IFI
Istituto Finanziario Industriale

investments IFIL

Turin, September 8, 2008

JOINT PRESS RELEASE

Simplification of Group structure through the merger by incorporation of IFIL into IFI

- **Boards unanimously approve the plan for the merger of the controlled company IFIL into the controlling company IFI**
- **All classes of shares to be listed (savings shares, preference shares and ordinary shares)**
- **Exchange ratios:**
  - **0.265 of a new IFI ordinary share for each IFIL ordinary share**
  - **0.265 of a new IFI savings share for each IFIL savings share**

The Boards of Directors of IFI S.p.A. and IFIL S.p.A., meeting in succession today in Turin under the Chairmanship of John Elkann, reviewed and unanimously approved the plan to simplify the structure of the Group by way of a merger by incorporation of the controlled company IFIL into the controlling company IFI.

The transaction will lead to an optimization of the current Group structure by making it simpler and clearer for shareholders in a manner consistent with the evolution of both statutory and market standards without reducing the Group's investment capabilities.

Under the merger plan, all classes of shares (savings, preference and ordinary) will be listed. It will therefore require the listing of the ordinary and savings shares of the surviving company.

There will not be any right of withdrawal for the shareholders in either company.

The exchange ratios, unanimously approved today by the Boards of Directors in this plan for the transaction, are as follows:

- 0.265 of a new IFI ordinary share for each existing IFIL ordinary share

- 0.265 of a new IFI savings share for each existing IFIL savings share

These exchange ratios will be included in the Project of Merger to be presented for approval at the next Boards of Directors' meeting.

Such exchange ratios have been determined by taking into account two valuation methodologies: the NAV (Net Asset Value) and the market prices for both companies. 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 market price methodology compared the relative trading prices of IFIL ordinary shares and IFI preference shares. For both methodologies, prices were calculated using the six month average trading prices prior to August 25, 2008. The exchange ratio has been determined as the average result of both methodologies. The exchange ratio calculation and the methodologies utilized will be further detailed in the Board of Directors reports prepared for the Extraordinary shareholders' meetings. These reports will be available in accordance with the timing required by the Law.

As a result of the merger, on the basis of the current holdings in IFI and IFIL and the above exchange ratios, 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.

According to the proposed transaction timetable, approval of the Merger Project by the Boards of Directors of IFI and IFIL is expected by the end of September 2008. The Shareholder Meetings to approve the merger are expected to take place in November 2008. The conclusion of the transaction with the admission to trading of the IFI ordinary and savings shares to which completion of the merger will be subject, is expected to take place in early 2009.

John Elkann will be the Chairman of the resulting merged company and Carlo Sant'Albano will be Chief Executive Officer.

Leonardo & Co. acted as financial advisor to IFI in this transaction. Goldman Sachs International acted as financial advisor to IFIL. Both financial advisors have provided a fairness opinion from a financial point of view with respect to the exchange ratios.

Finally, the Board of Directors of IFIL S.p.A. has confirmed the suspension of the buy back programme.

PRESS OFFICE

Tel. +39.011.5090.320
e-mail: ufficio.stampa@gruppoifi.com
ufficio.stampa@ifil.it

INVESTOR RELATIONS

Tel. +39.011.5090.345
e-mail: relazioni.investitori@gruppoifi.com
relazioni.investitori@ifil.it