



Finanziaria di Partecipazioni SpA

Turin, November 12, 2003

## **PRESS RELEASE**

### **Board of Directors' Meeting on November 12, 2003**

The Board of Directors of IFIL, which met today in Turin under the chairmanship of Gianluigi Gabetti, examined the results for the third quarter of 2003 and performance for the first nine months of the year.

The Group reported a consolidated net income of €25 million for the third quarter of 2003 (a loss of €53 million was recorded for the corresponding period of 2002).

As regards the first nine months of the year, the consolidated net result is still a loss and amounts to €20 million (a net income of €6 million was reported in the corresponding period of 2002). The change is mainly due to a reduction in IFIL's share of the results reported by the subsidiaries and associated companies, that was only partly compensated by the gain realized on the sale of the 25% stake in Sifalberghi to the Accor Group.

Consolidated stockholders' equity of the Group at September 30, 2003 amounts to €4,111.9 million, an increase from €2,708.1 million at the end of 2002 primarily on account of the capital stock increase against payment carried out in July and the previous capital increase reserved for IFI (against the contribution by IFI of the investments in Fiat, SANPAOLO IMI, Juventus and Soiem).

The net financial position of the "holdings system" has improved and at September 30, 2003 shows a net indebtedness position of €464.5 million compared to €484.4 million at December 31, 2002.

### **Future business outlook of the IFIL Group for the current year**

The balanced portfolio of IFIL's investment holdings – about one-third of which is concentrated in the automotive sector and about two-thirds in diversified businesses – and the efforts underway to relaunch Fiat constitute genuine premises for a turnaround of the Group which could likely manifest the first consequential signs in 2003.

The consolidated result of the IFIL Group for the year, however, will be influenced by uncertainties surrounding the economic scenario in which the principal Group companies had to operate for the majority of the year and the results of the Fiat Group, which, for 2003, as anticipated, will represent a difficult and demanding year of transition.

As for the parent company, IFIL S.p.A., based on the data available to date, a profit is expected to be reported for 2003.



## CONSOLIDATED FINANCIAL STATEMENTS OF THE IFIL GROUP AT SEPTEMBER 30, 2003 – CONDENSED (\*)

(\*) Prepared by consolidating the financial holding companies on a line-by-line or proportional basis and accounting for the operating holding companies and the other subsidiaries and associated companies using the equity method.

### CONDENSED CONSOLIDATED INCOME STATEMENT

Year	€ in millions	9 months to September 30			III Quarter		
		2003	2002	Change	2003	2002	Change
	Group's share of earnings (losses) of companies						
(301.6)	accounted for using the equity method	<b>(37.1)</b>	4.7	(41.8)	<b>14.1</b>	(35.8)	49.9
30.6	Dividends from other holdings	<b>21.2</b>	30.6	(9.4)	<b>0.0</b>	0.0	0.0
8.2	Dividend tax credits	<b>11.9</b>	8.2	3.7	<b>0.0</b>	0.0	0.0
(51.8)	Gains (losses), net	<b>25.0</b>	(7.1)	32.1	<b>24.9</b>	(5.4)	30.3
(6.8)	Amortization of goodwill	<b>(10.3)</b>	(5.3)	(5.0)	<b>(3.5)</b>	(1.8)	(1.7)
<b>(321.4)</b>	<b>Investment income (expenses), net</b>	<b>10.7</b>	31.1	(20.4)	<b>35.5</b>	(43.0)	78.5
(20.6)	Financial expenses, net	<b>(17.4)</b>	(14.2)	(3.2)	<b>(4.7)</b>	(5.6)	0.9
(13.1)	General expenses, net	<b>(9.7)</b> (a)	(9.5)	(0.2)	<b>(1.0)</b> (a)	(2.7)	1.7
(12.5)	Other expenses, net	<b>(5.4)</b>	(4.8)	(0.6)	<b>(4.8)</b>	(4.0)	(0.8)
<b>(367.6)</b>	<b>Income (loss) before taxes</b>	<b>(21.8)</b>	2.6	(24.4)	<b>25.0</b>	(55.3)	80.3
4.6	Current income taxes, net	<b>0.2</b>	(0.4)	0.6	<b>0.0</b>	(1.7)	1.7
(4.0)	Deferred taxes	<b>1.6</b>	3.8	(2.2)	<b>0.0</b>	4.0	(4.0)
<b>(367.0)</b>	<b>Net income (loss) - Group</b>	<b>(20.0)</b>	6.0	(26.0)	<b>25.0</b>	(53.0)	78.0

(a) The figure includes general expenses, net, of the subsidiary Soiem, consolidated line-by-line beginning 2003.

**The consolidated quarterly report is unaudited.**



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### CONDENSED CONSOLIDATED BALANCE SHEET

9/30/2002	€in millions	9/30/2003	12/31/2002	Change	6/30/2003
	Financial fixed assets:				
3,536.0	- investments	4,752.0	3,161.0	1,591.0	4,256.5
55.5	- treasury stock	44.5	41.7	2.8	44.8
4.4	- long-term bonds	4.6	4.5	0.1	4.6
<u>3,595.9</u>		<u>4,801.1</u>	<u>3,207.2</u>	<u>1,593.9</u>	<u>4,305.9</u>
	Financial assets recorded in current assets				
247.7	- cash and short-term investments	200.6	244.5	(43.9)	209.3
0.0	- treasury stock	1.6	0.0	1.6	0.0
<u>247.7</u>		<u>202.2</u>	<u>244.5</u>	<u>(42.3)</u>	<u>209.3</u>
80.0	Other assets	88.5	53.8	34.7	82.5
<u>3,923.6</u>	<b>Total assets</b>	<u>5,091.8</u>	<u>3,505.5</u>	<u>1,586.3</u>	<u>4,597.7</u>
3,140.3	Stockholders' equity - Group	4,111.9	2,708.1	1,403.8	3,636.0
	Financial payables:				
150.0	- short-term	310.7	434.2	(123.5)	278.7
588.5	- medium-term	350.0	295.0	55.0	350.0
<u>738.5</u>		<u>660.7</u>	<u>729.2</u>	<u>(68.5)</u>	<u>628.7</u>
	Reserve for employee severance indemnities and reserves for risks and charges				
37.1		290.0 (a)	41.3	248.7	304.3
7.7	Other liabilities	29.2	26.9	2.3	28.7
<u>3,923.6</u>	<b>Total liabilities and stockholders' equity</b>	<u>5,091.8</u>	<u>3,505.5</u>	<u>1,586.3</u>	<u>4,597.7</u>

(a) Includes the remaining "Consolidation reserve for risks and future expenses" of € 258.3 million.

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