

Turin, August 29, 2008

PRESS RELEASE

IFI's Board of Directors approves 1st half 2008 consolidated results

Summary of consolidated highlights

<i>€ in millions</i> <i>Criteria used in preparing data indicated in attached statements</i>	1st Half 2008	1st Half 2007	Change
Profit attributable to the equity holders of the company	206.7	202	4.7

	at 6/30/2008	at 12/31/2007	Change
Equity attributable to the equity holders of the company	4,055.3	4,160.5	(105.2)
Net financial position of IFI S.p.A.	(345.2)	(392.7)	47.5

- **The IFI Group closes the first half of 2008 with a profit attributable to the equity holders of the company of €206.7 million (€202 million in the first half of 2007)**
- **Net financial position of IFI S.p.A. at 6/30/2008 is a negative €345.2 million (a negative €392.7 million at 12/31/2007)**
- **For the full-year 2008, positive results are forecast for both the separate and consolidated financial statements**

The IFI – Istituto Finanziario Industriale S.p.A. board of directors, which met today in Turin under the chairmanship of John Elkann, examined the consolidated results for the first half of 2008.

The profit attributable to the equity holders of the company for the first half of 2008 is €206.7 million and increased by €4.7 million compared to the first half of 2007 (€202 million). The change is due to a higher interest in the profit of the IFIL Group (+€10.4 million) which is partly offset by higher net financial expenses (-€5.3 million) and higher net general expenses (-€0.4 million).

The equity attributable to the equity holders of the company at June 30, 2008 is €4,055.3 million (€4,160.5 million at the end of 2007). The net decrease of €105.2 million is attributable to the share of translation differences and other changes reported by the subsidiary IFIL (-€324.5 million) which is only partly compensated by the profit attributable to the equity holders of the company for the first half (+€206.7 million), the positive dilution arising from the purchase of treasury stock by the subsidiary IFIL (+€10.8 million) and other net changes (+€1.8 million).

The net financial position of IFI S.p.A. at June 30, 2008 is a negative €345.2 million with a positive change of €47.5 million (compared to a negative €392.7 million at the end of 2007) due

basically to the collection of dividends from IFIL (+€ 73 million) net of the buyback of IFIL ordinary shares (-€16.2 million).

Major events

Increase in the investment in IFIL

During the first quarter of 2008, IFI purchased on the market 2,950,000 IFIL ordinary shares (0.29% of the class of stock) for an investment of €16.2 million.

IFI currently holds 726,900,000 IFIL ordinary shares, equal to 69.99% of the class of stock, and 1,866,420 IFIL savings shares, equal to 4.99% of the class of stock. The investment represents 67.73% of total capital stock.

End of the term of office of the statutory auditors Gianluca Ferrero and Giorgio Giorgi

Following the appointment of Gianluca Ferrero to the board of managing partners of the parent Giovanni Agnelli e C. S.a.p.az., on May 15, 2008, the chairman of the board of statutory auditors, Gianluca Ferrero and the standing auditor Giorgio Giorgi ended their posts pursuant to art. 148, paragraph 3 of Legislative Decree 58/1998 (for reasons of incompatibility).

Accordingly, pursuant to and as a consequence of art. 2401 of the Italian Civil Code, up until the next shareholders' meeting, Giorgio Ferrino and Paolo Piccatti, who were already alternate auditors, took over the positions of standing auditors, and Lionello Jona Celesia, who was already a standing auditor, took over as chairman. The new alternate auditors will be elected by the next shareholders' meeting.

Proceedings relative to the contents of the press releases issued by IFIL S.p.A. and Giovanni Agnelli e C. S.a.p.az. on August 24, 2005

In July 2008, the parties involved in the Consob sanctionary measure filed an appeal with the Court of Cassation against the December 5, 2007 – January 23, 2008 ruling by the Court of Appeals of Turin which had partially upheld the opposition's appeal and reduced the administrative sanction levied by Consob.

In the penal proceedings, the preliminary hearing is being held pursuant to ex article 420 and subsequent articles of the Code of Penal Procedure which was stayed for the continuation of the discussion to October 10-11, 2008. The magistrate for the preliminary hearings has reserved its decision on the question of territory jurisdiction.

Giovanni Agnelli e C. press release

On August 25, 2008, Giovanni Agnelli e C. S.a.p.az. announced the purchase of ten million IFI preferred shares, equal to 6.13% of capital stock and 13.02% of the class of stock. The Group is evaluating the various hypotheses and options available in light of this purchase.

Business outlook

The confirmation of targets by the Fiat Group allows the IFIL Group to forecast a notably positive consolidated result for 2008 even though there are unfavorable market conditions for the other companies of the IFIL Group.

Therefore, for the year 2008, IFI forecasts positive results for both the separate and consolidated financial statements.

The manager responsible for the preparation of the financial reports, Pierluigi Bernasconi, attests, in accordance with paragraph 2, article 154 bis of the Consolidated Finance Act that the accounting disclosure contained in this press release corresponds to the company's documents, accounting records and entries.

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HALF-YEARLY CONDENSED FINANCIAL STATEMENTS PREPARED BY ACCOUNTING FOR THE INVESTMENT IN THE IFIL GROUP BY THE EQUITY METHOD

Income statement prepared by accounting for the investment in the IFIL Group by the equity method

Year 2007	€in millions	Half I		
		2008	2007	Change
458.2	Share of the profit of the IFIL Group	217.5	207.1	10.4
0.1	Dividends from investments	0.1	0.1	0.0
(8.8)	Other financial income (expenses)	(8.3)	(3.0)	(5.3)
(5.2)	Net general expenses	(2.6)	(2.2)	(0.4)
0.0	Income taxes	0.0	0.0	0.0
444.3	Profit attributable to the equity holders of the company	206.7	202.0	4.7

Share of the profit of the IFIL Group

€ in millions	Profit		IFI's share		
	HI 2008	HI 2007	HI 2008	HI 2007	Change
IFIL Group	309.8	314.8	215.2	207.1	8.1
Consolidation adjustments			2.3 (a)	0.0	2.3
Total IFIL Group			217.5	207.1	10.4

(a) This represents the excess of IFI's share of the equity attributable to the equity holders of the company IFIL against the cost of the IFIL shares purchased in the first quarter of 2008.

The independent auditors' review report on the half-yearly condensed consolidated financial statements at June 30, 2008 has been issued on today's date.

HALF-YEARLY CONDENSED FINANCIAL STATEMENTS PREPARED BY ACCOUNTING FOR THE INVESTMENT IN THE IFIL GROUP BY THE EQUITY METHOD

Balance sheet prepared by accounting for the investment in the IFIL Group by the equity method

€ in millions	Balances at		Change
	6/30/2008	12/31/2007	
Non-current assets			
Investment in the IFIL Group	4,384.2	4,537.0	(152.8)
Other financial assets	0.7	0.6	0.1
Total Non-current assets	4,384.9	4,537.6	(152.7)
Current assets			
Financial assets and cash and cash equivalents	4.2	2.4	1.8
Trade receivables and other receivables	19.3	19.3	0.0
Total Current assets	23.5	21.7	1.8
Total Assets	4,408.4	4,559.3	(150.9)
Equity attributable to the equity holders of the company			
Capital and reserves	4,125.8	4,231.0	(105.2)
Treasury stock	(70.5)	(70.5)	0.0
Total equity attributable to the equity holders of the company	4,055.3	4,160.5	(105.2)
Non-current liabilities			
Provisions for employee benefits	2.3	2.1	0.2
Debt	150.0	100.0	50.0
Deferred tax liabilities and other liabilities	0.1	0.1	0.0
Total Non-current liabilities	152.4	102.2	50.2
Current liabilities			
Debt	199.7	295.4	(95.7)
Trade payables and other liabilities	1.0	1.2	(0.2)
Total Current liabilities	200.7	296.6	(95.9)
Total Equity and Liabilities	4,408.4	4,559.3	(150.9)

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NET FINANCIAL POSITION OF IFI S.P.A.

€ in millions	6/30/2008			12/31/2007		
	Current	Non-current	Total	Current	Non-current	Total
Financial assets	3.9	0.3	4.2	2.3	0.2	2.5
Cash and cash equivalents	0.3	0.0	0.3	0.2	0.0	0.2
Total financial assets	4.2	0.3	4.5	2.5	0.2	2.7
Debt	(199.7)	(150.0)	(349.7)	(295.4)	(100.0)	(395.4)
Net financial position of IFI S.p.A.	(195.5)	(149.7)	(345.2)	(292.9)	(99.8)	(392.7)

The independent auditors' review report on the half-yearly condensed consolidated financial statements at June 30, 2008 has been issued on today's date.