Turin, September 9, 2004

PRESS RELEASE

Board of Directors' Meeting on September 9, 2004

The Board of Directors of IFIL met today in Turin to examine the results of the first half of 2004.

First half performance

The first half of 2004 closed with a consolidated loss of € 111 million (a loss of € 45 million in the corresponding period of 2003). The result mainly reflects IFIL's share of the loss of the Fiat Group and extraordinary amortization taken on the difference on consolidation relating to 10% of the capital stock of NHT purchased in January 2004.

Consolidated stockholders' equity of the Group at June 30, 2004 amounts to € 3,837.4 million, a decrease from December 31, 2003 (€ 3,953.9 million) due to dividends paid by IFIL S.p.A. and the result of the first half of 2004.

The consolidated net financial position of the "Holdings System" shows a net indebtedness position at June 30, 2004 of € 398.1 million (€ 234.7 million at the end of 2003). The change is essentially due to investments made in Eurofind and NHT.

As for the parent company, IFIL S.p.A., the first six months of 2004 registered a net income of € 26.9 million (€ 60.8 million in the first half of 2003), which makes it possible to anticipate a full-year 2004 result of not less than that of 2003.

Major events during the first half

In January, the IFIL Group purchased 9.53% of the capital stock of Eurofind (IFIL 50% and Auchan 50%), which controls La Rinascente, from Mediobanca for an investment of € 116.1 million.

Also in January, the IFIL Group purchased 10% of the capital stock of NHT - New Holding for Tourism, the company which has total control of Alpitour, from TUI for an outlay of € 46.3 million. At the same time, NHT purchased the remaining 50% of the capital stock of Neos, the charter tourism airline, from the TUI Group for an investment of € 2.7 million.

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During the first half of the year IFIL set up organizations in the United States and Asia, with offices respectively in New York and Hong Kong. These offices will contribute to the search for new investment opportunities. Thanks to their positioning in two of the most interesting international financial centers and with their highly-qualified professional management staff, the two organizations – which will operate in close coordination with the head office in Turin – could significantly boost the opportunities of creating economic value for the company.

In June, the IFIL Group and the Exor Group reached an agreement for the sale of the investments in Club Méditerranée to Accor. The IFIL Group, in particular, will sell 6.37% of Club Méditerranée's capital stock for a price of not less than € 55.5 million (€ 45 per share), realizing a gain on consolidation of € 24.4 million. The contract calls for a possible upward price adjustment – up to a maximum € 12 million (€ 10 per share) over the next two years – in relation to Club Méditerranée's future economic and financial performance.

In August, the IFIL Group, together with Banca Intesa and the Marcegaglia Group, sealed a preliminary agreement with Sviluppo Italia to acquire stakes, through capital increases especially reserved for them, in the subsidiary Sviluppo Italia Turismo, a company which holds some tourism real estate structures in the South of Italy. According to the agreement – which is subject to verification of the current development plan – the three private shareholders will have the right to subscribe to and progressively increase their initial investment in Sviluppo Italia Turismo (a total of 17.25% for an investment of about € 20 million) or sell the stake already purchased in the event a definitive agreement cannot be arranged among the parties.

<u>Performance of the major Group companies</u>

Thanks to the positive contribution made by the majority of its sectors in the first six months of 2004, the Fiat Group posted a growth in sales of € 1.3 billion and a robust reduction in the operating loss. Partly in view of the encouraging sign of an operating profit for the second quarter of the year, the Group expects to meet the full-year objective of achieving an operating breakeven.

During the first half of the year, the Worms & Cie Group reported a consolidated net income of € 76 million, an increase from the corresponding period of 2003 (€ 62 million). Worms & Cie's holdings which particularly showed gains are the financial services business (Permal Group) and the quality certification sector (SGS) which closed the first six months with higher sales, respectively, of 83% and 18% compared to the first six months of 2003.

The performance of the Rinascente Group in the first six months of 2004 also displayed a growth in sales (+4.7% compared to the first half of 2003), with an improvement in the net result, equal to € 3.7 million, compared to a loss of € 3.1 million in the corresponding period of the prior year. Growth, in particular, was reported by Upim and La Rinascente, which continued strategies aimed at development in shopping centers and remodeling of the existing network, as well as the food store formats, which countered weak demand with initiatives aimed at offering better prices.

Juventus F.C. took third place in the Italian Championship in the 2003-2004 soccer season; in addition, in August it won its preliminary round to advance to the Champions League 2004-2005 competition. Operating revenues for the period January 1, - June 30, 2004 were on the whole stable compared to the same period of the prior year, whereas the net income amounted to € 5.3 million (€ 6.3 million in the first six months of 2003).

Lastly, NHT – New Holding for Tourism reported consolidated net sales of € 339.7 million for the period November 1, 2003 – April 30, 2004, an increase of 14% compared to the corresponding period of 2003 (€ 299.3 million). Owing to the negative seasonal nature of the tour operator business during the first months of the year, the result for the period, instead, is a loss (-€ 23.6 million), although showing an improvement over the same period of 2003 (-€25 million).

Evaluation of strategic options related to the investment in the Rinascente Group

The Board of Directors of IFIL, within the framework of a global review of the investment portfolio, asked the Chairman and Managing Director of the Company to assess the various options to best monetize the investment in the Rinascente Group (held through Eurofind), including prospects for its partial or total sale.

IFIL believes that the best conditions now exist for seizing similar opportunities, also considering the changes that have taken place in the Rinascente Group over the last few years.

This decision falls under the objectives drawn up earlier by IFIL: debt reduction and new investments.

Business outlook for the current year

For 2004, IFIL S.p.A., based on the data available to date, is expected to report a profit.

The consolidated result of the IFIL Group in 2004 will be directly related to the year-end results of the companies in the Group's portfolio, as well as gains on sale of investments.

CONSOLIDATED FINANCIAL STATEMENTS OF THE IFIL GROUP AT JUNE 30, 2004 – 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 STATEMENT OF OPERATIONS

Year 2003	€ in millions	I Half 2004	I Half 2003	Change
(49.7)	Group's share of earnings (losses) of companies accounted for using the equity method	(85.6)	(51.2)	(34.4)
21.2	Dividends from other holdings	27.4	21.2	6.2
11.9	Dividend tax credits	0.0	11.9	(11.9)
25.0	Gains, net	2.1	0.1	2.0
(13.7)	Amortization of differences on consolidation	(31.0)	(6.8)	(24.2)
(5.3)	Investment expenses, net	(87.1)	(24.8)	(62.3)
(23.6)	Financial expenses, net	(10.6)	(12.7)	2.1
(13.0)	General expenses, net	(8.0)	(6.9)	(1.1)
(6.1)	Other expenses, net	(5.3)	(2.4)	(2.9)
(48.0)	Loss before taxes	(111.0)	(46.8)	(64.2)
0.1	Current income taxes, net	0.0	0.2	(0.2)
2.9	Deferred taxes	0.0	1.6	(1.6)
(45.0)	Net loss - Group	(111.0)	(45.0)	(66.0)

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

Year 2003	€ in millions	I Half 2004	I Half 2003	Change
(410.4)	Fiat Group	(181.6)	(81.3)	(100.3)
59.2	Worms & Cie Group	40.2	32.8	7.4
80.4	Rinascente Group	1.8	(1.2)	3.0
(10.1)	NHT Group (a)	(23.6)	(22.6)	(1.0)
(5.5)	Juventus Football Club	3.3	8.4	(5.1)
0.2	Other	0.0	0.2	(0.2)
(286.2)		(159.9)	(63.7)	(96.2)
236.5	Consolidation adjustments	74.3	12.5	61.8
(49.7)	Group's share of earnings (losses) of companies accounted for using the equity method	(85.6)	(51.2)	(34.4)

(a) The first half coincides with the period November 1 – April 30.

Unaudited by the audit firm and not examined by the board of statutory auditors.

CONSOLIDATED FINANCIAL STATEMENTS OF THE IFIL GROUP AT JUNE 30, 2004 – 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 BALANCE SHEET

6/30/2003	€ in millions	6/30/2004	12/31/2003	Change
	Financial fixed assets:			
4,256.5	- investments	4,152.3	4,174.0	(21.7)
44.8	- treasury stock	44.5	44.5	0.0
4.6	- long-term bonds	4.7	4.6	0.1
4,305.9		4,201.5	4,223.1	(21.6)
	Financial assets not held as fixed assets			
209.3	- cash and short-term investments	203.2	434.6	(231.4)
0.0	- treasury stock	1.6	1.7	(0.1)
209.3		204.8	436.3	(231.5)
82.5	Other assets	75.2	87.3	(12.1)
4,597.7	Total assets	4,481.5	4,746.7	(265.2)
3,636.0	Shareholders' equity - Group	3,837.4	3,953.9	(116.5)
	Financial payables:			
276.5	- due within 2004	151.3	216.9	(65.6)
350.0	- due beyond 2004	450.0	450.0	0.0
626.5		601.3	666.9	(65.6)
304.3	Reserve for employee severance indemnities and reserves for risks and charges	31.4 (a)	99.6	(68.2)
30.9	Other liabilities	11.4	26.3	(14.9)
4,597.7	Total liabilities and stockholders' equity	4,481.5	4,746.7	(265.2)

(a) The remaining “Consolidation reserve for risks and future expenses” (€ 69.6 million at the end of 2003) was fully utilized during the first half of 2004.

Unaudited by the audit firm and not examined by the board of statutory auditors.

FINANCIAL STATEMENTS OF IFIL S.P.A. AT JUNE 30, 2004

CONDENSED INCOME STATEMENT

Year 2003	€ in millions	I Half 2004	I Half 2003	Change
76.8	Dividends	47.8	71.8	(24.0)
12.2	Dividend tax credits	0.0	12.2	(12.2)
23.0	Gains, net	0.1	0.0	0.1
112.0	Investment income and income from other financial fixed assets, net	47.9	84.0	(36.1)
(28.6)	Financial expenses, net	(12.8)	(15.3)	2.5
(11.5)	General expenses, net	(6.5)	(6.0)	(0.5)
(4.4)	Other expenses, net	(1.7)	(1.9)	0.2
67.5	Income before income taxes	26.9	60.8	(33.9)
5.2	Income taxes	0.0	0.0	0.0
72.7	Net income	26.9	60.8	(33.9)

CONDENSED BALANCE SHEET

6/30/2003	€ in millions	6/30/2004	12/31/2003	Change
4.0	Intangible fixed assets	7.8	9.0	(1.2)
3,265.0	Financial fixed assets	3,712.7	3,808.3	(95.6)
64.2	Other assets	55.8	67.1	(11.3)
3,333.2	Total assets	3,776.3	3,884.4	(108.1)
2,678.5	Stockholders' equity	3,151.5	3,194.4	(42.9)
	Financial payables:			
200.0	- bonds 2002/2005	200.0	200.0	0.0
0.0	- bonds 2003/2006	100.0	100.0	0.0
275.9	- borrowings from banks, due within 2004	81.6	216.9	(135.3)
150.0	- borrowings from banks, due beyond 2004	150.0	150.0	0.0
4.0	- payables to subsidiaries	8.6	8.6	0.0
0.0	- dividends payable	69.8 (a)	0.0	69.8
629.9		610.0	675.5	(65.5)
24.8	Other liabilities and reserves	14.8	14.5	0.3
3,333.2	Total liabilities and stockholders' equity	3,776.3	3,884.4	(108.1)

(a) Paid in July.

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