

Turin, May 12, 2006

PRESS RELEASE

IFI's Board of Directors approves Q1 2006 results

Highlights of condensed consolidated results

<i>€ in millions</i> <i>Criteria used in preparing data indicated in attached statements</i>	Q1 2006	Q1 2005	<i>Change</i> <i>€ in millions</i>
Consolidated profit - Group	41.5	49.1	-7.6

	at 3/31/2006	at 12/31/2005	<i>Change</i> <i>€ in millions</i>
Consolidated net financial position - Group	3,199.9	3,084	+115.9
Net financial position – IFI S.p.A.	(303.1)	(277.7)	-25.4

The Board of Directors of IFI – Istituto Finanziario Industriale S.p.A., which met today in Turin under the chairmanship of Gianluigi Gabetti, approved the results for the first three months of 2006.

The consolidated profit of the IFI Group for the first quarter of 2006 is €41.5 million (€49.1 million in the first quarter of 2005). The decrease, equal of €7.6 million, is due to the lower result reported for the period by the subsidiary IFIL.

The consolidated equity of the Group at March 31, 2006 is €3,199.9 million (€3,084 million at the end of 2005). The increase of €115.9 million is due to the consolidated profit of the Group for the period (+€41.5 million), the share of negative translation differences (-€24.6 million) and other net changes (+€99 million) reported principally by the subsidiary IFIL.

The net financial position of IFI S.p.A. at March 31, 2006 shows a negative €303.1 million. This is €25.4 million higher than at the end of 2005 (-€277.7 million), mainly as a result of investments made to increase the holding in the subsidiary IFIL (€18.4 million).

Major events

In February and March 2006, IFI purchased 4,368,876 IFIL ordinary shares (0.42% of the class of stock) on the market for an investment of €18.4 million. At March 31, 2006, IFI held 664,860,716 IFIL ordinary shares, equal to approximately 64% of the class of stock, and 1,886,420 IFIL savings shares, equal to 4.99% of the class of stock. During the period April 1, to May 12, 2006, IFI made additional purchases on the market of 2,875,000 IFIL ordinary shares (0.28% of the class of stock) for an investment of €14.2 million. IFI currently holds 667,735,716 IFIL ordinary shares, equal to 64.29% of the class of stock, and 1,866,420 IFIL savings shares, equal to 4.99% of the class of stock. The investment holding represents 62.23% of all capital stock.

In its meeting of March 31, 2006, the Board of Directors of IFI S.p.A., in order to reduce the company's debt, voted to sell the entire investment in Exor Group (equal to 29.3% of capital stock) to the same Exor Group. Given that the transaction was between related parties, Citigroup Global Markets was appointed as advisor and checked the fairness of the sales price, equal to €206.8 million (€60.5 per share). The transaction, carried out on April 7, 2006, allowed IFI S.p.A. to considerably reduce its debt (which today amounts to about €111 million) and realize a gain of €104 million at the level of IFI S.p.A. (€7.5 million on consolidation). On May 4, 2006, Exor Group proceeded to cancel the treasury shares it purchased, with a consequent reduction in capital stock.

Business outlook

Taking into account the motion for the distribution of dividends from 2005 profits formulated by the IFIL Board of Directors and the operating and financial effects of the sale of the investment in Exor Group, 2006 forecasts for IFI S.p.A. are for a considerably higher profit than in 2005 and a significant reduction in net debt.

On the basis of the indications formulated by the IFIL Group, the IFI Group is expected to show a profit for 2006, although lower than that of 2005, which had included non-recurring income.

PRESS OFFICE

Andrea GRIVA
Tel.. 011.5090.320
ufficio.stampa@gruppoifi.com

INVESTOR RELATIONS

Stefano BERTOLA
Tel.. 011.5090.246
relazioni.investitori@gruppoifi.com

**IFI GROUP - CONSOLIDATED FINANCIAL STATEMENTS
AT MARCH 31, 2005 – CONDENSED (*)**

(*) Prepared by accounting for the investment held in IFIL by the equity method.

CONDENSED CONSOLIDATED INCOME STATEMENT

Year	€ in millions	Quarter I		Change
		2006	2005	
693.0	Group's share of the earnings (losses) of companies accounted for by the equity method	45.2	52.7	(7.5)
0.1	Dividends from other holdings	0.0	0.0	0.0
(9.1)	Net financial expenses	(2.5)	(2.8)	0.3
(4.1)	Net general expenses	(1.2)	(0.8)	(0.4)
(5.6)	Net other non-recurring expenses	0.0	0.0	0.0
1.3	Income taxes	0.0	0.0	0.0
675.6	Profit - Group	41.5	49.1	(7.6)

GROUP'S SHARE OF THE EARNINGS (LOSSES) OF COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD

Year	€ in millions	Earnings (losses)		IFI's share		Change
		Q1 2006	Q1 2005	Q1 2006	Q1 2005	
680.2	IFIL Group	67.3	81.4	42.2	50.1	(7.9)
10.6	Exor Group (a)	-	2.0	-	0.6	(0.6)
690.8				42.2	50.7	(8.5)
2.2	Consolidation adjustments			3.0	2.0	1.0
693.0	Total			45.2	52.7	(7.5)

(a) At March 31, 2006, the investment is classified in "Assets held for sale".

The consolidated quarterly report is unaudited.

IFI GROUP - CONSOLIDATED FINANCIAL STATEMENTS AT MARCH 31, 2005 – CONDENSED (*)

(*) Prepared by accounting for the investment held in IFIL by the equity method.

CONDENSED CONSOLIDATED BALANCE SHEET

3/31/2005	€ in millions	3/31/2006	12/31/2005	Change
Non-current assets				
2,606.1	Investments accounted for by the equity method	3,290.0	3,352.4	(62.4)
4.7	Other financial assets	0.5	0.5	0.0
2,610.8	Total non-current assets	3,290.5	3,352.9	(62.4)
Current assets				
18.5	Receivables and other current assets	18.5	19.1	(0.6)
0.1	Cash and cash equivalents	0.1	0.1	0.0
18.6	Total current assets	18.6	19.2	(0.6)
0.0	Investment in Exor Group held for sale	199.3	0.0	199.3
2,629.4	Total assets	3,508.4	3,372.1	136.3
Equity - Group				
2,390.5	Capital and reserves	3,270.4	3,154.5	115.9
(70.5)	Treasury stock	(70.5)	(70.5)	0.0
2,320.0	Equity - Group	3,199.9	3,084.0	115.9
Non-current liabilities				
1.5	Provisions for employee benefits	1.7	1.6	0.1
3.7	Deferred tax liabilities	2.3	2.4	(0.1)
10.0	Financial debt	160.0	158.8	1.2
15.2	Total non-current liabilities	164.0	162.8	1.2
Current liabilities				
293.0	Financial debt	143.2	119.0	24.2
1.2	Other liabilities	1.3	6.3	(5.0)
294.2	Total current liabilities	144.5	125.3	19.2
2,629.4	Total equity and liabilities	3,508.4	3,372.1	136.3

The consolidated quarterly report is unaudited.

**IFI GROUP - CONSOLIDATED FINANCIAL STATEMENTS
AT MARCH 31, 2005 – CONDENSED (*)**

(*) Prepared by accounting for the investment held in IFIL by the equity method.

NET FINANCIAL POSITION OF IFI S.p.A.

3/31/2005			3/31/2006			12/31/2005		
Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
€ in millions								
0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
		Cash and banks						
(24.8)		(24.8)	(14.0)		(14.0)	(13.9)		(13.9)
(268.2)	(10.0)	(278.2)	(129.2)	(160.0)	(289.2)	(105.1)	(158.8)	(263.9)
(293.0)	(10.0)	(303.0)	(143.2)	(160.0)	(303.2)	(119.0)	(158.8)	(277.8)
Total financial liabilities								
(292.9)	(10.0)	(302.9)	(143.1)	(160.0)	(303.1)	(118.9)	(158.8)	(277.7)
Net financial position of IFI S.p.A.								

The consolidated quarterly report is unaudited.