IFI
Istituto Finanziario Industriale

investments IFIL

Turin, September 10, 2008

JOINT PRESS RELEASE

pursuant to art. 114, paragraph 5, D.Lgs. 58/98

As per CONSOB requests received by IFI S.p.A. and IFIL S.p.A. pursuant to art. 114, paragraph 5, D.Lgs 58/1998, in connection with the press release dated September 8, 2008 on the approval of the simplification of the Group structure through the merger by incorporation of IFIL into its parent company IFI,

IFI and IFIL state as follows, having said that (i) the Board of Directors on September 8 approved the guidelines of the plan for the simplification of the Group structure and (ii) the Merger Project and the Board of Directors reports, including all relevant details, will be submitted for approval subsequently.

SUMMARY OVERVIEW OF THE RISKS IN CONNECTION WITH THE POTENTIAL CONFLICTS OF INTERESTS OF RELATED PARTIES INTERESTED BY THE MERGER

Within the simplification of its Group structure, the parent company Giovanni Agnelli e C. S.a.p.az. has interests as:

- controlling shareholder of IFI, directly holding 100% of the ordinary capital and 13,021% of the preference capital (in addition to treasury shares held by IFI representing 6,979% of the preference capital);
- controlling shareholder of IFIL, holding 72,988% of the ordinary capital and 4,993% of the savings capital (of which 69,988% of the ordinary capital and 4,993% of the savings capital indirectly through IFI and directly 3% of the ordinary capital), in addition to treasury shares held by IFIL representing 2,453% of the savings capital and, jointly with subsidiary SOIEM S.p.A., 3,273% of the ordinary capital.

The surviving entity IFI has interests as controlling shareholder of IFIL, holding 69,988% of the ordinary capital and 4,993% of the savings capital, in addition to treasury shares held by IFIL, as stated above.

Some of IFI and IFIL's directors have interests pursuant to art. 2391 cod. civ. as shareholders of the parent company Giovanni Agnelli e C. S.a.p.az. and/or as directors of both companies involved and/or as shareholders of one or both the companies involved. To this extent, within the Board of Directors of September 8 such directors made relevant statements according to applicable laws and in line with corporate governance regulations of their respective companies.

EXPLANATION OF THE ECONOMIC RATIONALE OF THE TRANSACTION AND RELATED IMPACTS ON INCOME STATEMENT, BALANCE SHEET AND CASH FLOWS.

The merger by incorporation of the controlled company IFIL into the controlling company IFI aims at simplifying the control structure of IFIL's current investment portfolio. This simplification is supposed to generate benefits for shareholders and for perspective investors, guarantee more market clarity and transparency, create a single company with a larger free float and will allow for further efficiency, control and focus.

The merger is expected to have substantially neutral consequences on the income statement, balance sheet and cash flow profiles of the resulting entity. In particular:

- The merger does not entail changes to the investment policy and management of IFIL's current investment portfolio;
- The merger's effects on the net financial debt of the resulting entity are not expected to alter significantly IFIL's current investment ability. The post-merger consolidated net financial position of the "holding system" for both IFI and IFIL will be substantially equal to the sum of their net financial debts (as of August 31, 2008 approximately equal to Euro 351 million of net financial debt for IFI and approximately equal to Euro 314 million of net financial cash for IFIL);
- The income statement of the resulting entity will not be significantly affected by the merger, as it will reflect IFIL's current profile, with reduced net interest income (or increased net interest expenses), due to the post-merger net financial position.

As a result of the merger, on the basis of the current holdings in IFI and IFIL and the approved exchange ratio, Giovanni Agnelli e C. S.a.p.az. will hold 59.2 % of the ordinary shares, 45.2 % of the voting capital (ordinary plus preference shares) and 43.5 % of the total equity capital.

DETERMINATION OF THE EXCHANGE RATIO, ASSESSEMENTS OF ITS FAIRNESS, AVAILABILITY OF OPINIONS BY INDEPENDENT EXPERTS SUPPORTING THE FAIRNESS OF THE EXCHANGE RATIO

In the merger guidelines, the Boards of Directors approved the exchange ratio, with the assistance of their respective financial advisors, consistently with the governance of the two Companies. The financial advisors provided a fairness opinion from a financial standpoint with respect to the exchange ratio approved by the Boards of Directors.

Pursuant to the applicable laws, the exchange ratio to be included in the Merger Project will be reviewed for the each of the Companies by a specific independent expert appointed by the Turin Court, who will prepare the report on the fairness of the exchange ratio of the shares as per art. 2501-sexies cod. civ.

In relation to the financial advisors, IFI has been assisted by Leonardo & Co., whose mandate was assigned by IFI Chief Executive Officer Virgilio Marrone, while IFIL has been assisted by Goldman Sachs International, whose mandate was assigned by IFIL Chief Executive Officer Carlo Sant'Albano.

These advisors were selected in consideration of their outstanding professional capabilities and of their excellent national and international reputation.

Leonardo & Co. is part of Gruppo Banca Leonardo S.p.A., which is participated by IFIL with a 9.76% stake. Moreover, IFIL Chairman, John Elkann, is a Director of Gruppo Banca Leonardo S.p.A.. Such relations are not relevant for the engagement and for the independence of the advisor Leonardo & Co.

The mandates assigned to the two financial advisors entail the assistance in the analysis of the financial aspects of the transaction, in the assessment of its financial impacts, in the execution of the transaction (including providing a fairness opinion, from a financial standpoint, of the exchange ratio). It is expected that the fairness opinion already provided will be confirmed again by the advisors upon the Board of Directors which will approve the Merger Project.

In determining the exchange ratio, the advisors have taken into account valuation indications provided by the market prices of IFIL ordinary shares and IFI preference shares, as well as fundamental valuations of the investment portfolio of IFIL and IFI, as estimated with the Net Asset Value ("NAV") methodology. In particular, the exchange ratio is equal to the arithmetic average between:

(i) the ratio between the average market prices of IFIL ordinary shares and IFI preference share over the 6 month period prior to August 25, 2008;

(ii) the ratio between the IFIL's NAV and the IFI's NAV.

IFIL's NAV has been calculated: i) for the listed investments based upon their market value; ii) for the non listed investments and for the other assets and liabilities by reference to independent third party appraisals or using the book value on IFIL's balance sheet. The NAV of IFI has been calculated valuing IFIL's stake at its NAV in addition to the other assets and liabilities of IFI.

The advisors deemed as appropriate:

(a) to refer to the arithmetic average between the results of the methodologies indicated under (i) and (ii) in order to take equally into account both the valuation indications implied by the market prices of IFIL ordinary shares and of IFI preference shares, and the indications of the fundamental valuation based on NAV and typically adopted to value holding companies such as IFI and IFIL; such approach was adopted also in consideration of the differences resulting from the application of the two methods described under (i) and (iii).

(b) to refer to the 6 months averages of market prices, as sufficiently long not to be affected by short-lived volatility but at the same time representative of market conditions. The press release announcing the purchase of IFI preference shares by Giovanni Agnelli e C. S.a.p.az. was issued on August 25, 2008.

The Board of Directors, having considered the work of the advisors and the rlelevant fairness opinions, having shared the performed analyses as well as the adopted methodologies and the obtained results, approved the exchange ratio that will be included in the Merger Project.

INFORMATION ON CHANGES TO COMPENSATION

The compensation to the members of board of directors of IFI, IFIL and/or their subsidiaries is not going to change as a result of the transaction described in the press release dated September 8, 2008.

CORPORATE BODIES OR DIRECTORS INVOLVED IN THE NEGOTIATIONS

From IFI standpoint the transaction has been supervised by IFI Chief Executive Officer dott. Virgilio Marrone, assisted by Leonardo e Co. as financial advisor, and from IFIL standpoint by IFIL Chief Executive Officer dott. Carlo Sant'Albano, assisted by Goldman Sachs International as financial advisor. IFI and IFIL Chairman ing. John Elkann was also involved in the definition of the transaction. Dott. Gianluigi Gabetti, director of IFI and IFIL, attended certain meetings.

The exchange ratio was submitted for approval to the Board of Directors on September 8, 2008. All the companies' directors attended such board meetings and the resolutions were unanimously approved, thus including the positive votes of the independent directors, 4 for IFIL and 1 for IFI.

NO ENTITLEMENT TO WITHDRAWAL RIGHTS

The shareholders of both companies will not be entitled to withdrawal rights for the following reasons:

- as far as the corporate object is concerned, IFI's corporate object is substantially the same of IFIL, no change is envisaged and therefore the merger will not result in any material change of the group business (both companies are investment holdings and IFI controls IFIL);
- as far as art. 2437-quinquies cod. civ. is concerned, newly issued IFI ordinary and savings shares assigned to IFIL ordinary and savings shareholders respectively will be listed (merger completion is subject to the condition precedent of the admission to listing of the IFI ordinary and savings shares) and thus there is no entitlement to withdrawal rights pursuant to art. 2437-quinquies cod. civ.;
- as far as art. 2437 lett. g) cod. civ. is concerned, there is no entitlement to withdrawal rights as voting rights and dividend rights of each category of shares will not be affected and remain the same of the existing ones (the privileges of the savings shares will be adjusted to reflect the exchange ratio).

According to IFI S.p.A. bylaws resolutions for the issues of savings shares do not require the vote of a special meeting of the IFI preference shareholders.

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