

Turin, March 30, 2007

**PRESS RELEASE**

**IFI's Board of Directors approves 2006 results**

<b>Highlights of Results</b>			
€ in millions			
Criteria used in preparing data indicated in attached statements	<b>2006</b>	<b>2005</b>	<b>Change</b>
<b>IFI Group</b>			
Consolidated profit	<b>221.4</b>	675.6	- 454.2
Consolidated equity	<b>3,799.8</b>	3,084	+ 715.8
<b>IFI S.p.A.</b>			
	<b>2006</b>	<b>2005<sup>(a)</sup></b>	<b>Change</b>
Profit	<b>217.6</b>	38.5	+ 179.1
Equity	<b>1,793.7</b>	1,574.5	+ 219.2
Net financial position	<b>(97.5)</b>	(277.7)	+ 180.2

<sup>(a)</sup> Prepared in accordance with IFRS.

- *IFI S.p.A. ends 2006 with a profit of € 217.6 million (€ 38.5 million in 2005)*
- *2006 consolidated profit of the IFI Group at € 221.4 million (€ 675.6 million in 2005)*
- *Stockholders' meeting fixed for May 15 (first call) and May 16 (second call)*
- *Motion proposed for renewal of authorization to buyback treasury stock*
- *2007 profit forecast for both the IFI Group and IFI S.p.A.*

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The board of directors of IFI S.p.A., which met today in Turin under the chairmanship of the Deputy Chairman Vicario John Elkann, approved the consolidated financial statements and the draft separate financial statements at December 31, 2006, which will be submitted to the stockholders' meeting fixed for May 15 (in first call) and on May 16 (in second call).

In 2006, the IFI Group recorded a consolidated profit of € 221.4 million. This is a reduction of €454.2 million compared to 2005 (€675.6 million) which, however, had included significant net nonrecurring gains realized by the IFIL Group.

The consolidated equity of the Group at December 31, 2006 amounted to € 3,799.8 million (€3,084 million at the end of 2005). The increase of € 715.8 million is due to the consolidated profit of the Group for the year (+€221.4 million) and other net changes (+ €494.4 million).

For the year 2006, IFI S.p.A. reported a profit of € 217.6 million, of which the net amount of €69.6 million refers to the reversal of the impairment loss on the investment held in IFIL

(+ €73.5 million) and the accrual of the relative deferred taxes (-€3.9 million) and, for another € 104 million, to the gain on the sale of the investment in Exor Group to Exor Group itself.

The net financial position of IFI S.p.A. at December 31, 2006 shows a borrowings position of €97.5 million. The improvement of €180.2 million compared to the end of 2005 (- €277.7 million) is basically due to the sale of the investment in Exor Group.

The board of directors voted to put forward a motion to the stockholders' meeting to appropriate the profit of €217.6 million to the extraordinary reserve and, therefore, not to distribute dividends.

The board also voted to put forward a motion to the stockholders' meeting to renew the authorization for the purchase and disposition of treasury stock. In particular, the authorization vests the board with the right to purchase on the market, for 18 months from the date of the resolution by the stockholders, up to a maximum of 16 million ordinary and/or preferred shares for a maximum outlay of €200 million, at a price of not less and not more than 15% of the market price of the stock in the trading session on the day before each single transaction. The request for the authorization to buyback treasury stock will enable the company to eventually take action in the event of share price fluctuations outside normal variations connected with stock market performance and in conformity with market practice and use the treasury stock as a source of investment for an efficient utilization of company cash resources. IFI currently holds 5,360,300 preferred treasury shares, equal to 6.98% of the class of stock.

### **Corporate Governance**

The board of directors approved the Report on Corporate Governance which will be available at the corporate offices, at Borsa Italiana S.p.A. and on the company's website at least 15 days before the stockholders' meeting at the same time the illustrative reports are filed on the order of business.

Moreover, the board has decided to submit certain amendments to the bylaws to the special stockholders' meeting. These amendments are required to comply with Law 262 dated December 28, 2005 (the Law on Savings), as amended by Legislative Decree 303 dated December 29, 2006.

### **Significant events during 2006 and the first quarter of 2007**

On April 7, 2006, IFI S.p.A. sold the entire investment in Exor Group (29.3% of capital) to Exor Group itself. The sale resulted in a gain of €104 million for IFI S.p.A. and led to a significant reduction in debt.

As for the performance of the subsidiary IFIL, the year 2006 ended with a consolidated profit of €341.5 million, thanks to the positive results reported by the Fiat Group and the other holdings. With regard to Fiat, the success of the internal reorganization and the market response to the new models in all areas of activity (auto, trucks and commercial vehicles and also agricultural and construction equipment) allowed Fiat to increase revenues and profit margins. In its diversified portfolio, some important transactions were concluded including the Public Exchange and Purchase Offer made by Sequana Capital and the acquisition of a 10% stake in the Banca Leonardo Group. Added to this is the agreement which will allow IFIL to acquire control of Cushman & Wakefield, the largest private real estate services company.

During 2006, IFI increased its investment in IFIL by purchasing 14,708,160 IFIL ordinary shares (1.42% of the class of stock) on the market for an investment of €66.9 million. At December 31,

2006, IFI held 675,200,000 IFIL ordinary shares, equal to 65.01% of the class of stock, and 1,866,420 IFIL savings shares, equal to 4.99% of the class of stock. In the first quarter of 2007, IFI purchased 12,705,000 IFIL ordinary shares (1.22% of the class of stock) on the market for an investment of €84.6 million. IFI currently holds 66.23% of ordinary capital stock and 4.99% of IFIL savings capital stock.

On February 13, 2007 the board of directors of the company was notified of the sanctionary measure by Consob against Gianluigi Gabetti, Franzo Grande Stevens and Virgilio Marrone regarding the content of the press releases dated August 24, 2005 issued by IFIL Investments S.p.A. and Giovanni Agnelli e C. S.a.p.az.. The additional administrative sanctions call for the temporary inability by Gianluigi Gabetti (for six months), Franzo Grande Stevens (for four months) and Virgilio Marrone (for two months). Against the Consob sanctionary measure was filed an opposing appeal with the Turin Court of Appeals together with the request for the suspension of the measure on serious grounds.

### Business outlook

For IFI S.p.A., a profit is forecast for 2007.

On the basis of the indications formulated by the IFIL Group, the IFI Group forecasts a profit for 2007.

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## IFI GROUP - CONSOLIDATED FINANCIAL STATEMENTS - CONDENSED (\*)

(\*) Prepared by accounting for the investment held in IFIL (and, until December 31, 2005, in Exor Group) by the equity method.

### Condensed consolidated income statement

€ in millions	2006	2005	Change
Group's share of the earnings (losses) of companies accounted for by the equity method	<b>222.0</b>	693.0	(471.0)
Gain on the sale of the investment in Exor Group	<b>7.3</b>	0.0	7.3
Dividends	<b>0.1</b>	0.1	0.0
Net other financial expenses	<b>(5.4)</b>	(9.0)	3.6
Net general expenses	<b>(4.9)</b>	(4.8)	(0.1)
Net other nonrecurring expenses	<b>0.0</b>	(5.0)	5.0
Income taxes	<b>2.3</b>	1.3	1.0
<b>Profit - Group</b>	<b>221.4</b>	675.6	(454.2)

### Group's share of the earnings (losses) of companies accounted for by the equity method

€ in millions	Earnings (losses)		IFI's share		Change
	2006	2005	2006	2005	
IFIL Group	<b>341.0</b>	1,090.0	<b>217.6</b>	680.2	(462.6)
Consolidation adjustments			<b>4.4</b> (a)	2.2 (b)	2.2
<b>Total IFIL Group</b>			<b>222.0</b>	682.4	(460.4)
Exor Group (c)	-	36.2	<b>0.0</b>	10.6	(10.6)
<b>Total</b>			<b>222.0</b>	693.0	(471.0)

(a) Of which € 4.9 million is due to the increase in IFI's share of the consolidated equity of the IFIL Group compared to the cost of IFIL shares purchased during the year and -€ 0.5 million for other minor adjustments.

(b) Of which € 1.5 million is due to the excess of the increase in IFI's share of the consolidated equity of the IFIL group compared to the cost of the IFIL shares purchased during the year and € 0.7 million for other minor adjustments.

(c) The investment was sold on April 7, 2006.

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

## IFI GROUP - CONSOLIDATED FINANCIAL STATEMENTS - CONDENSED (\*)

(\*) Prepared by accounting for the investment held in IFIL (and, until December 31, 2005, in Exor Group) by the equity method.

### Condensed consolidated balance sheet

€ in millions	12/31/2006	12/31/2005	Change
<b>Non-current assets</b>			
Investments accounted for by the equity method	3,880.8	3,352.4	528.4
Other financial assets	0.8	0.6	0.2
<b>Total non-current assets</b>	<b>3,881.6</b>	<b>3,353.0</b>	<b>528.6</b>
<b>Current assets</b>			
Other financial assets	3.5	2.0	1.5
Cash and cash equivalents	59.7	0.1	59.6
Trade receivables and other receivables	19.4	19.1	0.3
<b>Total current assets</b>	<b>82.6</b>	<b>21.2</b>	<b>61.4</b>
<b>Total assets</b>	<b>3,964.2</b>	<b>3,374.2</b>	<b>590.0</b>
<b>Equity - Group</b>			
Capital and reserves	3,870.3	3,154.5	715.8
Treasury stock	(70.5)	(70.5)	0.0
<b>Equity - group</b>	<b>3,799.8</b>	<b>3,084.0</b>	<b>715.8</b>
<b>Non-current liabilities</b>			
Provisions for employee benefits	1.8	1.6	0.2
Debt	125.0	160.0	(35.0)
Deferred tax liabilities and other liabilities	0.1	2.4	(2.3)
<b>Total non-current liabilities</b>	<b>126.9</b>	<b>164.0</b>	<b>(37.1)</b>
<b>Current liabilities</b>			
Debt	36.2	119.9	(83.7)
Trade payables and other liabilities	1.3	6.3	(5.0)
<b>Total current liabilities</b>	<b>37.5</b>	<b>126.2</b>	<b>(88.7)</b>
<b>Total equity and liabilities</b>	<b>3,964.2</b>	<b>3,374.2</b>	<b>590.0</b>

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

## IFI S.p.A. SEPARATE FINANCIAL STATEMENTS AT DECEMBER 31, 2006

### Condensed income statement

€ in millions	2006	2005 (a)	Change
Dividends	54.3	55.9	(1.6)
Gain on sale of investment	104.0	0.0	104.0
Impairment reversal on investments	73.5	0.0	73.5
Net financial income (expenses)	(5.4)	(9.0)	3.6
Net general expenses	(4.9)	(4.8)	(0.1)
Other nonrecurring expenses	0.0	(5.0)	5.0
<b>Profit before income taxes</b>	<b>221.5</b>	<b>37.1</b>	<b>184.4</b>
Income taxes	(3.9)	1.4	(5.3)
<b>Profit</b>	<b>217.6</b>	<b>38.5</b>	<b>179.1</b>

(a) Prepared in accordance with IFRS.

### Condensed balance sheet

€ in millions	12/31/2006		12/31/2005 (a)		Change
	Amount	%	Amount	%	
Investments	1,878.9	95.8	1,841.1	98.9	37.8
Other non-current financial assets	0.4	-	0.1	-	0.3
Current financial assets	63.2	3.2	2.1	0.1	61.1
Other current and non-current assets	19.4	1.0	19.1	1.0	0.3
<b>Total assets</b>	<b>1,961.9</b>	<b>100.0</b>	<b>1,862.4</b>	<b>100.0</b>	<b>99.5</b>
Equity	1,793.7	91.4	1,574.5	84.5	219.2
Financial liabilities					
- current	36.1	1.8	119.9	6.4	(83.8)
- non-current	125.0	6.4	160.0	8.6	(35.0)
	161.1	8.2	279.9	15.0	(118.8)
Other current and non-current liabilities	7.1	0.4	8.0	0.5	(0.9)
<b>Total equity and liabilities</b>	<b>1,961.9</b>	<b>100.0</b>	<b>1,862.4</b>	<b>100.0</b>	<b>99.5</b>

(a) Prepared in accordance with IFRS.

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## **IFI S.p.A. SEPARATE FINANCIAL STATEMENTS AT DECEMBER 31, 2006**

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### **NET FINANCIAL POSITION OF IFI S.p.A.**

€ in millions	
<b>Net financial position at December 31, 2005</b>	<b>(277.7)</b>
Dividends collected	54.3
Net financial expenses	(5.4)
Net general expenses	(4.9)
Sale of 29.3% stake in Exor Group to Exor Group itself, net of costs to sell	206.6
Purchase of 14,708,160 IFIL ordinary shares	(66.9)
Other net changes	(3.5)
<b>Net change during the year</b>	<b>180.2</b>
<b>Net financial position at December 31, 2006</b>	<b>(97.5)</b>

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