



*Istituto Finanziario Industriale*

Turin, March 28, 2003

## **PRESS RELEASE**

### **Board of Directors' Meeting on March 28, 2003**

The Board of Directors of IFI - Istituto Finanziario Industriale, which met today in Turin under the chairmanship of Umberto Agnelli, approved the consolidated financial statements and the draft statutory financial statements at December 31, 2002 of IFI S.p.A. which will be submitted to the Shareholders' Meeting to be held in May.

The consolidated loss of the IFI Group for 2002 was € 803 million, principally on account of the share of the loss (€ 781.1 million) of the Fiat Group. The loss reported by the parent company, IFI S.p.A., of € 226.9 million, is due entirely to the writedown of the carrying values of Fiat preferred shares, IFIL ordinary shares and IFI preferred treasury stock. At the end of 2002, the net financial position shows a debt position of € 426.5 million compared to € 239.1 million at the end of 2001.

The Board of Directors voted not to propose a distribution of dividends to the Shareholders' Meeting.

#### **Significant events in 2002 and the early months of 2003**

At the end of 2002, Eurofind, a company owned 50-50 by IFIL and Auchan, carried out a successful voluntary take-over bid of La Rinascente shares. The subsequent tender offer for the remaining shares in February 2003 led to the delisting of the stock.

The buy-back of treasury stock by Worms in October for some 10% of capital stock allowed IFIL to collect proceeds of € 156.2 million and to maintain its investment in Worms at 52%.

Owing to the unfavorable economic scenario, in 2002, Sanpaolo IMI closed the year with a lower net profit than in the prior year: € 889 million compared to € 1,376 million in 2001. Thanks to the merger with Cardine Banca and the start of the plan for the reorganization of the banking network, nonetheless, Sanpaolo IMI considerably extended its coverage of the national territory.

Juventus closed the year 2001/2002 with a net profit of € 6.1 million. The current year shows an improvement in gross operating income although gains from players' registration rights are lower. As regards the right of common on the Stadio delle Alpi, on February 17, 2003, the City Council of Turin voted to definitively proceed to notarize the deed as soon as the necessary documentation is obtained.



Lastly, Exor Group reported a net profit of € 15.4 million in 2002. In March 2003, it reached an agreement for the sale of its 75% investment in Società Civile Agricole Château Margaux to Madame Corinne Mentzelopoulos. The agreement also provides for the purchase of Madame Mentzelopoulos's holding in Exor Group by the same Exor.

### Future outlook and Reorganization Plan

At the beginning of March 2003, a Reorganization Plan was announced that involves IFI and IFIL. The Plan provides for the contribution to IFIL of the following investments held by IFI:

- Fiat S.p.A. (17.99% of ordinary capital stock and 18.96% of preferred capital stock);
- Sanpaolo IMI (1.13% of ordinary capital stock);
- Juventus Football Club (62.01%);
- Soiem (50.1%).

The contribution will be made against an IFIL capital increase reserved for IFI with the issue of 167,450,949 ordinary shares and 119,635,991 savings shares. The Reorganization Plan also calls for the proposal to convert IFIL savings shares into IFIL ordinary shares. IFI will participate in such proposal with its IFIL savings shares.

These transactions, which will be executed after the approval of IFIL's Extraordinary Shareholders' Meeting, will make it possible to rationalize and simplify the Group structure, characterizing IFI as the controlling holding company and IFIL as the operating holding company. The contribution to IFIL of the Fiat, Sanpaolo IMI and Soiem shares will also unite the common holdings and thus ensure more efficient management.

Lastly, at the Extraordinary Shareholders' Meeting of IFI convened for April 22 and 24, a motion will be submitted authorizing the Board of Directors to increase the capital stock, on one or more occasions, for a maximum amount of € 500 million and thus up to a maximum of € 561,750,000.



## CONSOLIDATED FINANCIAL STATEMENTS OF THE IFI GROUP AT DECEMBER 31, 2002 - CONDENSED<sup>(\*)</sup>

(\*) Prepared by consolidating IFI and Soiem on a line-by-line basis and accounting for Fiat, IFIL, Exor Group and Juventus using the equity method.

### CONDENSED CONSOLIDATED INCOME STATEMENT

€ in millions	2002	2001	Change
Share of earnings (losses) of companies accounted for using the equity method	(755.2)	84.7	(839.9)
Dividends from other holdings	9.4	9.6	(0.2)
Dividend tax credits	5.3	4.7 (a)	0.6
Gains (losses), net	(60.3)	93.1	(153.4)
Amortization of goodwill	(7.4)	(0.4)	(7.0)
<b>Investment income (expenses), net</b>	<b>(808.2)</b>	<b>191.7</b>	<b>(999.9)</b>
Financial expenses, net	(17.5)	(14.5) (a)	(3.0)
General expenses, net	(9.2)	(11.2)	2.0
Other income/(expenses), net	(4.5)	(8.5) (a)	4.0
<b>Profit (loss) before income taxes</b>	<b>(839.4)</b>	<b>157.5</b>	<b>(996.9)</b>
Current income taxes, net	21.8	14.3 (a)	7.5
Deferred income taxes	14.6	(7.8)	22.4
<b>Net profit (loss) - Group</b>	<b>(803.0)</b>	<b>164.0</b>	<b>(967.0)</b>

(a) Items reclassified for purposes of comparison with the corresponding data of 2002.

### SHARE OF EARNINGS (LOSSES) OF COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

€ in millions	Earnings (losses) of companies		IFI's share		Change
	2002	2001	2002	2001	
Fiat Group	(3,948.0)	(445.0)	(642.2)	(71.2)	(571.0)
IFIL Group	(367.0)	351.0	(118.6)	112.8	(231.4)
Exor Group S.A.	15.4	82.9	3.9	19.4	(15.5)
Juventus Football Club S.p.A. (a)	(35.3)	32.5	(22.0)	29.8 (b)	(51.8)
			(778.9)	90.8	(869.7)
Consolidation adjustments			23.7 (c)	(6.1)	29.8
<b>Share of earnings (losses) of companies accounted for using the equity method</b>			<b>(755.2)</b>	<b>84.7</b>	<b>(839.9)</b>

(a) Data taken from interim financial statements prepared for purposes of consolidation in IFI.

(b) Calculated on the basis of the percentage ownership before its listing (91.632%).

(c) Relating to Fiat Group (+€ 19.4 million) and IFIL Group (+€ 4.3 million).

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



## CONSOLIDATED FINANCIAL STATEMENTS OF THE IFI GROUP AT DECEMBER 31, 2002 - CONDENSED<sup>(\*)</sup>

(\*) Prepared by consolidating IFI and Soiem on a line-by-line basis and accounting for Fiat, IFIL, Exor Group and Juventus using the equity method.

### CONDENSED CONSOLIDATED BALANCE SHEET

€ in millions	12/31/2002		12/31/2001		Change
	Amount	%	Amount	%	
Long-term financial assets:					
- investments	2,366.9	95.6	3,309.4	95.6	(942.5)
- treasury stock	70.5	2.9	117.2	3.4	(46.7)
- other receivables	6.7	0.2	3.7	0.1	3.0
	<b>2,444.1</b>	<b>98.7</b>	<b>3,430.3</b>	<b>99.1</b>	<b>(986.2)</b>
Cash and banks, financial receivables and other assets	1.8	0.1	11.1	0.3	(9.3)
Other assets, non-financial	29.7	1.2	19.2	0.6	10.5
<b>Total assets</b>	<b>2,475.6</b>	<b>100.0</b>	<b>3,460.6</b>	<b>100.0</b>	<b>(985.0)</b>
Shareholders' equity:					
- Group	2,026.2	81.8	3,163.7	91.4	(1,137.5)
- Minority interest	10.4	0.4	10.6	0.3	(0.2)
	<b>2,036.6</b>	<b>82.2</b>	<b>3,174.3</b>	<b>91.7</b>	<b>(1,137.7)</b>
Financial payables:					
- banks, short-term	211.7	8.5	0.0	0.0	211.7
- banks, medium-term	170.0	6.9	245.0	7.1	(75.0)
- parent company, short-term	39.3	1.6	0.0	0.0	39.3
- subsidiaries, short-term	0.5	0.0	0.0	0.0	0.5
- other	1.6	0.1	1.2	0.0	0.4
	<b>423.1</b>	<b>17.1</b>	<b>246.2</b>	<b>7.1</b>	<b>176.9</b>
Reserve for deferred taxes	6.6	0.3	28.9	0.8	(22.3)
Other liabilities and reserves	9.3	0.4	11.2	0.4	(1.9)
<b>Total liabilities and shareholders' equity</b>	<b>2,475.6</b>	<b>100.0</b>	<b>3,460.6</b>	<b>100.0</b>	<b>(985.0)</b>

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## FINANCIAL STATEMENTS OF IFI S.p.A. FOR THE YEAR ENDED DECEMBER 31, 2002

### CONDENSED INCOME STATEMENT

€ in millions	2002	2001	Change
Dividends	79,9	88,8	(8,9)
Dividend tax credits	36,2	51,4	(15,2)
Writedowns	(304,8)	(35,3)	(269,5)
Gains	1,0	87,4	(86,4)
<b>(Expenses)/Income, net, from investments and other long-term financial assets</b>	<b>(187,7)</b>	192,3	(380,0)
Financial expenses, net	(17,6)	(14,6) (a)	(3,0)
General expenses, net	(9,4)	(11,1)	1,7
Other income/(expenses), net	(4,5)	(8,5) (a)	4,0
<b>Profit (loss) before income taxes</b>	<b>(219,2)</b>	158,1	(377,3)
Income taxes			
- current	(9,1)	(36,3)	27,2
- deferred	1,4	(4,9)	6,3
<b>Net profit/(loss)</b>	<b>(226,9)</b>	116,9	(343,8)

(a) Items reclassified for purposes of comparison with the corresponding data of 2002.

### CONDENSED BALANCE SHEET

€ in millions	12/31/2002		12/31/2001		Change
	Amount	%	Amount	%	
Long-term financial assets	1,524.7	98.8	1,617.2	99.0	(92.5)
Other assets	18.1	1.2	16.9	1.0	1.2
<b>Total assets</b>	<b>1,542.8</b>	<b>100.0</b>	<b>1,634.1</b>	<b>100.0</b>	<b>(91.3)</b>
Shareholders' equity	1,094.9	71.0	1,355.8	83.1	(260.9)
Financial debt:					
- banks, short-term	211.7	13.7	0.0	0.0	211.7
- banks, medium-term	170.0	11.0	245.0	15.0	(75.0)
- parent company	39.3	2.6	0.0	0.0	39.3
- subsidiaries	4.7	0.3	0.5	0.0	4.2
	425.7	27.6	245.5	15.0	180.2
Other liabilities and reserves	22.2	1.4	32.8	1.9	(10.6)
<b>Total liabilities and shareholders' equity</b>	<b>1,542.8</b>	<b>100.0</b>	<b>1,634.1</b>	<b>100.0</b>	<b>(91.3)</b>

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