

**PRESS RELEASE**

**IFI's Board of Directors approves 2007 results**

<b>Highlights of results</b>			
€ in millions			
Criteria used in preparing data indicated in attached statements			
	<b>2007</b>	<b>2006</b>	<b>Change</b>
<b>IFI Group</b>			
Profit attributable to the equity holders of the company	<b>444.3</b>	221.4	222.9
Equity attributable to the equity holders of the company	<b>4,160.5</b>	3,799.8	360.7
<b>IFI S.p.A.</b>			
	<b>2007</b>	<b>2006</b>	<b>Change</b>
Profit	<b>54.5</b>	217.6	(163.1)
Equity	<b>1,846.8</b>	1,793.7	53.1
Net financial position	<b>(392.7)</b>	(97.5)	(295.2)

- 2007 profit attributable to the equity holders of the company is € 444.3 million (€ 221.4 million in 2006)
- IFI S.p.A. closes 2007 with a profit of € 54.5 million (€ 217.6 million in 2006)
- Stockholders' meeting fixed for May 14 (first call) and May 15 (second call)
- Profit forecast for 2008 for both the IFI Group and IFI S.p.A.
- Motion put forward to the stockholders' meeting for the renewal of the mandate to the board of directors pursuant to article 2443

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The board of directors of IFI - Istituto Finanziario Industriale S.p.A., which met today in Turin under the chairmanship of John Elkann, approved the consolidated financial statements and the draft separate financial statements for the year ended December 31, 2007, which will be submitted to the stockholders' meeting fixed for May 14, 2008 in first call and May 15 in second call.

The profit attributable to the equity holders of the company for the year 2007 is €444.3 million and increased by €222.9 million compared to €221.4 million for 2006. Profit doubled mainly as a result of higher consolidated profit recorded by the subsidiary IFIL (from € 341.5 million to €671.7 million) which, in turn, benefited from better results reported by the Fiat Group and all the other holdings.

The equity attributable to the equity holders of the company at December 31, 2007 is €4,160.5 million (€3,799.8 million at the end of 2006).

IFI S.p.A. reports a profit of €54.5 million in 2007 driven entirely by ordinary operations. Profit reported for 2006 of €217.6 million, instead, came from €69.6 million for the net impairment reversal on the investment held in IFIL and from an additional amount of €104 million on the gain on the sale of the investment in Exor Group to the same Exor Group.

The net financial position of IFI S.p.A. at December 31, 2007 shows a borrowings position of €392.7 million (-€97.5 million in 2006). The negative change of €295.2 million is largely the result of purchases of IFIL ordinary shares (4.69% of the class of stock) made during the year.

The board of directors has put forward a motion to appropriate the profit of €54.5 million to the extraordinary reserve and, consequently, not distribute dividends.

Furthermore, the board has voted to put forward a motion to the stockholders' meeting to renew the authorization for the purchase and the disposition of treasury stock. Specifically, the authorization grants the board the right to purchase on the market, for a period of 18 months from the resolution passed by the stockholders' meeting, up to a maximum of 16 million ordinary and/or preferred shares, for a maximum disbursement of €200 million, at price of not less than or more than 15% of the price recorded by the stock in the trading session of the day prior to each single purchase transaction. The authorization request to purchase treasury stock is considered opportune, among other things, in order to be able to possibly use the treasury stock for investment purposes to achieve an efficient utilization of the company's liquid assets. IFI currently holds 5,360,300 preferred shares of treasury stock equal to 6.98% of the class of stock.

The board of directors has thus passed a resolution to put forward a motion to the extraordinary session of the stockholders' meeting, pursuant to article 2443 of the Italian Civil Code, to renew the five-year authorization to increase capital stock, at one or more times, up to a maximum of €561.7 million. The current mandate is expiring and the Company believes that this is an efficient and flexible operating tool to nonetheless have at its disposition.

### **Corporate Governance**

The board of directors' meeting has approved the Annual Report on Corporate Governance which will be made available at the head office, at Borsa Italiana S.p.A. and on the company website at least 15 days prior to the stockholders' meeting at the same time the reports are deposited describing the business to be discussed on the agenda.

### **Significant events in 2007 and in the first quarter of 2008**

During the year 2007, IFI purchased on the market 48,750,000 IFIL ordinary shares (4.69% of the class of stock) for an investment of €349.9 million. At December 31, 2007, IFI held 723,950,000 IFIL ordinary shares, equal to 69.70% of the class of stock, and 1,866,420 IFIL savings shares, equal to 4.99% of the class of stock. The investment represented 67.46% of total capital stock. In the first quarter of 2008, IFI purchased on the market another 2,950,000 IFIL ordinary shares (0.29% of the class of stock) for an investment of €16.2 million. IFI now holds 726,900,000 IFIL ordinary shares, equal to 69.99% of the class of stock, and 1,866,420 IFIL savings shares, equal to 4.99% of the class of stock. The investment represents 67.73% of total capital stock.

With regard to the subsidiary IFIL, 2007 closed with a profit attributable to the equity holders of the company of €671.7 million, a growth of €330.2 million compared to the profit recorded in 2006 (€341.5 million) owing to the positive results reported by the Fiat Group and the other holdings.

IFIL S.p.A.'s board of directors passed a resolution to put forward a motion to the stockholders' meeting (with the first call on May 13, 2008 and the second call on May 14, 2008) for the payment of dividends of €0.10 per ordinary share and €0.1207 per savings share. The dividends to which IFI S.p.A. is entitled will amount to €72.9 million.

### Business outlook

For IFI S.p.A., the forecast is for a profit for the year 2008.

On the basis of the indications formulated by the IFIL Group, the IFI Group is expected to show a profit for 2008.

The manager responsible for the preparation of the company's financial reports, Pierluigi Bernasconi, hereby certifies, pursuant to paragraph 2, article 154 bis of the TUIR, that the accounting information contained in this press release corresponds to the results of documents, accounting records and accounting entries.

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**IFI GROUP - STATEMENTS PREPARED BY ACCOUNTING FOR THE INVESTMENT  
IN THE IFIL GROUP BY THE EQUITY METHOD**

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**Income statement prepared by accounting for the investment in the IFIL Group by the equity method**

€ in millions	2007	2006	Change
Share of the profit of the IFIL Group	<b>458.2</b>	222.0	236.2
Gain on sale of investment	<b>0.0</b>	7.3	(7.3)
Dividends from other holdings	<b>0.1</b>	0.1	0.0
Net financial expenses	<b>(8.8)</b>	(5.4)	(3.4)
Net general expenses	<b>(5.2)</b>	(4.9)	(0.3)
Income taxes	<b>0.0</b>	2.3	(2.3)
<b>Profit attributable to the equity holders of the company</b>	<b>444.3</b>	221.4	222.9

**Share of the profit of the IFIL Group**

€ in millions	Profit		IFI's share		
	2007	2006	2007	2006	Change
IFIL Group	<b>671.7</b>	341.5	<b>458.7</b>	217.6	241.1
Consolidation adjustments			<b>(0.5)</b>	4.4 (a)	(4.9)
<b>Total IFIL Group</b>			<b>458.2</b>	222.0	236.2

(a) Of which €4.9 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 IFIL shares purchased during the year and -€0.5 million to other minor adjustments.

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

**IFI GROUP - STATEMENTS PREPARED BY ACCOUNTING FOR THE INVESTMENT  
IN THE IFIL GROUP BY THE EQUITY METHOD**

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**Balance sheet prepared by accounting for the investment in the IFIL Group by the equity method**

€ in millions	12/31/2007	12/31/2006	Change
<b>Non-current assets</b>			
Investment in the IFIL Group	4,537.0	3,880.8	656.2
Other financial assets	0.6	0.8	(0.2)
<b>Total Non-current assets</b>	<b>4,537.6</b>	<b>3,881.6</b>	<b>656.0</b>
<b>Current assets</b>			
Other financial assets	2.2	3.5	(1.3)
Cash and cash equivalents	0.2	59.7	(59.5)
Trade receivables and other receivables	19.3	19.4	(0.1)
<b>Total Current assets</b>	<b>21.7</b>	<b>82.6</b>	<b>(60.9)</b>
<b>Total Assets</b>	<b>4,559.3</b>	<b>3,964.2</b>	<b>595.1</b>
<b>Equity attributable to the equity holders of the company</b>			
Capital and reserves	4,231.0	3,870.3	360.7
Treasury stock	(70.5)	(70.5)	0.0
<b>Total equity attributable to the equity holders of the company</b>	<b>4,160.5</b>	<b>3,799.8</b>	<b>360.7</b>
<b>Non-current liabilities</b>			
Provisions for employee benefits	2.1	1.8	0.3
Financial debt	100.0	125.0	(25.0)
Deferred tax liabilities and other liabilities	0.1	0.1	0.0
<b>Total Non-current liabilities</b>	<b>102.2</b>	<b>126.9</b>	<b>(24.7)</b>
<b>Current liabilities</b>			
Financial debt	295.4	36.2	259.2
Trade payables and other liabilities	1.2	1.3	(0.1)
<b>Total Current liabilities</b>	<b>296.6</b>	<b>37.5</b>	<b>259.1</b>
<b>Total Equity and Liabilities</b>	<b>4,559.3</b>	<b>3,964.2</b>	<b>595.1</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, 2007

### Condensed separate income statement

€ in millions	2007	2006	Change
Dividends from investments	67.8	54.3	13.5
Gain on sale of investment	0.1	104.0	(103.9)
Impairment reversals of investments	0.0	73.5	(73.5)
Net financial expenses	(8.8)	(5.4)	(3.4)
Net general expenses	(5.2)	(4.9)	(0.3)
<b>Profit before income taxes</b>	<b>53.9</b>	<b>221.5</b>	<b>(167.6)</b>
Deferred income taxes	0.6	(3.9)	4.5
<b>Profit for the year</b>	<b>54.5</b>	<b>217.6</b>	<b>(163.1)</b>

### Condensed separate balance sheet

€ in millions	12/31/2007		12/31/2006		Change
	Amount	%	Amount	%	
Investments	2,226.9	99.0	1,878.9	95.8	348.0
Non-current other financial assets	0.2	0.0	0.4	0.0	(0.2)
Current financial assets	2.5	0.1	63.2	3.2	(60.7)
Other current assets	19.2	0.9	19.4	1.0	(0.2)
<b>Total Assets</b>	<b>2,248.8</b>	<b>100.0</b>	<b>1,961.9</b>	<b>100.0</b>	<b>286.9</b>
Equity	1,846.8	82.1	1,793.7	91.4	53.1
Financial liabilities					
- current	295.4	13.1	36.1	1.8	259.3
- non-current	100.0	4.5	125.0	6.4	(25.0)
	395.4	17.6	161.1	8.2	234.3
Other current and non-current liabilities	6.6	0.3	7.1	0.4	(0.5)
<b>Total Equity and Liabilities</b>	<b>2,248.8</b>	<b>100.0</b>	<b>1,961.9</b>	<b>100.0</b>	<b>286.9</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, 2007**

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**IFI S.p.A. – Net financial position**

€ in millions	<b>12/31/2007</b>	12/31/2006	Change
Cash and cash equivalents	<b>0.2</b>	59.7	(59.5)
Other financial assets, current and non-current	<b>2.5</b>	3.9	(1.4)
Bank debt, current and non-current	<b>(394.3)</b>	(160.3)	(234.0)
Other current financial liabilities	<b>(1.1)</b>	(0.8)	(0.3)
<b>Net financial position</b>	<b>(392.7)</b>	(97.5)	(295.2)

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