investments IFIL

Turin, November 14, 2006

PRESS RELEASE

IFIL's Board of Directors approves consolidated results to September 30, 2006

Highlights of results

€ in millions *Criteria used in preparing data indicated in attached statements*	**2006**	2005	*Change*
Consolidated profit – IFIL Group:			
Cumulative for 9 months to September 30	**271.0**	915.8	(644.8)
Third quarter	**81.5**	291.7	(210.2)

	9/30/2006	12/31/2005	*Change*
Consolidated net financial position – "Holdings System"	**433.5**	348.3	85.2
Consolidated equity – IFIL Group	**5,524.9**	5,186.0	338.9

- ***Cumulative profit of the IFIL Group for the first nine months of 2006 at € 271 million***
- ***Third-quarter 2006 consolidated profit of the IFIL Group at € 81.5 million***
- ***Consolidated net fin. position of the Holdings Systems at 9/30 is a positive € 433.5 million***
- ***Profit forecast for the full-year 2006 for both the parent and the group***

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 nine months to September 30, 2006.

The consolidated profit of the IFIL Group for the nine months to September 30, 2006 amounts to € 271 million. This is a decrease of € 644.8 million from the profit for the first nine months of 2005 (€ 915.8 million) which, however, included significant net nonrecurring income realized directly (the gain of € 459.1 million on the sale of the investment in La Rinascente) and through the Fiat Group (€ 507.9 million at the IFIL level).

The consolidated net financial position of the "Holdings System" at September 30, 2006 is a positive € 433.5 million, with an increase of € 85.2 million from the end of 2005 (€ 348.3 million). The change is due to the receipt of dividends from holdings (+€ 237.6 million), the investment made in Banca Leonardo S.p.A. (-€ 47 million), the dividends paid out by IFIL (- € 85.6 million) and other net changes (-€ 19.8 million).

The consolidated equity of the Group at September 30, 2006 amounts to € 5,524.9 million (€ 5,186 million at the end of 2005). The increase of € 338.9 million is due to the fair value adjustment of the investment in Sanpaolo IMI (+€ 282 million, after taxes), consolidated profit of the Group for the period (+€ 271 million), translation differences (-€ 131.6 million), dividends paid out by IFIL (-€ 85.6 million) and other net changes (+€ 3.1 million).

The consolidated profit of the Group for the third quarter of 2006 is € 81.5 million (€ 291.7 million in the corresponding period of 2005). The negative change of € 210.2 million is mainly due to the lower profit contribution by the Fiat Group which, in the third quarter of 2005 included significant net nonrecurring income.

Major events

On September 6, 2006, the Board of Directors of the subsidiary Sequana Capital approved the project to place Sequana Capital's focus on the paper sector (in which it operates through the wholly-owned subsidiaries Arjowiggins and Antalis). It also voted to launch a Public Exchange Offering of a maximum of 57,646,980 Sequana Capital shares (approximately 54.31% of capital stock at August 1, 2006) for a maximum of 1,859,580 SGS shares (23.8% of capital stock) held by Sequana Capital itself, in a ratio of 1 SGS share for every 31 Sequana Capital shares tendered in the Offering. Alternatively, the stockholders may opt to receive the price of € 21 in cash for each Sequana Capital share sold to the company. The offering period, approved by the French securities and exchange commission and by the special Stockholders' Meeting held on October 30, 2006, opened on November 7, 2006 and will end on November 28, 2006. The IFIL Group participated in the Offering exchanging a part of the Sequana Capital shares it currently holds for SGS shares. The stake in SGS will be higher than 12%.

On October 12, 2006, the Board of Directors of Sanpaolo IMI approved the plan for the merger by incorporation of Sanpaolo IMI into Banca Intesa which will be submitted for approval to the special Stockholders' Meeting. The purpose of the plan is to create a group that will be one of the leaders in the banking system in Europe.

On November 9 and 10, 2006, IFIL purchased 3,000,000 Fiat ordinary shares (0.28% of the class of stock) on the market for an investment of € 44.6 million. This follows the incentive plan announced by the Fiat Board of Directors and the anticipated capital stock increase to service the relative stock options. The purchase, which confirms IFIL's confidence in the positive prospects of its major holding and in the exceptional capacity of its management, will allow IFIL to retain a more-than-30% stake in Fiat even after the issue of the new shares estimated to service the plan. IFIL currently holds 331,333,447 Fiat ordinary shares, equal to 30.34% of the class of stock, and 31,082,500 Fiat preferred shares, equal to 30.09% of the class of stock. The investment represents 28.415% of Fiat issued capital stock.

Business outlook

For the year 2006, IFIL S.p.A. is expected to report a profit. As for the consolidated financial statements, taking into account the forecasts formulated by the major holdings, for 2006, the IFIL Group expects to show a profit, although lower than the profit reported in 2005, which included significant nonrecurring income and was the highest in the Group's history.

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IFIL GROUP – INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2006 – CONDENSED(*)

(*) 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 INTERIM CONSOLIDATED INCOME STATEMENT

Year		9 months to September 30			III Quarter		
2005	€ in millions	**2006**	2005	Change	**2006**	2005	Change
622.0	Group's share of earnings (losses) of operating subsidiaries and associates accounted for by the equity method	**218.9**	439.8	(220.9)	**75.0**	294.4	(219.4)
	Net financial income:						
43.7	- Dividends	**53.1**	43.7	9.4	**0.0**	0.0	0.0
1.8	- Gains	**0.0**	1.8	(1.8)	**0.0**	0.0	0.0
3.4	- Impairment (losses)/reversals on investments and securities	**(0.6)**	2.1	(2.7)	**0.6**	1.1	(0.5)
2.9	- Other financial income (expenses)	**5.3**	2.5	2.8	**1.6**	1.3	0.3
51.8	Net financial income	**57.8**	50.1	7.7	**2.2**	2.4	(0.2)
459.1	Gain on the sale of the investment in La Rinascente	**0.0**	459.1	(459.1)	**0.0**	0.0	0.0
(1.7)	(Accruals) uses of provisions	**7.8**	(1.1)	8.9	**7.8**	(0.3)	8.1
(41.1)	Net general expenses	**(13.4)**	(32.2)	18.8	**(3.5)**	(4.8)	1.3
(0.1)	Income taxes	**(0.1)**	0.1	(0.2)	**0.0**	0.0	0.0
1,090.0	**Profit - Group**	**271.0**	915.8	(644.8)	**81.5**	291.7	(210.2)

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

Year		9 months to September 30			III Quarter		
2005	€ in millions	**2006**	2005	Change	**2006**	2005	Change
373.8	Fiat Group	**173.2**	363.2	(190.0)	**55.1**	231.4	(176.3)
183.7	Sequana Capital Group	**66.3**	54.1	12.2	**10.1**	15.2	(5.1)
(10.7)	Alpitour Group	**(11.6)** (a)	(24.1) (a)	12.5	**5.9**	(0.2)	6.1
(10.0)	Juventus Football Club S.p.A.	**(11.0)** (b)	(12.3) (b)	1.3	**3.3**	(10.9)	14.2
(0.4)	Turismo&Immobiliare S.p.A.	**(0.3)**	0.0	(0.3)	**0.0**	0.0	0.0
536.4		**216.6**	380.9	(164.3)	**74.4**	235.5	(161.1)
85.6	Consolidation adjustments	**2.3**	58.9	(56.6)	**0.6**	58.9	(58.3)
622.0	**Total**	**218.9**	439.8	(220.9)	**75.0**	294.4	(219.4)

(a) Data for the period November 1 – July 31.
(b) Data for the period January 1 – September 30 prepared for pruposes of consolidation in IFIL.

Unaudited by the audit firm and not examined by the Board of Statutory Auditors.

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CONDENSED INTERIM CONSOLIDATED BALANCE SHEET

€ in millions	**9/30/2006**	12/31/2005	Change
Non-current assets			
Property, plant and equipment	**13.3**	13.5	(0.2)
Investments accounted for by the equity method	**3,484.2**	3,576.8	(92.6)
Other financial assets	**1,609.7**	1,238.3	371.4
Total non-current assets	**5,107.2**	4,828.6	278.6
Current assets			
Trade receivables and other receivables	**44.0**	43.7	0.3
Financial assets	**741.0**	793.5	(52.5)
Cash and cash equivalents	**4.5**	4.2	0.3
Total current assets	**789.5**	841.4	(51.9)
TOTAL ASSETS	**5,896.7**	5,670.0	226.7
Equity - Group	**5,524.9**	5,186.0	338.9
Non-current liabilities			
Provisions for employee benefits and provisions for other liabilities and charges	**2.4**	2.2	0.2
Bonds and other debt	**200.0**	0.0	200.0
Deferred tax liabilities and other liabilities	**44.9**	1.2	43.7
Total non-current liabilities	**247.3**	3.4	243.9
Current liabilities			
Provisions for employee benefits and provisions for other liabilities and charges	**0.0**	7.8	(7.8)
Bonds and other debt	**112.9**	449.7	(336.8)
Trade payables and other liabilities	**11.6**	23.1	(11.5)
Total current liabilities	**124.5**	480.6	(356.1)
TOTAL EQUITY AND LIABILITIES	**5,896.7**	5,670.0	226.7

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CONSOLIDATED NET FINANCIAL POSITION OF THE "HOLDINGS SYSTEM"

6/30/2006				**9/30/2006**			12/31/2005		
Current	Non-current	Total	€ in millions	**Current**	**Non-current**	**Total**	Current	Non-current	Total
736.0	1.0	737.0	Financial assets	**741.0**	**0.9**	**741.9**	793.5	0.3	793.8
7.5	0.0	7.5	Cash and cash equivalents	**4.5**	**0.0**	**4.5**	4.2	0.0	4.2
743.5	1.0	744.5	**Total financial assets**	**745.5**	**0.9**	**746.4**	797.7	0.3	798.0
(100.0)	0.0	(100.0)	IFIL 2003/2006 bonds	**(100.0)**	**0.0**	**(100.0)**	(100.0)	0.0	(100.0)
0.0	(200.0)	(200.0)	IFIL 2006/2011 bonds	**0.0**	**(200.0)**	**(200.0)**	0.0	0.0	0.0
(5.7)	0.0	(5.7)	Other debt and bank debt	**(12.9)**	**0.0**	**(12.9)**	(349.7)	0.0	(349.7)
(105.7)	(200.0)	(305.7)	**Total financial liabilities**	**(112.9)**	**(200.0)**	**(312.9)**	(449.7)	0.0	(449.7)
637.8	(199.0)	438.8	**Consolidated net financial position of the "Holdings System"**	**632.6**	**(199.1)**	**433.5**	348.0	0.3	348.3

RATING

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

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