of Juventus F.C. S.p.A., emphasizing that the extraordinary transactions of Juventus, if any, will be the exclusive competence of the Board of Juventus.

### Major events

On February 21, 2006, Consob also notified IFIL S.p.A. of its objections under art. 187-septies of Legislative Decree No. 58/1998 in relation to the content of the press release dated August 24, 2005.

On March 9, 2006, the company's offices were searched under the orders of the Turin district attorney's office with regard to the same facts raised in the objections by Consob. At the same time, IFIL was notified of the inquiry into its administrative responsibility under Legislative Decree No. 231/2001. In April, IFIL lodged its protest against the objections advanced by Consob.

On April 24, 2006, after receiving authorization from the pertinent authority, the IFIL Group finalized the purchase of 10% of the capital stock of Banca Leonardo S.p.A. for an investment of €46.6 million.

After this investment, the consolidated net financial position of the "Holdings System" shows a positive balance of approximately €290 million.

On May 9, 2006, the Turin Court rejected the request to cancel the resolution to increase IFIL capital stock reserved for Istituto Finanziario Industriale S.p.A. passed by the extraordinary stockholders' meeting of IFIL held on April 23, 2003, as well as the request for compensation of damages presented by K Capital, ordering K Capital to reimburse IFIL S.p.A. for all legal fees.

### Bonds falling due

In accordance with Borsa Italian S.p.A. instructions, IFIL provides disclosure of the fact that its bonds IFIL 2003-2006 of face value €100 million will fall due in December 2006.

### Business outlook

For fiscal 2006, IFIL S.p.A. is expected to report a profit.

On a consolidated level, taking into account the forecasts formulated by the major holdings, the IFIL Group expects to show a profit in 2006, although lower than the profit reported in 2005, which was the highest in the Group's history.

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#### **PRESS OFFICE**

**Andrea GRIVA**  
Tel. 011.5090.320  
ufficio.stampa@ifil.it

#### **INVESTOR RELATIONS**

**Arturo CARCHIO**  
Tel. 011.5090.360  
relazioni.investitori@ifil.it

## IFIL GROUP - CONSOLIDATED FINANCIAL STATEMENTS AT MARCH 31, 2006 – CONDENSED <sup>(\*)</sup>

(\*) Prepared by consolidating the accounting situations drawn up in accordance with IFRS by IFIL and by the subsidiaries of the “Holdings System” on a line-by-line basis and accounting for the other operating subsidiaries and associates by the equity method.

### CONDENSED CONSOLIDATED INCOME STATEMENT

Year 2005 € in millions	Quarter I		Change	
	2006	2005		
Group's share of the earnings (losses) of operating subsidiaries and associates accounted for by the equity method	1	69.7	87.1	(17.4)
Net financial income:				
43.7 - Dividends from other holdings		0.0	0.0	0.0
1.8 - Net gains		0.0	1.8	(1.8)
3.4 - Impairment (losses)/reversals of investments and securities		1.0	0.0	1.0
2.4 - Other financial income and expenses		1.3	(0.6)	1.9
51.3 Net financial income		2.3	1.2	1.1
Profit (loss) from discontinued operations or assets held for sale:				
459.1 Net gains		0.0	0.0	0.0
0.5 Share of the earnings (losses) of discontinued operations or assets held for sale		0.0	0.0	0.0
459.6 Profit (loss) from discontinued operations or assets held for sale		0.0	0.0	0.0
(1.7) Other income (expenses)		0.0	(0.4)	0.4
(41.1) Net general expenses	2	(4.6)	(6.5)	1.9
(0.1) Income taxes		(0.1)	0.0	(0.1)
<b>1,090.0 Profit - Group</b>		<b>67.3</b>	<b>81.4</b>	<b>(14.1)</b>

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

Year 2005 € in millions	Earnings (losses)		IFIL's share		Change
	Q1 2006	Q1 2005	Q1 2006	Q1 2005	
373.8 Fiat Group	138.0	295.0	39.1	81.8	(42.7)
183.7 Sequana Capital Group	63.7	32.9	33.7	17.4	16.3
(10.7) Alpitour Group	(7.8) (a)	(14.7) (a)	(7.8)	(14.7)	6.9
(10.0) Juventus Football Club	6.6 (b)	4.3 (b)	3.9	2.6	1.3
(0.4) Turismo&Immobiliare	(0.4)	-	(0.1)	-	(0.1)
536.4			68.8	87.1	(18.3)
85.6 Consolidation adjustments			0.9	0.0	0.9
<b>622.0 Total</b>			<b>69.7</b>	<b>87.1</b>	<b>(17.4)</b>

(a) The quarter coincides with the period November 1 – January 31.

(b) Accounting results for the period January 1 – March 31 prepared in accordance with IFRS for purposes of consolidation in IFIL.

**The consolidated quarterly report is unaudited.**

**IFIL GROUP - CONSOLIDATED FINANCIAL STATEMENTS**  
**AT MARCH 31, 2006 – CONDENSED (\*)**

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**CONDENSED CONSOLIDATED BALANCE SHEET**

3/31/2005 € in millions	Balance at		Change	
	3/31/2006	12/31/2005		
<b>Non-current assets</b>				
13.5	Property, plant and equipment	13.4	13.5	(0.1)
2,317.7	Investments accounted for by the equity method	3,616.6	3,576.8	39.8
921.1	Other financial assets	1,383.5	1,238.0	145.5
3,252.3	<b>Total non-current assets</b>	5,013.5	4,828.3	185.2
<b>Current assets</b>				
49.6	Trade receivables and other receivables	43.8	43.7	0.1
1,059.2	Financial assets	497.2	792.7	(295.5)
12.7	Cash and cash equivalents	3.9	4.2	(0.3)
1,121.5	<b>Total current assets</b>	544.9	840.6	(295.7)
72.3	<b>Assets held for sale</b>	0.0	0.0	0.0
4,446.1	<b>TOTAL ASSETS</b>	5,558.4	5,668.9	(110.5)
3,970.1	<b>Equity - Group</b>	5,370.0	5,186.0	184.0
<b>Non-current liabilities</b>				
8.6	Provisions for employee benefits and provisions for other liabilities and charges	2.2	2.2	0.0
100.0	Bonds and other financial debt	0.0	0.0	0.0
0.2	Deferred tax liabilities and other non-current liabilities	1.1	1.2	(0.1)
108.8	<b>Total non-current liabilities</b>	3.3	3.4	(0.1)
<b>Current liabilities</b>				
0.1	Provisions for employee benefits and provisions for other liabilities and charges	7.8	7.8	0.0
358.0	Bonds and other financial debt	163.9	448.6	(284.7)
9.1	Deferred tax liabilities and other non-current liabilities	13.4	23.1	(9.7)
367.2	<b>Total current liabilities</b>	185.1	479.5	(294.4)
4,446.1	<b>TOTAL EQUITY AND LIABILITIES</b>	5,558.4	5,668.9	(110.5)

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**CONSOLIDATED NET FINANCIAL POSITION OF THE “HOLDINGS SYSTEM”**

3/31/2005			3/31/2006			12/31/2005		
Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
1,059.2	0.0	1,059.2	497.2	0.0	497.2	792.7	0.0	792.7
12.7	0.0	12.7	3.9	0.0	3.9	4.2	0.0	4.2
1,071.9	0.0	1,071.9	501.1	0.0	501.1	796.9	0.0	796.9
(200.7)	0.0	(200.7)	0.0	0.0	0.0	0.0	0.0	0.0
0.0	(99.9)	(99.9)	(99.7)	0.0	(99.7)	(99.7)	0.0	(99.7)
(157.4)	0.0	(157.4)	(64.2)	0.0	(64.2)	(348.9)	0.0	(348.9)
(358.1)	(99.9)	(458.0)	(163.9)	0.0	(163.9)	(448.6)	0.0	(448.6)
Consolidated net financial position of the								
713.8	(99.9)	613.9	337.2	0.0	337.2	348.3	0.0	348.3

**RATING**

The rating assigned to IFIL’s long-term debt by Standard & Poor’s is “BBB+”, whereas the rating on short-term debt is A-2, with a stable outlook.

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