

FIRST-HALF REPORT 2005





Società per Azioni
Capital stock € 1,075,995,737 fully paid-in
Registered office in Turin - Corso Matteotti 26 - Turin Company Register No. 00914230016

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This is an English translation of the Italian original document "Relazione semestrale 2005" approved by the IFIL Board of Directors on September 28, 2005, which has been prepared solely for the convenience of the reader. The version in Italian takes precedence.

For complete information about IFIL S.p.A. and the Group, reference should be made to the full original report in Italian also available on the corporate website: <http://www.ifil.it>

Board of Directors

Chairman and President

Gianluigi Gabetti

Managing Director and General Manager

Daniel John Winteler

Directors

Tiberto Brandolini d'Adda

John Elkann

Edoardo Ferrero Ventimiglia

Pietro Ferrero

Franzo Grande Stevens

Giancarlo Lombardi

Antonio Maria Marocco

Giuseppe Recchi

Claudio Saracco

Pio Teodorani-Fabbri

Secretary to the Board

Fernando Massara

Board of Statutory Auditors

Chairman

Standing Auditors

Alternate Auditors

Executive Committee

Chairman

Gianluigi Gabetti

Tiberto Brandolini d'Adda

John Elkann

Daniel John Winteler

Audit Committee

Chairman

Antonio Maria Marocco

Giancarlo Lombardi

Claudio Saracco

Compensation and Nominating Committee

Chairman

John Elkann

Pietro Ferrero

Gianluigi Gabetti

Cesare Ferrero

Giorgio Giorgi

Paolo Piccatti

Lionello Jona Celesia

Ruggero Tabone

Independent Auditors

Deloitte & Touche S.p.A.

Expiry of the terms of office

The terms of office of the Board of Directors and the Board of Statutory Auditors, elected by the Stockholders' Meeting on June 27, 2005, expire concurrently with the Stockholders' Meeting for the approval of the financial statements for the year ending December 31, 2007.

The Independent Auditors are appointed for the three-year period 2003-2005.

Corporate Governance

The Chairman and President may legally represent the Company (art. 20 of the bylaws). The Chairman and President, without specific authorization by the Board of Directors, may carry out all acts falling under the corporate business purpose, except as restricted by law.

The Board of Directors has conferred all powers necessary for the management of the Company to the Executive Committee, except those powers, which are expressly entrusted to the Board of Directors by law.

The Managing Director and General Manager may legally represent the Company (art. 20 of the bylaws) up to the amounts established by resolution of the Board of Directors on June 27, 2005.

IFIL GROUP PROFILE

THE INVESTMENT PORTFOLIO

IFIL Investments S.p.A. is the investment company of the Group headed by Giovanni Agnelli e C. S.a.p.az. (through IFI – Istituto Finanziario Industriale S.p.A. which holds approximately 63.59% of its ordinary capital stock). It commands two distinctive areas of operations: the active management of the controlling investment in Fiat and the dynamic management of the other holdings.

Fiat, in which IFIL has a holding of more than 30% of ordinary and preferred capital stock, operates in the national and international automotive market as a manufacturer and distributor of automobiles (Fiat Auto, Ferrari and Maserati), agricultural and construction equipment (CNH Global), commercial vehicles (Iveco), automotive components for these vehicles and the supply of related services (Magneti Marelli, Comau and Teksid), as well as publishing and communications (Itedi) and services for corporations (Business Solutions).

The other holdings which comprise the dynamically managed diversified portfolio are listed below.

Sequana Capital (52.96% holding) - ex-Worms & Cie - is a French-listed holding company with a portfolio comprising the following major investments:

- ArjoWiggins (100% holding), the world leader in the manufacture of high value-added paper products and, in Europe, leader in the manufacture of carbonless paper (ArjoWiggins absorbed Carbonless Europe as from January 1, 2004);
- Antalis (100% holding), the leading European group in the distribution of paper products for printing and writing;
- SGS (23.8% holding), a company listed on the Swiss stock exchange and leader in the verification, inspection and certification of product and service quality;

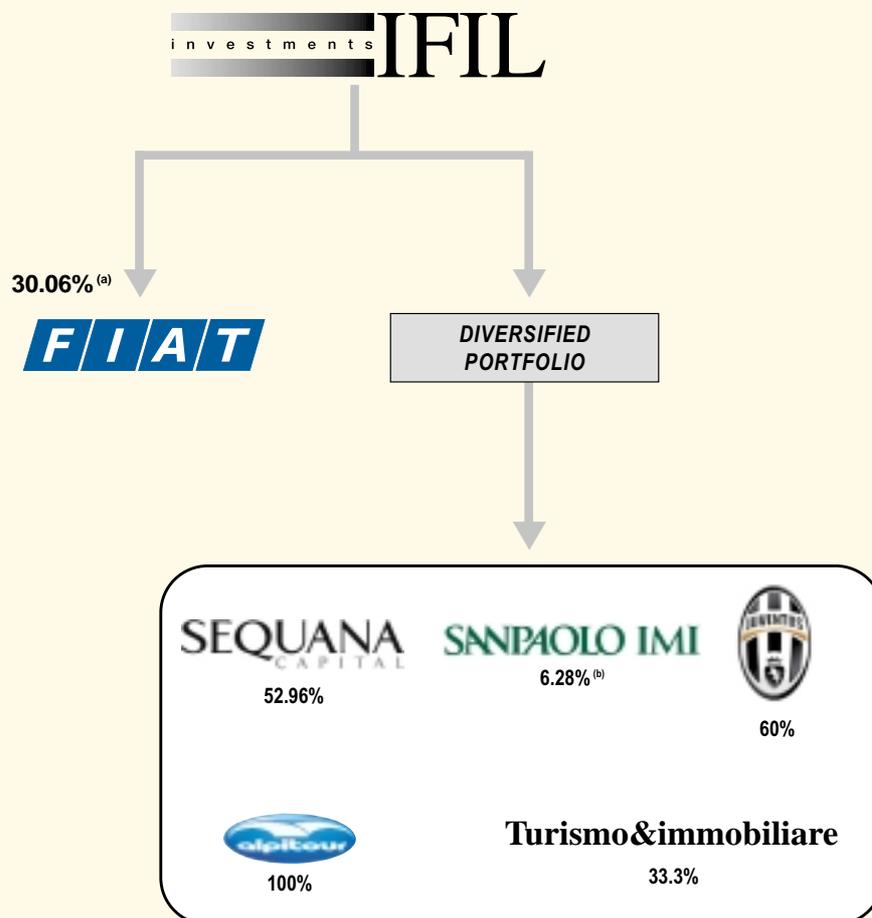
SANPAOLO IMI (6.28% holding of ordinary capital stock by IFIL) is a leading national banking group with over 3,000 branches throughout Italy;

Alpitour (100% holding) is the leading group in the tourist sector in Italy;

Juventus Football Club (60% holding by IFIL) is a company with more than one hundred years of history and an enviable record gained at various national and international sports events;

Turismo&Immobiliare (33.3% holding by IFIL) is a company with a 49% stake in Italia Turismo (ex-Sviluppo Italia Turismo), the largest Italian real estate company for tourist and hotel properties with important investments in Apulia, Calabria, Basilicata, Sicily and Sardinia.

The following chart is updated to September 28, 2005 and presents the simplified structure of the investment portfolio. Percentage holdings refer to ordinary capital stock:



(a) IFIL also holds 30.09% of preferred capital stock.

(b) Equal to 4.98% of capital stock.

The following charts show the composition of the investment portfolio at current values and the change in its value over the last 10 years.

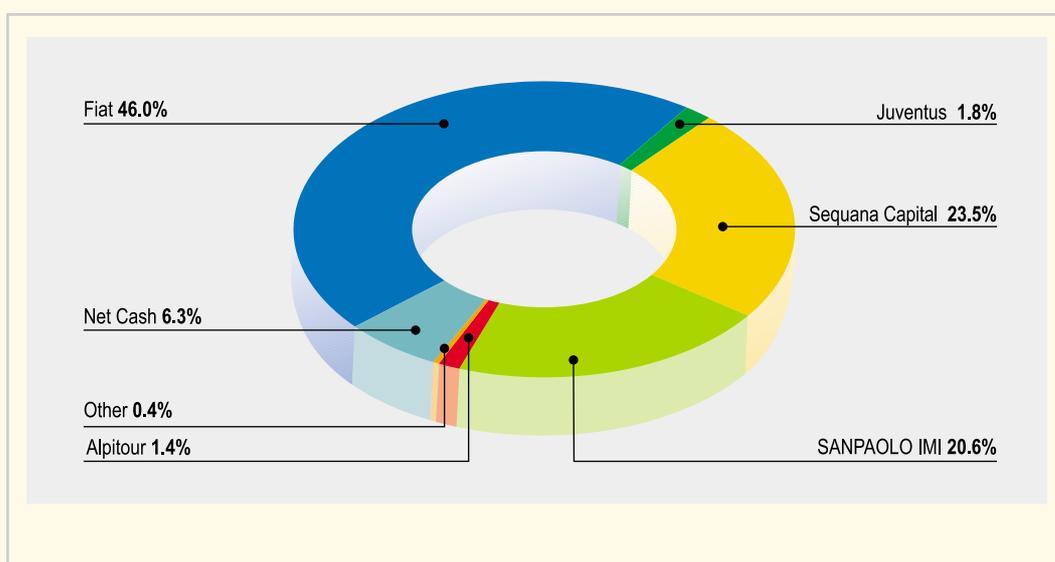
NET ASSET VALUE

At September 2005, the Net Asset Value is equal to € 5,626 million and is composed as follows:

€ in millions	
Current value of investment portfolio	5,274
Net cash	352
Total	5,626

As regards the investment portfolio, the listed equity holdings are valued at the closing stock market prices on September 21, 2005. At that date the portfolio includes 87,750,000 Fiat ordinary shares purchased in September.

COMPOSITION OF THE INVESTMENT PORTFOLIO



INVESTMENT PORTFOLIO AT CURRENT VALUES ^(a)



(a) The current value of the portfolio is calculated consistently with the change in the accounting representation.

STOCKHOLDERS AND THE STOCK MARKET

Capital stock

At June 30, 2005, IFIL S.p.A.'s capital stock, fully subscribed to and paid-in, amounts to € 1,075,995,737 and is composed of 1,038,612,717 ordinary shares and 37,383,020 savings shares with a par value of € 1 each.

The savings shares carry no voting rights and can either be registered or bearer shares, as elected by the stockholders. They carry the right to a preference dividend of 8.27% of their par value and to a total dividend higher than that of ordinary shares by 2.07% of the same par value.

The directors have the right, for a period of five years from the resolution passed on May 14, 2003 by the Extraordinary Stockholders' Meeting, to increase, at one or more times, the capital stock, also in divisible form, for a maximum of € 1,500 million and to issue, at one or more times, convertible bonds up to the same figure but for amounts which, each time, shall not exceed those established by law.

The directors also have the right, for a period of five years from the resolution passed on May 25, 2001 by the Extraordinary Stockholders' Meeting, to increase, at one or more times, the capital stock, excluding option rights, for a maximum amount of € 4 million, through the issue of a maximum of 4 million ordinary and/or savings shares, with a par value € 1 each, to be offered for subscription to the employees of the company or its subsidiaries or the parent companies or the subsidiaries of the same parent companies.

Stockholders

IFIL has approximately 30,000 stockholders.

The controlling stockholder, IFI – Istituto Finanziario Industriale S.p.A., holds 63.59% of ordinary capital stock.

At September 2005, other major stockholders, indicated below, represent 30.57% of ordinary capital stock.

Stockholders	%	Ordinary shares
Deutsche Bank A.G.	3.93	40,823,451
Morgan Stanley & Co. Int. - London	3.50	36,337,878
Morgan Stanley & Co. Ic. Equities - New York	2.40	24,918,469
Egerton Capital Ltd	3.36	34,855,527
The Public Institution for Social Security	2.56	26,576,104
UBS AG	2.48	25,787,501
MB Finstrutture - Intersomer S.p.A.	1.92	19,900,000
K Capital Partners LLC Group	1.71	17,747,215
Dresdner Kleinwort Wasserstein Sec. Ltd	1.70	17,620,000
HSBC Investment Bank PLC	1.44	15,003,925
Findim Group SA	1.29	13,353,531
Intermonte SIM S.p.A.	1.23	12,800,000
Assicurazioni Generali	1.20	12,435,000
Banca d'Italia	1.01	10,446,584
Goldman Sachs International Limited	0.84	8,747,761
	30.57	317,352,946

Treasury stock

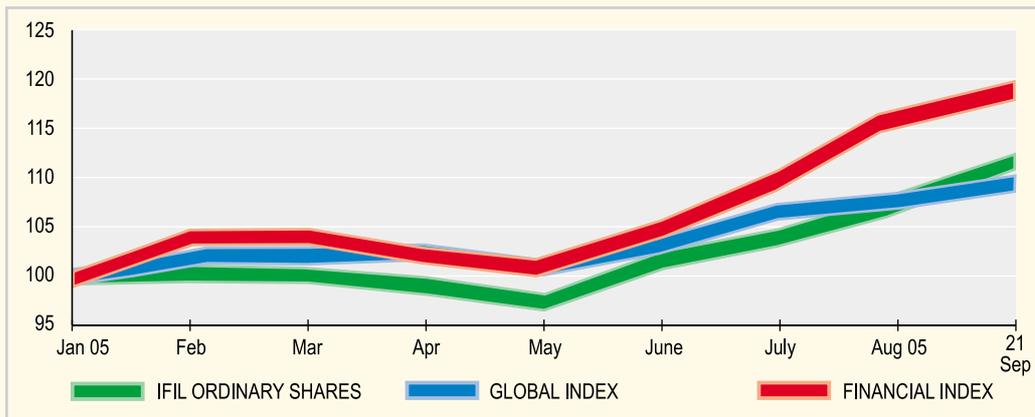
IFIL currently holds 14,596,040 ordinary shares of treasury stock (1.41% of the class of stock) including 810,262 shares held through the subsidiary Soiem.

On June 27, 2005, the Ordinary Stockholders' Meeting renewed the authorization for the buyback of treasury stock for 18 months for a maximum of 90 million IFIL ordinary shares and/or savings shares, setting aside a total of € 300 million.

Stock performance

IFIL ordinary stock displayed positive performance during the first nine months of 2005, essentially in parallel with that of the Global Index. On the whole, in the first six months of 2005, IFIL ordinary shares gained 3.8% against a 4.7% rise in the Global Index.

PERFORMANCE BY IFIL ORDINARY SHARES COMPARED TO COMIT MARKET INDEXES ^(a)



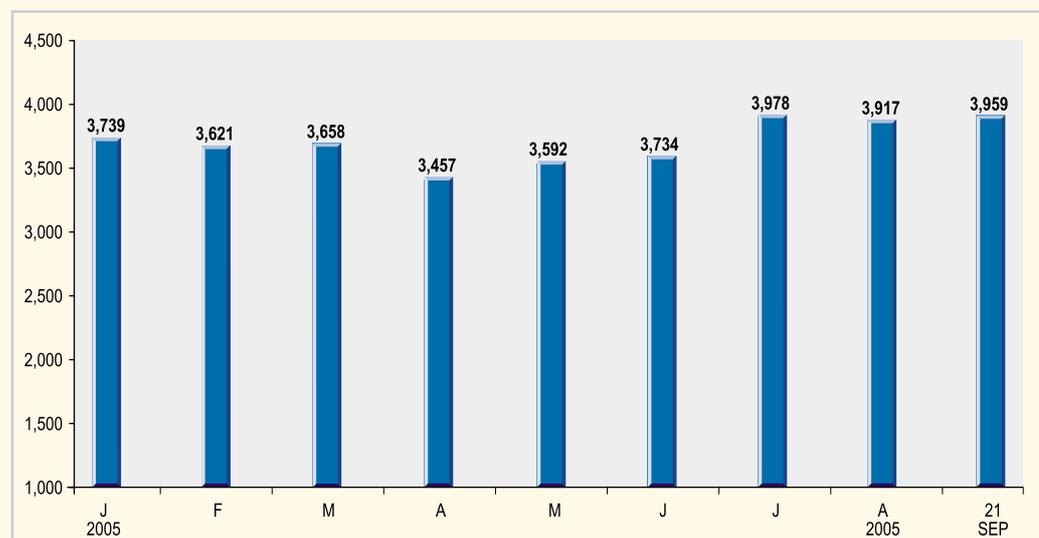
IFIL savings shares generally performed along the lines of IFIL ordinary shares and the Global Index. Saving shares gained 5.9% during the first six months of 2005.

PERFORMANCE BY IFIL SAVINGS SHARES COMPARED TO COMIT MARKET INDEXES ^(a)



(a) The charts are based on average monthly stock market data.

The positive performance of IFIL ordinary and savings stock is reflected in their market capitalization, which grew from € 3,739 million at January 2005 to € 3,959 million at September 21, 2005.



A further increase in the trading volumes and the value of trading volumes of ordinary shares was recorded during 2005 and at the end of September had already exceeded the respective amounts recorded for the entire year 2004. Movements in the trading volumes and the value of trading volumes of savings shares remain somewhat restricted due to the limited number of outstanding shares.

The liquidity of IFIL ordinary shares continues to benefit from its listing on the MIBEX Index for mid-cap companies.

MARKET INFORMATION	2005 (a)	2004	2003	2002
Market price per ordinary share (€):				
. period-end	3.68	3.29	2.62	3.00
. high	3.83	3.29	3.40	4.72
. low	3.15	2.43	1.65	2.64
Market price per savings share (€):				
. period-end	3.58	3.19	2.38	2.13
. high	3.62	3.19	2.54	3.66
. low	3.16	2.33	1.42	1.91
Trading volumes during the period				
. ordinary shares (in millions of shares)	626	613	464	62
. savings shares (in millions of shares)	23	24	67	87
Value of trading volumes during the period (€ in millions)				
. ordinary shares	2,156	1,729	1,025	274
. savings shares	77	66	121	304

(a) From January 1 to September 21, 2005.

The 2003 and 2002 market prices have been adjusted as a result of the capital stock increase in July 2003.

FINANCIAL COMMUNICATIONS AND INVESTOR RELATIONS

The corporate functions in charge of communications and external relations are:

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Fax +39.011.5090386

relazioni.esterne@ifil.it

Institutional Investors and Financial Analysts Relations

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Stocks and Bonds Service

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MAJOR EVENTS IN THE FIRST HALF OF 2005

Increase in the investment in SANPAOLO IMI

During March and April 2005, IFIL purchased on the market 22,700,000 SANPAOLO IMI ordinary shares (1.54% of the class of stock) for an investment of € 263.5 million.

IFIL currently holds 93,071,000 SANPAOLO IMI ordinary shares, equal to 6.28% of ordinary capital stock and 4.98% of capital stock.

Sale of La Rinascente S.p.A.

On May 6, 2005, after authorization was obtained from the relevant antitrust authorities, 99.09% of Rinascente S.p.A.'s capital stock held by Eurofind Textile S.A. (the Luxembourg company controlled by Auchan and IFIL) was sold to Tamerice S.r.l., a company leading a group composed of Investitori Associati SGR S.p.A., DB Real Estate Global Opportunities IB L.P., Pirelli RE S.p.A. and the Borletti family, for a price of € 888 million.

Eurofind Textile has provided the buyer with statements and guarantees regarding the Rinascente Group, the subject of the transaction, and its activities, with the usual limitations and exclusions. Such conventional statements and guarantees regard, among other things, full ownership and title, free and clear of detrimental encumbrances and registrations, of the shares of the companies of the Rinascente Group and real estate properties, the lease relationships, the true and correct representation of the financial statements and tax, social security and legal/labor matters. The limitations and exclusions agreed within the framework of the sale process regard specific events considered by the buyer during the course of the due diligence. Such limitations and exclusions provide for the obligation of compensation in excess of a threshold of significance per individual indemnifiable event (*de minimis*) and as a whole (with an exempted amount) and, for certain matters, a maximum limit of responsibility for the seller.

IFIL has guaranteed the commitments undertaken by Eurofind Textile with the buyer until their maturity.

On May 17, 2005, the subsidiary Ifil Investissements purchased the remaining 50% of Eurofind Textile capital stock from the Auchan Group for € 349.5 million. As a result of these transactions the IFIL Group received net proceeds for a total of € 529.1 million and realized a gain of € 459.1 million (both amounts are net of selling costs), with no significant tax effects for the Group.

On June 28, 2005, Eurofind Textile was merged in Ifil Investissements.

Investment in Italia Turismo (ex-Sviluppo Italia Turismo)

In April 2005, the agreement was executed between IFIL, Banca Intesa, the Marcegaglia Group and Sviluppo Italia for the partial privatization of Sviluppo Italia Turismo (SIT). Once approval was obtained from the European antitrust authority, Turismo&Immobiliare (the company in which the three private stockholders each own equal stakes) subscribed to SIT's capital stock increase of € 60 million and purchased stock of the company from Sviluppo Italia for € 16 million thus acquiring a 49% stake for a total investment of € 76 million.

By reason of subsequent agreements sealed in July 2005, Pirelli RE will become a stockholder of Turismo&Immobiliare, purchasing about an 8.3% stake in the capital of this company from each of the three private stockholders for € 1.1 million and assuming the same commitments. After executing the transaction, subject to approval by the antitrust authorities, Turismo&Immobiliare's capital will be owned by private stockholders each holding a 25% stake.

Furthermore, SIT took the new name of Italia Turismo and the agreement provides for the possibility of Turismo&Immobiliare gaining control over Italia Turismo's stock by 2009.

The alliance will make it possible to refurbish and build up Italia Turismo's structures so that it can expand its offering and increase the flow of tourists. The first concrete step in this direction will be the start of an investment program in Apulia, Calabria and Sicily.

The IFIL Group's total commitment, after the entry of Pirelli RE, will amount to € 19 million.

Financial transaction with the subsidiary Juventus Football Club

At the end of March 2005, IFIL purchased trade receivables with recourse from the subsidiary Juventus Football Club for € 17.6 million, with a nominal value of € 18 million, due December 15, 2005, from Sky Italia, for the sale of TV broadcasting rights. The transaction was effected at market terms.

IFIL capital stock increase

By the power vested in it by the Stockholders' Meeting on May 25, 2001, the Board of Directors, on February 7, 2005, voted to increase capital stock to service a stock option plan for the managers of the Company and its parent. The transaction was completed in April 2005 with the issue of 800,000 IFIL ordinary shares (0.07% of capital stock) of par value € 1. The shares were subscribed in cash at the per share price of € 1.85 for a total of € 1,480,000. Following this increase, IFIL's capital stock amounts to € 1,075,995,737 and is composed of 1,038,612,717 ordinary shares and 37,383,020 savings shares, all with a par value of € 1.

REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AT JUNE 30, 2005

IFIL holds some important investments through Dutch and Luxembourg holding companies and controls two companies incorporated under Irish law (operating with the aim of optimizing the management of the financial resources of the Group), Soiem (a services company), as well as some companies contributing to investment activities (Ifil Investments USA, Ifil Asia and Sadco). The aggregate of these companies constitutes the so-called "Holdings System".

In order to facilitate the analysis of the financial position and results of operations of the Group, it is IFIL's practice to present "condensed" financial statements (balance sheet and income statement) for the period. Such condensed financial statements are presented together with the annual consolidated financial statements and in the first-half report of each year. The quarterly consolidated data is also presented in the condensed format in the quarterly reports at March 31 and September 30 of each year.

In the condensed consolidated balance sheet and income statement, the financial statements drawn up in accordance with IFRS by the parent and by the subsidiaries in the "Holdings System" are consolidated line-by-line. The investments in the operating subsidiaries and associates (Fiat, Sequana Capital, Alpitour and Juventus Football Club) are accounted for by the equity method, always on the basis of their financial statements prepared in accordance with IFRS. Details are as follows:

		% holding in capital stock outstanding		
		6/30/2005	12/31/2004	6/30/2004
H O L D I N G S S Y S T E M	Consolidated line-by-line			
	- IFIL Investments S.p.A.	-	-	-
	- Ifil Investment Holding N.V. (Netherlands)	100	100	100
	- Ifil Investissements S.A. (Luxembourg)	100	100	100
	- Ifilgroup Finance Ltd (Ireland)	100	100	100
	- Ifil International Finance Ltd (Ireland)	100	100	100
	- Soiem S.p.A. (Italy)	100	100	100
	- IFIL Investments USA (a)	100	100	100
	- IFIL Asia (Hong Kong)	100	100	-
	- Sadco S.A. (Switzerland)	100	100	-
	- IFIL New Business S.r.l. (Italy) (b)	100	100	100
	- Eufin Investments Unlimited (United Kingdom) (c)	100	-	-
	- Other companies, now in wind-ups (d)	-	100	100
		Consolidated proportionally		
	- Eurofind S.A. (Luxembourg) (e)	-	-	50
	- Eurofind Textile S.A. (Luxembourg) (e)	-	50	-
O C C O P Y R I G H T	Accounted for by the equity method			
	- Fiat Group	27.74	27.74	27.74
	- Sequana Capital Group (ex-Worms & Cie)	52.96	52.96	52.96
	- Alpitour Group (NHT Group at 6/30/2004)	100	100	100
	- Juventus Football Club S.p.A.	60.00	61.69	61.95

(a) This line groups the companies Ifil USA Inc., Ifil Capital Partners L.P., Ifil America L.P. and Ifil Investments LLC.

(b) Dormant company.

(c) The investment, equal to 50% of capital stock, was consolidated proportionally up to December 31, 2004.

(d) NHT New Holding for Tourism S.A., Mediterranean Capital B.V. and Ifil Finance B.V. (wholly-owned subsidiaries previously consolidated line-by-line), were put into wind-ups after the distribution of almost all their income and capital reserves; therefore, at June 30, 2005, they are stated at their residual net equity amounts.

(e) Following the proportional total spin-off of Eurofind (December 2004), the IFIL Group came to hold 50% of the capital stock of Eurofind Food (sold to the Auchan Group in December 2004) as well as 50% of the capital stock of Eurofind Textile which controlled 99.09% of the outstanding capital stock of La Rinascente (the beneficiary company of the spin-off of the textile businesses, Department Stores and Upim, of the Rinascente Group) sold on May 6, 2005 to Tamerice S.r.l. On May 17, 2005, Ifil Investissements purchased the remaining 50% interest in Eurofind Textile from the Auchan Group and merged it on June 28, 2005.

Consolidated profit of the IFIL Group for the first half of 2005 is € 624.1 million compared to a consolidated loss of € 89.1 million in the corresponding period of 2004. The positive change of € 713.2 million is mainly due to the net gain realized on the sale of La Rinascente and better results by the Fiat Group.

The **Group's share of the earnings (losses) of operating subsidiaries and associates accounted for by the equity method** amounts to earnings of € 145.4 million (losses of € 74.9 million reported in the first half of 2004). The positive change of € 220.3 million is due to better results posted by the Fiat Group (+€ 250.9 million, net of consolidation adjustments in the first half of 2004) and to lower results reported by Sequana Capital (-€ 20.8 million), Juventus Football Club (-€ 4.6 million) and Alpitour (-€ 5.2 million, including consolidation adjustments in the first half of 2004).

The **consolidated net financial position of the "Holdings System"** at June 30, 2005 shows a net cash position of € 930 million, with an increase of € 250 million compared to the balance at year-end 2004 (€ 680 million). The increase stems from the sale of the investment in La Rinascente (€ 529.1 million of net proceeds), the receipt of dividends from holdings (+€ 66.6 million), the increase in the investment in SANPAOLO IMI (-€ 263.5 million), dividends paid by IFIL (-€ 73.2 million) and other net changes (-€ 9 million).

Equity – Group at June 30, 2005 amounts to € 4,628.7 million (€ 3,792.9 million at the end of 2004). The increase of € 835.8 million is due to the fair value adjustments of the investment in SANPAOLO IMI and the Fiat ordinary share warrants 2007 (+€ 52 million), the consolidated profit of the Group for the first half of 2005 (+€ 624.1 million), positive translation differences (+€ 232.6 million), dividends declared by IFIL S.p.A. (-€ 73.2 million) and other positive changes (+€ 0.3 million, net).

The carrying amount of **investments** at June 30, 2005 is € 3,660.4 million. The increase of € 672.5 million compared to investments at year-end 2004 (€ 2,987.9 million) is due to the fair value adjustment of the investment in SANPAOLO IMI (+€ 50.5 million), purchases of shares of the latter in the first half of 2005 (+€ 263.5 million), IFIL's share of the changes in the equity of operating subsidiaries and associates (+€ 353.3 million), and, lastly, other positive changes for € 5.2 million.

The **condensed interim consolidated income statement and balance sheet** and comments thereon are presented on the following pages.

Condensed interim consolidated income statement

Year		I Half	I Half		
2004	Note	2005	2004	Change	
Group's share of the earnings (losses) of operating subsidiaries and associates accounted for by the equity					
(396.1)	method	1	145.4	(74.9)	220.3
27.4	Dividends from other holdings		43.7	27.4	16.3
603.3	Gains	2	460.9	2.1	458.8
(2.3)	Profit (loss) from discontinued operations	3	0.5	1.8	(1.3)
(74.4)	Impairment losses on investments and securities	4	0.0	(23.6)	23.6
(20.9)	Financial income (expenses)	5	1.7	(10.0)	11.7
(22.2)	Net general expenses	6	(27.4)	(10.7)	(16.7)
0.3	(Accruals to)/releases of provisions		(0.8)	(1.2)	0.4
10.8	Income taxes		0.1	0.0	0.1
125.9	Profit (loss) - Group		624.1	(89.1)	713.2

Condensed interim consolidated balance sheet

€ in millions	Note	6/30/2005	12/31/2004	Change
Assets				
Investments in operating subsidiaries and associates accounted for by the equity method				
	7	2,596.3	2,243.0	353.3
Other investments	7	1,064.1	744.9	319.2
Non-current securities	8	8.8	7.3	1.5
Property, plant and equipment and intangible assets		13.6	13.6	0.0
Assets held for sale	9	2.2	72.4	(70.2)
Current securities	10	1,402.4	1,047.9	354.5
Receivables and other current assets	11	64.1	300.2	(236.1)
Cash and cash equivalents		34.5	4.2	30.3
Total assets		5,186.0	4,433.5	752.5
Equity and liabilities				
Capital and reserves		4,680.8	3,842.9	837.9
Treasury stock	12	(52.1)	(50.0)	(2.1)
Equity - Group	13	4,628.7	3,792.9	835.8
Provisions for other liabilities and charges		9.2	8.4	0.8
Bonds	14	301.2	300.6	0.6
Current and non-current bank debt		181.2	323.9	(142.7)
Dividends payable to IFI		45.3	0.0	45.3
Other current and non-current liabilities		20.4	7.7	12.7
Total equity and liabilities		5,186.0	4,433.5	752.5

1. Group's share of the earnings (losses) of operating subsidiaries and associates accounted for by the equity method

Year 2004 € in millions	Earnings (losses) of holdings		IFIL's share		Change
	I Half 2005	I Half 2004	I Half 2005	I Half 2004	
(453.3) Fiat Group	475.2	(680.2)	131.8	(188.7)	320.5
(13.2) Sequana Capital Group	73.5	112.7	38.9	59.7	(20.8)
5.7 Alpitour Group (NHT in 2004)	(23.9) (a)	(22.6) (a)	(23.9)	(22.6)	(1.3)
(5.6) Juventus Football Club	(2.3) (b)	5.2 (b)	(1.4)	3.2	(4.6)
(466.4)			145.4	(148.4)	293.8
70.3 Consolidation adjustments			0.0	73.5	(73.5)
(396.1) Total			145.4	(74.9)	220.3

(a) Results for the six-month period November 1 – April 30.

(b) Accounting results for the six-month period January 1 – June 30 prepared in accordance with IFRS for purposes of consolidation in IFIL.

In 2004, the consolidation adjustments referred to:

Year 2004 € in millions	I Half		Change
	2005	2004	
Use of the remaining "Consolidation reserve for risks and future expenses" for IFIL's share of Fiat Group's loss for the year 2004 referring to the			
69.6 investment in Fiat conferred by IFI in 2003	0.0	69.6	(69.6)
0.7 Adjustments to NHT/Alpitour results	0.0	3.9	(3.9)
70.3 Total consolidation adjustments	0.0	73.5	(73.5)

Comments on the operating performance of the holdings are presented in the following sections.

2. Gains

Gains in the first half of 2005 amount to € 460.9 million and refer to the sale of 99.09% of La Rinascente S.p.A. capital stock to Tamerice S.r.l. (€ 459.1 million) and the sale on the market of a marginal interest (1.69% of capital stock) in Juventus Football Club (€ 1.8 million).

3. Profit (loss) from discontinued operations

In the first half of 2005, the profit (loss) from discontinued operations includes dividends collected from La Rinascente S.p.A. In the same period of the prior year, this caption included IFIL's share of the earnings (losses) of the Rinascente Group (€ 1.8 million).

4. Impairment losses on investments and securities

Impairment losses on investments and securities in the first half of 2004 amounted to € 23.6 million and basically referred to the entire difference on consolidation stemming from the purchase of 10% of the capital stock of New Holding for Tourism from the TUI Group.

5. Financial income (expenses)

Net financial income in the first half of 2005 amounts to € 1.7 million and is due to a return to a consolidated net cash position of the "Holdings System"; in the first half of 2004, net financial expenses totaled € 10 million.

6. Net general expenses

Net general expenses amount to € 27.4 million in the first half of 2005 and include the accrual for the extraordinary compensation of € 15 million voted for the Chairman and President at the Board of Directors' Meeting held on June 9, 2005. The remaining amount of € 12.4 million shows an increase of € 1.7 million compared to the first half of 2004 (€ 10.7 million). The increase is mainly due to the consolidation of Ifil Investments USA, Ifil Asia and Sadco (not included in the first half of 2004) as well as the payment of nonrecurring bonuses to some employees for their work in connection with extraordinary transactions.

7. Investments

Details are as follows:

€ in millions	Carrying amount at		Change
	6/30/2005	12/31/2004	
Investments in operating subsidiaries and associates accounted for by the equity method			
Fiat Group	1,514.7	1,194.1	320.6
Sequana Capital Group	990.3	931.7	58.6
Alpitour Group	55.7	79.2	(23.5)
Juventus Football Club S.p.A.	35.6	38.0	(2.4)
Total	2,596.3	2,243.0	353.3
Other investments - available-for-sale			
SANPAOLO IMI S.p.A. (a)	1,058.9	744.9	314.0
Other investments - sundry			
Turismo&Immobiliare (b)	4.5	0.0	4.5
Subsidiaries of the "Holdings System" in wind-ups and others	0.7	0.0	0.7
Total	1,064.1	744.9	319.2

(a) Measured at fair value on the basis of the market price at the balance sheet date with recognition of the unrealized gain or loss in equity.

(b) The investment in Turismo&Immobiliare (33.33% of capital stock at June 30, 2005) is accounted for at purchase cost (€ 4.5 million) which corresponds to the share of accounting net equity.

The comparison between carrying amounts and market prices of listed investments is presented below:

	Number of shares held	Carrying amount		Market price			
		Per share (€)	Total (€ mn)	June 30, 2005		September 21, 2005	
				Per share (€)	Total (€ mn)	Per share (€)	Total (€ mn)
Fiat Group							
- ordinary shares	240,583,447	5.58	1,341.4	6.03	1,450.0	7.25	1,743.3
- preferred shares	31,082,500	5.58	173.3	5.32	165.5	6.52	202.5
			1,514.7		1,615.5		1,945.8
Sequana Capital Group	55,922,623	17.71	990.3	23.00	1,286.2	23.67	1,323.7
Juventus Football Club S.p.A.	72,560,500	0.49	35.6	1.39	100.6	1.40	101.6
SANPAOLO IMI S.p.A.	93,071,000	11.38	1,058.9	11.38	1,058.9	12.44	1,158.2
Total			3,599.5		4,061.2		4,529.3

8. Non-current securities

These include 76,614 Ocean Club Méditerranée bonds, due November 1, 2008 (€ 4.8 million), and 18,914,511 Fiat ordinary share warrants 2007 (€ 4 million).

9. Assets held for sale

The amount represents the carrying amount (€ 2.2 million) of a building owned by the subsidiary Sadco, the sale of which will be executed during 2005.

10. Current securities

These amount to € 1,402.4 million and mainly include investments on the money market in time deposits, short-term Italian government securities and other short-term financial instruments.

11. Receivables and other current assets

These amount to € 64.1 million and include a receivable of € 17.7 million from the subsidiary Juventus Football Club due in December 2005 (on the purchase of trade receivables with recourse of a nominal value of € 18 million due from Sky Italia), receivables from the tax authorities of € 42.5 million and, lastly, other current assets of € 3.9 million.

12. Treasury stock

Treasury stock includes IFIL ordinary shares held by IFIL and its subsidiary Soiem; the change compared to the end of 2004 is presented below.

	Number of ordinary shares held	% of class of stock	% of capital stock	Amount		
				Per share (€)	Total (€ in mn)	
Balance at December 31, 2004:						
- held by IFIL S.p.A.	13,155,472 (a)	1.27	1.22	3.59	47.2	
- held by the subsidiary Soiem S.p.A.	810,262	0.08	0.08	3.41	2.8	
Total at December 31, 2004	13,965,734	1.35	1.30	3.58	50.0	
Purchases during period by IFIL S.p.A.	630,306	0.06	0.06	3.38	2.1	
Balance at June 30, 2005	14,596,040	1.41	1.36	3.57	52.1	

(a) Of which 532,000 shares are to be used to service stock option plans at € 2.28 per share.

13. Equity - Group

The changes during the period are analyzed as follows:

€ in millions	
Equity - Group at December 31, 2004	3,792.9
Fair value adjustments of the investment in SANPAOLO IMI (+€ 50.5 million) and Fiat ordinary share warrants 2007 (+€ 1.5 million)	52.0
Measurement of IFIL S.p.A. hedging instruments	1.8
Share of translation differences (+€ 232.6 million) in the equity of subsidiaries and associates and other net changes (-€ 0.9 million)	231.7
Cost of IFIL ordinary shares purchased during the first half of 2005	(2.1)
IFIL S.p.A. capital stock increase for the exercise of stock options	1.5
Dividends distributed by IFIL S.p.A. (a)	(73.2)
Profit - Group	624.1
Net change during the first half of 2005	835.8
Equity - Group at June 30, 2005	4,628.7

(a) Net of intragroup dividends of € 0.1 million.

14. Bonds

Details are provided below:

€ in millions	Maturity date	Nominal amount	Amortized cost
IFIL 2002/2005	12/20/2005	200	201.1
IFIL 2003/2006	12/19/2006	100	100.1
		300	301.2

15. Consolidated net financial position of the "Holdings System"

The consolidated net financial position of the "Holdings System" is composed as follows.

€ in millions	6/30/2005			12/31/2004		
	Current	Non-current	Total	Current	Non-current	Total
Current securities	1,402.4	0.0	1,402.4	1,047.9	0.0	1,047.9
Receivables and other current assets	20.8	0.0	20.8	252.4	0.0	252.4
Cash and cash equivalents	34.5	0.0	34.5	4.2	0.0	4.2
Total financial assets	1,457.7	0.0	1,457.7	1,304.5	0.0	1,304.5
IFIL 2002/2005 bonds	(201.1)	0.0	(201.1)	(200.7)	0.0	(200.7)
IFIL 2003/2006 bonds	0.0	(100.1)	(100.1)	0.0	(99.9)	(99.9)
Bank debt and other financial payables	(226.5)	0.0	(226.5)	(323.9)	0.0	(323.9)
Total financial liabilities	(427.6)	(100.1)	(527.7)	(524.6)	(99.9)	(624.5)
Consolidated net financial position of the "Holdings System"	1,030.1	(100.1)	930.0	779.9	(99.9)	680.0

At June 30, 2005, IFIL S.p.A. has unrevocable credit lines for € 830 million, of which € 420 million is due after June 30, 2006.

The positive change of € 250 million compared to the balance at the end of 2004 is due to the following flows:

€ in millions	
Consolidated net financial position of the "Holdings System" at December 31, 2004	680.0
Dividends received from:	
- SANPAOLO IMI	43.7
- Sequana Capital	22.4
- La Rinascente	0.5
Dividends received	66.6
Net financial income	1.7
Net general expenses	(12.4) (a)
(Investments) and sales:	
- Purchase of SANPAOLO IMI ordinary shares (1.54% of the class of stock)	(263.5)
- Capitalization of Turismo&Immobiliare	(4.5)
- Net proceeds from the sale of the investment in La Rinascente	529.1
- Sale of Juventus Football Club shares (1.69% of capital stock)	2.8
Net (investments) and sales	263.9
Other changes:	
- Dividends paid by IFIL S.p.A.	(73.2) (b)
- Purchase of IFIL ordinary shares (0.06% of the class of stock)	(2.1)
- Sale of receivables from the tax authorities to subsidiaries and parent company	3.6
- IFIL S.p.A. capital stock increase (exercise of stock options)	1.5
- Other, net	0.4
Net other changes	(69.8)
Net change during the first half of 2005	250.0
Consolidated net financial position of the "Holdings System" at June 30, 2005	930.0

(a) Does not include the accrual for extraordinary compensation not yet paid.

(b) Net of intragroup dividends of € 0.1 million.

FINANCIAL HIGHLIGHTS OF THE GROUP AT JUNE 30, 2005

Effective January 1, 2005, the IFIL Group has adopted International Financial Reporting Standards (IFRS). In this first-half report, the comparative data for the first half of 2004 and the year 2004 has been restated and remeasured in accordance with IFRS. For additional information on the content of IFRS adopted by the IFIL Group, as well as the impact of their adoption on the 2004 Italian GAAP consolidated financial statements that had already been published, reference should be made to Appendix 1 of this first-half report.

According to the currently prevailing interpretation of IAS 27 "Consolidated and Separate Financial Statements", companies in which IFIL holds sufficient voting power to exercise a de facto significant influence in the ordinary stockholders' meeting (de facto subsidiaries, under art. 2359, paragraph 1, number 2 of the Italian Civil Code) are excluded from the scope of consolidation. As a result of applying this standard, the investment in the Fiat Group (27.74% of capital stock outstanding at June 30, 2005) is accounted for by the equity method. Finally, it should be noted that the investment in Juventus F.C. (60% of capital stock at June 30, 2005) is consolidated line-by-line.

€ in millions	I Half 2005	I Half 2004	Year 2004
Income (loss) of companies consolidated line-by-line	14	32	(197)
Share of earnings (losses) of companies accounted for by the equity method	159	(99)	(340)
Profit from discontinued operations	484	32	649
Profit (loss)	657	(35)	112
Profit (loss) - Group	624	(89)	126
Profit - Minority interest	33	54	(14)

Earnings (loss) per ordinary share (in euro)	0.5871	(0.0838)	0.1179
Earnings (loss) per savings share (in euro)	0.6078	(0.0838)	0.1386

€ in millions	6/30/2005	6/30/2004	12/31/2004
Total assets	9,878	-	9,011
Consolidated net financial debt	(250)	-	(356)
Equity - Total	5,539	-	4,657
Equity - Group	4,629	-	3,793

Employees at period-end (number)	18,429	18,612	18,991
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The reconciliation between the consolidated net financial position of the "Holdings System" and the consolidated net financial debt is presented in the following table.

€ in millions	6/30/2005	12/31/2004	Change
Consolidated net financial position of the IFIL "Holdings System"	930	680	250
Net financial debt of companies consolidated line-by-line:			
- Sequana Capital Group	(963)	(918)	(45)
- Alpitour Group	(201)	(99)	(102)
- Juventus F.C.	(16)	(19)	3
Consolidated net financial debt	(250)	(356)	106

TRANSACTIONS AMONG GROUP COMPANIES AND WITH RELATED PARTIES

Transactions among IFIL, the parent companies, the subsidiaries and the companies in which a significant influence is exercised and the companies controlled by the same parent companies are entered into in conformity with the provisions of existing laws, based upon an evaluation of reciprocal economic gain.

The most important transactions can be summarized as follows:

- services rendered to the parent, IFI, and to subsidiaries and cost recoveries;
- services rendered by the parent, IFI, and by the subsidiary Soiem;
- partial reimbursement of additional paid-in capital by Ifil Investissements to IFIL for € 159.6 million and to Ifil Investment Holding for € 40.4 million;
- partial reimbursement of additional paid-in capital by Ifil Investment Holding to IFIL for € 40.4 million;
- purchase of trade receivables with recourse from Juventus Football Club for a nominal value of € 18 million due from Sky Italia, on December 15, 2005, for an equivalent amount of € 17.6 million;
- sale of receivables from the tax authorities to the parent, IFI, for € 0.4 million, to the subsidiary Soiem for € 0.2 million and to Italian subsidiaries of Alpitour for € 3 million;
- services rendered to Ifil USA by Exor USA and Fiat USA;
- loans among foreign companies of the "Holdings System" for the purpose of optimizing the management of Group's financial resources.

The effects on the balance sheet and income statement of the transactions among IFIL S.p.A., the Group companies and the other related parties can be summarized as follows:

€ in thousands	6/30/2005		I Half 2005	
	Receivables	Payables	Income	Expenses
IFI S.p.A.	23	45,289 (a)	34	17
Ifil Investissements S.A.	6		6	
Ifil Investment Holding N.V.	18,968 (b)		8	
SANPAOLO IMI S.p.A.	391		133	165
Alpitour Group companies	3,023	22	15	63
Fiat Group companies	46	39	46	204
Juventus Football Club S.p.A.	18,006		169	1
Other "Holdings System" companies	1	510 (c)		729
Sequana Capital S.A.	15		15	
Total	40,479	45,860	426	1,179

(a) Of which € 45,278 thousand refers to dividends paid in July.

(b) Of which € 18,960 thousand refers to dividends to be collected.

(c) Of which € 55 thousand refers to dividends paid in July.

The IFIL Group, through the companies which make up the Group, has maintained and maintains relations with "related" parties as defined by Consob, which, even when considered from the standpoint of potential conflicts of interest, are nonetheless governed by market terms. In this sense, particular mention should be made of:

- option rights on IFIL ordinary shares granted to directors and managers of IFIL and the parent, IFI;
- option rights on Alpitour shares granted by Alpitour to the directors of IFIL (who, today, are no longer in office) under a stock option plan for the directors, managers and cadres of Alpitour and its direct and indirect subsidiaries;
- professional services rendered by the director, Franzo Grande Stevens, to IFIL for € 125 thousand and to Fiat S.p.A. for € 432 thousand (including the activities relating to the position held as Secretary to the Board of Directors).

Additional information and details are disclosed in the section "Major events in the first half of 2005" and in the notes.

On the basis of information received from the companies of the Group, there are no unusual transactions to report.

SIGNIFICANT EVENTS AFTER JUNE 30, 2005

Maintaining a 30.06% stake in the ordinary capital stock of Fiat S.p.A.

On September 20, 2005, IFIL purchased 82,250,000 Fiat ordinary shares from Exor Group (controlled by Giovanni Agnelli e C. S.a.p.az.). These shares came from an equity swap agreement between Exor Group and Merrill Lynch International last April. This purchase was deliberated on September 15, 2005 by the Board of Directors, which used the services of an advisor, Mr. Gerardo Braggiotti of G.B. Partners.

The purchase price was € 6.5 per share for an investment of € 535 million. Fiat stock was officially traded at € 7.76 per share on September 15, 2005 compared to the weighted average official prices over the last three months of € 6.91 per share and the weighted average official prices of the last six months of € 6.16 per share. The stock was transferred from Merrill Lynch to Exor Group at the same time the Fiat capital increase was executed, on September 20, 2005. The sale by Exor Group to IFIL immediately followed on the same date. In the identical context, IFIL, on the same date, sold Merrill Lynch all the option rights to which it was entitled on the Fiat capital increase.

Prior to the purchase of the above stock, after the purchase of 5,500,000 ordinary shares on the market by IFIL on September 7, 8 and 9 for approximately € 41 million, the investment held by IFIL in Fiat totaled 246,083,447 ordinary shares and 31,082,500 preferred shares.

The aforementioned transactions allowed IFIL to maintain its investment in Fiat ordinary capital stock unchanged (30.06%) after the capital increase by Fiat, which took place on September 20, 2005 (for additional details, please refer to the report on operations of the Fiat Group).

On September 16, 2005, Consob asked IFIL and the parent, Giovanni Agnelli e C., to provide further information on the above-described transaction.

IFIL and Giovanni Agnelli e C. complied with Consob's request and on September 17, 2005 issued two press releases containing the requested information.

Change in the consolidated net financial position of the "Holdings System"

Following the investment in Fiat ordinary stock (-€ 576 million) and other net changes (-€ 2 million), the positive consolidated net financial position of the "Holdings System" at the end of September amounts to € 352 million (€ 930 million at the end of June).

It should also be mentioned that on September 16, 2005, Standard & Poor's announced that it had placed the rating on IFIL's long-term debt ("A -") under observation, in view of a possible downgrade, and confirmed the rating on IFIL's short-term debt ("A - 2").

BUSINESS OUTLOOK

Taking into account the consolidated profit reported for the first six months of 2005 (€ 624.1 million) and the forecasts formulated by the major holdings (indicated below), it is expected that the 2005 consolidated financial statements of the IFIL Group will show a strong growth in the economic and financial results compared to 2004.

Also with regard to IFIL S.p.A., the profit for 2005 is expected to be significantly higher than that of the prior year (€ 80.2 million).

Fiat Group

The positive results recorded in the first six months of the year and in particular the accelerated pace of growth in the second quarter, provide a satisfactory indication that efforts aimed at achieving turnaround are bearing fruit.

The Fiat Group has confirmed its commitment to the achievement of its stated 2005 financial objectives (an improvement in the result from ordinary activities and a positive net result thanks to unusual components and the strengthening of the balance sheet structure).

Sequana Capital Group

The Sequana Capital Group expects to close the year 2005 with a consolidated profit. When the sale of Permal Group is executed, anticipated for November 2005, the Group will realize a gain of approximately € 350 million and a significant reduction of more than half of its consolidated net debt, which will then total about € 400 million. Liquidity at the level of the parent will be more than € 300 million.

Alpitour Group

The powerful tsunami which hit important tourist spots in the East and the terrorist attack at Taba which hurt travel to Egypt, led to a reduction in the results for the first half of 2005 both against budget and compared to the results for the first half of the prior year.

However, the tourist market has already demonstrated in the past its overwhelming capacity to recover demand when faced with extraordinary events and enduring international tension. Considering the good trend in profitability in the third quarter of the year, despite the added factor of the Sharm el Sheik terrorist attack to the already difficult context, the Alpitour Group believes that it can efficiently manage the new market situation limiting any negative consequences to the maximum extent possible, in part due to its flexibility and the range of its offering.

Juventus Football Club

The 2005/2006 financial year will be significantly influenced by the results of the soccer season, the overall economic results of the transfer campaign and any extraordinary transactions concerning other assets.

REVIEW OF THE OPERATING PERFORMANCE OF THE MAJOR GROUP COMPANIES

The following describes the operating performance of the major Group companies. The percentages indicated are updated to mid-September 2005.

Fiat Group

(30.06% of ordinary capital stock and 30.09% of preferred capital stock)

The consolidated results of the Fiat Group in the first half of 2005 can be summarized as follows:

€ in millions	I Half	I Half	Change	
	2005	2004	Amount	%
Net revenues	22,807	23,033	(226)	-1.0
Trading profit (a)	407	205	202	98.5
Operating income (b)	1,445	125	1,320	n.s.
Income (loss) before taxes	1,034	(395)	1,429	n.s.
Income (loss) - Group	475	(680)	1,155	n.s.
			Change	
	6/30/2005	12/31/2004	amount	
Stockholders' equity - Group	5,460	4,304	1,156	
Net debt	(23,724)	(25,423)	1,699	

(a) Trading profit/(loss) is a new indicator that measures the regular company operations. It is equal to revenues, less cost of sales, R&D expenditures, selling, general and administrative expenses and other income and expenses.

(b) Operating income/(loss) is currently defined as the sum of trading profit or loss, gains or losses on the sale of equity investments, restructuring charges and unusual items.

Fiat Group **net revenues** total € 22.8 billion in the first six months of 2005. The decrease of 1% with respect to the € 23 billion recorded in the first half of 2004 is mainly attributable to the Automobiles business area (Fiat Auto, Fiat Powertrain Technologies, Ferrari and Maserati, for -1%), Other Businesses (Services, Publishing, Holdings and Miscellaneous for -21.4%) and, to a lesser degree, to the Components and Production Systems business area (Magnetit Marelli, Teksid and Comau, for -0.8%), offset in part by the increase at Iveco (+3.6%).

The **trading profit** is € 407 million in the first half of 2005, nearly double the € 205 million realized in the first six months of 2004, thanks to a sharply reduced loss in the Automobiles business area and the positive performance of CNH and Iveco, against the lower result achieved in the Components and Production Systems business area and in the Other Businesses.

The **Automobile business area** records a trading loss of € 225 million in the first half of 2005, compared to a trading loss of € 425 million in the corresponding period of 2004. In particular:

- Fiat Auto reports a trading loss of € 217 million in the first six months of 2005, representing a sharp improvement from the loss of € 384 million posted in the corresponding period of 2004. The result is positively impacted by significant cost savings, especially for governance and manufacturing costs, the streamlining of research and development activities and the preference for highly profitable sales channels that more than offset the effects of lower sales volumes;
- Fiat Powertrain Technologies has posted a trading profit of € 13 million since the beginning of May 2005;
- Ferrari closes the first half of 2005 with a trading profit of € 32 million, against a profit of € 17 million in the same period of 2004. The improvement is mainly attributable to higher sales volumes and major efficiency gains, which are set off by the negative foreign exchange effect;
- Maserati posts a trading loss of € 53 million in the first six months of 2005. The improvement with respect to the loss of € 58 million in the same period of 2004 is due to the growth in volumes and the more favorable sales mix, partially offset by the negative foreign exchange effect.

CNH closes the first half of 2005 with a trading profit of € 405 million, compared to a trading profit of € 366 million in the first half of 2004. The increased sales prices in both the agricultural and construction equipment segments, production cost efficiency gains and higher sales of construction equipment more than offset the increase in raw material costs and the contraction in agricultural segment volumes.

Iveco has a trading profit of € 175 million in the first half of 2005, an improvement of € 26 million with respect to the corresponding period of 2004. The positive contribution from the increase in volumes is partially absorbed by increased raw material prices and expenses for the support of sales activities.

The **Components and Production Systems business area** records a trading profit of € 79 million in the first half of 2005, against a trading profit of € 107 million in the first six months of 2004. In particular:

- **Magneti Marelli** reports a trading profit of € 75 million in the first half of 2005 (€ 82 million in the first half of 2004). Changes in the scope of consolidation have a positive effect of € 4 million. On a comparable basis, the decrease is € 11 million and stems from the unfavorable price/cost ratio due to higher raw material prices, which are partially offset by efficiency gains realized on production costs;
- **Teksid** closes the first half of 2005 with a trading profit of € 19 million (€ 25 million reported for the same period of 2004). The decrease is attributable to lower volumes at the Magnesium Business Unit and lower sundry income compared to the first half of 2004. The Sector more than recovered the increase in raw material prices through its sales prices, and benefits from the positive effect of higher volumes at the Cast Iron Business Unit;
- **Comau** reports a trading loss of € 15 million in the first half of 2005, (a break-even in the same period of 2004). In addition to the reduced scope of consolidation, the change is the result of strong competitive pressure on prices and lower profitability resulting from a contract work of the Bodywork business line.

Other Businesses reports a trading loss of € 27 million in the first half of 2005, compared to a profit of € 8 million in the corresponding period of 2004. Among Other Businesses:

- **Business Solutions** reduces its trading profit from € 20 million in the first half of 2004 to € 8 million in the first half of 2005, mainly due to the negative impact of lower activity levels in the Administration area;
- **Itedi** has a trading profit of € 12 million in the first half of 2005 (compared to € 10 million in the same period of 2004), due to the improved margins of the brand extension activities and cost cutting measures, which more than offset the negative impact of lower revenues.

During the first half of 2005, the **operating income** is € 1,445 million, compared to € 125 million in the corresponding period of last year. This significant increase is attributable for € 1,150 million to the change in other unusual income (expenses), which is mainly due to the gain (€ 1,134 million) on the settlement with General Motors upon termination of the Master Agreement. The operating result also benefited for € 202 million in the first half of 2005 from the improvement in trading profit and lower restructuring expenses; these positive effects are however partially offset by lower gains on the disposal of equity investments for € 71 million (a gain of € 81 million had been reported in the first half of 2004 on the sale of Fiat Engineering S.p.A.).

The **income (loss) before taxes** improved from a loss of € 395 million in the first half of 2004 to an income of € 1,034 million in the first half of 2005. The € 1,429 million improvement is attributable for € 1,320 million to higher operating income, for € 184 million to lower net financial expenses, against a decrease of € 75 million in the Result of equity investments.

Net income (loss) – Group amounts to € 475 million in the first half of 2005, against a loss of € 680 million in the same period of 2004.

At June 30, 2005, consolidated **net debt** totals € 23,724 million, or € 1,699 million lower than the € 25,423 million reported at December 31, 2004. In the first half of 2005, the borrowing requirements connected with seasonal growth in working capital and the foreign exchange translation effect (referring principally to borrowings in U.S. dollars and Brazilian reals by the financial services companies) were more than offset both by the collection of € 1.56 billion from General Motors (partially reduced by the effect of the consolidation of the powertrain operations) and by the repayment of approximately € 2 billion in loans made by Group centralized cash management to the financial services companies sold by Iveco to Barclays, which is now responsible for these loans.

Significant events after the end of the period are shown below.

In July 2005, Fiat signed a new € 1 billion Credit Facility agreement with 11 international and five Italian banks. The three-year € 1 billion Multicurrency Revolving Credit Facility (to replace a credit facility of € 1.7 billion), which is currently undrawn, will provide Fiat with adequate financial flexibility.

Also in July 2005, the Piedmontese Local Authorities (Region of Piedmont, Province of Turin and the City of Turin) and Fiat reached an agreement in principle to enhance the value of the Mirafiori industrial area, support the automotive allied industries and promote personnel training and the activities of research and technological development.

Under the agreement, Fiat will sell certain areas (approximately 300,000 square meters) of the Mirafiori premises as well as a large area, not used for industrial activities, between the cities of Turin and Collegno. The total value of the transaction will approximately amount to € 70 million.

Fiat announced its intention to locate its own high level flagship store in the Mirafiori area.

At the beginning of August 2005, during a meeting with Government, Local Authorities and Trade Unions, the Chief Executive Officer of Fiat illustrated the current situation of the Group, particularly as it relates to the 2005–2008 Development Plan for Fiat Auto, including production allocation for 2005-2006, the investment program and the conditions for its realization. In particular:

- Plants: Fiat reaffirmed its commitment not to shut down any plant in Italy, and announced that the production of one of the new scheduled models will be allocated to the Mirafiori plant in 2008. The future A segment Fiat city car ("500") will be manufactured in the Polish plant of Tychy.
- Product range plan: the 2005-2008 product range plan calls for the launch of 20 new models and 23 restylings of existing models of the three brands.
- Investments: in order to support the turnaround efforts, Fiat Auto expects to invest approximately € 10 billion, € 4 billion of which will be earmarked for research and development. For the Fiat Group as a whole, investments for the 2005-2008 period are expected to amount to approximately € 18 billion.
- Fiat Powertrain Technologies: Fiat announced the development of: a Fire1.4 16 v Turbo engine to be manufactured at the Termoli plant starting in 2007; a 1.6 four cylinder diesel engine to be manufactured in Pratola Serra starting in 2007; and a 6-speed transmission for commercial vehicles to be produced at the Termoli plant from 2006. Studies are also underway to develop a small two or three cylinder engine with low environmental impact.
- Social shock absorbers: Fiat reiterated the priority need to find organizational solutions that enable it to optimize use of personnel and plants and at the same time face the issue of over-sized business structures. The Company will manage capacity under-utilization at its plants through temporary layoffs, avoiding severe measures with a strong social impact.

On September 9, 2005, Fiat sold 24.6% of the capital stock of Italennergia Bis to EDF at a price of € 1,147 million. Concurrently, the Citigroup financing of the same amount that had been extended in September 2002 was reimbursed. On the same date, the financial institutions that had acquired 14% of Italennergia Bis in 2002, sold their stake to EDF. Consequently, the possibility that Fiat be required to repurchase said stake was eliminated. This possibility had entailed for Fiat the recognition of a financial debt of approximately € 600 million in the financial statements prepared under IFRS.

As a result of these two transactions, Fiat will book a net gain of over € 850 million in its consolidated income statement prepared under IFRS for the third quarter of 2005 while the Group net debt will decrease by approximately € 1.8 million.

Also on September 9, 2005, Fiat confirmed that a Memorandum of Understanding was signed with Ford to pursue joint development of a future "A segment" car. The strategic collaboration will bring to the market two new vehicles that will feature highly differentiated designs: for Fiat a new 500 and for Ford a replacement for the current Ka. The synergies deriving from the projects under development will be reflected in reduced development and material costs. The two carmakers will therefore be able to offer the final customer products at a more competitive price.

Pursuant to the delegation of authority granted by the Extraordinary Stockholders' Meeting held on September 12, 2002, the Board of Directors of Fiat S.p.A. on September 15, 2005 resolved on a capital increase to service the Mandatory Convertible Facility that fell due on September 20, 2005.

The transaction called for the issue of 291,828,718 ordinary shares at the price of € 10.28 each, a price which was determined as the average between the price of € 14.4409, as per the convertible facility agreement, and the weighted average of the official prices over the last six months.

On September 20, 2005 the lending banks subscribed to the new shares through a set-off against the total debt of € 3 billion owed to them, with the obligation to pre-emptively offer the shares to stockholders.

The conversion entailed a reduction of € 3 billion in the net debt of Fiat S.p.A. and of the Group. In the statutory financial statements of Fiat S.p.A., prepared in accordance with Italian accounting principles, the reduction in net debt will be counterbalanced by the increase in capital stock and in additional paid-in capital. An increase in capital stock and reserves for an amount equal to the current value of the shares issued will be booked in the consolidated financial statements, which are prepared in accordance with IFRS; the difference, determined on the basis of the subscription price of new shares (€ 10.28 per share) and their current value at the time of the subscription, will be booked in the income statement as a nonrecurring financial gain (approximately € 700 million).

Sequana Capital Group

(52.96% of capital stock through Ifil Investissements)

The condensed consolidated income statement in which the operating subsidiaries and associates are accounted for by the equity method is presented as follows.

€ in millions	I Half	I Half	Change	
	2005	2004	Amount	%
ArjoWiggins	32.5	44.3	(11.8)	-26.6
Antalis	16.1	3.6	12.5	ns
SGS	26.8	21.2	5.6	26.4
Permal Group	22.2	19.3	2.9	15.0
Antonin Rodet	(0.6)	(0.9)	0.3	-33.3
	97.0	87.5	9.5	10.9
Pechel Industries	-	8.1	8.1	-
Share of earnings (losses) of operating companies	97.0	95.6	1.4	-1.5
Financial income (expenses)	(1.8)	14.2	(16.0)	ns
General expenses and income taxes	(10.6)	(9.9)	(0.7)	7.1
Profit from ordinary activities	84.6	99.9	(15.3)	-15.3
Nonrecurring income (expenses)	(11.1)	12.8	(23.9)	-186.7
Consolidated profit	73.5	112.7	(39.2)	-34.8
Equity - Group	1,947.0	1,836.0 (a)	111.0	6.0
Net debt	(963.0)	(918.0) (a)	(45.0)	4.9

(a) Data referring to December 31, 2004.

The consolidated profit of the Sequana Capital Group for the first half of 2005, determined in accordance with IFRS, is € 73.5 million (€ 112.7 million in the first half of 2004).

Sequana Capital's share of the first-half earnings of the operating holdings is € 97 million. This is an increase of 10.9%, on comparable consolidation basis, compared to the first six months of the prior year (€ 87.5 million). The result reflects net financial expenses (€ 1.8 million, compared to net financial income of € 14.2 million in the first half of 2004) and net nonrecurring expenses (€ 11.1 million, compared to net nonrecurring income of € 12.8 million recorded in the first six months of the prior year).

At June 30, 2005, consolidated net debt amounts to € 963 million, with an increase of € 45 million compared to € 918 million at the end of 2004.

Consolidated equity of the Sequana Capital Group at June 30, 2005 is € 1,947 million (€ 1,836 million at December 31, 2004).

Arjo Wiggins, in the first half of 2005, reported a decline in its economic results as a consequence of competitive price pressures (due to continued excess production capacity in the sector compared to market demand) and a considerable increase in energy costs that were only partly offset by the decrease in fixed overheads. This led, among other things, to the closing of a factory in Scotland. Conversely, operating cash flows improved compared to the first six months of 2004, from -€ 19.6 million to +€ 29.2 million.

Antalis, although continuing to operate in a difficult context, displayed appreciable progress in terms of both operating margins and overall profitability, thanks particularly to its presence in emerging markets and in activities with a strong growth.

Permal Group further increased the amount of assets managed which, at June 30, 2005, total U.S.\$ 20.6 billion, consistently reporting better performance for its funds than the benchmark indices.

SGS reported an increase in revenues of 12% during the period compared to the first half of 2004, reaching CHF 1.6 billion. It also continues to pursue its development strategy aimed at acquiring other businesses in different operating segments.

Among the major events in the first six months of 2005 is the agreement signed at the end of June between Sequana Capital, Legg Mason and the managers of Permal Group for the sale of the investment held in Permal Group by Sequana Capital to Legg Mason, for varying interest holdings and at different conditions. Closing of the transaction is scheduled to take place by the end of 2005, with the consequent transfer of control of Permal Group to Legg Mason by Sequana Capital.

For the current year, the gain on this deal is expected to be in the order of € 350 million while the net debt of the Group should decline by approximately € 400 million as a result of the receipt of the consideration on the sale.

Alpitour Group

(100% of capital stock through Ifil Investissements and Ifil Finance)

At April 30, 2004, NHT New Holding for Tourism still held controlling stakes (100%) in Welcome Travel Group and in Neos that were later conferred to Alpitour. For purposes of comparison, the data of the Alpitour Group for the first half of 2005 is therefore compared to the data of the NHT Group for the same period of 2004.

The consolidated data of the Alpitour Group for the first half of 2004/2005 can be summarized as follows:

€ in millions	I Half	I Half	Change	
	2005 (a)	2004 (a)	Amount	%
Revenues	339.6	339.7	(0.1)	0.0
Operating loss	(25.3)	(12.3)	(13.0)	-106.0
Loss - Group	(23.9)	(18.2)	(5.7)	-31.0

(a) Corresponding to the period November 1 – April 30.

In order to be able to correctly interpret the results for the period, the very highly seasonal nature of the Group's business should be taken into consideration since revenues are concentrated in the summer season while structure costs are incurred throughout the course of the year.

The first half of the year 2004/2005 was severely penalized by the drop in demand for some of the Group's most important destinations. The decline followed the devastating tsunami, which hit on December 26, 2004 and the effects of protracted international tension, especially in reference to the attack at Taba (Egypt) in October 2004. As a result, the tour operating business suffered a decrease in volumes, most particularly with regard to certain destinations producing high margins. The economic result is also negatively impacted by the increase in air carrier costs ensuing from the crisis of the Volare Group.

Notwithstanding these unfavorable events, the consolidated accounting data of the Alpitour Group at April 30, 2005 shows revenues of € 339.6 million. This figure is basically in line with the first-half proforma data last year of the NHT Group.

Regarding economic performance, sale volumes decreased on travel destinations with high margins, such as the Maldives and Egypt, causing results to decline. The gross profit, in fact, is € 8.9 million lower, from € 51.1 million for the six months ending April 2004 to € 42.2 million for the six months ending April 2005.

As far as the operating loss is concerned, the reduction from the first half of the previous year is € 13 million and is higher than the decline in the gross profit. The reason is principally due to higher lease costs in connection with a greater number of aircraft leased by Neos, higher rent on the hotels, which will operate starting from the summer and higher amortization for the start-up of operations at the Arenella tourist resort in Sicily.

The consolidated loss – Group is € 23.9 million. This figure is after amortization and depreciation of € 7.9 million and deferred tax benefits of € 9.9 million.

The consolidated net financial position at the end of the half is a debt position of € 200.9 million, compared to a corresponding net debt position of € 149.2 million at April 30, 2004 (NHT comparative data). The change is principally due to investments in this last year and the different classification of credit advices presented for collection which last year had been included in the financial position.

Juventus Football Club

(60% of capital stock)

The following figures are taken from the accounting data prepared in accordance with Italian accounting principles.

Year		I Half	I Half	Change	
2004/2005 (a)	€ in millions	2005	2004	Amount	%
229.3	Operating revenues	133.8	118.4	15.4	13.0
45.7	Gross operating margin (b)	38.7	30.2	8.5	28.1
(3.0)	Net income	6.8	4.1	2.7	65.9
77.9	Stockholders' equity (c)	77.9	80.9	(3.0)	-3.7
(16.4)	Net financial position (c)	(16.4)	53.1	(69.5)	n.s.

(a) Corresponding to the period July 1, 2004-June 30, 2005. The data is taken from the draft financial statements at June 30, 2005, approved by the Board of Directors' Meeting of Juventus Football Club on September 22, 2005.

(b) Before amortization of players' registration rights.

(c) Data refers to the end of the period.

The 2004/2005 soccer season finished with the Club's 28th Championship victory, which allowed Juventus F.C. to automatically play in the U.E.F.A. Champions League for the current season.

Operating revenues for the period January 1 – June 30, 2005 show a significant increase (+13%) compared to the same period of 2004, partially due to the bonuses received on winning the Championship. Other factors which contributed to the increase in operating revenues include higher fees for friendly games played at the end of the soccer season and a higher number of home U.E.F.A. Champions League games compared to the 2003/2004 season.

In the first half of 2005, a gain of € 18 million is recorded on the sale of the option rights to Oilinvest B.V., the Dutch company which owns the Tamoil trademark, for the new official sponsorship contract. The contract, signed at the end of March 2005, will last five years starting from July 1, 2005, against payment of a total sum of € 110 million, and includes the right, sold for € 8 million, to extend the contract for five more years against payment of a total sum of € 130 million. Furthermore, the agreement can be extended a second time up to June 30, 2020, at comparable terms, against an option right worth € 10 million.

In the first half of 2004, operating revenues included € 20 million stemming from agreements signed with the Mediaset Group for the sale of television rights to broadcast games for future seasons.

Gross operating profit is € 38.7 million in the first half of 2005, a 28% increase compared to the same period of 2004. In terms of amount, the increase in the gross operating profit is lower than the increase in revenues due to higher personnel costs and service expenses.

Amortization of players' registration rights, amounting to € 25.5 million compared to € 29.1 million in the first half of 2004, includes the positive effect of the extension of the contract period for certain players, and therefore of the relative amortization plans, which occurred during the period.

Net extraordinary income is € 9 million (compared to € 5.7 million in the corresponding period of the previous year) and substantially attributable to the gain on the disposal of the building of the current company headquarters in Turin. At the same time, Juventus F.C. signed a multi-year rent contract with the buyer.

Equity amounts to € 77.9 million at June 30, 2005; the reduction of € 3 million compared to June 30, 2004 is due to the loss reported for the 2004/2005 fiscal year. This result nevertheless shows a sharp improvement compared to the net loss recorded in the 2003/2004 fiscal year (€ 18.5 million), also because of higher net gains on players' registration rights (€ 16.8 million against € 3.6 million).

The draft financial statements for the fiscal year 2004/2005 will be submitted for approval to the Stockholders' Meeting, which will be held in October 2005.

As for the first stage of the 2005/2006 transfer campaign, the deals concluded by Juventus F.C. led to a total financial imbalance of € 20.5 million against investments of € 33.9 million.

At the end of August 2005, approximately 21 thousand season tickets were sold for the current football season, compared to approximately 13 thousand in the previous season at the same date with gross revenues for € 5.7 million against € 4.7 million at the end of August 2004.

IFIL Group

IFIL Group

INTERIM CONSOLIDATED FINANCIAL STATEMENTS AT JUNE 30, 2005 – BALANCE SHEET

€ in millions	Note	6/30/2005	12/31/2004	Change
Non-current assets				
Differences on consolidation (goodwill)	4	813	809	4
Other intangible assets	5	233	240	(7)
Property, plant and equipment	6	1,142	1,137	5
Investments accounted for by the equity method	7	2,129	1,802	327
Other financial assets	8	1,296	1,010	286
Deferred tax assets		90	79	11
Other non-current assets		21	38	(17)
Total non-current assets		5,724	5,115	609
Current assets				
Inventories		618	578	40
Trade receivables		1,062	1,062	0
Other receivables		276	259	17
Financial assets	9	1,551	1,376	175
Cash and cash equivalents		421	532	(111)
Total current assets		3,928	3,807	121
Assets held for sale	10	226	89	137
TOTAL ASSETS		9,878	9,011	867

€ in millions	Note	6/30/2005	12/31/2004	Change
Equity				
Group		4,629	3,793	836
Minority interest		910	864	46
Equity		5,539	4,657	882
Non-current liabilities				
Provisions for other liabilities and charges	12	458	496	(38)
Bonds and other financial debt	9	199	215	(16)
Deferred tax liabilities		99	91	8
Other non-current liabilities		42	49	(7)
Non-current liabilities		798	851	(53)
Current liabilities				
Provisions for other liabilities and charges	12	85	48	37
Bonds and other financial debt	9	2,009	2,055	(46)
Trade payables		923	1,012	(89)
Other current liabilities		425	388	37
Total current liabilities		3,442	3,503	(61)
Liabilities relating to assets held for sale	10	99	0	99
TOTAL EQUITY AND LIABILITIES		9,878	9,011	867

IFIL Group

INTERIM CONSOLIDATED FINANCIAL STATEMENTS AT JUNE 30, 2005 – INCOME STATEMENT

€ in millions	Note	I Half 2005	I Half 2004	Change	Year 2004 (a)
Revenues	15	2,452	2,464	(12)	5,286
Other revenues from ordinary activities		68	61	7	94
Purchases of raw materials and changes in inventories		(1,529)	(1,496)	(33)	(3,317)
Personnel costs		(458)	(451)	(7)	(910)
Costs for external services		(366)	(346)	(20)	(709)
Taxes and duties		(28)	(25)	(3)	(47)
Amortization and depreciation		(98)	(99)	1	(195)
Accruals to provisions		3	14	(11)	7
Other expenses from ordinary activities		(34)	(67)	33	(101)
Profit (loss) from ordinary activities		10	55	(45)	108
Other income (expenses)	16	9	(15)	24	(310)
Operating profit (loss)		19	40	(21)	(202)
Cost of net financial debt		(32)	(38)	6	(60)
Other financial income (expenses)		58	49	9	35
Financial income (expenses)	17	26	11	15	(25)
Income taxes		(31)	(19)	(12)	30
Profit (loss) of companies consolidated line-by-line		14	32	(18)	(197)
Share of earnings (losses) of companies accounted for by the equity method	18	159	(99)	258	(340)
Profit (loss) from continuing operations		173	(67)	240	(537)
Profit (loss) from discontinued operations	10	484	32	452	649
Profit (loss)		657	(35)	692	112
Profit (loss) - Group (b)		624	(89)	713	126
Profit (loss) - Minority interest		33	54	(21)	(14)

- (a) Restated for purposes of comparison following the deconsolidation of Permal Group and Pechel Industries (see Note 3 – Changes in the scope of consolidation).
(b) Earnings per share information is presented in Note 14 – Earnings per share – attributable to the Group.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS AT JUNE 30, 2005 – STATEMENT OF CASH FLOWS

€ in millions	I Half 2005	I Half 2004
Cash flows provided by (used for) operating activities		
Profit (loss) - Group	624	(89)
Profit (loss) - Minority interest	33	54
Elimination of income and expenses not affecting cash:		
Amortization, depreciation and impairment (excluding those connected with current assets)	63	82
Unrealized fair value gains (losses)	3	(1)
(Gains) losses on sales	(468)	(9)
Current and deferred income taxes	31	20
Share of earnings (losses) of companies valued by the equity method	(159)	99
Dividends received from investments	59	41
Income taxes paid	(10)	(8)
Change in working capital	(145)	(77)
Net cash provided by (used for) operating activities	31	112
Cash flows provided by (used for) investing activities		
Investments in property, plant and equipment and intangible assets	(59)	(81)
Proceeds from the sale of property, plant and equipment and intangible assets	19	14
Investments in non-current financial assets	(625)	(177)
Proceeds from the sale of non-current financial assets	903	12
Change in the scope of consolidation	(69)	20
Change in loans and guarantee deposits	(10)	250
Other flows provided by (used for) investing activities	(124)	245
Net cash provided by (used for) investing activities	35	283
Cash flows provided by (used for) financing activities		
Dividends paid to minority interest of companies consolidated line-by-line	(20)	(33)
Capital increase from the exercise of stock options	1	0
(Purchase) sale of treasury stock	(2)	0
New loans secured	159	430
Repayment of loans	(343)	(692)
Other flows provided by (used for) financing activities	3	(9)
Net cash provided by (used for) financing activities	(202)	(304)
Impact of exchange difference	25	(13)
Net change in cash and cash equivalents	(111)	78
Cash and cash equivalents, at start of the period	532	248
Cash and cash equivalents, at end of the period	421	326
Net change in cash and cash equivalents	(111)	78

INTERIM CONSOLIDATED FINANCIAL STATEMENTS AT JUNE 30, 2005 – STATEMENT OF CHANGES IN EQUITY

€ in millions	Number of shares	Capital stock	Treasury stock	Capital reserves	Translation differences	Retained earnings and other consolidation reserves	Consolidated profit (loss)	Equity - Group	Equity - Minority interest	Total Equity
Equity at January 1, 2004	1,075,195,737	1,075	(46)	1,803	0	915	0	3,747	953	4,700
Dividends distributed						(70)		(70)	(34)	(104)
Translation differences					55			55	22	77
Change in scope of consolidation and other changes						(2)		(2)	(22)	(24)
Profit (loss) for the first half of 2004							(89)	(89)	54	(35)
Reclassifications				3		(3)		0		0
Changes during the first half of 2004	0	0	0	3	55	(75)	(89)	(106)	20	(86)
Equity at June 30, 2004	1,075,195,737	1,075	(46)	1,806	55	840	(89)	3,641	973	4,614

€ in millions	Number of shares	Capital stock	Treasury stock	Capital reserves	Translation differences	Retained earnings and other consolidation reserves	Consolidated profit (loss)	Equity - Group	Equity - Minority interest	Total Equity
Equity at December 31, 2004	1,075,195,737	1,075	(50)	1,806	(59)	895	126	3,793	864	4,657
Increase in capital due to exercise of stock options	800,000	1						1		1
Purchase of treasury stock			(2)					(2)		(2)
Dividends distributed							(73)	(73)	(20)	(93)
Translation differences					233			233	37	270
Change in scope of consolidation and other changes						53		53	(4)	49
Profit (loss) for the first half of 2005							624	624	33	657
Reclassifications				7		46	(53)	0		0
Changes during the first half of 2005	800,000	1	(2)	7	233	99	498	836	46	882
Equity at June 30, 2005	1,075,995,737	1,076	(52)	1,813	174	994	624	4,629	910	5,539

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS AT JUNE 30, 2005

1. Significant accounting policies

As provided by European Regulation No. 1606 dated July 19, 2002, starting from January 1, 2005 the IFIL Group has adopted the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Commission. Therefore, the 2005 annual consolidated financial statements will be prepared in accordance with these IFRS. The designation "IFRS" also includes all valid International Accounting Standards ("IAS"), as well as all interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), formerly the Standing Interpretations Committee ("SIC").

The consolidated first-half report of the IFIL Group at June 30, 2005 has been prepared in accordance with art. 81 of Consob Regulation No. 11971 dated May 14, 1999, as amended by Consob resolution No. 14990 dated April 14, 2005 and drawn up in conformity with IAS 34 - Interim Financial Reporting.

IFRS adopted in the preparation of the consolidated first-half report 2005 are those that will be used in the preparation of the annual consolidated financial statements at December 31, 2005, insofar as they are applicable. In this first-half report, the comparative data for the first half of 2004 and the year 2004 has been restated and remeasured in accordance with IFRS.

For additional information on the content of IFRS adopted by the IFIL Group, as well as the impact of their adoption on the 2004 Italian GAAP consolidated financial statements that had already been published, reference should be made to Appendix 1 of this first-half report.

Some measurement procedures, particularly complex procedures such as the determination of possible impairment losses on non-current assets, are generally performed only at the time of the preparation of the annual financial statements when all the information needed becomes available, unless there are indications of impairment which require a prompt assessment to determine whether there are any impairment losses.

The euro is the functional currency and presentation currency of the Group; the first-half report at June 30, 2005 has been prepared in millions of euros.

2. New accounting standards issued by the IASB

There are no revised or new standards or interpretations that became effective as of January 1, 2005 that had a significant effect on the Group's financial statements.

In December 2004, the IASB issued an amendment to IAS 19 – Employee Benefits providing entities with the option of recognizing actuarial gains and losses in full in the period in which they occur, not directly in profit and loss statement but in equity. The amendment also provides guidance on allocating the cost of a group defined benefit plan to the entities in the group. The amendment is effective from January 1, 2006. The IFIL Group is currently evaluating the impact of this amendment, as well as the possibility of early adoption.

In April 2005, the IASB issued an amendment to IAS 39 – Financial Instruments: Recognition and Measurement to permit the foreign currency risk of a highly probable intragroup forecast transaction to qualify as the hedged item in a cash flow hedge in consolidated financial statements – provided that the transaction is denominated in a currency other than the functional currency of the entity entering into that transaction and the foreign currency risk will affect consolidated financial statements. The amendment also specifies that if the hedge of a forecast intragroup transaction qualifies for hedge accounting, any gain or loss that is recognized directly in equity in accordance with the hedge accounting rules in IAS 39 must be reclassified into profit or loss in the same period or periods during which the foreign currency risk of the hedged transaction affects consolidated profit or loss.

In June 2005, the IASB issued a final amendment to IAS 39 – Financial Instruments: Recognition and Measurement to restrict the use of the option to designate any financial asset or any financial liability to be measured at fair value through profit and loss (the 'fair value option'). The revision limits the use of the option to those financial instruments that meet certain conditions. Those conditions are that:

- the fair value option designation eliminates or significantly reduces an accounting mismatch;
- a group of financial assets, financial liabilities, or both are managed and their performance is evaluated on a fair value basis in accordance with a documented risk management or investment strategy;
- an instrument contains an embedded derivative that meets particular conditions.

These amendments to IAS 39 are effective from January 1, 2006. The IFIL Group is currently assessing the impact, if any, that these changes will have.

In August 2005, the IASB issued IFRS 7 – Financial Instruments: Disclosures and a complementary amendment to IAS 1 - Presentation of Financial Statements – Capital Disclosures. IFRS 7 requires disclosures about the significance of financial instruments for an entity's financial position and performance. These disclosures incorporate many of the requirements previously in IAS 32 – Financial Instruments: Disclosure and Presentation. The new IFRS also requires information about the extent to which the entity is exposed to risks arising from financial instruments, and a description of management's objectives, policies and processes for managing those risks. The amendment to IAS 1 introduces requirements for disclosures about an entity's capital.

IFRS 7 is effective from January 1, 2007. The IFIL Group is currently assessing the impact, if any, that these changes will have.

3. Changes in the scope of consolidation

Changes in the scope of consolidation that took place during the first half of 2005 at the various consolidation levels are presented below.

IFIL Holdings System

NHT New Holding for Tourism S.A., Mediterranean Capital B.V. and Ifil Finance B.V. (wholly-owned subsidiaries previously consolidated line-by-line), were put into wind-ups after the distribution of almost all their income and capital reserves; therefore, at June 30, 2005, they are stated at their residual net equity amounts.

Alpitour Group

Alpitour subscribed to 50% of the capital of two newly incorporated companies, Vacanzeitalia S.p.A., which operates in the hotel sector, and Alpitour Group Egypt For Tourism S.A.E., which is engaged in the incoming sector. The remaining 10% of the capital of Blumarini Hotels Sicilia S.p.A. was also acquired and is now a 100%-owned subsidiary and the entire investment (70%) held in Jumbo Tours Sicilia S.r.l. was sold.

Sequana Capital Group

The Permal Group, which was consolidated line-by-line at December 31, 2004, is treated as an asset held for sale as at June 30, 2005 following a contract for the sale of this investment by Sequana Capital to Legg Mason signed on June 23, 2005. Additional details are provided in the comments on the performance of the Sequana Capital Group.

The Antalis Group entered into a number of minor transactions such as the purchase of the stakes held by the minority stockholders of Simge Turquie and Shriro Pacific Paper Singapore, in addition to the line-by-line consolidation of Antalis Malaysia and Antalis do Brasil Produtos para industria grafica Ltda.

The investment in Pechel Industries (39.03% of capital stock) was sold on March 1, 2005, realizing a loss of € 5.4 million (which had already been accrued as at December 31, 2004). This investment had been accounted for by the equity method up to the end of 2004.

The impact of the deconsolidation of the Permal Group and Pechel Industries on the consolidated income statements for the year 2004 (IFRS 2004) and for the first half of 2004 (IFRS I Half 2004), which have been restated and remeasured in accordance with IFRS, is presented in the table below.

The reconciliations between these and the consolidated income statements for the year 2004 and the first half of 2004 previously published using Italian GAAP are presented in Appendix 1.

€ in millions	Balance sheet 2004 IFRS	Deconsolidation of Permal and Pechel held for sale	Balance sheet 2004 IFRS Restated	I Half 2004 IFRS	Deconsolidation of Permal and Pechel held for sale	I Half 2004 IFRS Restated
Revenues	5,563	(277)	5,286	2,589	(125)	2,464
Other revenues from ordinary activities	94	0	94	61	0	61
Purchases and changes in inventories	(3,317)	0	(3,317)	(1,496)	0	(1,496)
Personnel costs	(979)	69	(910)	(481)	30	(451)
Costs for external service	(850)	141	(709)	(411)	65	(346)
Taxes and duties	(47)	0	(47)	(25)	0	(25)
Amortization and depreciation	(196)	1	(195)	(99)	0	(99)
Accruals to provisions	7	0	7	14	0	14
Other expenses from ordinary activities	(102)	1	(101)	(68)	1	(67)
Profit (loss) from ordinary activities	173	(65)	108	84	(29)	55
Other income (expenses)	(310)	0	(310)	(15)	0	(15)
Operating profit (loss)	(137)	(65)	(202)	69	(29)	40
Cost of net financial debt	(58)	(2)	(60)	(38)	0	(38)
Other financial income and (expenses)	31	4	35	49	0	49
Financial income (expenses)	(27)	2	(25)	11	0	11
Income taxes	8	22	30	(30)	11	(19)
Profit (loss) of companies consolidated line-by-line	(156)	(41)	(197)	50	(18)	32
Share of earnings (losses) of companies accounted for by the equity method	(333)	(7)	(340)	(90)	(9)	(99)
Profit (loss) from continuing operations	(489)	(48)	(537)	(40)	(27)	(67)
Profit (loss) from discontinued operations	601	48	649	5	27	32
Profit (loss)	112	0	112	(35)	0	(35)
Profit (loss) - Group	126	0	126	(89)	0	(89)
Profit (loss) - Minority interest	(14)	0	(14)	54	0	54

4. Differences on consolidation (goodwill)

The analysis of the changes in the first half of 2005 is as follows:

€ in millions	Balance at 12/31/2004	Increases	Impairment	Balance at 6/30/2005
Subsidiaries of the Sequana Capital Group	771	4		775
Subsidiaries of the Alpitour Group	38	1	(1)	38
Total	809	5	(1)	813

5. Other intangible assets

The analysis of the changes in the first half of 2005 is as follows:

€ in millions	Balance at 12/31/2004	Increases	Amortization and impairments	Reclassifications	Other changes	Balance at 6/30/2005
Concessions, licenses and trademarks	48	3	(7)	7	17	68
Players' registration rights	168	3	(28)		0	143
Other intangible assets	14	1	(1)		(1)	13
Intangible assets in progress	10	6		(7)	0	9
Total	240	13	(36)	0	16	233

6. Property, plant and equipment

The analysis of the changes in the first half of 2005 is as follows:

€ in millions	Balance at 12/31/2004	Increases	Decreases	Depreciation and impairments	Use of acc. depreciation	Reclass.	Other changes	Balance at 6/30/2005
Land	67			(1)	1	(1)	2	68
Buildings	350	5	(13)	(13)	5	1	3	338
Plant and machinery	13			(1)			1	13
Industrial equipment	612	10	(18)	(40)	22	3	21	610
Other assets	63	5	(4)	(8)	4	(7)		53
Construction in progress	32	23				(2)	(1)	52
Advances		1				(1)	1	1
Investment properties						7		7
Total	1,137	44	(35)	(63)	32	0	27	1,142

7. Investments accounted for by the equity method

Details are as follows:

€ in millions	% held	6/30/2005	% held	12/31/2004	Change
Fiat	27.74	1,515	27.74	1,194	321
SGS	24.33	612	24.33	595	17
Other associates of Antalis Group	-	2	-	5	(3)
Other subsidiaries of Alpitour Group	-	0	-	1	(1)
Ifabanque	-	0	25.00	7	(7)
Total		2,129		1,802	327

The investment in SGS includes a difference on consolidation (goodwill) of € 397 million.

The analysis of the changes in the first half of 2005 is as follows:

€ in millions	
Balance at December 31, 2004	1,802
Share of earnings (losses) of companies accounted for by the equity method	159
Dividends paid	(15)
Exchange differences	196
Other changes	(13)
Changes during the first half of 2005	327
Balance at June 30, 2005	2,129

8. Other financial assets

€ in millions	6/30/2005	12/31/2004	Change
Investments held to maturity			
Fox River deposit (see Note 13)	87	81	6
DG IV deposit (see Note 13)	92	92	0
Other deposits and security deposits	9	9	0
Investment in Turismo&Immobiliare	4	0	4
Other minor equity investments	3	2	1
Ocean Club Méditerranée bonds	5	5	0
Fiat ordinary share warrants 2007	4	3	1
	204	192	12
Investments available-for-sale			
SANPAOLO IMI	1,059	745	314
Campi di Vinovo	12	12	0
	1,071	757	314
Financial assets at fair value (through profit and loss)			
Permal investment funds	0	37	(37)
Other equity investments	14	13	1
	14	50	(36)
Financial receivables			
	7	11	(4)
Total	1,296	1,010	286

The analysis of the changes in the first half of 2005 is as follows:

€ in millions	
Balance at December 31, 2004	1,010
Increases	276
Decreases and sales	(16)
Fair value adjustment of the investment in SANPAOLO IMI	52
Exchange differences	17
Change in the scope of consolidation	(38)
Other changes	(5)
Changes during the first half of 2005	286
Balance at June 30, 2005	1,296

Increases refer to the purchase on the market of 1.54% of the ordinary capital of SANPAOLO IMI (€ 264 million), the capitalization of Turismo&Immobiliare (€ 4 million) and other minor transactions (€ 8 million).

The fair value adjustment of the investment in SANPAOLO IMI for € 52 million has been made on the basis of the market price of the stock at June 30, 2005; the unrealized gain is booked in equity.

The change in the scope of consolidation (-€ 38 million) is due to the reclassification of the assets of the Permal Group to "Assets held for sale".

9. Consolidated net financial debt

The balance is composed as follows:

€ in millions	6/30/2005	12/31/2004	Change
Non-current financial liabilities			
IFIL 2003/2006 bonds	(100)	(100)	0
Financial payables	(94)	(105)	11
Other financial liabilities	(5)	(10)	5
	(199)	(215)	16
Non-current financial assets			
Financial receivables	4	12	(8)
Non-current net debt	(195)	(203)	8
Current financial liabilities			
Current portion of medium/long-term financial payables	(600)	(558)	(42)
IFIL 2002/2005 bonds	(201)	(201)	0
Short-term financial payables	(1,206)	(1,294)	88
Other short-term loans and financial payables	(2)	(2)	0
	(2,009)	(2,055)	46
Current financial assets			
- Short-term financial receivables	13	257	(244)
- Short-term securities	1,504	1,085	419
- Other short-term financial assets	16	28	(12)
	1,533 (a)	1,370 (a)	163
Cash and cash equivalents	421	532	(111)
Current net debt	(55)	(153)	98
Consolidated net financial debt	(250)	(356)	106

(a) The balance does not include financial receivables, recorded in "Current financial assets" for € 18 million at June 30, 2005 and € 6 million at December 31, 2004.

10. Assets held for sale

Assets held for sale include:

€ in millions	6/30/2005	12/31/2004	Change
Assets of the Permal Group	224	0	224
Building owned by the subsidiary Sadco	2	2	0
Investment in Pechel Industries	0	17	(17)
Investment in Eurofind Textile	0	70	(70)
Total	226	89	137

Sequana Capital reached a final agreement, signed on June 23, 2005, for the sale of Permal Group to Legg Mason. Additional details are provided in the comment on the performance of the Sequana Capital Group. The sale of the building owned by the subsidiary Sadco will be executed during 2005 (€ 2 million).

In 2004, non-current assets held for sale included the carrying amount of the investment in Eurofind Textile for € 70 million, sold in 2005, and the carrying amount of the investment in Pechel Industries for € 17 million, sold on March 1, 2005.

The assets held for sale and the liabilities relating to the assets held for sale at June 30, 2005 are presented below:

€ in millions	6/30/2005
Difference on consolidation (goodwill)	11
Other intangible assets	2
Property, plant and equipment	4
Investments accounted for by the equity method	48
Other non-current receivables	45
Cash and cash equivalents	91
Other current assets	25
Total	226
Liabilities relating to assets held for sale	
Trade payables	42
Deferred tax assets	10
Other liabilities	47
Total	99

The profit from discontinued operations represented by the income statement components of the assets held for sale are as follows:

€ in millions	I Half 2005	Year 2004	Change
Revenues	151	277	(126)
Operating expenses	(120)	(212)	92
Financial income (expenses)	2	3	(1)
Share of earnings (losses) of companies accounted for by the equity method	1	0	1
Income taxes	(11)	(22)	11
Net gain on the sale of La Rinascente /S.I.D.M.	459	577	(118)
Net gain on the sale of Club Méditerranée	0	26	(26)
Other gains on minor transactions	2	0	2
Total	484	649	(165)

Consolidated cash flows of assets held for sale are summarized as follows:

€ in millions	I Half 2005	Year 2004	Change
Net flows from operating activities	7	23	(16)
Net flows from investing activities	(13)	(11)	(2)
Net flows from financing activities	13	0	13
Total	7	12	(5)

11. Equity

Consolidated equity at June 30, 2005 amounts to € 5,539 million (€ 4,657 million at the end of 2004). The change showing an increase of € 882 million is presented in a separate statement.

At June 30, 2005, the capital of the parent, IFIL S.p.A., fully subscribed to and paid in, amounts to € 1,075,995,737 and is composed of 1,038,612,717 ordinary shares and 37,383,020 saving shares of par value € 1 each.

The savings shares carry no voting rights and can either be registered or bearer shares, as elected by the stockholders. They carry the right to a preference dividend of 8.27% of their par value and to a total dividend higher than that of ordinary shares by 2.07% of the same par value.

The directors have the right, for a period of five years from the resolution passed on May 14, 2003 by the Extraordinary Stockholders' Meeting, to increase, at one or more times, the capital stock, also in divisible form, for a maximum of € 1,500 million and to issue, at one or more times, convertible bonds up to the same figure but for amounts which, each time, shall not exceed those established by law.

The directors also have the right, for a period of five years from the resolution passed on May 25, 2001 by the Extraordinary Stockholders' Meeting, to increase, at one or more times, the capital stock, excluding option rights, for a maximum amount of € 4 million, through the issue of a maximum of 4 million ordinary and/or savings shares, with a par value € 1 each, to be offered for subscription to the employees of the company or its subsidiaries or the parent companies or the subsidiaries of the same parent companies.

12. Provisions for other liabilities and charges

Details are as follows.

€ in millions	Current		Non-current	
	6/30/2005	12/31/2004	6/30/2005	12/31/2004
Employees severance indemnities	0	0	21	21
Other employee provisions	15	8	135	139
Restructuring provisions	27	2	1	20
Fox River and DG IV disputes provision	8	11	244	239
Ecological risks provisions	16	0	0	16
Other risks provisions	19	27	57	61
Total	85	48	458	496

Additional information is provided under "Pending Litigation".

Provisions are analyzed below according to anticipated use.

€ in millions	June 30, 2005		December 31, 2004	
	From 2 to 5 years	Beyond 5 years	From 2 to 5 years	Beyond 5 years
Employees severance indemnities	2	19	2	19
Other employee provisions	67	68	61	78
Restructuring provisions	1	0	20	0
Fox River and DG IV disputes provision	226	18	229	10
Ecological risks provisions	0	0	16	0
Other risks provisions	51	6	56	5
Total	347	111	384	112

The changes since the end of 2004 are as follows:

€ in millions	Balance at 12/31/2004	Accruals	Release of	Release of	Other Changes	Balance at 6/30/2005
			provisions used	provisions not used		
Employees severance indemnities	21	2	(2)			21
Other employee provisions	147	4	(7)		6	150
Restructuring provisions	22	13	(9)		2	28
Fox River and DG IV disputes provision	250		(5)	(8)	15	252
Ecological risks provisions	16					16
Other risks provisions	88	9	(20)	(3)	2	76
Total	544	28	(43)	(11)	25	543

13. Commitments, guarantees and other information

€ in millions	6/30/2005	12/31/2004	Change
Credit lines			
Used credit lines	1,090	1,214	(124)
Unused credit lines	2,631	2,586	45
Total credit lines	3,721	3,800	(79)
Commitments undertaken			
Guarantees	226	237	(11)
Sureties, guarantees of notes and other guarantees	119	130	(11)
Commitments for the purchase of property, plant and equipment and intangible assets and financial assets	70	55	15
Forward purchase of goods and raw materials	183	148	35
Contracts for the management of interest rate fluctuations	436	453	(17)
Total commitments undertaken	1,034	1,023	11
Commitments received			
Sureties, guarantees, guarantees of notes and other guarantees	73	72	1
Options on soccer players	2	12	(10)
Forward sale of goods and raw materials	163	136	27
Other commitments	139	76	63
Total commitments received	377	296	81

The most important commitments are discussed below.

Commitments undertaken

Guarantees

Guarantees amount to € 226 million and refer entirely to the Sequana Group.

Sureties, guarantees of notes and other guarantees

The amount of € 119 million refers to Juventus Football Club (€ 38 million), Alpitour Group (€ 66 million) and the Sequana Group (€ 15 million).

Commitments for the purchase of property, plant and equipment and intangible assets and financial assets

They include, among others:

- commitments undertaken by the subsidiary Ifil Investissements for an investment in Turismo&Immobiliare for € 25 million (which will be reduced to € 19 million after Pirelli RE becomes part of the venture);
- commitments with Euromedia Luxembourg One to subscribe to additional shares of this company for an equivalent amount of € 2 million;
- commitments undertaken by Juventus Football Club (€ 8 million);
- commitments undertaken by the Sequana Group (€ 16 million).

Contracts for the management of interest rate fluctuations

These amount to € 436 million, of which € 395 million relates to the parent, IFIL, € 39 million to the Sequana Group and € 2 million to Juventus Football Club.

With regard to IFIL S.p.A., it should be mentioned that € 150 million relates to interest rate swaps on loans maturing in October 2005, € 145 million to zero cost collars and interest rate swaps on part of the IFIL 2002/2005 bonds and € 100 million to the interest rate swaps on the full amount of the IFIL 2003/2006 bonds.

Transactions using derivatives are put into place to guarantee a fixed rate for the entire period of the contract; they are used exclusively to hedge the risk of interest rate fluctuations and are shown at fair value at the end of the period.

Commitments received

Sureties, guarantees, guarantees of notes and other guarantees

These total € 73 million, of which € 15 million refers to the Sequana Group, € 15 million to the Alpitour Group and € 43 million to Juventus Football Club.

Other commitments

Other commitments amount to € 139 million and include commitments of the Sequana Group for € 111 million and the Alpitour Group for € 28 million. The latter refers to finance lease obligations on the aircraft used by the subsidiary Neos.

Other commitments of the Holdings System

Eurofind Textile has provided Tamerice S.r.l. (the buyer company of 99.09% of Rinascente S.p.A. capital) with statements and guarantees regarding the Rinascente Group, the subject of the transaction, and its activities, with the usual limitations and exclusions. Such conventional statements and guarantees regard, among other things, full ownership and title, free and clear of detrimental encumbrances and registrations, of the shares of the companies of the Rinascente Group and real estate properties, the lease relationships, the true and correct representation of the financial statements and tax, social security and legal/labor matters. The limitations and exclusions agreed within the framework of the sale process regard specific events considered by the buyer during the course of the due diligence. Such limitations and exclusions provide for the obligation of compensation in excess of a threshold of significance per individual indemnifiable event (de minimis) and as a whole (with an exempted amount) as well as, for certain matters, a maximum limit of responsibility for the seller.

IFIL has guaranteed the commitments undertaken by Eurofind Textile with the buyer until their maturity.

Other commitments of the Sequana Capital Group

Agreement with the managers of the Permal Group

Following the restructuring of the Permal Group in 2002 and the incorporation of a new company, Permal SCA, the managers of the Permal Group are entitled to the following benefits:

- the right to receive a part of the growth in value of the company in the event they cease to be general partners or in the event of a change in the control in Permal SCA;
- receipt, each year, of a portion of the pre-tax consolidated result reported by the Permal Group (Incentive Compensation Plan).

In greater detail:

- Participation in the creation of value

The agreements, updated in February 2004, state that this part of the compensation due to the managers is calculated in relation to the value of the Permal Group as established by an independent third party, using a multi-criteria approach.

At December 31, 2004, the value of the Permal Group calculated by this third party and approved by the Supervisory Board of Permal Group SCA, was U.S.\$ 1,074 million.

The above compensation of the managers is calculated on the basis of the following valuation limits:

- from U.S.\$ 264.8 to U.S.\$ 350 million	17%
- from U.S.\$ 350 to U.S.\$ 500 million	20%
- over U.S.\$ 500 million	25%

These limits can be adjusted on the basis of the consolidated results accumulated for the first two limits, dividends distributed and transactions, which can change the net equity of the company.

- Incentive Compensation Plan

Globally, 45% of the pre-tax consolidated result is set aside, in addition to 30% of the net gains realized on the sale of assets. Based upon the agreements in force, the sum of U.S.\$ 2.7 million is deducted annually from the pre-tax consolidated result until December 31, 2006.

This sum is then divided among the primary managers of the Group. A portion equal to 10/45 is attributed in a non-discretionary manner on the basis of pre-established division parameters and a portion equal to 35/45 is attributed in a discretionary manner by the Compensation and Nominating Committee of the Group.

Commitments relating to Ifabanque

In conformity with the commitments undertaken with the Committee of credit institutions and investment companies, as well as the agreement for the division of risks signed with one of the stockholders, Sequana Capital guarantees up to 75% of the bonds and other risks which could result from the application of article L. 511-42 of the Monetary and Financial Code for the support, if any, to be provided to the company upon request of the Head of the Bank of France (ex art. 52 of the law dated January 24, 1984).

Guarantees for environmental risks provided to the buyers of Appleton Papers Inc.

The early repayment of the loan made by ArjoWiggins to the buyers of Appleton Papers Inc. led to the renegotiation of all the guarantees provided by AWA Ltd to the same buyers of Appleton Papers Inc.

At the present time there is only one guarantee regarding environmental risks (excluding Fox River). Details are as follows:

- up to U.S.\$ 5 million, the costs are divided 50-50 between Appleton Papers Inc. and AWA Ltd;
- over U.S.\$ 5 million, AWA Ltd assumes the entire amount of the costs up to a maximum of U.S.\$ 100 million.

The aforementioned guarantee is unlimited. To date, there has been no request to meet the terms of guarantee.

Pending litigation

IFIL S.p.A.

By notification on May 8, 2003, inferring illegal acts due to a conflict of interest and the unlawful valuation of the contributions in kind, the stockholder K Capital contested the resolution to increase IFIL's capital stock reserved for Istituto Finanziario Industriale S.p.A. passed by the Extraordinary Stockholders' Meeting of IFIL held on April 23, 2003 and sought compensation from IFIL for (alleged) damages (economic and non-economic) suffered as a result of the unlawful conduct (allegedly) by IFI. During the case and with reference only to (alleged) economic damages, K Capital stated its request for compensation (which originally had not been quantified) in approximately € 17 million.

The preliminary investigation stage is, currently, concluded. The judge, in fact, has set the hearing for the conclusion of the case for October 26, 2005, reserving the decision to the board of judges on a possible (CTU) assessment of the case (request made by K Capital, but at this time not decided by the judge). Both of the above requests by K Capital (request to declare the stockholders' resolution null and void and the request to seek a sum of compensation for damages) appear to be inadmissible and groundless and therefore at this time the Company does not believe that any contingent liabilities will arise as a consequence.

Earlier, the appeal filed under ex article 2378, paragraph 4, of the Italian Civil Code by which the stockholder K Capital had sought the suspension of the execution of the resolution was denied by the Turin Court, by decree filed on June 9, 2003.

By notice dated June 17, 2005, Tamerice S.r.l., the company which purchased the holding in La Rinascente in May 2005, is seeking compensation quantified at this time in approximately € 24 million for extraordinary expenses relating to certain points of sale. In IFIL's opinion, this notice is not valid and therefore every relative request is completely unfounded. Moreover, the question that is raised regards aspects that have either been excluded or are not covered by guarantees in the contract.

Sequana Capital Group

Fox River

The Environmental Protection Agency (EPA), in 1997, brought suit against Appleton Papers Inc., NCR Corporation and five other paper manufacturers for the alleged contamination of the Fox River.

This event took place during the 1950s - 1970s when the company was owned by the NCR Corporation. At the time of the acquisition of Appleton Papers Inc. by Arjo Wiggins Appleton, in 1978, an agreement was signed with NCR Corporation for purposes of sharing the costs of the indemnities that could be charged to Appleton Papers Inc.

Since 1997, studies are being conducted to establish the feasibility of decontaminating the Fox River and to determine the share of responsibility. During the first half of 2001, Appleton Papers Inc. and NCR Corporation reached an agreement with the pertinent American authorities which consists of the commitment to pay a sum of U.S.\$ 40 million over four years to finance the research project for its decontamination. This payment will be charged against the indemnities to be paid.

In 2003, the "Department of Natural Resources" of Wisconsin (the state in which the pollution occurred) and the federal government published a long-term action plan for the complete reclamation of the river at an estimated total cost of U.S.\$ 400 million, to be borne by the industries involved. In 2004, the aforementioned authorities finalized the technical solutions for the clean-up of the Fox River by capping with sand and dredging of the river itself.

In July 2003, a ruling by a Supreme Court of Justice of the State of Wisconsin gave the industries, which had signed insurance contracts covering environmental risks the possibility of claiming the guarantees provided in these same contracts.

AWA Ltd retained the benefit of these insurance contracts, even after the sale of Appleton Papers Inc., in 2001. Reviews are currently being conducted with the insurance companies to establish the portion of the costs that will be taken up by them, both for the research and the defense costs already incurred and the decontamination costs of the Fox River to be sustained in the future.

Negotiations with the insurance companies continue: no accruals have been made concerning the compensation to be received, albeit AWA has already received compensation from the insurance companies totaling U.S.\$ 10.4 million (of which U.S.\$ 8.4 million was received in 2005).

In view of the way the dispute was evolving, based on an evaluation by experts, the Group had set aside a sum of U.S.\$ 125 million in 2001. Such provision had been calculated on the basis of the best estimate of the decontamination expenses to be borne by the Group.

The evolution of the events described above have not caused any significant change in the evaluation of the risk. On the other hand, the possibility of being able to lay claim against the insurance companies for the reimbursement of the indemnities, will make it possible to offset the eventuality of a variation in the costs as compared to the initial assumptions. Consequently, the amount of the provision has not been adjusted and will be reviewed at December 31, 2005. At June 30, 2005, the provision is equal to U.S.\$ 88 million (about € 68 million), net of the research and defense costs already spent.

European Commission (DG IV)

The inquiry by the Commission ended in July 2000 with notification of a fine, on which Arjo Wiggins Appleton had submitted its comments on the subject. On December 20, 2001, the Commission levied a fine of € 184 million on Arjo Wiggins Appleton which, in keeping with the principle of prudence, the company entirely accrued in the 2001 financial statements.

During the first half of 2002, the company filed an appeal to rescind the sentence, which it maintains is out of proportion to the facts of the case. Since the appeal does not suspend the obligation to pay the fine, the company, in compliance with existing regulations, has decided to fulfill this obligation partly through a deposit of € 92 million and partly by providing a bank guarantee of the same amount.

The proceedings before the Court of the European Community in the first instance are still pending. After a first hearing held on June 16, 2005, a sentence should be handed down during the first half of 2006. At June 30, 2005, the provision has been calculated on the basis of the maximum potential risk.

Juventus Football Club

As regards the investigation by the judicial authorities against the Chief Executive Officer and the company physician concerning the alleged improper use of medicines by Juventus Football Club S.p.A. players, the appeal for Riccardo Agricola was filed on April 11, 2005 and, at the same time, the public prosecutor presented his appeal against the Court sentence. The documents have been sent to the Court of Appeal which has already set hearings for October 27 and 28, 2005 for the second stage of the proceedings.

As regards the investigation conducted by the judicial authorities of Rome concerning the alleged falsification of financial statements by soccer clubs in order to obtain registration for the relevant championships, the documents have been transferred to the courts with jurisdiction for further investigations. The *Procura della Repubblica* of Turin has collected further documentation from Company offices, with the mandatory inclusion of the name of the Chief Executive Officer under art. 335 of the Code of Criminal Procedure. The inquiry continues.

On June 14, 2005, Juventus Football Club S.p.A. filed a legal action with the Court of Paris and Court of Liège against the unauthorized use of the Juventus logo and the names and images of some of its players by on-line gambling companies.

14. Earnings per share – attributable to the Group

		I Half 2005	I Half 2004	Year 2004
Average number of ordinary shares, net of treasury stock	Number	1,024,156,745	1,024,753,641	1,025,045,221
Number of savings shares issued (a)	Number	37,383,020	37,383,020	37,383,020
Net earnings (loss)	€ in mn	624	(89)	126
Earnings (loss) attributable to ordinary shares	€ in mn	601	(86)	121
<i>per ordinary share</i>	€	0.5871	(0.0838)	0.1179
Earnings (loss) attributable to savings shares	€ in mn	23	(3)	5
<i>per savings share</i>	€	0.6078	(0.0838)	0.1386
Earnings (loss) from continuing operations	€ in mn	150	(109)	(497)
Earnings (loss) from continuing operations attributable to ordinary shares	€ in mn	144	(105)	(480)
<i>per ordinary share</i>	€	0.1406	(0.1026)	(0.0468)
Earnings (loss) from continuing operations attributable to savings shares	€ in mn	6	(4)	(17)
<i>per savings share</i>	€	0.1613	(0.1026)	(0.4678)
Earnings (loss) from discontinued operations	€ in mn	474	20	623
Earnings (loss) from discontinued operations attributable to ordinary shares	€ in mn	457	19	600
<i>per ordinary share</i>	€	0.4458	0.0181	0.5857
Earnings (loss) from discontinued attributable to savings shares	€ in mn	17	1	23
<i>per savings share</i>	€	0.4665	0.0388	0.6064

(a) The Group does not hold savings treasury stock.

15. Segment information

Details of the most important information by geographical segment are as follows:

€ in millions	European Union				Rest of the		Total
	Italy	France	United Kingdom	Other countries	USA	world	
Revenues	507	369	293	730	191	362	2,452
Profit (loss) from ordinary activities	(15)	33	12	(19)	5	(6)	10
Operating profit (loss)	0	81	(31)	(27)	3	(7)	19
Profit (loss) of companies consolidated line-by-line	12	67	(30)	(25)	1	(11)	14
Total assets	2,124	1,540	1,168	3,292	657	1,097	9,878
Total property, plant and equipment and other intangible assets	275	393	171	227	178	131	1,375
Capital expenditures for property, plant and equipment	14	13	2	8	2	5	44
Capital expenditures for intangible assets	5	4	4	1	0	0	14
Number of employees	2,518	4,801	2,358	4,020	1,065	3,667	18,429

Details by business segment are as follows:

€ in millions	Sequana Group			Alpitour Group	Juventus	IFIL System Holdings	Total
	Paper Manufacturing	Paper Distribution	Holding company and services				
Revenues	845	1,167	6	340	93	1	2,452
Profit (loss) from ordinary activities	55	27	(9)	(30)	(6)	(27)	10
Operating profit (loss)	47	22	7	(30)	1	(28)	19
Profit (loss) of companies consolidated line by-line	27	12	(15)	(25)	(2)	17	14
Total assets	2,153	1,462	1,396	452	328	4,087	9,878
Total property, plant and equipment and other intangible assets	824	213	2	164	158	14	1,375
Capital expenditures for property, plant and equipment	21	10	0	2	11	0	44
Capital expenditures for intangible assets	5	4	0	1	4	0	14
Number of employees	8,044	6,110	195	3,896	129	55	18,429

16. Other income (expenses)

Details are as follows:

€ in millions	I Half 2005	I Half 2004	Year 2004
Gains on the sale of property, plant and equipment and intangible assets	7	6	4
Impairment loss on differences on consolidation	0	(21)	(198)
Impairment loss (reversal) on property, plant and equipment and intangible assets	5	0	(53)
Net restructuring expenses of the ArjoWiggins Group	(16)	(11)	(33)
Accruals (release) of provisions for environmental disputes	5	3	(16)
Accruals (release) of provisions for other litigation	10	14	(3)
Net other expenses	(2)	(6)	(11)
Total	9	(15)	(310)

17. Financial income (expenses)

Details are as follows:

€ in millions	I Half 2005	I Half 2004	Change	Year 2004
Cost of net financial debt				
Revenues and income from the sale of cash equivalents	12	3	9	6
Foreign exchange differences	(5)	(3)	(2)	5
Net income from interest rate and foreign exchange hedges	(3)	(3)	0	(5)
Interest expenses on loan transactions	(35)	(34)	(1)	(65)
Commissions for unused credit lines	(1)	(1)	0	(1)
Cost of net financial debt	(32)	(38)	6	(60)
Other financial income (expenses)				
Dividends	44	29	15	29
Interest income on other financial assets	9	15	(6)	14
Changes in the fair value of financial assets and liabilities	(3)	0	(3)	0
Accruals (release) of provisions for financial risks	8	5	3	(8)
Total other financial income (expenses)	58	49	9	35
Financial income (expenses)	26	11	15	(25)

18. Share of earnings (losses) of companies accounted for by the equity method

Details are as follows:

€ in millions	I Half 2005	I Half 2004	Year 2004
Fiat Group	132	(119)	(383)
SGS S.A.	27	22	47
Eurofind Textile	0	(2)	(4)
Total	159	(99)	(340)

19. Exchange rates

The main exchange rates used for the translation of foreign currency financial statements to euro are as follows:

	2005		2004		2004	
	Average	6/30/2005	Average	12/31/2004	Average	6/30/2004
U.S. dollar	1.286	1.209	1.244	1.362	1.227	1.216
British pound	0.686	0.674	0.679	0.705	0.673	0.671
Swiss franc	1.546	1.550	1.544	1.543	1.553	1.524

IFIL S.p.A.

IFIL S.p.A.

INTERIM FINANCIAL STATEMENTS AT JUNE 30, 2005 – BALANCE SHEET - ASSETS

(€ in thousands)	6/30/2005	12/31/2004	Change	6/30/2004
FIXED ASSETS				
Intangible fixed assets				
Start-up and expansion costs	5,584	6,700	(1,116)	7,817
Industrial patents and intellectual property rights	5	7	(2)	0
Total intangible fixed assets	5,589	6,707	(1,118)	7,817
Property, plant and equipment				
Industrial and commercial equipment	94	0	94	5
Financial fixed assets				
Investments in subsidiaries	2,812,921	3,013,139	(200,218)	3,207,852
Investments in other companies	726,634	463,197	263,437	463,197
Total investments	3,539,555	3,476,336	63,219	3,671,049
Treasury stock	43,819	41,687	2,132	41,687
Total financial fixed assets	3,583,374	3,518,023	65,351	3,712,736
TOTAL FIXED ASSETS	3,589,057	3,524,730	64,327	3,720,558
CURRENT ASSETS				
Receivables				
Receivables from subsidiaries	40,065	253,737	(213,672)	1,921
Receivables from parent company	23	23	0	36
Taxes receivable	42,345	46,388	(4,043)	50,811
Other receivables	106	13	93	36
Total receivables	82,539	300,161	(217,622)	52,804
Financial assets not held as fixed assets				
Treasury stock	5,508	5,508	0	1,619
Cash				
Bank and post office accounts	30,622	112	30,510	410
Cash on hand	2	2	0	3
Total cash	30,624	114	30,510	413
TOTAL CURRENT ASSETS	118,671	305,783	(187,112)	54,836
ACCRUED INCOME AND PREPAID EXPENSES				
Prepaid expenses	1,133	1,575	(442)	837
Issue discounts	71	95	(24)	119
TOTAL ACCRUED INCOME AND PREPAID EXPENSES	1,204	1,670	(466)	956
TOTAL ASSETS	3,708,932	3,832,183	(123,251)	3,776,350

IFIL S.p.A.

INTERIM FINANCIAL STATEMENTS AT JUNE 30, 2005 – BALANCE SHEET – LIABILITIES AND STOCKHOLDERS' EQUITY

(€ in thousands)	6/30/2005	12/31/2004	Change	6/30/2004
STOCKHOLDERS' EQUITY				
Capital stock	1,075,996	1,075,196	800	1,075,196
Additional paid-in capital	1,042,495	1,047,947	(5,452)	1,047,835
Revaluation reserves				
Revaluation reserve Law 408/90	243,894	243,894	0	243,894
Property revaluation reserve Law 413/91	2,586	2,586	0	2,586
Total revaluation reserves	246,480	246,480	0	246,480
Legal reserve	215,199	215,039	160	215,039
Statutory reserves				
Extraordinary reserve	138,430	131,762	6,668	131,698
Treasury stock valuation reserve	49,327	47,195	2,132	43,306
Reserve for purchase of treasury stock	300,000	295,999	4,001	300,000
Undistributable reserve from cancellation of treasury stock	65,102	65,102	0	65,102
Net income	29,438	80,151	(50,713)	26,916
TOTAL STOCKHOLDERS' EQUITY	3,162,467	3,204,871	(42,404)	3,151,572
RESERVES FOR RISKS AND CHARGES - For income taxes, also deferred	100			
income taxes		100	0	5,749
RESERVE FOR EMPLOYEE SEVERANCE INDEMNITIES	2,203	2,248	(45)	2,138
PAYABLES				
Bonds 2002-2005	200,000	200,000	0	200,000
Bonds 2003-2006	100,000	100,000	0	100,000
Borrowings from banks due within one year	150,074	318,604	(168,530)	81,563
Borrowings from banks due beyond one year	0	0	0	150,000
Trade payables	724	526	198	862
Payables to subsidiaries	571	529	42	9,372
Payables to parent company	45,289	9	45,280	12
Taxes payable due within one year	275	499	(224)	334
Social security payable due within one year	270	676	(406)	251
Social security payable due beyond one year	222	207	15	72
Other payables	43,862	1,233	42,629	72,208
TOTAL PAYABLES	541,287	622,283	(80,996)	614,674
ACCRUED EXPENSES AND DEFERRED INCOME				
Accrued expenses	2,524	2,573	(49)	
Deferred income	351	108	243	
TOTAL ACCRUED EXPENSES AND DEFERRED INCOME	2,875	2,681	194	2,217
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	3,708,932	3,832,183	(123,251)	3,776,350
GUARANTEES, COMMITMENTS AND OTHER MEMORANDUM ACCOUNTS				
Commitments - Contracts to hedge interest rate risk	395,000	395,000	0	295,000
Other memorandum accounts				
Securities held in custody by third parties	54,000	54,000	0	54,000
Shares to be delivered	3	3	0	3
Total other memorandum accounts	54,003	54,003	0	54,003

IFIL S.p.A.

INTERIM FINANCIAL STATEMENTS AT JUNE 30, 2005 – INCOME STATEMENT

(€ in thousands)	I Half 2005	I Half 2004	Change	Year 2004
FINANCIAL INCOME AND EXPENSES				
Dividends relating to				
subsidiaries	18,960	20,391	(1,431)	273,943
other companies	43,743	27,445	16,298	27,445
	62,703	47,836	14,867	301,388
Gains on sale of investment in subsidiary	2,518	97	2,421	521
	65,221	47,933	17,288	301,909
Other financial income				
from securities held as current assets	0	127	(127)	15
from subsidiaries	149	0	149	0
other income	551	279	272	758
Interest and other financial expenses from				
subsidiaries	0	(90)	90	(134)
others	(11,960)	(12,942)	982	(26,783)
Foreign exchange gains and losses	0	(2)	2	(3)
	(11,960)	(13,034)	1,074	(26,920)
ADJUSTMENTS TO FINANCIAL ASSETS				
Writedowns of financial fixed assets	0	(1)	1	(185,539)
Writedowns of securities held as current assets	0	(73)	73	(73)
TOTAL ADJUSTMENTS TO FINANCIAL ASSETS	53,961	35,231	18,730	90,150
OTHER OPERATING INCOME	167	166	1	1,511
OTHER OPERATING EXPENSES				
Raw materials, supplies and merchandise	(92)	(24)	(68)	(122)
Services	(17,579)	(2,700)	(14,879)	(5,280)
Leases and rentals	(544)	(509)	(35)	(1,061)
Personnel	(4,702)	(3,285)	(1,417)	(6,808)
Amortization of intangible fixed assets	(1,118)	(1,117)	(1)	(2,237)
Depreciation of property, plant and equipment	(13)	(5)	(8)	(10)
Other operating costs	(650)	(827)	177	(1,273)
TOTAL OTHER OPERATING EXPENSES	(24,698)	(8,467)	(16,231)	(16,791)
INCOME BEFORE EXTRAORDINARY ITEMS AND TAXES	29,430	26,930	2,500	74,870
EXTRAORDINARY INCOME AND EXPENSES				
Income	38	4	34	809
Expenses	(30)	(18)	(12)	(467)
TOTAL EXTRAORDINARY INCOME AND EXPENSES	8	(14)	22	342
INCOME BEFORE TAXES	29,438	26,916	2,522	75,212
INCOME TAXES, CURRENT AND DEFERRED	0	0	0	4,939
NET INCOME	29,438	26,916	2,522	80,151

IFIL S.p.A. – OPERATING PERFORMANCE IN THE FIRST HALF OF 2005

Basis of preparation

In accordance with art. 81 of Consob Regulation No. 11971 dated May 14, 1999, as amended by Consob resolution No. 14990 dated April 14, 2005, the interim financial statements at June 30, 2005 of the parent, IFIL S.p.A., are presented on the preceding pages of this report. Such interim financial statements shown below in the condensed form of presentation and commented on have been prepared in accordance with the accounting principles and valuation criteria adopted for the preparation of the statutory financial statements at December 31, 2004, to which reference should be made, and which will also be adopted for the preparation of the statutory financial statements at December 31, 2005 of the parent, IFIL S.p.A.

Condensed interim income statement

The **net income** for the first half of 2005 amounts to € 29.4 million and shows an increase of € 2.5 million (+9.3%) compared to the corresponding period of 2004, equal to € 26.9 million.

Year		Note	I Half 2005	I Half 2004	Change
2004	€ in millions				
301.4	Dividends	1	62.7	47.8	14.9
0.5	Gains	2	2.5	0.1	2.4
(185.6)	Writedowns		0.0	0.0	0.0
(26.1)	Financial expenses, net	3	(11.3)	(12.8)	1.5
(13.4)	General expenses, net	4	(8.3)	(6.5)	(1.8)
(1.5)	Other expenses, net	5	(16.2)	(1.7)	(14.5)
75.3	Income before income taxes		29.4	26.9	2.5
4.9	Income taxes		0.0	0.0	0.0
80.2	Net income		29.4	26.9	2.5

Condensed interim balance sheet

6/30/2004	€ in millions	Note	6/30/2005	12/31/2004	Change
7.8	Intangible fixed assets		5.6	6.7	(1.1)
3,712.7	Financial fixed assets	6	3,583.3	3,518.0	65.3
0.0	Financial receivables, short-term	7	40.0	253.6	(213.6)
55.8	Other assets	8	80.0	53.9	26.1
3,776.3	Total assets		3,708.9	3,832.2	(123.3)
3,151.5	Stockholders' equity	9	3,162.5	3,204.9	(42.4)
	Financial payables:				
200.0	- IFIL 2002/2005 bonds		200.0	200.0	0.0
100.0	- IFIL 2003/2006 bonds		100.0	100.0	0.0
81.6	- borrowings from banks, short-term		150.1	318.6	(168.5)
150.0	- borrowings from banks, medium-term		0.0	0.0	0.0
8.6	- payables to subsidiaries		0.5	0.0	0.5
69.8	- dividends payable		73.3 (a)	0.0	73.3
610.0			523.9	618.6	(94.7)
14.8	Other liabilities, provisions and accrued liabilities		22.5	8.7	13.8
3,776.3	Total liabilities and stockholders' equity		3,708.9	3,832.2	(123.3)

(a) Distributed in July.

1. Dividends

Dividends from subsidiaries and other companies amount to € 62.7 million (€ 47.8 million in the first half of 2004). Details are as follows:

€ in millions	I Half 2005	I Half 2004
Subsidiaries		
Ifil Investment Holding N.V.	19.0	0.0
Ifil Investissements S.A.	0.0	20.4
Other companies		
SANPAOLO IMI S.p.A.	43.7	27.4
Total dividends	62.7	47.8

2. Gains

Gains (€ 2.5 million) arose from the sale of 2,044,748 Juventus Football Club shares (1.69% of capital stock).

3. Financial expenses, net

Financial expenses, net, of € 11.3 million in the first half of 2005 show a reduction of € 1.5 million compared to the first half of 2004 (€ 12.8 million) due mostly to the trend in debt in the two periods under comparison.

4. General expenses, net

General expenses, net, amount to € 8.3 million (€ 6.5 million in the first half of 2004). The increase of € 1.8 million is principally due to higher personnel costs (+€ 1.4 million) as a result of the payment of nonrecurring bonuses to some employees for their work in connection with extraordinary operations as well as payroll increases and, lastly, higher expenses for special consulting work.

5. Other expenses, net

Other expenses, net, totaling € 16.2 million, include extraordinary compensation of € 15 million voted for the Chairman and President at the Board of Directors' Meeting on June 9, 2005, the amortization charge for expenses relating to capital increases in 2003 (€ 1.1 million) and expenses connected with consulting fees in respect of pending litigation (€ 0.1 million).

6. Financial fixed assets

Details are as follows:

6/30/2004	€ in millions	6/30/2005	12/31/2004	Change
Subsidiaries				
1,260.3	Ifil Investissements S.A.	1,100.7	1,260.3	(159.6)
162.8	Ifil Investment Holding N.V.	122.4 (a)	162.8	(40.4)
21.8	Soiem S.p.A.	12.7 (b)	12.7	0.0
11.7	Juventus Football Club S.p.A.	11.3	11.6	(0.3)
<u>1,456.6</u>		<u>1,247.1</u>	<u>1,447.4</u>	<u>(200.3)</u>
Subsidiary under ex art. 2359.1.2 of the Italian Civil Code				
1,600.7	Fiat S.p.A. (ordinary shares)	1,440.2 (c)	1,440.2	0.0
3.6	Fiat S.p.A. (warrants on ord. shares 2007)	2.5 (d)	2.5	0.0
146.9	Fiat S.p.A. (preferred shares)	123.0 (e)	123.0	0.0
<u>1,751.2</u>		<u>1,565.7</u>	<u>1,565.7</u>	<u>0.0</u>
Other companies - SANPAOLO IMI S.p.A. (ordinary shares)				
463.2		726.7	463.2	263.5
<u>3,671.0</u>	Total investments	<u>3,539.5</u>	<u>3,476.3</u>	<u>63.2</u>
41.7	Treasury stock - IFIL ordinary shares	43.8 (f)	41.7	2.1
<u>3,712.7</u>	Total financial fixed assets	<u>3,583.3</u>	<u>3,518.0</u>	<u>65.3</u>

(a) Net of writedowns for € 259.3 million.

(b) Net of writedowns for € 1.7 million.

(c) Net of writedowns for € 546 million.

(d) Net of writedowns for € 1.1 million.

(e) Net of writedowns for € 126.9 million.

(f) Net of writedowns for € 15.4 million.

The net increase of € 65.3 million in financial fixed assets is due to the following movements:

€ in millions	
Financial fixed assets at December 31, 2004	3,518.0
Purchase of 22,700,000 SANPAOLO IMI ordinary shares (1.54% of the class of stock)	263.5
Partial reimbursement of additional paid-in capital by:	
- Ifil Investissements	(159.6)
- Ifil Investment Holding	(40.4)
Sale of 2,044,748 Juventus Football Club shares (1.69% of capital stock)	(0.3)
Purchase of 630,306 IFIL ordinary shares (0.06% of the class of stock)	2.1
Net change during the first half of 2005	65.3
Financial fixed assets at June 30, 2005	3,583.3

A comparison between carrying amounts and market prices of listed financial fixed assets is presented in the following table:

	Number of shares held	Carrying value		Market price			
		Per share (€)	Total (€ mn)	June 30, 2005		September 21, 2005	
				Per share (€)	Total (€ mn)	Per share (€)	Total (€ mn)
Fiat S.p.A. (ordinary shares)	240,583,447	5.99	1,440.2	6.03	1,450.0	7.25	1,743.3
Fiat S.p.A. (ordinary share warrants 2007)	18,914,511	0.13	2.5	0.21	4.0	0.22	4.1
Fiat S.p.A. (preferred shares)	31,082,500	3.96	123.0	5.32	165.5	6.52	202.5
			<u>1,565.7</u>		<u>1,619.5</u>		<u>1,949.9</u>
SANPAOLO IMI S.p.A. (ordinary shares)	93,071,000	7.81	726.7	11.38	1,058.9	12.44	1,158.2
Juventus Football Club S.p.A.	72,560,500	0.16	11.3	1.39	100.6	1.40	101.6
IFIL S.p.A. (ordinary shares)	11,747,454	3.73	43.8	3.47	40.8	3.68	43.3
Total			2,347.5		2,819.8		3,253.0

7. Financial receivables

Financial receivables amount to € 40 million and include receivables from the subsidiaries Juventus Football Club (€ 18 million, nominal amount), Ifil Investment Holding (€ 19 million for dividends) and other companies of the Alpitour Group (€ 3 million for the sale of receivables due from the tax authorities).

8. Other assets

The balance of € 80 million includes receivables due from the tax authorities of € 42.3 million, cash of € 30.6 million, prepaid expenses and other receivables of € 1.6 million, in addition to 2,038,324 IFIL ordinary shares (0.2% of the class of stock) booked in current assets at the average per share value of € 2.70 for a total of € 5.5 million. Other assets also include 532,000 shares to be used to service stock option plans on behalf of directors, booked at estimated realizable value, equal to € 1.6 million.

9. Stockholders' equity

At June 30, 2005, stockholders' equity is equal to € 3,162.5 million. The reduction of € 42.4 million from the balance at the end of 2004 (€ 3,204.9 million) is due to dividends declared (-€ 73.3 million), net income for the first half (+€ 29.4 million) and capital increases as a result of the exercise of stock options (+€ 1.5 million).

10. Net financial position

The net financial position at June 30, 2005 shows a debt position of € 455.3 million (a debt position of € 367.5 million at the end of 2004), composed as follows:

6/30/2004	€ in millions	6/30/2005	12/31/2004	Change
1.8	Financial receivables, short-term	40.0	253.6	(213.6)
0.5	Cash	30.6	0.1	30.5
(300.0)	Bonds	(300.0)	(300.0)	0.0
	Bank borrowings:			
(81.6)	- short-term	(150.1)	(318.6)	168.5
(150.0)	- medium-term	0.0	0.0	0.0
(8.6)	Financial payables to subsidiaries	0.0	0.0	0.0
(69.9)	Other financial payables	(73.3) ^(a)	0.0	(73.3)
(2.2)	Financial accrued expenses	(2.5)	(2.6)	0.1
(610.0)	Net financial position	(455.3)	(367.5)	(87.8)

(a) Dividends voted by the Stockholders' Meeting held on June 27, 2005 and paid in July.

The negative change of € 87.8 million in the first half is due to the following flows.

€ in millions	
Net financial position at December 31, 2004	(367.5)
Partial reimbursement of additional paid-in capital by Ifil Investissements (+€ 159.6 million) and by Ifil Investment Holding (+€ 40.4 million)	200.0
Dividends from subsidiaries and other companies	62.7
Sale of receivables due from the tax authorities to subsidiaries and parent company	3.6
Sale of Juventus Football Club shares (1.69% of capital stock)	2.8
Increase in capital due to exercise of stock options	1.5
Purchase of SANPAOLO IMI ordinary shares (1.54% of the class of stock)	(263.5)
Dividends declared	(73.3) (a)
Financial expenses, net (-€ 11.3 million) and general expenses, net (-€ 8.3 million)	(19.6)
Purchase of IFIL ordinary shares (0.06% of the class of stock)	(2.1)
Other, net	0.1
Net change during the first half of 2005	(87.8)
Net financial position at June 30, 2005	(455.3)

(a) Paid in July.

Turin, September 28, 2005

For the Board of Directors
The Chairman and President
Gianluigi Gabetti

APPENDIX 1 – TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

FORWARD

As provided by European Regulation No. 1606 dated July 19, 2002, starting from January 1, 2005 the IFIL Group has adopted the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Commission. Therefore, the 2005 consolidated financial statements will be prepared in accordance with these IFRS. The designation “IFRS” also includes all valid International Accounting Standards (“IAS”), as well as all interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”), formerly the Standing Interpretations Committee (“SIC”).

This Appendix provides the reconciliations required by paragraphs 39 and 40 of IFRS 1 - First-time Adoption of IFRS”, together with the related explanatory notes on the basis of preparation and on the reconciling items.

The following are presented:

- a description of the accounting policies adopted for purposes of the preparation of the consolidated financial statements beginning from January 1, 2005;
- reconciliations of consolidated equity and consolidated profit or loss of the Group under previous accounting principles (Italian GAAP) to consolidated equity and consolidated profit or loss of the Group under IFRS for the previous periods presented for comparative purposes, as required by IFRS 1 – First-time Adoption of IFRS, together with the relative explanatory notes.
- reconciliations between the consolidated balance sheet and the consolidated income statement under previous GAAP and the consolidated balance sheet and the consolidated income statement under IFRS, together with the relative explanatory notes.

This information, since it has been prepared solely as part of the IFIL Group’s conversion to IFRS in connection with the preparation of its first consolidated financial statements at December 31, 2005 in accordance with IFRS, does not include all of the statements, comparative information and disclosures which would be necessary for a full presentation of the financial position and results of operations of the IFIL Group in conformity with IFRS.

CRITERIA USED IN DETERMINING THE SCOPE OF CONSOLIDATION

The companies in which IFIL has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to gain benefits from its activities are consolidated line-by-line, with the minority stockholders being attributed their interests in the equity and profit.

According to the currently prevailing interpretation of IAS 27 “Consolidated and Separate Financial Statements”, companies in which IFIL holds sufficient voting power to exercise a de facto significant influence in the ordinary stockholders’ meeting (de facto subsidiaries, under art. 2359, paragraph 1, number 2 of the Italian Civil Code) are excluded from the scope of consolidation. As a result of applying this standard, the investment in the Fiat Group, in which de facto control is held by IFIL which, at June 30, 2005, owns 30.06% of Fiat S.p.A. ordinary capital stock, is excluded from the scope of consolidation.

Subsidiaries either dormant or generating an insignificant effect on the total of the Group’s assets, liabilities, financial position and earnings are also excluded from the scope of consolidation.

Subsidiaries excluded from consolidation, subsidiaries jointly controlled with other stockholders, associates and investments in other companies are accounted for as described under “Financial assets”.

Subsidiaries as defined above are consolidated from the date that control is transferred to the Group and deconsolidated from the time the Group ceases to exercise control. The consolidated financial statements include the results of the companies acquired starting from the date of acquisition.

The profit or loss from discontinued operations is shown separately and corresponds to the result up to the time of sale, after taxes and other direct transaction costs.

CONSOLIDATION

Consolidation procedures

Assets and liabilities, and revenues and expenses, of subsidiaries consolidated on a line-by-line basis are included in full in the consolidated financial statements of the Group; the carrying amounts of investments are eliminated against the subsidiaries' related equity, attributing to the identifiable assets and liabilities the fair value at the date of the acquisition of control. Any residual difference, if positive, is recognized in assets in "differences on consolidation (goodwill)" or, if negative, in the income statement.

The share of the equity and the results of operations attributable to minority interests are disclosed separately. The minority interest in equity is determined on the basis of the amounts attributed to the assets and liabilities at the date of the acquisition of control, excluding any goodwill referring to them.

When losses pertaining to minority interests exceed the value of their share of the relevant capital stock, the excess, or deficit, is charged to the Group, unless the minority stockholders are expressly committed to reimbursing the losses, in which case the excess is recorded as an asset in the consolidated financial statements. If no such commitment is in place, should profit be realized in the future, the minority interests' share of that profit will be attributed to the Group, up to the amount necessary to recover the losses previously attributed to the Group.

Date of reference

The investments are generally consolidated using the interim financial statements at June 30, 2005 or accounting data prepared as of the same date (when the closing date differs from that of the parent), adjusted, where necessary, to comply with the accounting principles of the Group. The Alpitour Group, whose fiscal year ends on October 31 of each year, is consolidated line-by-line using the first-half interim consolidated financial statements at April 30, since it is impossible to obtain the consolidated accounting data at June 30 on a timely basis without disproportionate expense. This treatment, allowed by IAS 27, among other things, does not affect the clarity of the interim consolidated financial statements or the assertion of a true and correct representation of the financial position and the results of operations of the Group.

Intragroup transactions

Balances and transactions and unrealized gains between companies consolidated line-by-line are eliminated. Unrealized gains arising from transactions with companies accounted for by the equity method are eliminated to the extent of the Group's interest in those companies.

Intragroup losses are not eliminated if they are considered representative of an effective lower value of the asset sold.

Consolidation of foreign entities

The assets and liabilities of foreign companies that are consolidated are translated using the exchange rates in effect at the balance sheet date (the current method). Income and expenses are translated at the average exchange rate for the year. Translation differences resulting from the application of this method are classified as equity until the disposal of the investment.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are recorded in the relevant foreign currency and are translated using the period-end exchange rate.

In the context of IFRS first-time adoption, the cumulative translation differences arising from the consolidation of foreign operations was set at nil, as allowed by IFRS 1; gains or losses on subsequent disposal of any foreign operation will only include accumulated translation differences arising after January 1, 2004.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial assets

Investments in associates, generally those in which IFIL exercises a significant influence, are accounted for by the equity method. A significant influence is presumed if IFIL holds more than 20% of the voting rights or in relation to the decisional power exercised.

Other investments available-for-sale are measured at fair value which coincides, for listed securities, at the market price on the last day of the period. Unrealized gains and losses are recognized directly in equity. When there are objective reasons supporting the fact that the assets have suffered an impairment loss, the cumulative impairment loss which had been recognized directly in equity is reversed to the income statement. Such impairment losses may not later be recycled through the income statement.

Non-current securities held-to-maturity are recognized and measured at amortized cost.

Securities available-for-sale represented by debt securities, are recognized at cost less any impairment losses and are subsequently measured at fair value. The difference is recognized in equity. When there are objective reasons supporting the fact that the assets have suffered an impairment loss, the cumulative impairment loss which had been recognized directly in equity is reversed to the income statement. Such impairments, when the reasons giving rise to the impairment no longer exist, are reversed to the income statement up to the initial amount.

Intangible assets

Differences on consolidation (goodwill). In the case of acquisitions of businesses, the acquired identifiable assets, liabilities and contingent liabilities are recorded at fair value at the date of acquisition.

The positive difference between the cost of acquisition of the business combination and the Group's interest in the fair value of those assets and liabilities is included in the balance sheet in intangible assets. If this difference is negative, it is recognized in the income statement at the time of acquisition.

Goodwill is not amortized, but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, in accordance with IAS 36 – Impairment of Assets. Goodwill is allocated to cash generating units for the purpose of impairment testing.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Any impairment loss for goodwill may not be reversed.

On disposal of part or the whole of a business previously acquired and which gave rise to the recognition of acquisition goodwill, the residual amount of the related goodwill comprised in the carrying amount of the same investment is included in the determination of the gain or loss on disposal.

In the context of IFRS first-time adoption, the Group elected not to apply IFRS 3 - Business Combinations retrospectively to the business combinations that occurred before January 1, 2004; as a consequence, goodwill arising on acquisitions before the date of transition to IFRS has been retained at the previous Italian GAAP amounts, subject to being tested for impairment at that date.

Other intangible assets purchased or internally-generated are recognized as assets in accordance with IAS 38 – Intangible Assets (where they are controlled by the enterprise), where it is probable that the use of the asset will generate future economic benefits and where the costs of the asset can be determined reliably.

Revaluations are not permitted even if allowed by specific laws.

Such assets are measured at purchase or manufacturing cost and amortized systematically on a straight-line basis over their estimated useful lives, if these assets have finite useful lives, taking into account estimated realizable value. Intangible assets with indefinite useful lives and those not yet in production are not amortized, but tested for impairment annually or more frequently, whenever there is an indication that the asset may be impaired. When, subsequently, there is an indication that an impairment loss may no longer exist or may have decreased, the carrying amount of the asset is increased up to new estimated recoverable amount which cannot exceed the amount which would have been determined had no impairment loss been recognized. The reversal of an impairment loss is recognized immediately in the income statement.

Amortization plans and possible realizable value are reviewed at least annually.

Other intangible assets also include players' registration rights which are recognized at present value, including any incidental charges. They are amortized on a straight-line basis over the period of the contracts signed with the individual professional players.

The original amortization plan may be extended as a result of the early renewal of a contract, starting from the season in which the renewal takes place.

The above players' registration rights are recorded on the date on which the contracts are ratified by the *Lega Nazionale Professionisti* for national transfers and on the transfer date indicated by the *Federazione Italiana Giuoco Calcio* for international transfers.

For soccer players registered as "*giovani di serie*" (youth players), costs are amortized over five years using the straight-line method.

In the case of the sale of the registration rights of a player and simultaneous buyback of 50% of the rights previously sold ("sale sharing"), only 50% of any gain is considered to be realized (100% if it is a loss). The remaining amount of the rights is classified in "players' sharing costs".

In the case of the purchase of the registration rights of a player and the simultaneous resale of 50% of the rights previously purchased ("purchase sharing"), the effective costs incurred (50% of the cost of the registration rights of the player) are recorded in "players' registration rights" and amortized over the period of the contract signed with the player.

Property, plant and equipment

Property, plant and equipment is stated at purchase or production cost less accumulated depreciation and impairment losses, if any. Revaluations are not permitted, even if allowed by specific laws.

Purchase cost includes all directly attributable costs necessary to make the asset ready for use. When there are obligations for decommissioning, the carrying amount includes the estimated costs (discounted to present value) to be incurred when the structure is decommissioned which is recognized with a contra-entry to a specific provision account.

Any capital investment grants are recorded in the balance sheet in liabilities and subsequently allocated systematically to the income statement over the number of years necessary to match the costs to be compensated.

Financial expenses associated with investments are generally charged on the accrual basis to the income statement. Assets acquired under finance leases are recognized in property, plant and equipment with a contra-entry to financial payables to lessors and depreciated on the basis indicated below. Whenever there is a reasonable certainty that the asset will not be purchased at the end of lease, depreciation is taken over the period of the lease, if it is shorter than the useful life of the asset.

If an asset has significant components with different useful lives, these components are recorded separately.

The costs incurred subsequent to purchase are capitalized only if they increase the future economic benefits inherent to the assets to which such costs refer. All other costs are recognized in the income statement when incurred.

Assets are depreciated systematically using the straight-line method over their estimated useful lives and taking into account estimated realizable value. The carrying amounts are periodically tested for impairment. If, after an impairment loss has been recorded and the reason for the impairment no longer applies, the carrying amount of the asset is increased up to the new estimated recoverable value but cannot exceed the amount that would have resulted had no impairment loss been recognized. The reversal of an impairment loss is immediately recognized in the income statement.

The depreciation plan and the estimate of realizable value are reviewed annually.

The cost of land is recorded separately and is not depreciated since it has an indefinite life.

Inventories

Inventories are stated at the lower of purchase or manufacturing cost and estimated realizable value. Cost is determined by the weighted average cost method or FIFO (First-in, First-out).

Inventories of finished and semifinished goods include the direct costs of materials and labor and indirect costs (variable and fixed), excluding general administration expenses. The market value of the inventories takes into account provisions for obsolete inventories.

Assets held for sale

Assets, or a group of assets and liabilities (that must not be offset), which are highly probable of being sold within the next year, are classified as held for sale on a specific line in the balance sheet and the relative results are shown separately in the income statement.

The information relating to such assets, for prior periods presented in the financial statements, is shown separately.

Such assets are stated at the lower of the carrying amount and fair value less costs to sell. Any impairment loss that arises should be recorded in the income statement. The impairment loss should eventually be reversed if the reasons for the impairment no longer apply, but only up to the initial amount.

From the time the asset is recognized as an asset held for sale, amortization and depreciation cease. Financial expenses and expenses attributable to the liabilities of a disposal group classified as held for sale should continue to be recognized.

When the conditions which led to the recognition of an asset as held for sale no longer apply, it should be reclassified to non-current assets and stated at the lower of the carrying amount before being designated as held for sale and its recoverable amount at the date of the subsequent decision not to sell the asset; the difference is recognized in profit and loss.

Current securities

Current securities include short-term credit instruments and other forms of investment of available funds. They are measured at fair value and the difference, if any, from the acquisition cost is recognized in the income statement.

Receivables and payables

Receivables are initially recognized at fair value, represented by the present value of the amount that will be collected or paid.

A provision for impairment of trade receivables is established when there is objective evidence of an impairment loss or a risk that the Group will not be able to collect the contractual amount (principal and interest) at the contractually agreed dates. The amount of the provision is the difference between the asset's carrying amount and the present value of recoverable estimated future cash flows, discounted at the effective interest rate.

Payables are measured at amortized cost using the effective interest method.

Non-convertible bonds

Non-convertible bonds are measured at amortized cost using the effective interest method.

Derivative financial instruments

Derivative financial instruments are only used for hedging purposes in order to reduce interest rate risks and/or currency risks.

Financial instruments qualify for hedge accounting under IAS 39 only when there is formal designation and documentation of the hedging relationship and the hedge, verified periodically, is highly effective.

All derivative financial instruments are measured at fair value at the end of the period.

When financial instruments qualify for hedge accounting, the following accounting treatment applies:

- Fair value hedge: where a derivative financial instrument is designated as a hedge of the exposure to changes in fair value of a recognized asset or liability that is attributable to a particular risk and could affect profit or loss, the gain or loss from remeasuring the hedging instrument at fair value is recognized in the income statement.
- Cash flow hedge: where a derivative financial instrument is designated as a hedge of the exposure to variability in cash flows of a recognized asset or liability or a highly probable forecasted transaction and could affect profit or loss, the effective portion of any gain or loss on the derivative financial instrument is recognized directly in equity. The cumulative gain or loss is removed from equity and recognized in the profit and loss account at the same time in which the hedged transaction affects profit or loss. The gain or loss associated with a hedge or part of a hedge that has become ineffective is recognized in the income statement immediately. When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss realized to the point of termination remains in equity and is recognized in the income statement at the same time the related transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealized gain or loss held in equity is recognized in the income statement immediately.

If the conditions of IAS 39 are not met, the transactions, even if they have been set up for the purpose of managing risk exposure (inasmuch as the Group's policy does not permit speculative transactions) are designated as "trading". In that case, the difference with fair value is recognized in the income statement.

Employee benefits – Pension plans

The Group maintains several defined benefit and defined contribution plans for employees.

Defined benefit plans, including employee severance indemnities (TFR), are measured by actuarial techniques using the Projected Unit Credit Method.

The portion of net cumulative actuarial gains and losses arising after January 1, 2004 and which exceeds the greater of 10% of the present value of the defined benefit obligations and 10% of the fair value of the plan assets, if any, at the end of the previous year is amortized over the average remaining service lives of the employees (corridor approach).

All net cumulative actuarial gains and losses that existed at January 1, 2004 have been recognized in equity.

For defined benefit plans without plan assets, the expenses relating to the increase in the present value of the obligation, due to the fact that the payment date of the benefits is nearing, are recognized in financial expenses.

Payments relative to defined contribution plans are recognized as an expense in the income statement as incurred.

Expenses relating to the first half are based upon the estimate made for a full-year.

Employee benefits – Stock options

In accordance with IFRS 2 – Share-based Payment, the full amount of the fair value of stock options on the grant date is expensed in personnel costs on a straight-line basis over the period from the grant date to the vesting date, with a contra-entry recognized directly in equity. Changes in fair value after the grant date have no impact on the initial measurement.

In accordance with IFRS 2, the Group has applied this standard to stock options granted after November 7, 2002 and not yet vested at the effective date of IFRS 2 (January 1, 2005).

Provisions for other liabilities and charges

Provisions for other liabilities and charges refer to costs and expenses of a determinate nature which are certain or likely to be incurred but, at the balance sheet date, are uncertain as to the amount or as to the date on which they will arise. Accruals are recorded when there is an obligation, legal or constructive, to third parties, when it is probable that the use of resources will be required to satisfy the obligation and when a reliable estimate of the amount of the obligation can be made.

Changes in estimates are recorded in the income statement in the period in which the change is made.

The accruals mainly refer to environmental or legal risks and accruals for restructuring operations.

Accruals for environmental or legal risks

In general, environmental and legal risks are evaluated case by case, on the basis of applicable legal requirements.

The accrual is booked on the basis of the best information available, on condition that this information makes it possible to determine a probable loss that is estimated in a sufficiently reliable manner.

Accruals for restructuring operations

An accrual for restructuring operations is booked on condition that a detailed and formal restructuring plan has been approved and that the restructuring has begun or that the details of the restructuring plan have been made public.

Treasury stock

The cost of treasury stock and the proceeds of any subsequent sales are recorded in equity.

Dividends

Dividends are recorded in the year in which they are approved by the stockholders.

Taxes

Current income taxes are calculated according to the tax laws in force.

Temporary differences between the amounts of assets and liabilities in the financial statements and the corresponding amounts for tax purposes give rise to deferred tax liabilities recorded in a specific provision under liabilities or eventually to deferred tax assets recorded in deferred tax assets only if there is reasonable certainty of future recovery. Deferred tax assets are also recognized for the tax benefit connected with tax loss carryforwards whenever specific requisites for recoverability are met. Deferred tax assets and liabilities are offset when they refer to the same company and there is a legally enforceable right of offset.

Deferred tax assets and liabilities are shown separately from other receivables and taxes payable in a specific caption under non-current assets or liabilities.

Transactions in foreign currencies

Transactions in foreign currencies are recorded at the foreign exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate prevailing at that date. Exchange differences arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the period or in previous financial statements, are recognized in the income statement.

Sales and purchases of receivables

Receivables sold with recourse remain in the balance sheet of the assignor which records a payable to the buyer against collection and financial expenses to be borne. Receivables sold without recourse are only derecognized if it can be demonstrated that the risks and rewards relating to the asset have been substantially transferred to the assignee (IAS 39).

Recognition of revenues and costs

Revenues and costs are recognized only when the related risks and rewards are substantially transferred from the assignor to the assignee. Until that date, the transaction is not recognized as a sale.

Earnings per share

Basic earnings per share is calculated by dividing the profit of the Group by the weighted average number of shares outstanding during the period, excluding treasury stock. Diluted earnings per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all dilutive potential shares. The profit of the Group is also adjusted to take into account the effects, net of taxes, of the conversion.

Use of estimates

The application of IFRS requires estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. Actual results could differ from those estimates. Estimates and assumptions are reviewed periodically and the effects of any changes are reflected in the income statement.

RECONCILIATIONS REQUIRED BY IFRS 1

As required by IFRS 1, a description is presented of the policies adopted for the preparation, in accordance with IFRS, of the opening consolidated balance sheet at January 1, 2004, the consolidated balance sheet and the consolidated income statement for the year ended December 31, 2004 as well as the consolidated income statement for the first half of 2004. The main differences between IFRS and Italian GAAP applied until December 31, 2004 are also presented in addition to the consequent reconciliations between figures already published and the corresponding figures remeasured in accordance with IFRS.

The balance sheets and income statements for 2004 have been restated and prepared in accordance with IFRS 1 – First-time Adoption of IFRS. In particular, IFRS applicable from January 1, 2005, published as of December 31, 2004, have been adopted, including the following:

- IAS 39 – Financial Instruments: Recognition and Measurement in its entirety. In particular, the Group adopted derecognition requirements retrospectively from the date in which financial assets and financial liabilities had been derecognized under Italian GAAP.
- IFRS 2 – Share-based Payment, which was published by the IASB on February 19, 2004 and adopted by the European Commission on February 7, 2005.

FIRST-TIME ADOPTION OF IFRS

General principle

The IFRS accounting standards in force at December 31, 2004 have been applied retrospectively to all periods presented in the first condensed financial statements and to the relative opening balance sheet, except for some exemptions adopted, as allowed by IFRS 1, as described in the following subsection.

The 2004 consolidated figures presented in the interim financial statements at June 30, 2005 will constitute the comparative figures that will be published in the consolidated financial statements at December 31, 2005. These figures could change if any international standards are revised or amended during 2005. It should be noted that revised versions or interpretations of IFRS may be issued prior to publication of the Group's full year 2005 consolidated financial statements at December 31, 2005, possibly with retroactive effects. If this happens, it will affect the 2004 restated IFRS consolidated balance sheet and income statement presented in the interim consolidated financial statements at June 30, 2005.

The opening consolidated IFRS balance sheet at January 1, 2004 reflects the following differences as compared to the consolidated balance sheet at December 31, 2003 prepared in accordance with Italian GAAP:

- the investment in Fiat is accounted for by the equity method (it was previously consolidated line-by-line);
- the subsidiary Juventus Football Club is consolidated line-by-line (it was previously accounted for by the equity method in view of the dissimilarity of its activities);
- all assets and liabilities qualifying for recognition under IFRS, including assets and liabilities that were not recognized under Italian GAAP, have been recognized and measured in accordance with IFRS;
- all assets and liabilities recognized under Italian GAAP that do not qualify for recognition under IFRS have been eliminated;
- certain financial statement items have been reclassified in accordance with IFRS.

The impact of these adjustments is recognized directly in opening equity at the date of transition to IFRS (January 1, 2004).

Optional exemptions adopted by the Group

Business combinations: the Group elected not to apply IFRS 3 - Business Combinations retrospectively to the business combinations that occurred before the date of transition to IFRS.

Employee benefits: the Group elected to recognize all cumulative actuarial gains and losses that existed at January 1, 2004, even if it decided to use the corridor approach for actuarial gains and losses after that date.

Cumulative translation differences: The cumulative translation differences arising from the consolidation of foreign operations have been set at nil as at January 1, 2004. Gains or losses on subsequent disposal of any foreign operation will only include accumulated translation differences after January 1, 2004.

AUDIT OF THE RECONCILIATIONS REQUIRED BY IFRS 1

The IFRS reconciliations of the consolidated balance sheets at January 1, 2004 and December 31, 2004, and of the consolidated income statement for the year ended December 31, 2004, together with the related explanatory notes, have been subjected to full audit procedures.

IFIL GROUP
RECONCILIATION OF THE CONSOLIDATED BALANCE SHEET AT JANUARY 1, 2004
(DATE OF TRANSITION TO IFRS)

(€ in millions)	EFFECTS OF TRANSITION TO IFRS					Balance sheet	
	Balance sheet 12/31/2003 Italian GAAP	Deconsolidation Fiat Group	Consolidation Juventus F.C.	IFRS reclassifications	IFRS Adjustments	1/1/2004	IFRS
ASSETS							ASSETS
AMOUNTS DUE FROM STOCKHOLDERS FOR SHARES SUBSCRIBED BUT NOT CALLED							
FIXED ASSETS							Non-current assets
Intangible fixed assets							
- Differences on consolidation	3,164	(2,251)	36	0	3	952	Differences on consolidation (goodwill)
- Other intangible assets	1,547	(1,473)	179	6	(26)	233	Other intangible assets
Property, plant and equipment	10,813	(9,675)	39	3	(9)	1,171	Property, plant and equipment
				2,944	(236)	2,708	Investments accounted for by the equity method
Financial fixed assets	8,181	(3,900)	(59)	(3,311)	144	1,055	Other financial assets
				32	27	59	Deferred tax assets
				55	0	55	Other non-current assets
TOTAL FIXED ASSETS	23,705	(17,299)	195	(271)	(97)	6,233	Total non-current assets
CURRENT ASSETS							Current assets
Inventories	15,938	(15,360)	0	(1)	0	577	Inventories
Receivables	10,757	(9,513)	126	(1,370)		1,038	Trade receivables
				1,039	(1)	252	Other receivables
Financial assets not held as fixed assets	15,161	(14,659)	3	303	0	808	Financial assets
Cash	3,461	(3,211)	10	(10)	(2)	248	Cash and cash equivalents
TOTAL CURRENT ASSETS	45,317	(42,743)	139	209			
ACCRUED INCOME AND PREPAID EXPENSES	849	(793)	14	(70)			
TOTAL ASSETS	69,871	(60,835)	348	139	1	2,923	Total current assets
				35	7	42	Assets held for sale
				(97)	(89)	9,198	Total assets
LIABILITIES AND STOCKHOLDERS' EQUITY							EQUITY AND LIABILITIES
STOCKHOLDERS' EQUITY - GROUP	3,954	0	0	(47)	(160)	3,747	Equity - Group
MINORITY INTEREST	6,563	(5,618)	29	0	(21)	953	Equity - Minority interest
TOTAL STOCKHOLDERS' EQUITY	10,517	(5,618)	29	(47)	(181)	4,700	Equity
							Non-current liabilities
RESERVES FOR RISKS AND CHARGES	5,982	(5,379)	32	(209)	95	521	Provisions for other liabilities and charges
RESERVE FOR EMPLOYEE SEVERANCE INDEMNITIES	1,330	(1,313)	2	(19)			
PAYABLES	49,707	(46,240)	132	(3,599)			
				664	2	666	Bonds and other debt
				95	18	113	Deferred tax liabilities
				36	(24)	12	Other non-current liabilities
				(3,032)	91	1,312	Total non-current liabilities
							Current liabilities
ACCRUED EXPENSES AND DEFERRED INCOME	2,335	(2,285)	153	(203)			
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	69,871	(60,835)	348				
				101	0	101	Provisions for other liabilities and charges
				1,646	14	1,660	Bonds and other debt
				1,011	(1)	1,010	Trade payables
				427	(12)	415	Other current liabilities
				2,982	1	3,186	Total current liabilities
				0	0	0	Liabilities relating to assets held for sale
				(97)	(89)	9,198	Total equity and liabilities

IFIL GROUP
RECONCILIATION OF CONSOLIDATED EQUITY AT JANUARY 1, 2004
(DATE OF TRANSITION TO IFRS)

€ in millions	Equity		
	Group	Minority interest	Consolidated
Consolidated equity of the IFIL Group at December 31, 2003 (Italian GAAP)	3,954	6,563	10,517
Effects of transition to IFRS			
Deconsolidation of the FIAT Group		(5,618)	(5,618)
Consolidation of Juventus F.C.		29	29
Reclassification of the carrying amount of treasury stock	(47)		(47) a
IFRS adjustments			
IAS 39 - Fair value adjustment of the investment in SANPAOLO IMI	113		113 b
IAS 39 - Fair value adjustment of the investment in Club Méditerranée	7		7 c
IAS 39 - Fair value adjustment of the investment in Accor	11	10	21 d
IAS 39 - Fair value adjustment of the investment in Domaines Antonin Rodet	3	3	6 e
IAS 39 - Fair value adjustment of other assets	2	1	3 f
IAS 39 - Measurement of instruments used to hedge interest rate risk	(16)	(2)	(18) g
IAS 38 - Derecognition of intangible assets	(7)	3	(4) h
IAS 19 - Employee benefits	(30)	(27)	(57) i
IAS 18 - Revenue	(4)	(2)	(6) l
IAS 17 - Application of finance method to leasing transactions	1		1
IAS 16 - Derecognition of accumulated depreciation on land	2		2 m
IAS 12 - Income taxes	(5)	(5)	(10) n
Other minor adjustments	(1)	(2)	(3)
	<u>76</u>	<u>(21)</u>	<u>55</u>
IFIL's share of the effects of the adoption of IFRS on the consolidated equity of the FIAT Group (accounted for by the equity method)	(236)		(236) o
Consolidated equity of the IFIL Group at January 1, 2004 (IFRS)	3,747	953	4,700

Explanatory notes relating to the main IFRS adjustments are presented on the following page.

- a. The reclassification is made to reduce equity by the carrying amount of IFIL ordinary treasury stock (€ 47 million) previously recorded in fixed assets (€ 45 million) and current assets (€ 2 million).
- b. The adjustment of € 113 million is due to the alignment of the original purchase cost (€ 8.81 per share for a total of € 620 million) of the investment in SANPAOLO IMI to the market price at December 31, 2003 (€ 10.41 per share for a total of € 733 million).
- c. The positive adjustment of € 7 million is due to the alignment of the carrying amount (€ 25.2 per share) of the investment in Club Méditerranée to the market price at December 31, 2003 (€ 29.9 per share). This investment is reclassified to "Assets held for sale".
- d.e.f. The positive adjustments are due to the alignment of the carrying amount of the investments to the market price at December 31, 2003.
- g. The adjustment of € 18 million represents the measurement of the derivative instruments used to hedge interest rate risk (swaps) on bonds and bank debt for € 13 million; the remaining € 5 million refers to the separation of the financial portion included in receivables from/payables to the soccer companies and in the cost of players' registration rights.
- h. The negative amount of € 4 million mainly includes the derecognition of the remaining balance of deferred charges which are not capitalizable under IFRS.
- i. The adjustment of € 57 million is due to the adoption of IAS 19 by the Sequana Capital Group.
- l. The adjustment of € 4 million refers to the gains realized on the sale of players under sharing contracts since, under the adoption of IFRS, the amounts have been classified in "Players' sharing rights". The sale is only for half the rights; accordingly the gain realized is lower.
- m. The adjustment of € 2 million refers to the derecognition of accumulated depreciation on the amount of the land separated from the carrying amount of the building owned by the subsidiary Soiem.
- n. The adjustment of € 10 million is made to take into account the different criteria used to measure deferred taxes relating to the Sequana Capital Group.
- o. The effects of the first-time application of IFRS on the consolidated equity of the FIAT Group (€ 236 million) are mainly due to the adoption of IAS 38 – Intangible Assets (in relation to development costs), IAS 19 – Employee Benefits, IAS 18 – Revenue, IAS 39 – Financial Instruments: Recognition and Measurement, and other effects described in the specific document presented by Fiat S.p.A. with the Quarterly Report for the 1st Quarter 2005, previously made public.

IFIL GROUP
RECONCILIATION OF THE CONSOLIDATED BALANCE SHEET AT DECEMBER 31, 2004

(€ in millions)	EFFECTS OF TRANSITION TO IFRS					Balance sheet 12/31/2004 IFRS	IFRS
	Balance sheet 12/31/2004 Italian GAAP	Deconsolidation Fiat Group	Consolidation Juventus F.C.	IFRS reclassifications	IFRS Adjustments		
ASSETS							ASSETS
AMOUNTS DUE FROM STOCKHOLDERS FOR SHARES SUBSCRIBED BUT NOT CALLED							
FIXED ASSETS							Non-current assets
Intangible fixed assets							
- Differences on consolidation	2,779	(1,989)	0	0	19	809	Differences on consolidation (goodwill)
- Other intangible assets	1,414	(1,333)	173	13	(27)	240	Other intangible assets
Property, plant and equipment	10,635	(9,537)	35	1	3	1,137	Property, plant and equipment
Financial fixed assets	7,173	(4,117)	(9)	1,987 (2,168) 60 38	(185) 131 19 0	1,802 1,010 79 38	Investments accounted for by the equity method Other financial assets Deferred tax assets Other non-current assets
TOTAL FIXED ASSETS	22,001	(16,976)	199	(69)	(40)	5,115	Total non-current assets
CURRENT ASSETS							Current assets
Inventories	16,198	(15,617)	0	0	(3)	578	Inventories
Receivables	11,236	(9,959)	104	(1,381) 1,065 259	(3) 0	1,062 259	Trade receivables Other receivables
Financial assets not held as fixed assets	10,740	(9,394)	2	25	3	1,376	Financial assets
Cash	3,689	(3,164)	8	0	(1)	532	Cash and cash equivalents
TOTAL CURRENT ASSETS	41,863	(38,134)	114	(58)	(4)	3,807	Total current assets
ACCRUED INCOME AND PREPAID EXPENSES	769	(725)	14	(58)			
TOTAL ASSETS	64,633	(55,835)	327	(90)	(4)	9,011	Total assets
				89	0	89	Assets held for sale
				(70)	(44)	9,011	Total assets
LIABILITIES AND STOCKHOLDERS' EQUITY							EQUITY AND LIABILITIES
STOCKHOLDERS' EQUITY - GROUP	3,917	0	0	(50)	(74)	3,793	Equity - Group
MINORITY INTEREST	5,162	(4,349)	27	0	24	864	Equity - Minority interest
TOTAL STOCKHOLDERS' EQUITY	9,079	(4,349)	27	(50)	(50)	4,657	Equity
RESERVES FOR RISKS AND CHARGES	5,966	(5,382)	19	(108)	1	496	Non-current liabilities Provisions for other liabilities and charges
RESERVE FOR EMPLOYEE SEVERANCE							
INDEMNITIES	1,306	(1,286)	2	(22)			
PAYABLES	46,317	(42,908)	169	(3,578) 213 72 72	2 19 (23)	215 91 49	Bonds and other debt Deferred tax liabilities Other non-current liabilities
				(3,351)	(1)	851	Total non-current liabilities
							Current liabilities
ACCRUED EXPENSES AND DEFERRED INCOME	1,965	(1,910)	110	(165)			
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	64,633	(55,835)	327	(90)	(44)	9,011	Total equity and liabilities
				48	0	48	Provisions for other liabilities and charges
				2,049	6	2,055	Bonds and other debt
				1,005	7	1,012	Trade payables
				394	(6)	388	Other current liabilities
				3,331	7	3,503	Total current liabilities
				0	0	0	Liabilities relating to assets held for sale
				(70)	(44)	9,011	Total equity and liabilities

IFIL GROUP
RECONCILIATION OF CONSOLIDATED EQUITY AT DECEMBER 31, 2004

€ in millions	Equity		
	Group	Minority interest	Consolidated
Consolidated equity of the IFIL Group at December 31, 2004 (Italian GAAP)	3,917	5,162	9,079
Effects of transition to IFRS			
Deconsolidation of the FIAT Group		(4,349)	(4,349)
Consolidation of Juventus F.C.		27	27
Reclassification of the carrying amount of treasury stock	(50)		(50) a
IFRS adjustments			
IAS 39 - Fair value adjustment of the investment in SANPAOLO IMI	125		125 b
IAS 39 - Fair value adjustment of the investment in Domaines Antonin Rodet	3	3	6 c
IAS 39 - Fair value adjustment of other assets	2	2	4 d
IAS 39 - Measurement of instruments used to hedge interest rate risk	(7)		(7) e
IAS 39 - Separation of implicit financial income/expenses included in the historical cost of players' registration rights and in the receivables from/payables to soccer companies	(3)	(2)	(5) f
IAS 38 - Derecognition of intangible assets and reversal of amortization	2	6	8 g
IAS 37 - Provisions	(1)	(1)	(2)
IAS 36 - Differences on consolidation	26	24	50 h
IAS 20 - Investment grants	(2)	(1)	(3)
IAS 19 - Employee benefits	1		1
IAS 18 - Revenue	(7)	(5)	(12) i
IAS 17 - Application of finance method to leasing transactions	1		1
IAS 16 - Derecognition of accumulated depreciation on land	2		2 l
IAS 12 - Income taxes	2	1	3
IAS 2 - Inventories	(1)	(2)	(3)
Other minor adjustments	(3)	(1)	(4)
	<u>140</u>	<u>24</u>	<u>164</u>
IFIL's share of the effects of the adoption of IFRS on the consolidated equity of the FIAT Group (accounted for by the equity method)	(214)		(214) m
Consolidated equity of the IFIL Group at December 31, 2004 (IFRS)	3,793	864	4,657

Explanatory notes relating to the main IFRS adjustments are presented on the following page.

- a. The reclassification is made to reduce equity by the carrying amount of IFIL ordinary treasury stock (€ 50 million) previously recorded in fixed assets (€ 45 million) and current assets (€ 5 million).
- b. The positive adjustment of € 125 million is due to the alignment of the original purchase cost (€ 8.81 per share for a total of € 620 million) of the investment in SANPAOLO IMI to the market price at December 31, 2004 (€ 10.58 per share for a total of € 745 million).
- c.d. The positive adjustments are due to the alignment of the carrying amount of the investments and other assets to the market price at December 31, 2004.
- e. The negative adjustment of € 7 million represents the measurement of the derivative instruments used to hedge interest rate risk (swaps) on bonds and bank debt.
- f. The negative adjustment of € 5 million is made to separate the financial portion included in receivables from/payables to the soccer companies and in the cost of players' registration rights.
- g. The amount of € 8 million includes the derecognition of amortization on deferred costs and players' registration rights (the historical costs of which have been remeasured with a consequent adjustment of the relative amortization).
- h. The adjustment of € 50 million is mainly due to the derecognition of the amortization on the difference on consolidation referring to the investment in Antalis, and the relative impairment test performed on this investment.
- i. The adjustment of € 12 million refers to the derecognition of 50% of the gains realized on the sale of players under sharing contracts since the sale is only for half the rights.
- l. The adjustment of € 2 million refers to the derecognition of accumulated depreciation on the amount of the land separated from the carrying amount of the building owned by the subsidiary Soiem.
- m. The effects of the first-time application of IFRS on the consolidated equity of the FIAT Group (€ 214 million) are mainly due to the adoption of IAS 38 – Intangible Assets (in relation to development costs), IAS 19 – Employee Benefits, IAS 18 – Revenue, IAS 39 – Financial Instruments: Recognition and Measurement, IAS 37 – Provisions, Contingent Liabilities and Contingent Assets and other effects described in the specific document presented by Fiat S.p.A. with the Quarterly Report for the 1st Quarter 2005, previously made public.

IFIL GROUP
RECONCILIATION OF THE CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2004

€ in millions)	EFFECTS OF TRANSITION TO IFRS					Year 2004 IFRS (a)	IFRS
	Year 2004 Italian GAAP	Deconsolidation FIAT Group	Consolidation Juventus FC	Reclassifications IFRS	IFRS adjustments		
VALUE OF PRODUCTION							
Revenues from sales and services	51,877	(46,488)	18	171	(15)	5,563	Revenues
Change in work in progress, semifinished and finished products inventories	(192)	202		(10)			
Change in contract work in progress	215	(215)		0			
Additions to internally produced fixed assets	810	(809)		(1)			
Other income and revenues	1,606	(1,516)	202	(190)	(8)	94	Other revenues from ordinary activities
TOTAL VALUE OF PRODUCTION	54,316	(48,826)	220	(30)	(23)		
COSTS OF PRODUCTION							
Raw materials, supplies and merchandise	(31,484)	28,951	(3)	(785)	4	(3,317)	Purchases and changes in inventories
Services	(9,530)	7,984	(26)	1,572			
Leases and rentals	(450)	364	(3)	89			
Personnel	(7,214)	6,369	(120)	(12)	(2)	(979)	Personnel costs
				(851)	1	(850)	External service costs
				(47)	0	(47)	Taxes and duties
Amortization, depreciation and writedowns	(2,834)	2,486	(63)	205	10	(196)	Amortization and depreciation
Change in raw materials, supplies and merchandise inventories	222	(230)	0	8			
Provisions for risks	(1,395)	1,394	0	8	0	7	Accruals to provisions
Other provisions	(22)	15	0	7			
Other operating costs	(1,170)	1,075	(22)	11	4	(102)	Other expenses from ordinary activities
Interest and other expenses of financial services companies	(376)	376	0	0			
Insurance claims and other insurance costs	(20)	20	0	0			
TOTAL COSTS OF PRODUCTION	54,273	48,804	(237)	205	17		
DIFFERENCE BETWEEN THE VALUE AND COSTS OF PRODUCTION							
	43	(22)	(17)	175	(6)	173	Profit (loss) from operating activities
				(338)	28	(310)	Other income (expenses)
				(163)	22	(137)	Operating profit (loss)
FINANCIAL INCOME AND EXPENSES							
Investment income	38	(9)	0	(29)			
Other financial income	1,334	(1,296)	3	(41)			
				(56)	(2)	(58)	Cost of net financial debt
Interest and other financial expenses	(2,042)	1,944	(2)	127	4	31	Other financial income (expenses)
TOTAL FINANCIAL INCOME AND EXPENSES	(670)	639	1	1	2	(27)	Financial income (expenses)
ADJUSTMENTS TO FINANCIAL ASSETS							
Revaluations	176	(125)	0	(51)			
Writedowns	(303)	(146)	4	445			
TOTAL ADJUSTMENTS TO FINANCIAL ASSETS	(127)	(271)	4	394			
EXTRAORDINARY INCOME AND EXPENSES							
Income	978	(316)	20	(682)			
Expenses	(1,336)	1,179	(7)	164			
TOTAL EXTRAORDINARY INCOME AND EXPENSES	(358)	863	13	(518)			
INCOME (LOSS) BEFORE TAXES	(1,112)	1,209	1	(286)	24	(164)	PROFIT (LOSS) BEFORE TAXES
INCOME TAXES	24	(29)	(3)	0	16	8	Income taxes
				(286)	40	(156)	Profit (loss) of companies consolidated line-by-line
				(327)	(6)	(333)	Share of earnings (losses) of companies accounted for by the equity method
				(613)	34	(489)	Profit (loss) from continuing operations
				610	(9)	601	Profit (loss) from discontinued operations
CONSOLIDATED NET INCOME (LOSS)	(1,088)	1,180	(2)	(3)	25	112	Profit (loss)
USE OF THE CONSOLIDATION RESERVE FOR RISKS AND FUTURE EXPENSES							
	70	(70)				0	
CONSOLIDATED NET INCOME - GROUP	119	0	0	(3)	10	126	Profit (loss) - Group
CONSOLIDATED NET INCOME (LOSS) - MINORITY INTEREST	(1,137)	1,110	(2)	0	15	(14)	Profit (loss) - Minority interest

(a) Pre-deconsolidation data of the Permal Group and Pechel Industries, classified in 2005 as assets held for sale. The effects of the deconsolidation are presented in Note 3 "Changes in the scope of consolidation".

IFIL GROUP
RECONCILIATION OF CONSOLIDATED PROFIT (LOSS)
FOR THE YEAR ENDED DECEMBER 31, 2004

€ in millions	Profit (loss)		
	Group	Minority interest	Consolidated
Consolidated profit (loss) of the IFIL Group for the year ended December 31, 2004 (Italian GAAP)	119	(1,137)	(1,018)
Effects of transition to IFRS			
Deconsolidation of the FIAT Group		1,110	1,110
Consolidation of Juventus F.C.		(2)	(2)
IFRS adjustments			
IFRS 2 - Share-based payment	(1)		(1)
IAS 39 - Reversal of the fair value adjustment made to the investment in Accor	(11)	(10)	(21) a
IAS 39 - Fair value adjustment of the investment in Domaines Antonin Rodet	1		1
IAS 39 - Fair value adjustment of other assets	1	1	2
IAS 39 - Adjustment of the loss realized on players' registration rights	(1)		(1)
IAS 38 - Reversal of amortization of intangible assets	8	1	9 b
IAS 36 - Differences on consolidation	24	23	47 c
IAS 18 - Revenue	(7)	(3)	(10) d
IAS 17 - Application of finance method to leasing transactions	1		1
IAS 12 - Income taxes	9	6	15 e
IAS 2 - Inventories	(2)	(1)	(3)
Other minor adjustments		(2)	(2)
	22	15	37
IFIL's share of the effects of the adoption of IFRS on the consolidated result of the FIAT Group (accounted for by the equity method)	(15)		(15) f
Consolidated profit (loss) of the IFIL Group for the year ended December 31, 2004 (IFRS)	126	(14)	112

Explanatory notes relating to the main IFRS adjustments are presented on the following page.

- a. The negative adjustment of € 21 million is due to the reversal of the fair value of the investment in Accor after its sale in 2004.
- b. The positive adjustment of € 9 million is principally due to the reversal of the amortization of deferred charges eliminated from assets.
- c. The positive adjustment of € 47 million is mainly due to the reversal of the amortization of the difference on consolidation on the investment in Antalis.
- d. The negative adjustment of € 10 million refers entirely to Juventus F.C. and includes the reversal of 50% of the gains realized on the sale of players under sharing contracts since the sale is only for half of the players' rights.
- e. The positive adjustment of € 15 million is principally due to the elimination of a time lag between Italian GAAP and IFRS.
- f. The effects of the application of IFRS on the consolidated result of the FIAT Group (€ 15 million) are mainly due to the adoption of IAS 38 – Intangible Assets (in relation to development costs), IAS 37 – Provisions, Contingent Liabilities and Contingent Assets, IAS 19 – Employee Benefits, IAS 18 – Revenue, IAS 39 – Financial Instruments: Recognition and Measurement, and other effects described in the specific document presented by Fiat S.p.A. with the Quarterly Report for the 1st Quarter 2005, previously made public.

IFIL GROUP
RECONCILIATION OF THE CONSOLIDATED INCOME STATEMENT
FOR THE FIRST HALF ENDED JUNE 30, 2004

(€ in millions)	EFFECTS OF TRANSITION TO IFRS						I Half 2004 IFRS (a)	IFRS
	I Half 2004 Italian GAAP	Deconsolidation FIAT Group	Consolidation Juventus FC	Reclassifications IFRS	IFRS adjustments			
VALUE OF PRODUCTION								
Revenues from sales and services	25,957	(23,466)	9	86	3		2,589 Revenues	
Change in work in progress, semifinished and finished products inventories	(141)	156	0	(15)				
Change in contract work in progress	42	(42)	0	0				
Additions to internally produced fixed assets	259	(259)	0	0				
Other income and revenues	578	(538)	115	(94)	0		61 Other revenues from ordinary activities	
TOTAL VALUE OF PRODUCTION	26,695	(24,149)	124	(23)	3			
COSTS OF PRODUCTION								
Raw materials, supplies and merchandise	(15,846)	14,502	(2)	(150)	0		(1,496) Purchases and changes in inventories	
Services	(4,618)	4,092	(13)	539				
Leases and rentals	(201)	157	(2)	46				
Personnel	(3,578)	3,164	(56)	(10)	(1)		(481) Personnel costs	
		0	0	(411)	0		(411) External service costs	
		0	0	(25)	0		(25) Taxes and duties	
Amortization, depreciation and writedowns	(1,267)	1,165	(29)	26	6		(99) Amortization and depreciation	
Change in raw materials, supplies and merchandise inventories	66	(47)	0	(19)				
Provisions for risks	(525)	523	0	21	(5)		14 Accruals to provisions	
Other provisions	(22)	0	0	22				
Other operating costs	(542)	492	(12)	(3)	(3)		(68) Other expenses from ordinary activities	
Interest and other expenses of financial services companies	(234)	234	0	0				
Insurance claims and other insurance costs	(7)	7	0	0				
TOTAL COSTS OF PRODUCTION	(26,774)	24,289	(114)	36	(3)			
DIFFERENCE BETWEEN THE VALUE AND COSTS OF PRODUCTION	(79)	140	10	13	0		84 Profit (loss) from operating activities	
				(60)	45		(15) Other income (expenses)	
				(47)	45		69 Operating profit (loss)	
FINANCIAL INCOME AND EXPENSES								
Investment income	32	(3)	0	(29)				
Other financial income	837	(817)	0	(20)				
		0	0	(36)	(2)		(38) Cost of net financial debt	
Interest and other financial expenses	(1,050)	999	(1)	99	2		49 Other financial income (expenses)	
TOTAL FINANCIAL INCOME AND EXPENSES	(181)	179	(1)	14	0		11 Financial income (expenses)	
ADJUSTMENTS TO FINANCIAL ASSETS								
Revaluations	102	(182)	0	80				
Writedowns	(53)	35	(3)	21				
TOTAL ADJUSTMENTS TO FINANCIAL ASSETS	49	(147)	(3)	101				
EXTRAORDINARY INCOME AND EXPENSES								
Income	162	(124)	0	(38)				
Expenses	(289)	247	(3)	45				
TOTAL EXTRAORDINARY INCOME AND EXPENSES	(127)	123	(3)	7				
INCOME (LOSS) BEFORE TAXES	(338)	295	3	75	45		80 PROFIT (LOSS) BEFORE TAXES	
INCOME TAXES	(295)	262	(2)	5	0		(30) Income taxes	
				80	45		50 Profit (loss) of companies consolidated line-by-line	
				(85)	(5)		(90) Share of earnings (losses) of companies accounted for by the equity method	
				(5)	40		(40) Profit (loss) from continuing operations	
				5	0		5 Profit (loss) from discontinued operations	
CONSOLIDATED NET INCOME (LOSS)	(633)	557	1	0	40		(35) Profit (loss)	
USE OF THE CONSOLIDATION RESERVE FOR RISKS AND FUTURE EXPENSES								
	70	(70)						
CONSOLIDATED NET INCOME (LOSS) - GROUP	(111)	0	0	0	22		(89) Profit (loss) - Group	
CONSOLIDATED NET INCOME (LOSS) - MINORITY INTEREST	(452)	487	1	0	18		54 Profit (loss) - Minority interest	

(a) Pre-deconsolidation data of the Permal Group and Pechel Industries, classified in 2005 as assets held for sale. The effects of the deconsolidation are presented in Note 3 "Changes in the scope of consolidation".

IFIL GROUP
RECONCILIATION OF CONSOLIDATED PROFIT (LOSS)
FOR THE FIRST HALF ENDED JUNE 30, 2004

€ in millions	Profit (loss)		
	Group	Minority interest	Consolidated
Consolidated profit (loss) of the IFIL Group for the first half ended June 30, 2004 (Italian GAAP)	(111)	(522)	(633)
Effects of transition to IFRS			
Deconsolidation of the FIAT Group		557	557
Consolidation of Juventus F.C.		1	1
IFRS adjustments			
IFRS 3/IAS 36 - Reversal of amortization of differences on consolidation	29	19	48 a
IAS 39 - Fair value adjustment of current securities	1		1
IAS 39 - Reversal of amortization of players' registration rights	1	1	2 b
IAS 16/ 38 - Reversal of amortization of intangible assets		(1)	(1) c
IAS 12 - Income taxes	(1)		(1)
Other minor adjustments	(1)	(1)	(2)
	29	18	47
IFIL's share of the effects of the adoption of IFRS on the consolidated result of the FIAT Group (accounted for by the equity method)	(7)		(7) d
Consolidated profit (loss) of the IFIL Group for the first half ended June 30, 2004 (IFRS)	(89)	54	(35)

Explanatory notes relating to the main IFRS adjustments are presented below.

- a. The positive adjustment of € 48 million includes the reversal of the amortization of the differences on consolidation on the investments in Antalis (+€ 41 million), Juventus Football Club (+€ 2 million) and La Rinascente S.p.A. (+€ 5 million).
- b. The positive adjustment of € 2 million includes the reversal of the amortization of players' registration rights (the historical cost of which was remeasured with a consequent adjustment of amortization).
- c. The negative adjustment of € 1 million is made to reverse the amortization of deferred charges eliminated from assets.
- d. The effects of the application of IFRS on the consolidated result of the FIAT Group (€ 7 million) are mainly due to the adoption of IAS 38 – Intangible Assets (in relation to development costs), IAS 19 – Employee Benefits, IAS 18 – Revenue, IAS 39 – Financial Instruments: Recognition and Measurement, and other effects described in the specific document presented by Fiat S.p.A. with the Quarterly Report for the 2nd Quarter 2005, previously made public.

APPENDIX 2 – LIST OF COMPANIES AND SIGNIFICANT EQUITY INVESTMENTS AT JUNE 30, 2005

As required by Consob Resolution No. 11971 of May 14, 1999, as amended (art. 126 of the Regulations), a complete list is provided of the companies and significant equity investments of the Group at June 30, 2005.

The companies on this list have been classified according to method of consolidation and type of business. The information provided for each company includes: name, registered office, country and capital stock stated in the original currency. The percentage of Group consolidation and the percentage held by IFIL Investments S.p.A. or its subsidiaries are also shown, including those defined as such pursuant to art. 2359, paragraph 1, number 2.

A separate column shows the percentage held of the voting rights at the ordinary stockholders' meeting. An asterisk (*) denotes the percentage with suspended voting rights.

Name	Country	Capital stock at 6/30/2005	Currency	% of Group consolidation Interest held by	% of interest held	% of voting rights
IFIL INVESTMENTS S.p.A.	ITALY	1,075,995,737	EUR			

HOLDINGS SYSTEM COMPANIES (Holdings and services)

CONSOLIDATED ON A LINE-BY-LINE BASIS

IFIL INVESTMENT HOLDING N.V.	NETHERLANDS	54,000,000	EUR	100.00	IFIL INVESTMENTS S.p.A.	100.000	100.000
IFIL INVESTISSEMENTS S.A.	LUXEMBOURG	166,611,300	EUR	100.00	IFIL INVESTMENTS S.p.A. IFIL INVESTMENT HOLDING N.V.	79,816 20.184	79,816 20.184
IFILGROUP FINANCE L.T.D.	IRELAND	4,000,000	EUR	100.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000
IFIL INTERNATIONAL FINANCE L.T.D.	IRELAND	4,000,000	EUR	100.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000
SOIEM S.p.A.	ITALY	9,125,000	EUR	100.00	IFIL INVESTMENTS S.p.A.	100.000	100.000
IFIL USA INC.	U.S.A.	500,000	USD	100.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000
IFIL INVESTMENTS L.L.C.	U.S.A.	N/A	USD	100.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000
IFIL CAPITAL PARTNERS L.P.	U.S.A.	N/A	USD	100.00	IFIL INVESTISSEMENTS S.A. IFIL AMERICA L.P.	99.000 1.000	99.000 1.000
IFIL AMERICA L.P.	U.S.A.	N/A	USD	100.00	IFIL INVESTISSEMENTS S.A. IFIL INVESTMENTS L.L.C.	99.000 1.000	99.000 1.000
IFIL ASIA LIMITED	China (People's Rep.)	1	HKD	100.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000
SADCO S.A.	SWITZERLAND	300,000	CHF	100.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000
IFIL NEW BUSINESS S.r.l.	ITALY	20,000	EUR	100.00	IFIL INVESTMENTS S.p.A.	100.000	100.000
EUFIN INVESTMENTS UNLIMITED	UNITED KINGDOM	243,100	EUR	50.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000

HOLDINGS SYSTEM COMPANIES (Holdings and services)

VALUED BY THE EQUITY METHOD

NHT NEW HOLDING FOR TOURISM B.V. (a)	NETHERLANDS	32,980,000	EUR	100.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000
MEDITERRANEAN CAPITAL (a)	NETHERLANDS	11,000,000	EUR	100.00	IFIL INVESTMENT HOLDING N.V.	100.000	100.000
IFIL FINANCE B.V. (a)	NETHERLANDS	10,000,000	EUR	100.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000

OPERATING COMPANIES

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS

Miscellaneous and Holding companies

SEQUANA CAPITAL S.A. (ex-WORMS & CIE S.A.) (b)	FRANCE	158,377,419	EUR	52.96	IFIL INVESTISSEMENTS S.A.	52.965	52.965
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Tourism and Hotel activities

ALPITOUR S.p.A. (b)	ITALY	17,725,000	EUR	100.00	NHT NEW HOLDING FOR TOURISM B.V.	100.000	100.000
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Football club

JUVENTUS FOOTBALL CLUB S.p.A.	ITALY	12,093,200	EUR	60.00	IFIL INVESTMENTS S.p.A.	60.001	60.001
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SUBSIDIARIES VALUED BY THE EQUITY METHOD

Miscellaneous and Holding companies

FIAT S.p.A. (b) (c)	ITALY	4,918,113,540	EUR	27.74	IFIL INVESTMENTS S.p.A. FIAT S.p.A. (*)	27.619 0.446	30.057 0.548
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SUBSIDIARIES VALUED AT COST

Lease of own real estate and sublease

CAMPI DI VINOVO S.p.A.	ITALY	1,300,000	EUR	-	JUVENTUS FOOTBALL CLUB S.p.A. CAMPI DI VINOVO S.p.A. (*)	69.800 3.000	69.800 3.000
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ASSOCIATED COMPANIES VALUED AT COST

Miscellaneous and Holding companies

TURISMO&IMMOBILIARE	ITALY	120,000	EUR	-	IFIL INVESTISSEMENTS S.A.	33.333	33.333
EUROMEDIA LUXEMBOURG ONE S.A.	LUXEMBOURG	44,887,500	USD	-	IFIL INVESTISSEMENTS S.A. FIAT NETHERLAND HOLDING N.V.	14.286 14.286	14.286 14.286

Services

WE-CUBE.COM S.p.A. (a)	ITALY	666,668	EUR	-	IFIL INVESTISSEMENTS S.A. BUSINESS SOLUTIONS S.p.A.	14.790 14.790	14.790 14.790
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Stadium management

SEMANA S.r.l.	ITALY	100,000	EUR	-	JUVENTUS FOOTBALL CLUB S.p.A.	30.000	30.000
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(a) Company put into a wind-up.

(b) For purposes of a clearer presentation, the investments held through Fiat, Sequana Capital and Alpitour are shown separately.

(c) A subsidiary under Art. 2359, paragraph 1, number 2.

(*) Voting suspended.

INVESTMENTS HELD THROUGH FIAT S.p.A. (percentage of Group consolidation equal to 27.74%)
The consolidation method indicated in the list is the method used by the Fiat Group

Name	Registered office	Country	Capital stock at 6/30/2005	Currency	% of Group consolidation Interest held by	% of interest held	% of voting rights
Subsidiaries consolidated on a line-by-line basis							
Automobiles							
Fiat Auto Holdings B.V.	Amsterdam	Netherlands	1,000,000	EUR	100.00 Fiat Partecipazioni S.p.A.	90.000	100.000
					Fiat Auto Holdings B.V.	10.000	0.000
Andalcar Motor S.L.	Jerez	Spain	2,186,928	EUR	100.00 Inmap 2000 Espana S.L.	100.000	
Banco Fidis de Investimento SA	Betim	Brazil	116,235,465	BRL	99.97 Fids S.p.A.	98.970	
					Fiat Automoveis S.A. - FIASA	1.000	
B.D.C. S.A.	Brussels	Belgium	23,651,294	EUR	100.00 Fiat Auto (Belgio) S.A.	99.998	
					Fiat Auto (Suisse) S.A.	0.002	
Clickar Assistance S.R.L.	Turin	Italy	335,632	EUR	100.00 Fids S.p.A.	100.000	
Easy Drive S.r.l.	Turin	Italy	010,400	EUR	100.00 Fiat Auto S.p.A.	99.000	
					Fiat Center Italia S.p.A.	1.000	
FAL Fleet Services S.A.S.	Trappes	France	3,000,000	EUR	100.00 Fids Renting Italia S.p.A.	100.000	
Fiat Auto Argentina S.A.	Buenos Aires	Argentina	357,441,483	ARS	100.00 Fiat S.p.A.	63.336	
					Fiat Automoveis S.A. - FIASA	36.664	
Fiat Auto (Belgio) S.A.	Brussels	Belgium	20,951,220	EUR	100.00 Fiat Finance Netherlands B.V.	99.998	
					Fiat Auto (Suisse) S.A.	0.002	
Fiat Auto Contracts Ltd	Slough Berkshire	United Kingdom	15,500,000	GBP	100.00 Fids Renting Italia S.p.A.	100.000	
Fiat Auto Dealer Financing SA	Brussels	Belgium	062,000	EUR	99.84 Fiat Auto (Belgio) S.A.	99.839	
Fiat Auto Espana S.A.	Alcalá De Henares	Spain	60,696,601	EUR	100.00 Fiat Finance Netherlands B.V.	99.998	
					Fiat Auto (Suisse) S.A.	0.002	
Fiat Auto Financial Services (Wholesale) Ltd.	Slough Berkshire	United Kingdom	3,500,000	GBP	100.00 Fids S.p.A.	100.000	
Fiat Auto (France) S.A.	Trappes	France	91,050,000	EUR	100.00 Fiat Finance Netherlands B.V.	99.999	
Fiat Auto Hellas S.A.	Argyroupoli	Greece	60,533,499	EUR	100.00 Fiat Finance Netherlands B.V.	100.000	
Fiat Auto (Ireland) Ltd.	Dublin	Ireland	5,078,952	EUR	100.00 Fiat Finance Netherlands B.V.	100.000	
Fiat Auto Japan K.K.	Minatu-Ku, Tokyo	Japan	420,000,000	JPY	100.00 Fiat Auto S.p.A.	100.000	
Fiat Auto Kreditbank GmbH	Vienna	Austria	5,000,000	EUR	100.00 Fiat S.p.A.	50.000	
					Fids S.p.A.	50.000	
Fiat Auto Lease N.V.	Utrecht	Netherlands	454,000	EUR	100.00 Fids Renting Italia S.p.A.	100.000	
Fiat Auto Maroc S.A.	Casablanca	Morocco	314,000,000	MAD	99.95 Fiat Auto S.p.A.	99.950	
Fiat Auto Nederland B.V.	Lijnden	Netherlands	5,672,250	EUR	100.00 Fiat Auto Holdings B.V.	100.000	
Fiat Auto Poland S.A.	Bielsko-Biala	Poland	660,334,600	PLN	100.00 Fiat Auto S.p.A.	100.000	
Fiat Auto Portuguesa S.A.	Alges	Portugal	8,000,000	EUR	100.00 Fiat Finance Netherlands B.V.	100.000	
Fiat Auto South Africa (Proprietary) Ltd	Sunninghill	South Africa	540	ZAR	100.00 Fiat Auto S.p.A.	100.000	
Fiat Auto S.p.A.	Turin	Italy	2,500,000,000	EUR	100.00 Fiat Auto Holdings B.V.	100.000	
Fiat Auto (Suisse) S.A.	Geneva	Switzerland	21,400,000	CHF	100.00 Fiat Auto S.p.A.	100.000	
Fiat Auto (U.K.) Ltd	Slough Berkshire	United Kingdom	44,600,000	GBP	100.00 Fiat Finance Netherlands B.V.	100.000	
Fiat Auto Var S.r.l.	Turin	Italy	7,370,000	EUR	100.00 Fiat Auto S.p.A.	100.000	
Fiat Automobil AG	Heilbronn	Germany	97,280,000	EUR	100.00 Fiat Finance Netherlands B.V.	99.000	
					Fiat Auto (Suisse) S.A.	1.000	
Fiat Automobil GmbH	Vienna	Austria	037,000	EUR	100.00 Fiat Finance Netherlands B.V.	100.000	
Fiat Automobil Vertriebs GmbH	Frankfurt	Germany	8,700,000	EUR	100.00 Fiat Automobil AG	100.000	
Fiat Automobiler Danmark A/S	Glostrup	Denmark	55,000,000	DKK	100.00 Fiat Finance Netherlands B.V.	100.000	
Fiat Automoveis S.A. - FIASA	Betim	Brazil	1,432,341,332	BRL	100.00 Fiat Auto S.p.A.	100.000	
Fiat Center Italia S.p.A.	Turin	Italy	2,000,000	EUR	100.00 Fiat Auto S.p.A.	100.000	
Fiat Center (Suisse) S.A.	Geneva	Switzerland	13,000,000	CHF	100.00 Fiat Auto (Suisse) S.A.	100.000	
Fiat CR Spol. S.R.O.	Prague	Czech Republic	1,000,000	CZK	100.00 Fiat Auto S.p.A.	100.000	
Fiat Credit Belgio S.A.	Evere	Belgium	3,718,500	EUR	100.00 Fids S.p.A.	99.999	
Fiat Credito Compania Financiera S.A.	Buenos Aires	Argentina	94,107,977	ARS	100.00 Fids S.p.A.	99.999	
					Fiat Auto Argentina S.A.	0.001	
Fiat Distribuidora Portugal S.A.	Lisbon	Portugal	450,300	EUR	100.00 Fiat Auto Portuguesa S.A.	100.000	
Fiat Finance Holding S.A.	Luxembourg	Luxembourg	2,300,000	EUR	100.00 Fids S.p.A.	99.995	
					Fiat Finance Netherlands B.V.	0.005	
Fiat Finance Netherlands B.V.	Amsterdam	Netherlands	690,000,000	EUR	100.00 Fiat Auto S.p.A.	100.000	
Fiat Handlarservice GmbH	Heilbronn	Germany	5,100,000	EUR	100.00 Fiat Automobil AG	100.000	
Fiat India Automobiles Private Limited	Mumbai	India	18,780,741,500	INR	100.00 Fiat Auto S.p.A.	100.000	
Fiat India Private Ltd.	Mumbai	India	6,478,042,700	INR	99.83 Fiat India Automobiles Private Limited	54.660	55.245
					Fiat Auto S.p.A.	45.171	44.584
Fiat Magyarorszag Kereskedelmi KFT.	Budapest	Hungary	150,000,000	HUF	100.00 Fiat Auto S.p.A.	100.000	
Fiat Motor Sales Ltd	Stough Berkshire	United Kingdom	1,500,000	GBP	100.00 Fiat Auto (U.K.) Ltd	100.000	
Fiat Purchasing Italia S.r.l.	Turin	Italy	600,000	EUR	100.00 Fiat Auto Holdings B.V.	100.000	
Fiat SR Spol. SR.O.	Bratislava	Slovak Republic	1,000,000	SKK	100.00 Fiat Auto S.p.A.	100.000	
Fiat Versicherungsdienst GmbH	Heilbronn	Germany	026,000	EUR	100.00 Fiat Automobil AG	51.000	
					Rimaco S.A.	49.000	
Fids Credit Danmark A/S	Glostrup	Denmark	500,000	DKK	100.00 Fiat Finance Netherlands B.V.	100.000	
Fids Dealer Services B.V.	Utrecht	Netherlands	698,000	EUR	100.00 Fiat Auto Nederland B.V.	100.000	
Fids Faktoring Polska Sp. z o.o.	Warsaw	Poland	1,000,000	PLN	100.00 Fids S.p.A.	99.950	
					Fiat Polska Sp. z o.o.	0.050	
Fids Finance Polska Sp. z o.o.	Warsaw	Poland	10,000,000	PLN	100.00 Fids S.p.A.	99.980	
					Fiat Polska Sp. z o.o.	0.020	
Fids Hungary KFT	Budapest	Hungary	013,000	EUR	100.00 Fids S.p.A.	100.000	

continued INVESTMENTS HELD THROUGH FIAT S.p.A. (percentage of Group consolidation equal to 27.74%)
The consolidation method indicated in the list is the method used by the Fiat Group

Name	Registered office	Country	Capital stock at 6/30/2005	Currency	% of Group consolidation Interest held by	% of interest held	% of voting rights
Fidis Renting Italia S.p.A.	Turin	Italy	5,800,000	EUR	100.00 Fiat Auto S.p.A.	100.000	
Fidis S.p.A.	Turin	Italy	311,232,342	EUR	100.00 Fiat Auto S.p.A. Nuove Iniziative Finanziarie 2 S.r.l.	99.900	0.100
Finplus Renting S.A.	Madrid	Spain	3,955,986	EUR	100.00 Fidis Renting Italia S.p.A.	100.000	
GM-FIAT Worldwide Purchasing Polska Sp. z o.o.	Bielsko-Biala	Poland	300,000	PLN	100.00 Fiat Auto Holdings B.V.	100.000	
Inmap 2000 Espana S.L.	Alcalá De Henares	Spain	8,237,907	EUR	100.00 Fiat Auto Espana S.A.	100.000	
International Metropolitan Automotive Promotion (France) S.A.	Paris	France	056,000	EUR	100.00 Fiat Auto (France) S.A.	100.000	
Italian Automotive Center S.A.	Brussels	Belgium	19,749,554	EUR	100.00 B.D.C. S.A.	100.000	
Multipoint Sevilla S.A.	Seville	Spain	2,336,596	EUR	100.00 Inmap 2000 Espana S.L.	100.000	
Sata-Società Automobilistica Tecnologie Avanzate S.p.A.	Melfi	Italy	276,640,000	EUR	100.00 Fiat Auto S.p.A.	100.000	
Savarent Società per Azioni	Turin	Italy	21,000,000	EUR	100.00 Fidis Renting Italia S.p.A.	100.000	
SCDR Automotive Limited	Basildon	United Kingdom	050,000	GBP	19.00 Società di Commercializzazione e Distribuzione Ricambi S.p.A.	100.000	
SCDR (Ireland) Limited	Dublin	Ireland	070,000	EUR	19.00 Società di Commercializzazione e Distribuzione Ricambi S.p.A.	100.000	
SCDR (Switzerland) S.A.	Geneva	Switzerland	100,000	CHF	19.00 Società di Commercializzazione e Distribuzione Ricambi S.p.A.	100.000	
Società di Commercializzazione e Distribuzione Ricambi S.p.A.	Turin	Italy	100,000	EUR	19.00 Fiat Auto S.p.A.	19.000	
Società di Distribuzione e Commercializzazione Ricambi - Hellas M.E.P.E.	Argyroupoli	Greece	018,000	EUR	19.00 Società di Commercializzazione e Distribuzione Ricambi S.p.A.	100.000	
Soifce-Société de Financement des Concessionnaires s.a.s.	Trappes	France	3,353,600	EUR	100.00 Fiat Auto (France) S.A.	100.000	
Tarfin S.A.	Geneva	Switzerland	500,000	CHF	100.00 Fidis S.p.A.	100.000	
Targa Infomobility S.p.A.	Turin	Italy	100,000	EUR	100.00 Fidis S.p.A.	100.000	
Targa Rent S.r.l.	Turin	Italy	310,000	EUR	100.00 Fidis S.p.A.	100.000	
Targa Traffmaster S.p.A.	Turin	Italy	3,453,000	EUR	98.89 Fidis S.p.A.	98.886	
Targasy's Espana S.L.	Alcalá De Henares	Spain	005,000	EUR	100.00 Fiat Auto Espana S.A.	100.000	
Targasy's Stock SA	Alcalá De Henares	Spain	5,108,799	EUR	100.00 Fiat Auto Espana S.A.	100.000	
Ferrari							
Ferrari S.p.A.	Modena	Italy	20,000,000	EUR	56.00 Fiat S.p.A.	56.000	
Charles Pozzi S.A.	Levallois-Perret	France	280,920	EUR	56.00 Société Française de Participations Ferrari - S.F.P.F. S.A.R.L.	100.000	
Ferrari Deutschland GmbH	Wiesbaden	Germany	1,000,000	EUR	56.00 Ferrari International S.A.	100.000	
Ferrari GE D. S.p.A.	Modena	Italy	31,000,000	EUR	56.00 Ferrari S.p.A.	100.000	
Ferrari International S.A.	Luxembourg	Luxembourg	13,112,000	EUR	56.00 Ferrari S.p.A. Ferrari N.America Inc.	99.999	0.001
Ferrari Maserati UK	Slough Berkshire	United Kingdom	050,000	GBP	56.00 Ferrari International S.A.	100.000	
Ferrari N.America Inc.	Englewood Cliffs	U.S.A.	200,000	USD	56.00 Ferrari S.p.A.	100.000	
Ferrari San Francisco Inc.	Mill Valley	U.S.A.	100,000	USD	56.00 Ferrari N.America Inc.	100.000	
Ferrari (Suisse) SA	Nyon	Switzerland	1,000,000	CHF	56.00 Ferrari International S.A.	100.000	
GSA-Gestions Sportives Automobiles S.A.	Meyrin	Switzerland	1,000,000	CHF	56.00 Ferrari International S.A.	100.000	
Pozzi Rent Snc	Lyon	France	015,256	EUR	56.00 Charles Pozzi S.A.	100.000	
Société de Transformation Automobile Lyonnaise - S.T.A.L. S.a.r.l.	Lyon	France	155,498	EUR	56.00 Charles Pozzi S.A.	100.000	
Société Française de Participations Ferrari - S.F.P.F. S.A.R.L.	Levallois-Perret	France	6,000,000	EUR	56.00 Ferrari International S.A.	100.000	
410 Park Display Inc.	New York	U.S.A.	100	USD	56.00 Ferrari N.America Inc.	100.000	
Maserati							
Maserati S.p.A.	Modena	Italy	40,000,000	EUR	100.00 Fiat Partecipazioni S.p.A.	100.000	
Maserati North America Inc.	Englewood Cliffs	U.S.A.	001,000	USD	100.00 Maserati S.p.A.	100.000	
Agricultural and Construction Equipment							
CNH Global N.V.	Amsterdam	Netherlands	320,415,989	EUR	84.26 Fiat Netherlands Holding N.V. CNH Global N.V.	84.171	84.263
Austoft Industries Limited	Bundaberg	Australia	16,353,225	AUD	84.26 CNH Australia Pty Limited	0.109	0.000
Banco CNH Capital S.A.	Curitiba	Brazil	252,285,242	BRL	84.26 CNH Global N.V. CNH Latin America Ltda.	59.760	40.240
Bli Group Inc.	Wilmington	U.S.A.	001,000	USD	84.26 CNH America LLC	100.000	
Blue Leaf I.P. Inc.	Wilmington	U.S.A.	001,000	USD	84.26 Bli Group Inc.	100.000	
Case Brazil Holdings Inc.	Wilmington	U.S.A.	001,000	USD	84.26 CNH America LLC	100.000	
Case Canada Receivables Inc.	Calgary	Canada	1	CAD	84.26 CNH Capital America LLC	100.000	
Case Credit Australia Investments Pty Ltd	St. Marys	Australia	71,516,000	AUD	84.26 CNH Australia Pty Limited	100.000	
Case Credit Holdings Limited	Wilmington	U.S.A.	5	USD	84.26 CNH Capital America LLC	100.000	
Case Equipment Holdings Limited	Wilmington	U.S.A.	5	USD	84.26 CNH America LLC	100.000	
Case Equipment International Corporation	Wilmington	U.S.A.	001,000	USD	84.26 CNH America LLC	100.000	
Case Europe S.a.r.l.	Le Plessis-Belleville	France	007,622	EUR	84.26 CNH America LLC	100.000	
Case Harvesting Systems GmbH	Neustadt	Germany	281,211	EUR	84.26 CNH America LLC	100.000	
Case India Limited	Wilmington	U.S.A.	5	USD	84.26 CNH America LLC	100.000	
Case International Marketing Inc.	Wilmington	U.S.A.	5	USD	84.26 CNH America LLC	100.000	
Case LBX Holdings Inc.	Wilmington	U.S.A.	5	USD	84.26 CNH America LLC	100.000	
Case Machinery (Shanghai) Co. Ltd.	Shanghai	People's Republic of China	2,250,000	USD	84.26 CNH America LLC	100.000	
Case New Holland Inc.	Wilmington	U.S.A.	5	USD	84.26 CNH Global N.V.	100.000	
Case United Kingdom Limited	Basildon	United Kingdom	3,763,618	GBP	84.26 CNH America LLC	100.000	
Case Wholesale Receivables Inc.	Wilmington	U.S.A.	001,000	USD	84.26 CNH Capital America LLC	100.000	
CNH America LLC	Wilmington	U.S.A.	0	USD	84.26 Case New Holland Inc.	100.000	

continued INVESTMENTS HELD THROUGH FIAT S.p.A. (percentage of Group consolidation equal to 27.74%)
 The consolidation method indicated in the list is the method used by the Fiat Group

Name	Registered office	Country	Capital stock at 6/30/2005	Currency	% of Group consolidation Interest held by	% of interest held	% of voting rights
CNH Argentina S.A.	Buenos Aires	Argentina	29,611,105	ARS	84.26 New Holland Holdings Argentina S.A. CNH Latin America Ltda.	80.654 19.346	
CNH Australia Pty Limited	St. Marys	Australia	306,785,439	AUD	84.26 CNH Global N.V.	100.000	
CNH Baumaschinen GmbH	Berlin	Germany	61,355,030	EUR	84.26 CNH International S.A.	100.000	
CNH Belgium N.V.	Zedelgem	Belgium	27,268,300	EUR	84.26 CNH International S.A.	100.000	
CNH Canada Ltd.	Toronto	Canada	28,000,100	CAD	84.26 CNH Global N.V.	100.000	
CNH Capital America LLC	Wilmington	U.S.A.	0	USD	84.26 CNH Capital LLC	100.000	
CNH Capital Australia Pty Limited	St. Marys	Australia	83,248,874	AUD	84.26 CNH Australia Pty Limited	100.000	
CNH Capital Benelux	Zedelgem	Belgium	6,350,000	EUR	84.26 CNH Global N.V. CNH Capital U.K. Ltd.	99.000 1.000	
CNH Capital Canada Ltd.	Calgary	Canada	1	CAD	84.26 Case Credit Holdings Limited CNH Canada Ltd.	99.500 0.500	
CNH Capital (Europe) plc	Dublin	Ireland	038,100	EUR	84.26 CNH Capital plc CNH Global N.V. CNH Financial Services A/S CNH International S.A. CNH Trade N.V. CNH Financial Services S.r.l.	99.984 0.005 0.003 0.003 0.003 0.002	
CNH Capital Insurance Agency Inc.	Wilmington	U.S.A.	5	USD	84.26 CNH Capital America LLC	100.000	
CNH Capital LLC	Wilmington	U.S.A.	0	USD	84.26 CNH America LLC	100.000	
CNH Capital plc	Dublin	Ireland	6,386,791	EUR	84.26 CNH Global N.V.	100.000	
CNH Capital Receivables LLC	Wilmington	U.S.A.	0	USD	84.26 CNH Capital America LLC	100.000	
CNH Capital U.K. Ltd	Basildon	United Kingdom	10,000,001	GBP	84.26 CNH Global N.V.	100.000	
CNH Componentes, S.A. de C.V.	Sao Pedro	Mexico	135,634,842	MXN	84.26 CNH America LLC	100.000	
CNH Danmark A/S	Hvidovre	Denmark	12,000,000	DKK	84.26 CNH International S.A.	100.000	
CNH Deutschland GmbH	Heilbronn	Germany	18,457,650	EUR	84.26 CNH International S.A.	100.000	
CNH Engine Corporation	Wilmington	U.S.A.	001,000	USD	84.26 CNH America LLC	100.000	
CNH Financial Services	Puteaux	France	3,738,141	EUR	84.26 CNH Global N.V.	100.000	
CNH Financial Services A/S	Hvidovre	Denmark	500,000	DKK	84.26 CNH Global N.V.	100.000	
CNH Financial Services GmbH	Heilbronn	Germany	200,000	EUR	84.26 CNH International S.A.	100.000	
CNH Financial Services S.r.l.	Modena	Italy	010,400	EUR	84.26 CNH Global N.V.	100.000	
CNH France S.A.	Le Plessis-Belleville	France	138,813,150	EUR	84.26 CNH International S.A.	100.000	
CNH International S.A.	Luxembourg	Luxembourg	300,000,000	USD	84.26 CNH Global N.V.	100.000	
CNH Italia S.p.a.	Modena	Italy	15,600,000	EUR	84.26 CNH Global N.V.	100.000	
CNH Latin America Ltda.	Contagem	Brazil	674,264,183	BRL	84.26 CNH Global N.V. Case Brazil Holdings Inc. Case Equipment International Corporation	87.880 10.610 1.510	
CNH Maquinaria Spain S.A.	Coslada	Spain	21,000,000	EUR	84.26 CNH International S.A.	99.999	
CNH Österreich GmbH	St. Valentin	Austria	2,000,000	EUR	84.26 CNH Global N.V.	100.000	
CNH Polska Sp. z o.o.	Plock	Poland	162,591,660	PLN	84.26 CNH Belgium N.V. Fiat Polska Sp. z o.o.	99.995 0.005	
CNH Portugal-Comercio de Tractores e Maquinas Agricolas Ltda	Carnaxide	Portugal	498,798	EUR	84.26 CNH International S.A. CNH Italia S.p.a.	99.980 0.020	
CNH Receivables LLC	Wilmington	U.S.A.	0	USD	84.26 CNH Capital America LLC	100.000	
CNH Serviços Técnicos e Desenvolvimento de Negócios Ltda	Curitiba	Brazil	1,000,000	BRL	84.26 Banco CNH Capital S.A.	100.000	
CNH Trade N.V.	Amsterdam	Netherlands	050,000	EUR	84.26 CNH Global N.V.	100.000	
CNH U.K. Limited	Basildon	United Kingdom	91,262,275	GBP	84.26 New Holland Holding Limited	100.000	
CNH Wholesale Receivables LLC	Wilmington	U.S.A.	0	USD	84.26 CNH Capital America LLC	100.000	
Fiatallis North America LLC	Wilmington	U.S.A.	32	USD	84.26 CNH America LLC	100.000	
Flexi-Coil (U.K.) Limited	Basildon	United Kingdom	001,000	GBP	84.26 CNH Canada Ltd.	100.000	
Harbin New Holland Tractors Co., Ltd.	Harbin	People's Republic of China	2,859,091	USD	84.26 New Holland Mauritius (Private) Ltd. CNH International S.A.	99.000 1.000	
HFI Holdings Inc.	Wilmington	U.S.A.	001,000	USD	84.26 CNH America LLC	100.000	
JV UzCaseagroleasing LLC	Tashkent	Uzbekistan	0	USD	42.97 Case Credit Holdings Limited	51.000	
JV UzCaseMash LLC	Tashkent	Uzbekistan	0	USD	50.56 Case Equipment Holdings Limited	60.000	
JV UzCaseService LLC	Tashkent	Uzbekistan	0	USD	42.97 Case Equipment Holdings Limited	51.000	
JV UzCaseTractor LLC	Tashkent	Uzbekistan	0	USD	42.97 Case Equipment Holdings Limited	51.000	
Kobelco Construction Machinery America LLC	Wilmington	U.S.A.	0	USD	54.77 New Holland Excavator Holdings LLC	65.000	
Kobelco Construction Machinery Europe BV in liquidazione	Almere	Netherlands	567,225	EUR	62.88 New Holland Kobelco Construction Machinery S.p.	100.000	
MBA AG	Bassersdorf	Switzerland	4,000,000	CHF	84.26 CNH Global N.V.	100.000	
New Holland Australia Pty Ltd	Riverstone	Australia	1	AUD	84.26 CNH Australia Pty Limited	100.000	
New Holland Credit Australia Pty Limited	Riverstone	Australia	725,834	AUD	84.26 CNH Capital Australia Pty Limited	100.000	
New Holland Credit Company LLC	Wilmington	U.S.A.	0	USD	84.26 CNH Capital LLC	100.000	
New Holland Excavator Holdings LLC	Wilmington	U.S.A.	0	USD	84.26 CNH America LLC	100.000	
New Holland Holding Limited	London	United Kingdom	165,000,000	GBP	84.26 CNH International S.A.	100.000	
New Holland Holdings Argentina S.A.	Buenos Aires	Argentina	23,555,415	ARS	84.26 CNH Latin America Ltda.	100.000	
New Holland Kobelco Construction Machinery Belgium SA	Herstal-lez-Liege	Belgium	247,900	EUR	62.88 New Holland Kobelco Construction Machinery S.p.	100.000	
New Holland Kobelco Construction Machinery S.p.A.	San Mauro Torinese	Italy	80,025,291	EUR	62.88 CNH Italia S.p.a.	74.625	
New Holland Ltd	Basildon	United Kingdom	1,000,000	GBP	84.26 CNH Global N.V.	100.000	
New Holland Mauritius (Private) Ltd.	Port Louis	Mauritius	78,571,333	USD	84.26 CNH Global N.V.	100.000	
New Holland Tractor Ltd. N.V.	Antwerp	Belgium	9,631,500	EUR	84.26 New Holland Holding Limited	100.000	

continued INVESTMENTS HELD THROUGH FIAT S.p.A. (percentage of Group consolidation equal to 27.74%)
The consolidation method indicated in the list is the method used by the Fiat Group

Name	Registered office	Country	Capital stock at 6/30/2005	Currency	% of Group consolidation Interest held by	% of interest held	% of voting rights
New Holland Tractors (India) Private Ltd	New Delhi	India	194,983,580,400	INR	84.26 New Holland Mauritius (Private) Ltd.	100.000	
O & K - Hilfe GmbH	Berlin	Germany	025,565	EUR	84.26 CNH Baumaschinen GmbH	100.000	
Pryor Foundry Inc.	Oklahoma City	U.S.A.	001,000	USD	84.26 CNH America LLC	100.000	
Receivables Credit II Corporation	Calgary	Canada	1	CAD	84.26 CNH Capital America LLC	100.000	
RosCaseMash	Saratov	Russia	200,000	RUR	32.23 Case Equipment Holdings Limited	38.250	51.000
Shanghai New Holland Agricultural Machinery Corporation Limited	Shanghai	People's Republic of China	35,000,000	USD	50.56 New Holland Mauritius (Private) Ltd.	60.000	
Powertrain Technologies							
Fiat Powertrain Technologies S.p.A.	Orbassano	Italy	5,120,000	EUR	100.00 Fiat Partecipazioni S.p.A.	100.000	
F.A. Powertrain Ltda.	Betim	Brazil	376,897,336	BRL	100.00 Fiat Powertrain B.V.	100.000	
Fiat Powertrain B.V.	Amsterdam	Netherlands	232,000	EUR	100.00 Fiat Auto Holdings B.V.	100.000	
Fiat Powertrain Italia S.r.l.	Turin	Italy	740,100,000	EUR	100.00 Fiat Powertrain B.V.	100.000	
FMA - Fabbrica Motori Automobilistici S.r.l.	Pratola Serra	Italy	306,186,210	EUR	100.00 Fiat Powertrain Italia S.r.l.	100.000	
Powertrain Mekanik Sanayi Ve Ticaret Limited Sirketi	Demirtas-Bursa	Turkey	75,329,600,000	TRY	100.00 Fiat Powertrain B.V.	99.980	
					Fiat Powertrain Italia S.r.l.	0.020	
Commercial Vehicles							
Iveco S.p.A.	Turin	Italy	858,400,000	EUR	100.00 Fiat Netherlands Holding N.V.	100.000	
Afin Asiguran S.r.l.	Bucarest	Romania	225,000,000	ROL	40.00 s.c. Afin Romania S.A.	100.000	
Afin Bohemia	Prague	Czech Republic	030,000	EUR	40.00 Afin Leasing AG	100.000	
Afin Bulgaria EAD	Sofia	Bulgaria	200,000	BGL	40.00 Afin Leasing AG	100.000	
Afin Hungary Kereskedelmi KFT.	Budapest	Hungary	24,000,000	HUF	39.83 Afin Leasing AG	99.583	
Afin Insurance	Sofia	Bulgaria	005,000	BGL	40.00 Afin Bulgaria EAD	100.000	
Afin Leasing AG	Vienna	Austria	1,500,000	EUR	40.00 Iveco International Trade Finance S.A.	40.000	
Afin Slovakia S.R.O.	Bratislava	Slovak Republic	030,000	EUR	40.00 Afin Leasing AG	100.000	
Amce-Automotive Manufacturing Co.Ethiopia	Addis Abeba	Ethiopia	3,000,000	ETB	70.00 Iveco S.p.A.	70.000	
AS Afin Baltica	Tallin	Estonia	800,000	EEK	40.00 Afin Leasing AG	100.000	
Astra Veicoli Industriali S.p.A.	Piacenza	Italy	10,400,000	EUR	100.00 Iveco S.p.A.	100.000	
Brandschutztechnik Gotlitz GmbH	Gürlitz	Germany	511,292	EUR	88.00 Iveco Magirus Brandschutztechnik GmbH	88.000	
C.A.M.I.V.A. Constructeurs Associés de Matériels S.A.	Saint-Alban-Leyse	France	1,870,169	EUR	99.96 Iveco Eurofire (Holding) GmbH	99.963	
Componentes Mecanicos S.A.	Barcelona	Spain	37,405,038	EUR	59.39 Iveco Pegaso S.L.	59.387	
Effe Grundbesitz GmbH	Ulm	Germany	10,225,838	EUR	100.00 Iveco Investitions GmbH	90.000	
					Iveco S.p.A.	10.000	
Elettronica Trasporti Commerciali S.r.l. (Eltrac S.r.l.)	Turin	Italy	109,200	EUR	100.00 Iveco S.p.A.	100.000	
Euro moteurs S.A.	Garchizy	France	2,098,560	EUR	100.00 Iveco France S.A.	100.000	
European Engine Alliance S.c.r.l.	Turin	Italy	32,044,797	EUR	61.42 CNH Global N.V.	33.333	
					Iveco S.p.A.	33.333	
Heuliez Bus S.A.	Rothais	France	9,000,000	EUR	100.00 Société Charolaise de Participations S.A.	100.000	
IAV-Industrie-Anlagen-Verpachtung GmbH	Ulm	Germany	025,565	EUR	100.00 Iveco Investitions GmbH	95.000	
					Iveco S.p.A.	5.000	
Ikarus Egyedi Autóbusz GY	Budapest	Hungary	350,000,000	HUF	68.15 Irisbus Holding S.L.	68.146	
Ikarus Trade Kft.	Budapest	Hungary	423,220,000	HUF	100.00 Ikarusbus Jamugyarto RT	99.976	
					Irisbus Holding S.L.	0.024	
Ikarusbus Jamugyarto RT	Budapest	Hungary	974,268,827	HUF	100.00 Irisbus Italia S.p.A.	99.998	
					Irisbus France S.A.	0.002	
Industrial Vehicles Center Hainaut S.A.	Charleroi	Belgium	600,000	EUR	100.00 S.A. Iveco Belgium N.V.	95.000	
					Iveco Nederland B.V.	5.000	
Irisbus Australia Pty. Ltd.	Dandenong	Australia	1,500,000	AUD	100.00 Irisbus Holding S.L.	100.000	
Irisbus Benelux Ltd.	Leudelange	Luxembourg	594,000	EUR	100.00 Irisbus France S.A.	99.983	
					Société Charolaise de Participations S.A.	0.017	
Irisbus Deutschland GmbH	Mainz-Mombach	Germany	22,000,000	EUR	100.00 Irisbus Holding S.L.	100.000	
Irisbus France S.A.	Vénissieux	France	142,482,000	EUR	100.00 Irisbus Holding S.L.	100.000	
Irisbus Holding S.L.	Madrid	Spain	233,670,000	EUR	100.00 Iveco S.p.A.	100.000	
Irisbus Iberica S.L.	Madrid	Spain	28,930,788	EUR	100.00 Irisbus Holding S.L.	100.000	
Irisbus Italia S.p.A.	Turin	Italy	100,635,750	EUR	100.00 Irisbus Holding S.L.	100.000	
Irisbus (U.K.) Ltd	Watford	United Kingdom	200,000	GBP	100.00 Irisbus Holding S.L.	100.000	
IVC Brabant N.V. S.A.	Groot	Belgium	800,000	EUR	100.00 S.A. Iveco Belgium N.V.	75.000	
					Iveco Nederland B.V.	25.000	
IVC Nutzfahrzeuge AG	Hendschiken	Switzerland	3,500,000	CHF	100.00 Iveco (Schweiz) AG	100.000	
IVC Véhicules Industriels S.A.	Morges	Switzerland	1,200,000	CHF	100.00 Iveco (Schweiz) AG	100.000	
Iveco Argentina S.A.	Cordoba	Argentina	26,700,000	ARS	100.00 Iveco S.p.A.	100.000	
Iveco Austria GmbH	Vienna	Austria	6,178,000	EUR	100.00 Iveco S.p.A.	100.000	
Iveco Bayern GmbH	Nuremberg	Germany	742,000	EUR	100.00 Iveco Magirus AG	100.000	
Iveco Colombia Ltda.	Santa Fe' de Bogota	Colombia	2,870,909,000	COP	100.00 Iveco Venezuela C.A.	99.974	
					Iveco Latin America Ltda	0.026	
Iveco Contract Services Limited	Watford	United Kingdom	17,000,000	GBP	100.00 Iveco Partecipazioni Finanziarie S.r.l.	100.000	
Iveco Danmark A/S	Glostrup	Denmark	501,000	DKK	100.00 Iveco S.p.A.	100.000	
Iveco Est Sas	Haunconcourt	France	305,600	EUR	100.00 Iveco France S.A.	100.000	
Iveco Eurofire (Holding) GmbH	Weisweil	Germany	30,776,857	EUR	100.00 Iveco Magirus AG	90.032	
					Iveco S.p.A.	9.968	
Iveco Fiat Brasil Ltda	Sete Lagoas	Brazil	170,100,000	BRL	100.00 Fiat Automoveis S.A. - FIASA	50.000	
					Iveco S.p.A.	48.576	
					Iveco Latin America Ltda	1.424	

continued INVESTMENTS HELD THROUGH FIAT S.p.A. (percentage of Group consolidation equal to 27.74%)
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Name	Registered office	Country	Capital stock at 6/30/2005	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Iveco Finland OY	Espoo	Finland	200,000	EUR	100.00	Iveco S.p.A.	100.000	
Iveco France S.A.	Trappes	France	93,800,000	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Holdings Limited	Watford	United Kingdom	47,000,000	GBP	100.00	Iveco S.p.A.	100.000	
Iveco International Trade Finance S.A.	Paradiso	Switzerland	30,800,000	CHF	100.00	Iveco Partecipazioni Finanziarie S.r.l.	100.000	
Iveco Investitions GmbH	Ulm	Germany	2,556,459	EUR	100.00	Iveco Magirus AG	99.020	
						Iveco S.p.A.	0.980	
Iveco Latin America Ltda	Sao Paulo	Brazil	684,700,000	BRL	100.00	Iveco S.p.A.	100.000	
Iveco Limited	Watford	United Kingdom	117,000,000	GBP	100.00	Iveco Holdings Limited	100.000	
Iveco L.V.I. S.a.s.	Saint-Priest-En-Jarez	France	503,250	EUR	100.00	Iveco France S.A.	100.000	
Iveco Magirus AG	Ulm	Germany	250,000,000	EUR	100.00	Iveco S.p.A.	53.660	
						Fiat Netherlands Holding N.V.	46.340	
Iveco Magirus Brandschutztechnik GmbH	Ulm	Germany	6,493,407	EUR	100.00	Iveco Eurofire (Holding) GmbH	99.764	
						Iveco S.p.A.	0.236	
Iveco Mezzi Speciali S.p.A.	Brescia	Italy	13,120,000	EUR	100.00	Iveco Eurofire (Holding) GmbH	100.000	
Iveco Motorenforschung AG	Arbon	Switzerland	4,600,000	CHF	100.00	Iveco S.p.A.	60.000	
						Iveco France S.A.	40.000	
Iveco Motors of North America Inc.	Wilmington	U.S.A.	1	USD	100.00	Iveco S.p.A.	100.000	
Iveco Nederland B.V.	Breda	Netherlands	4,537,802	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Nord Nutzfahrzeuge GmbH	Hamburg	Germany	818,500	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Nord-Ost Nutzfahrzeuge GmbH	Berlin	Germany	2,120,000	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Norge A.S.	Voyenga	Norway	18,600,000	NOK	100.00	Iveco S.p.A.	100.000	
Iveco Nutzfahrzeuge Nord-West GmbH	Dortmund-Wambel	Germany	1,355,000	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Otomotiv Ticaret A.S.	Samandira-Kartal/Istanbul	Turkey	5,960,707	TRY	100.00	Iveco S.p.A.	99.995	
Iveco Partecipazioni Finanziarie S.r.l.	Turin	Italy	50,000,000	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Participations S.A.	Trappes	France	10,896,100	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Pegaso S.L.	Madrid	Spain	105,213,628	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Pension Trustee Ltd	Watford	United Kingdom	2	GBP	100.00	Iveco Holdings Limited	50.000	
						Iveco Limited	50.000	
Iveco Plan S.A. de Ahorro para fines determinados	Buenos Aires	Argentina	153,000	ARS	100.00	Iveco Argentina S.A.	99.600	
						Fiat Argentina S.A.	0.400	
Iveco Poland Ltd.	Warsaw	Poland	46,974,500	PLN	100.00	Iveco S.p.A.	99.989	
						Fiat Polska Sp. z o.o.	0.011	
Iveco Portugal-Comercio de Veiculos Industriais S.A.	Vila Franca de Xira	Portugal	15,962,000	EUR	100.00	Iveco S.p.A.	99.997	
						Astra Veicoli Industriali S.p.A.	0.001	
Iveco (Schweiz) AG	Kloten	Switzerland	9,000,000	CHF	100.00	Iveco Nederland B.V.	100.000	
Iveco South Africa (Pty) Ltd.	Wadewille	South Africa	15,000,750	ZAR	100.00	Iveco S.p.A.	100.000	
Iveco Sud-West Nutzfahrzeuge GmbH	Mannheim-Neckarau	Germany	1,533,900	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Sweden A.B.	Arlov	Sweden	600,000	SEK	100.00	Iveco S.p.A.	100.000	
Iveco Trucks Australia Limited	Dandenong	Australia	47,492,260	AUD	100.00	Iveco S.p.A.	100.000	
Iveco Ukraine Inc.	Kiev	Ukraine	55,961,760	UAH	99.97	Iveco S.p.A.	99.968	
Iveco Venezuela C.A.	La Victoria	Venezuela	2,495,691,000	VEB	100.00	Iveco S.p.A.	100.000	
Iveco West Nutzfahrzeuge GmbH	Colonia	Germany	1,662,000	EUR	100.00	Iveco Magirus AG	100.000	
Karosa A.S.	Vysoke Myto	Czech Republic	1,065,559,000	CZK	97.60	Irisbus France S.A.	97.595	
Karosa r.s.o.	Bratislava	Slovak Republic	200,000	SKK	97.60	Karosa A.S.	100.000	
Lohr-Magirus Feuerwehrtechnik GmbH	Kainbach	Austria	1,271,775	EUR	95.00	Iveco Magirus Brandschutztechnik GmbH	95.000	
Mediterranea de Camiones S.L.	Valencia	Spain	048,080	EUR	100.00	Iveco Pegaso S.L.	100.000	
Officine Brennero S.p.A.	Trento	Italy	7,120,000	EUR	100.00	Iveco S.p.A.	100.000	
OOO Afín Vostok Limited Liability Company	Moscow	Russia	50,000,000	RUR	40.00	Afin Leasing AG	100.000	
S.A. Iveco Belgium N.V.	Zellik	Belgium	6,000,000	EUR	100.00	Iveco S.p.A.	99.983	
						Iveco Nederland B.V.	0.017	
s.c. Afín Romania S.A.	Bucarest	Romania	2,063,200,000	ROL	40.00	Afin Leasing AG	100.000	
S.C.I. La Méditerranéenne	Vitrolles	France	248,000	EUR	100.00	Iveco France S.A.	50.000	
						Société de Diffusion de Vehicules Industriels-SDV	50.000	
Seddon Atkinson Vehicles Ltd	Oldham	United Kingdom	41,700,000	GBP	100.00	Iveco Holdings Limited	100.000	
Sicca S.p.A.	Modena	Italy	5,300,000	EUR	100.00	Iveco S.p.A.	100.000	
Société Charolaise de Participations S.A.	Vánissieux	France	2,370,000	EUR	100.00	Irisbus Holding S.L.	100.000	
Société de Diffusion de Véhicules Industriels-SDVI S.A.S.	Trappes	France	7,022,400	EUR	100.00	Iveco France S.A.	100.000	
Transolver Service S.A.	Madrid	Spain	610,000	EUR	100.00	Iveco Partecipazioni Finanziarie S.r.l.	100.000	
Transolver Service S.p.A.	Turin	Italy	1,989,000	EUR	100.00	Iveco Partecipazioni Finanziarie S.r.l.	100.000	
Transolver Services GmbH	Heilbronn	Germany	750,000	EUR	100.00	Iveco Partecipazioni Finanziarie S.r.l.	100.000	
Trucksure Services Ltd	Watford	United Kingdom	900,000	GBP	100.00	Iveco Holdings Limited	100.000	
UAB Afín Baltica (Lithuania)	Vilnius	Lithuania	035,000	LTT	40.00	Afin Leasing AG	100.000	
Utilitaires & Véhicules Industriels Franciliens-UVIF SAS	La Garenne	France	1,067,500	EUR	100.00	Iveco France S.A.	100.000	
Zona Franca Alari Sepauto S.A.	Barcelona	Spain	520,560	EUR	51.87	Iveco Pegaso S.L.	51.867	
2 H Energy S.A.S.	Fécamp	France	2,000,000	EUR	100.00	Iveco S.p.A.	100.000	
Components								
Magneti Marelli Holding S.p.A.	Corbetta	Italy	254,324,998	EUR	99.99	Fiat S.p.A.	99.991	100.000
Automotive Lighting Brotterode GmbH	Meiningen	Germany	7,270,000	EUR	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Holding GmbH put into a wind-up	Innsbruck	Austria	11,952,191	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Automotive Lighting Italia S.p.A.	Venania Reale	Italy	2,000,000	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Automotive Lighting LLC	Farmington Hills	U.S.A.	25,001,000	USD	99.99	Magneti Marelli Holding U.S.A. Inc.	100.000	

continued INVESTMENTS HELD THROUGH FIAT S.p.A. (percentage of Group consolidation equal to 27.74%)
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Automotive Lighting o.o.o.	Rjiasan	Russia	36,875,663	RUR	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Polska Sp. z o.o.	Sosnowiec	Poland	83,500,000	PLN	99.99	Automotive Lighting Reutlingen GmbH Fiat Polska Sp. z o.o.	99.997 0.003	
Automotive Lighting Rear Lamps Deutschland GmbH	Grasbrunn-Neukerferloh	Germany	025,565	EUR	98.99	Automotive Lighting Rear Lamps Italia S.p.A.	99.000	
Automotive Lighting Rear Lamps Espana S.A.	Llinares del Valles	Spain	9,153,693	EUR	99.99	Automotive Lighting Rear Lamps Italia S.p.A.	100.000	
Automotive Lighting Rear Lamps France S.A.	Saint Denis	France	1,011,536	EUR	99.98	Automotive Lighting Rear Lamps Italia S.p.A.	99.992	
Automotive Lighting Rear Lamps Italia S.p.A.	Tolmezzo	Italy	10,000,000	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Automotive Lighting Reutlingen GmbH	Reutlingen	Germany	1,330,000	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Automotive Lighting S.R.O.	Jihlava	Czech Republic	927,637,000	CZK	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting UK Limited	Cannock	United Kingdom	15,387,348	GBP	99.99	Magneti Marelli Holding S.p.A.	100.000	
Fiat CIEI S.p.A.	Corbetta	Italy	624,000	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Iluminacao Automotiva Ltda	Contagem	Brazil	93,260,418	BRL	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Industrial Yorcka de Mexico S.A. de C.V.	Mexico City	Mexico	050,000	MXN	99.99	Yorcka de Mexico S.r.l. de CV Industrial Yorcka de Tepotzotlan S.A. de C.V.	98.000 2.000	
Industrial Yorcka de Tepotzotlan S.A. de C.V.	Mexico City	Mexico	050,000	MXN	99.99	Yorcka de Mexico S.r.l. de CV Industrial Yorcka de Mexico S.A. de C.V.	99.000 1.000	
Industrias Magneti Marelli Mexico S.A. de C.V.	Tepotzotlan	Mexico	050,000	MXN	99.99	Magneti Marelli Sistemas Electronicos Mexico S.A Servicios Administrativos Corp. IPASA S.A.	99.998 0.002	
Kadron S/A	Maua	Brazil	2,622,229	BRL	99.69	Magneti Marelli do Brasil Industria e Comercio SA	100.000	
Magneti Marelli After Market S.p.A.	Turin	Italy	15,349,500	EUR	99.99	Magneti Marelli Holding S.p.A.	99.999	100.000
Magneti Marelli Argentina S.A.	Buenos Aires	Argentina	2,000,000	ARS	99.98	Magneti Marelli France S.A. Magneti Marelli Holding S.p.A.	84.563 15.437	
Magneti Marelli Automotive Components (WUHU) Co. Ltd.	Anhui	People's Republic of China	5,000,000	USD	99.99	Magneti Marelli Powertrain S.p.A.	100.000	
Magneti Marelli Cofap Companhia Fabricadora de Pecas	Santo Andre	Brazil	212,736,263	BRL	99.63	Magneti Marelli Holding S.p.A.	99.634	99.966
Magneti Marelli Components B.V.	Amsterdam	Netherlands	53,600,000	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Magneti Marelli Conjuntos de Escape S.A.	Buenos Aires	Argentina	012,000	ARS	99.99	Magneti Marelli Sistemi di Scarico S.p.A. Magneti Marelli Argentina S.A.	99.000 1.000	
Magneti Marelli Controle Motor Ltda.	Hortolandia	Brazil	102,768,560	BRL	99.99	Magneti Marelli Powertrain S.p.A. Fiat do Brasil S.A.	99.997 0.003	
Magneti Marelli Deutschland GmbH	Russelsheim	Germany	1,050,000	EUR	99.99	Magneti Marelli After Market S.p.A.	100.000	
Magneti Marelli do Brasil Industria e Comercio SA	Hortolandia	Brazil	16,868,427	BRL	99.69	Magneti Marelli Holding S.p.A.	99.695	99.976
Magneti Marelli Electronica SL	Barcelona	Spain	18,388,581	EUR	99.99	Magneti Marelli Sistemi Elettronici S.p.A.	100.000	
Magneti Marelli Elektronische Systeme GmbH	Heilbronn	Germany	100,000	EUR	99.99	Magneti Marelli Sistemi Elettronici S.p.A.	100.000	
Magneti Marelli Elettronica Ltda	Sao Paulo	Brazil	16,996,210	BRL	99.99	Magneti Marelli Sistemi Elettronici S.p.A.	100.000	
Magneti Marelli Escapamentos Ltda	Amparo	Brazil	65,736,384	BRL	99.99	Magneti Marelli Sistemi di Scarico S.p.A. Fiat do Brasil S.A.	99.997 0.003	
Magneti Marelli Exhaust Systems Polska Sp. z o.o.	Sosnowiec	Poland	15,000,000	PLN	99.99	Magneti Marelli Sistemi di Scarico S.p.A. Fiat Polska Sp. z o.o.	99.993 0.007	
Magneti Marelli France S.A.	Nanterre	France	1,531,360	EUR	99.98	Magneti Marelli Holding S.p.A. Ufima S.A.S.	99.974 0.018	
Magneti Marelli Guangzhou Motor Vehicle Instruments Co. Limited	Guangzhou	People's Republic of China	8,100,000	USD	99.99	Magneti Marelli Sistemi Elettronici S.p.A.	100.000	
Magneti Marelli Holding U.S.A. Inc.	Wixom	U.S.A.	10	USD	99.99	Magneti Marelli Holding S.p.A.	100.000	
Magneti Marelli Iberica S.A.	Madrid	Spain	099,766	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Magneti Marelli Motopropulsion France SAS	Nanterre	France	10,692,500	EUR	99.98	Magneti Marelli France S.A.	100.000	
Magneti Marelli North America Inc.	Wilmington	U.S.A.	40,223,205	USD	99.63	Magneti Marelli Cofap Companhia Fabricadora de Pecas	100.000	
Magneti Marelli Poland S.A.	Sosnowiec	Poland	10,567,800	PLN	99.99	Magneti Marelli Holding S.p.A. Fiat Polska Sp. z o.o.	99.995 0.005	
Magneti Marelli Powertrain GmbH	Russelsheim	Germany	100,000	EUR	99.99	Magneti Marelli Powertrain S.p.A.	100.000	
Magneti Marelli Powertrain (Shanghai) Co. Ltd.	Shanghai	People's Republic of China	10,000,000	USD	99.99	Magneti Marelli Powertrain S.p.A.	100.000	
Magneti Marelli Powertrain S.p.A.	Corbetta	Italy	85,690,872	EUR	99.99	Magneti Marelli Holding S.p.A.	99.999	100.000
Magneti Marelli Powertrain U.S.A. LLC	Sanford	U.S.A.	25,000,000	USD	99.99	Magneti Marelli Holding U.S.A. Inc.	100.000	
Magneti Marelli Sistemas Electronicos Mexico S.A.	Tepotzotlan	Mexico	23,611,680	MXN	99.99	Magneti Marelli Sistemi Elettronici S.p.A.	100.000	
Magneti Marelli Sistemi di Scarico S.p.A.	Corbetta	Italy	20,000,000	EUR	99.99	Magneti Marelli Componenti B.V.	100.000	
Magneti Marelli Sistemi Elettronici S.p.A.	Corbetta	Italy	74,897,548	EUR	99.99	Magneti Marelli Holding S.p.A.	99.999	100.000
Magneti Marelli South Africa (Proprietary) Limited	Johannesburg	South Africa	1,950,000	ZAR	99.99	Magneti Marelli Sistemi di Scarico S.p.A.	100.000	
Magneti Marelli Suspension Systems Poland Sp. z o.o.	Sosnowiec	Poland	43,100,000	PLN	99.99	Magneti Marelli Holding S.p.A. Fiat Polska Sp. z o.o.	99.993 0.007	
Magneti Marelli Svenska A/B put into a wind-up	Goteborg	Sweden	100,000	SEK	99.99	Magneti Marelli Componenti B.V.	100.000	
Magneti Marelli Systemes Electroniques France S.A.S.	Nanterre	France	40,040,016	EUR	99.99	Magneti Marelli Sistemi Elettronici S.p.A.	100.000	
Magneti Marelli Tubos de Escape SL	Barcelona	Spain	10,154,256	EUR	99.99	Magneti Marelli Sistemi di Scarico S.p.A.	100.000	
Magneti Marelli U.K. Limited	Cannock	United Kingdom	12,400,000	GBP	99.99	Magneti Marelli Componenti B.V.	100.000	
Mako Elektrik Sanay Ve Ticaret A.S.	Osmangazi Bursa	Turkey	16,500,000,000	TRY	93.99	Magneti Marelli Holding S.p.A.	94.000	
Malaysian Automotive Lighting SDN. BHD	Penang	Malaysia	8,000,000	MYR	79.99	Automotive Lighting Reutlingen GmbH	80.000	
Servicios Administrativos Corp. IPASA S.A.	Col. Chapultepec	Mexico	001,000	MXN	99.99	Magneti Marelli Sistemas Electronicos Mexico S.A Industrias Magneti Marelli Mexico S.A. de C.V.	99.990 0.010	
Sistemi Sospensioni S.p.A.	Corbetta	Italy	60,500,000	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Tecnologia de Iluminacion Automotriz S.A. de C.V.	Chihuahua	Mexico	050,000	MXN	99.99	Automotive Lighting LLC	100.000	
Tutela Lubrificantes S.A.	Contagem	Brazil	941,028	BRL	99.99	Magneti Marelli Holding S.p.A.	100.000	

continued INVESTMENTS HELD THROUGH FIAT S.p.A. (percentage of Group consolidation equal to 27.74%)
The consolidation method indicated in the list is the method used by the Fiat Group

Name	Registered office	Country	Capital stock at 6/30/2005	Currency	% of Group consolidation Interest held by	% of interest held	% of voting rights
Ufima S.A.S.	Nanterre	France	044,940	EUR	99.94 Magneti Marelli Holding S.p.A. Fiat Partecipazioni S.p.A. Magneti Marelli Components B.V.	35.541 34.980 29.426	
Yorka de Mexico S.r.l. de CV	El Marques Queretaro	Mexico	050,000	MXN	99.99 Magneti Marelli Holding U.S.A. Inc.	100.000	
Metallurgical Products							
Teksid S.p.A.	Turin	Italy	113,624,939	EUR	80.48 Fiat S.p.A.	80.482	
Accurcast Limited put into a wind-up	Saint John	Canada	39,684,600	CAD	41.05 Meridian Technologies Inc.	100.000	
Compania Industrial Frontera S.A. de C.V.	Sao Pedro	Mexico	050,000	MXN	80.48 Teksid Hierro de Mexico S.A. de C.V.	100.000	
Fonderie du Poutou Fonte S.A.S.	Ingrandes-sur-Vienne	France	26,958,464	EUR	80.48 Teksid S.p.A.	100.000	
Funfrap-Fundicao Portuguesa S.A.	Cacia	Portugal	13,897,550	EUR	67.29 Fonderie du Poutou Fonte S.A.S.	83.607	
Jutras Die Casting Limited put into a wind-up	Saint John	Canada	24,490,715	CAD	41.05 Meridian Technologies Inc.	100.000	
Magnesium Products of America Inc.	Eaton Rapids	U.S.A.	43,454,000	USD	41.05 Meridian Technologies Inc.	100.000	
Magnesium Products of Italy S.r.l.	Verres	Italy	13,962,000	EUR	41.05 Magnesium Products of America Inc.	100.000	
Meridian Deutschland GmbH	Heilbronn	Germany	025,600	EUR	41.05 Meridian Technologies Inc.	100.000	
Meridian Magnesium LLC put into a wind-up	Wilmington	U.S.A.	004,962	USD	41.05 Meridian Technologies Japan Inc. Meridian Technologies Inc.	90.000 10.000	
Meridian Technologies Inc.	Saint John	Canada	173,123,445	CAD	41.05 Teksid S.p.A. Teksid Acquisition Inc.	31.450 19.550	
Meridian Technologies Japan Inc.	Saint John	Canada	006,210	CAD	41.05 Meridian Technologies Inc.	100.000	
Shanghai Meridian Magnesium Products Company Limited	Shanghai	People's Republic of China	8,000,000	USD	24.63 Meridian Technologies Inc.	60.000	
Société Bretonne de Fonderie et de Mécanique S.A.	Caudan	France	7,000,000	EUR	80.48 Teksid S.p.A.	100.000	
Teksid Acquisition Inc.	Toronto	Canada	68,800,001	CAD	80.48 Teksid S.p.A.	100.000	
Teksid do Brasil Ltda	Betim	Brazil	59,899,570	BRL	80.48 Teksid S.p.A.	100.000	
Teksid Hierro de Mexico S.A. de C.V.	Sao Pedro	Mexico	567,466,400	MXN	80.48 Teksid S.p.A.	100.000	
Teksid Inc.	Wilmington	U.S.A.	100,000	USD	80.48 Teksid S.p.A.	100.000	
Teksid Iron Poland Sp. z o.o.	Skoczow	Poland	115,678,500	PLN	80.48 Teksid S.p.A. Fiat Polska Sp. z o.o.	99.996 0.004	
Production Systems							
Comau S.p.A.	Grugliasco	Italy	140,000,000	EUR	100.00 Fiat S.p.A.	100.000	
Autodie International, Inc.	Grand Rapids	U.S.A.	001,000	USD	100.00 Comau Pico Holdings Corporation	100.000	
Comau Argentina S.A.	Buenos Aires	Argentina	025,680	ARS	100.00 Comau S.p.A. Comau do Brasil Industria e Comercio Ltda. Fiat Argentina S.A.	55.280 44.688 0.031	
Comau Belgium N.V.	Zedelgem	Belgium	175,000	EUR	100.00 Comau S.p.A. Comau Service France S.A.	99.900 0.100	
Comau Deutschland GmbH	Boblingen	Germany	1,330,000	EUR	100.00 Comau S.p.A.	100.000	
Comau do Brasil Industria e Comercio Ltda.	Betim	Brazil	112,794,611	BRL	100.00 Comau S.p.A. Fiat do Brasil S.A.	99.999 0.001	
Comau Estil Unl	Luton	United Kingdom	46,108,100	USD	100.00 Comau S.p.A.	100.000	
Comau India Private Limited	Pune	India	58,435,020	INR	100.00 Comau S.p.A. Comau Deutschland GmbH	99.990 0.010	
COMAU Ingest Sverige AB	Trollhattan	Sweden	5,000,000	SEK	100.00 Comau S.p.A. Ingest Facility S.p.A.	51.000 49.000	
Comau Pico Automation & Engineering Co.	Novi	U.S.A.	001,000	USD	100.00 Comau Pico Holdings Corporation	100.000	
Comau Pico East, Inc.	Macomb	U.S.A.	001,000	USD	100.00 Comau Pico Holdings Corporation	100.000	
Comau Pico Expatriate, Inc.	Southfield	U.S.A.	001,000	USD	100.00 Comau Pico Holdings Corporation	100.000	
Comau Pico Holdings Corporation	New York	U.S.A.	100	USD	100.00 Comau S.p.A.	100.000	
Comau Pico Inc.	Southfield	U.S.A.	021,455	USD	100.00 Comau Pico Holdings Corporation	100.000	
Comau Pico Novi Industries, Inc.	Novi	U.S.A.	001,000	USD	100.00 Comau Pico Holdings Corporation	100.000	
Comau Pico Resources, Inc.	Southfield	U.S.A.	001,000	USD	100.00 Comau Pico Holdings Corporation	100.000	
Comau Pico Test and Assembly Company	Southfield	U.S.A.	001,000	USD	100.00 Comau Pico Holdings Corporation	100.000	
Comau Poland Sp. z o.o.	Bielsko-Biala	Poland	2,100,000	PLN	100.00 Comau S.p.A. Fiat Polska Sp. z o.o.	99.976 0.024	
Comau Romania S.R.L.	Bihor	Romania	3,249,800,000	ROL	100.00 Comau S.p.A.	100.000	
Comau Russia OOO	Moscow	Russia	4,770,225	RUR	100.00 Comau S.p.A. Comau Deutschland GmbH	99.000 1.000	
Comau SA Body Systems (Pty) Ltd	Uitenhage	South Africa	300	ZAR	100.00 Comau South Africa (Pty) Ltd.	100.000	
Comau SA Press Tools and Parts (Pty) Ltd.	Uitenhage	South Africa	100	ZAR	100.00 Comau SA Body Systems (Pty) Ltd.	100.000	
Comau SA Properties (Pty) Ltd.	Uitenhage	South Africa	100	ZAR	100.00 Comau SA Body Systems (Pty) Ltd.	100.000	
Comau Sciaky S.A.	Trappes	France	040,000	EUR	99.76 Comau Systèmes France S.A.	99.760	
Comau Service France S.A.	Trappes	France	1,086,000	EUR	99.99 Comau Systèmes France S.A.	99.988	
Comau Service Systems S.L.	Madrid	Spain	250,000	EUR	100.00 Comau S.p.A.	100.000	
Comau Service U.K. Ltd	Watford	United Kingdom	050,000	GBP	100.00 Comau S.p.A.	100.000	
Comau (Shanghai) Automotive Equipment Co. Ltd.	Shanghai	People's Republic of China	1,000,000	USD	100.00 Comau S.p.A.	100.000	
Comau South Africa (Pty) Ltd.	Uitenhage	South Africa	1,001,001	ZAR	100.00 Comau S.p.A.	100.000	
Comau Systèmes France S.A.	Trappes	France	9,112,592	EUR	100.00 Comau S.p.A.	100.000	
Germann-Intec Verwaltungs GmbH	Heilbronn	Germany	025,000	EUR	100.00 Comau Deutschland GmbH	100.000	
Mecaner S.A.	Urduliz	Spain	6,000,000	EUR	100.00 Comau S.p.A.	100.000	
Pico Europe, Inc.	Southfield	U.S.A.	001,000	USD	100.00 Comau S.p.A.	100.000	
Pico Iaisa S de R.L. de C.V.	Tepetzotlan	Mexico	003,000	MXN	100.00 Progressive Mexico S de R.L. de C.V. Comau S.p.A.	99.967 0.033	

continued INVESTMENTS HELD THROUGH FIAT S.p.A. (percentage of Group consolidation equal to 27.74%)

The consolidation method indicated in the list is the method used by the Fiat Group

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Pico Pitex S. de R.L. C.V.	Tepotzotlan	Mexico	003,000	MXN	100.00 Progressive Mexico S. de R.L. de C.V. Comau S.p.A.	99.967 0.033	
Precision Com Corp.	Plymouth	U.S.A.	001,000	USD	100.00 Comau Pico Holdings Corporation	100.000	
Progressive Industries Co. of Canada Ltd.	Windsor	Canada	100	CAD	100.00 Comau S.p.A.	100.000	
Progressive Mexico S. de R.L. de C.V.	Tepotzotlan	Mexico	003,000	MXN	100.00 Comau S.p.A. Comau Deutschland GmbH	99.967 0.033	
Trebol Tepotzotlan S. de R.L. de C.V.	Tepotzotlan	Mexico	003,000	MXN	100.00 Progressive Mexico S. de R.L. de C.V. Comau S.p.A.	99.967 0.033	
Services							
Business Solutions S.p.A.	Turin	Italy	10,000,000	EUR	100.00 Fiat S.p.A.	100.000	
Atlanet S.p.A.	Turin	Italy	2,000,000	EUR	100.00 Fiat Partecipazioni S.p.A.	100.000	
Building Services S.r.l.	Turin	Italy	090,000	EUR	51.00 Ingest Facility S.p.A.	51.000	
Building Support S.r.l.	Turin	Italy	090,000	EUR	51.00 Building Services S.r.l.	100.000	
Business Solutions Argentina S.A.	Buenos Aires	Argentina	258,355	ARS	100.00 Business Solutions do Brasil Ltda Fiat Auto Argentina S.A.	99.992 0.008	
Business Solutions Deutschland FiatGroup GmbH	Ulm	Germany	200,000	EUR	100.00 Business Solutions S.p.A.	100.000	
Business Solutions do Brasil Ltda	Nova Lima	Brazil	36,915,855	BRL	100.00 Business Solutions S.p.A.	100.000	
Business Solutions France FiatGroup S.a.s.	Levallois-Perret	France	695,600	EUR	100.00 Business Solutions S.p.A.	100.000	
Business Solutions Iberica Fiat Group SL	Madrid	Spain	369,327	EUR	100.00 Fiat Iberica S.A.	100.000	
Business Solutions Polska Sp. z o.o.	Bielsko-Biala	Poland	3,600,000	PLN	100.00 Business Solutions S.p.A. Fiat Polska Sp. z o.o.	99.986 0.014	
Delivery & Mail S.r.l.	Turin	Italy	090,000	EUR	100.00 Ingest Facility S.p.A.	100.000	
eSPIN S.p.A.	Turin	Italy	1,000,000	EUR	100.00 Business Solutions S.p.A.	100.000	
Fiat GES CO. Belgium N.V.	Brugge	Belgium	062,500	EUR	100.00 Gesco U.K. Limited Fiat Gesco S.p.A.	99.960 0.040	
Fiat Gesco S.p.A.	Turin	Italy	3,600,000	EUR	100.00 Business Solutions S.p.A.	100.000	
Fiat Servizi per l'Industria S.c.p.a.	Turin	Italy	1,652,669	EUR	99.10 Fiat S.p.A. Fiat Auto S.p.A. Business Solutions S.p.A. Iveco S.p.A. Magnet Marelli Holding S.p.A. CNH Italia s.p.a. Fiat Partecipazioni S.p.A. Teksid S.p.A. Comau S.p.A. C.R.F. Società Consortile per Azioni Editrice La Stampa S.p.A.	36.468 33.532 7.500 6.000 4.000 3.000 3.000 2.000 1.500 1.500 1.500	
Gesco U.K. Limited	Basilidon	United Kingdom	750,000	GBP	100.00 Fiat Gesco S.p.A. Fiat United Kingdom Limited	75.000 25.000	
H.R. Services S.p.A.	Turin	Italy	400,000	EUR	100.00 Business Solutions S.p.A.	100.000	
Ingest Facility Polska Sp. z o.o.	Bielsko-Biala	Poland	500,000	PLN	100.00 Ingest Facility S.p.A. Fiat Polska Sp. z o.o.	99.800 0.200	
Ingest Facility S.p.A.	Turin	Italy	1,700,000	EUR	100.00 Business Solutions S.p.A.	100.000	
KeyG Consulting S.p.A.	Turin	Italy	167,352	EUR	60.00 Fiat Gesco S.p.A. Business Solutions S.p.A.	52.800 7.200	
Risk Management S.p.A.	Turin	Italy	120,000	EUR	100.00 Business Solutions S.p.A.	100.000	
Sadi Brasil Ltda.	Nova Lima	Brazil	100,000	BRL	98.43 Business Solutions do Brasil Ltda CNH Latin America Ltda. Fiat Automoveis S.A. - FIASA Iveco Fiat Brasil Ltda Iveco Latin America Ltda.	60.000 10.000 10.000 10.000 10.000	
Sadi Polska-Agencia Celna Sp. z o.o.	Bielsko-Biala	Poland	500,000	PLN	100.00 Servizi e Attività Doganali per l'Industria S.p.A. Fiat Polska Sp. z o.o.	99.800 0.200	
Servizi e Attività Doganali per l'Industria S.p.A.	Turin	Italy	520,000	EUR	100.00 Business Solutions S.p.A.	100.000	
Sestrieres S.p.A.	Sestriere	Italy	16,120,000	EUR	100.00 Business Solutions S.p.A. Fiat Partecipazioni S.p.A.	70.000 30.000	
Sporting Club Sestrieres S.R.L.	Sestriere	Italy	312,000	EUR	100.00 Sestrieres S.p.A.	100.000	
Telexis do Brasil Ltda.	Nova Lima	Brazil	001,400	BRL	100.00 Business Solutions do Brasil Ltda Fiat do Brasil S.A.	99.929 0.071	
Trantor S.r.l.	Milan	Italy	104,000	EUR	100.00 Ingest Facility S.p.A.	100.000	
Publishing and Communications							
Itedi-Italiana Edizioni S.p.A.	Turin	Italy	5,980,000	EUR	100.00 Fiat S.p.A.	100.000	
BMI S.p.A.	Genoa	Italy	124,820	EUR	58.00 Itedi-Italiana Edizioni S.p.A.	58.004	
Editrice La Stampa S.p.A.	Turin	Italy	4,160,000	EUR	100.00 Itedi-Italiana Edizioni S.p.A.	100.000	
Publikompass S.p.A.	Milan	Italy	3,068,000	EUR	100.00 Itedi-Italiana Edizioni S.p.A.	100.000	
Miscellaneous and Holding companies							
Banca Unione di Credito (Cayman) Ltd	Grand Cayman	Cayman Islands	10,000,000	CHF	100.00 BUC - Banca Unione di Credito	100.000	
BUC - Banca Unione di Credito	Lugano	Switzerland	100,000,000	CHF	100.00 IHF-Internazionale Holding Fiat S.A.	100.000	
Centro Ricerche Plast-Optica S.p.A.	Amaro	Italy	1,033,000	EUR	74.37 C.R.F. Società Consortile per Azioni Automotive Lighting Rear Lamps Italia S.p.A.	51.000 24.500	

continued INVESTMENTS HELD THROUGH FIAT S.p.A. (percentage of Group consolidation equal to 27.74%)
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C.R.F. Società Consortile per Azioni	Orbassano	Italy	45,400,000	EUR	97.80	Fiat Auto S.p.A. Iveco S.p.A. Magneti Marelli Holding S.p.A. CNH Italia s.p.a. Comau S.p.A. Teksid S.p.A. Fiat Partecipazioni S.p.A. Ferrari S.p.A.	40.000 20.000 20.000 5.000 5.000 5.000 4.000 1.000	
Deposito Avogadro S.r.l.	Turin	Italy	100,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Elasis-Società Consortile per Azioni	Pomigliano d'Arco	Italy	20,000,000	EUR	97.82	Fiat Auto S.p.A. C.R.F. Società Consortile per Azioni CNH Italia s.p.a. Iveco S.p.A. Comau S.p.A. Magneti Marelli Holding S.p.A. Fiat Partecipazioni S.p.A. Ferrari S.p.A. Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni Fiat S.p.A.	56.000 27.933 6.800 3.300 1.500 1.500 1.450 1.100 0.250 0.167	
Fahag Immobilien-und Finanz-Gesellschaft AG	Zurich	Switzerland	500,000	CHF	100.00	IHF-Internazionale Holding Fiat S.A.	100.000	
Fast Buyer do Brasil Ltda	Nova Lima	Brazil	050,000	BRL	100.00	Fast-Buyer S.p.A. Business Solutions do Brasil Ltda	99.998 0.002	
Fast Buyer France S.a.r.l.	Paris	France	007,700	EUR	100.00	Fast-Buyer S.p.A.	100.000	
Fast-Buyer S.p.A.	Turin	Italy	500,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fias Fiat Administration und Service GmbH	Ulm	Germany	102,258	EUR	100.00	Iveco Magirus AG Fiat Automobili AG	80.000 20.000	
Fiat Argentina S.A.	Buenos Aires	Argentina	520,002	ARS	100.00	Fiat Partecipazioni S.p.A. SGR-Sociedad para la Gestion de Riesgos S.A.	99.990 0.010	
Fiat Attività Immobiliari S.p.A.	Turin	Italy	61,300,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Concord S.A.	Buenos Aires	Argentina	1	ARS	100.00	Fiat Argentina S.A. SGR-Sociedad para la Gestion de Riesgos S.A.	99.996 0.004	
Fiat do Brasil S.A.	Nova Lima	Brazil	999,684	BRL	100.00	Fiat Partecipazioni S.p.A. Fiat Gesco S.p.A. Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	99.932 0.061 0.007	
Fiat Energia S.r.l.	Turin	Italy	350,088,770	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Financas Brasil Ltda	Nova Lima	Brazil	2,469,701	BRL	100.00	Fiat Ge.Va. S.p.A. Fiat do Brasil S.A.	99.994 0.006	
Fiat Finance and Trade Ltd	Luxembourg	Luxembourg	251,494,000	EUR	100.00	Fiat Ge.Va. S.p.A. Fiat Finance Canada Ltd.	99.993 0.007	
Fiat Finance Canada Ltd.	Calgary	Canada	10,099,885	CAD	100.00	Fiat Ge.Va. S.p.A.	100.000	
Fiat Finance Luxembourg S.A.	Luxembourg	Luxembourg	100,000	USD	100.00	Intermap (Nederland) B.V. Fiat Netherlands Holding N.V.	99.000 1.000	
Fiat Finance North America Inc.	Wilmington	U.S.A.	40,090,010	USD	100.00	Fiat Ge.Va. S.p.A. Fiat S.p.A.	60.526 39.474	
Fiat France S.A.	Paris	France	55,216,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Ge.Va. S.p.A.	Turin	Italy	224,440,000	EUR	100.00	Fiat S.p.A.	100.000	
Fiat Iberica S.A.	Madrid	Spain	2,797,054	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Information & Communication Services società consortile per azioni	Turin	Italy	800,000	EUR	96.52	Fiat S.p.A. CNH Italia s.p.a. Fiat Auto S.p.A. Iveco S.p.A. Business Solutions S.p.A. Comau S.p.A. Ferrari S.p.A. Itedi-Italiana Edizioni S.p.A. Magneti Marelli Holding S.p.A. Teksid S.p.A. Fiat Partecipazioni S.p.A.	51.000 10.000 10.000 10.000 3.000 3.000 3.000 3.000 3.000 3.000 1.000	
Fiat Netherlands Holding N.V.	Amsterdam	Netherlands	4,366,482,748	EUR	100.00	Fiat S.p.A. Fiat Partecipazioni S.p.A.	60.563 39.437	
Fiat Partecipazioni S.p.A.	Turin	Italy	3,924,685,869	EUR	100.00	Fiat S.p.A.	100.000	

continued INVESTMENTS HELD THROUGH FIAT S.p.A. (percentage of Group consolidation equal to 27.74%)
The consolidation method indicated in the list is the method used by the Fiat Group

Name	Registered office	Country	Capital stock at 6/30/2005	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Fiat Polska Sp. z o.o.	Warsaw	Poland	25,500,000	PLN	100.00	Fiat Partecipazioni S.p.A. Fiat Auto Poland S.A. Automotive Lighting Polska Sp. z o.o. Magnet Marelli Exhaust Systems Polska Sp. z o.o. Magnet Marelli Poland S.A. Magnet Marelli Suspension Systems Poland Sp.z Teksid Iron Poland Sp. z o.o. Business Solutions Polska Sp. z o.o. CNH Polska Sp. z o.o. Comau Poland Sp. z o.o. Fidis Factoring Polska Sp. z o.o. Fidis Finance Polska Sp. z o.o. Ingest Facility Polska Sp. z o.o. Sadi Polska-Agencja Celna Sp. z o.o. Sirio Polska Sp. z o.o. Iveco Poland Ltd.	99.904 0.029 0.010 0.010 0.010 0.010 0.010 0.002 0.002 0.002 0.002 0.002 0.002 0.002 0.002 0.001	
Fiat Servizi S.A.	Paradiso	Switzerland	100,000	CHF	100.00	IHF-Internazionale Holding Fiat S.A.	100.000	
Fiat United Kingdom Limited	London	United Kingdom	860,000	GBP	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat U.S.A. Inc.	New York	U.S.A.	16,830,000	USD	100.00	Fiat S.p.A.	100.000	
Fiat-Revisione Interna S.c.r.l.	Turin	Italy	300,000	EUR	95.25	Fiat Auto S.p.A. Fiat Partecipazioni S.p.A. Fiat S.p.A. CNH Global N.V. Iveco S.p.A. Comau S.p.A. Ferrari S.p.A. Itedi-Italiana Edizioni S.p.A. Magnet Marelli Holding S.p.A. Teksid S.p.A. Business Solutions S.p.A. Fiat Ge.Va. S.p.A.	20.000 15.667 14.000 10.000 10.000 5.000 5.000 5.000 5.000 5.000 4.333 1.000	
IHF-Internazionale Holding Fiat S.A.	Paradiso	Switzerland	100,000,000	CHF	100.00	Fiat S.p.A.	100.000	
Intermap (Nederland) B.V.	Amsterdam	Netherlands	200,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Isvor Fiat Società consortile di sviluppo e addestramento industriale per azioni	Turin	Italy	300,000	EUR	97.53	Fiat S.p.A. Fiat Auto S.p.A. Iveco S.p.A. CNH Italia s.p.a. Magnet Marelli Holding S.p.A. Comau S.p.A. Business Solutions S.p.A. Teksid S.p.A.	26.000 22.000 17.000 12.000 9.000 8.000 3.000 3.000	
La Stampe Europe SAS	Paris	France	18,600,000	EUR	100.00	Fiat France S.A.	100.000	
Luganov S.A.	Lugano	Switzerland	3,000,000	CHF	100.00	BUC - Banca Unione di Credito	100.000	
Mercunia S.r.l.	Milan	Italy	015,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Neptunia Assicurazioni Marittime S.A.	Lausanne	Switzerland	10,000,000	CHF	100.00	Rimaco S.A.	100.000	
New Business 7 S.p.A.	Turin	Italy	11,899,524	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
New Business 8 S.p.A.	Turin	Italy	1,437,210	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Rimaco S.A.	Lausanne	Switzerland	350,000	CHF	100.00	IHF-Internazionale Holding Fiat S.A.	100.000	

continued INVESTMENTS HELD THROUGH FIAT S.p.A. (percentage of Group consolidation equal to 27.74%)
The consolidation method indicated in the list is the method used by the Fiat Group

Name	Registered office	Country	Capital stock at 6/30/2005	Currency	% of Group consolidation Interest held by	% of interest held	% of voting rights
SIRIO - Sicurezza Industriale Società consortile per azioni	Turin	Italy	120,000	EUR	88.71 Fiat Partecipazioni S.p.A. Fiat Auto S.p.A. Iveco S.p.A. Fiat Powertrain Italia S.r.l. Magnet Marelli Holding S.p.A. Comau S.p.A. Fiat S.p.A. Ferrari S.p.A. Teksid S.p.A. Irisbus Italia S.p.A. Fiat Gesco S.p.A. Sistemi Sospensioni S.p.A. C.R.F. Società Consortile per Azioni New Holland Kobelco Construction Machinery S.p. Fiat Servizi per l'Industria S.c.p.a. Fiat Ge Va S.p.A. Isvor Fiat Società consortile di sviluppo e addestramento industriale per azioni Fidis S.p.A. CNH Italia s.p.a. Automotive Lighting Italia S.p.A. Editrice La Stampa S.p.A. Elasis-Società Consortile per Azioni Ingest Facility S.p.A. H.R. Services S.p.A. Astra Veicoli Industriali S.p.A. Atlanet S.p.A. Fiat Information & Communication Services società consortile per azioni Savarent Società per Azioni Servizi e Attività Doganali per l'Industria S.p.A. Fiat Purchasing Italia S.r.l. Fiat-Revisione Interna S.c.r.l. Iveco Mezzi Speciali S.p.A. Fiat Center Italia S.p.A. Business Solutions S.p.A. eSPIN S.p.A. Fast-Buyer S.p.A. Itedi-Italiana Edizioni S.p.A. Maserati S.p.A. Orione-Consortio Industriale per la Sicurezza e la Vigilanza PDL Services S.r.l. Risk Management S.p.A. Sisport Fiat Società per Azioni-SF Automotive Lighting Rear Lamps Italia S.p.A. Delivery & Mail S.r.l. Easy Drive S.r.l. Fiat Attività Immobiliari S.p.A. Global Value S.p.A.	53.205 17.415 4.583 2.317 1.955 0.751 0.751 0.729 0.664 0.622 0.553 0.551 0.535 0.535 0.503 0.449 0.449 0.325 0.237 0.233 0.233 0.233 0.233 0.179 0.103 0.103 0.103 0.103 0.083 0.061 0.061 0.045 0.040 0.040 0.039 0.039 0.039 0.039 0.022 0.022 0.022 0.022	
Sisport Fiat Società per Azioni-SF	Turin	Italy	7,120,800	EUR	100.00 Fiat Partecipazioni S.p.A.	100.000	

continued INVESTMENTS HELD THROUGH FIAT S.p.A. (percentage of Group consolidation equal to 27.74%)
The consolidation method indicated in the list is the method used by the Fiat Group

Name	Registered office	Country	Capital stock at 6/30/2005	Currency	% of Group consolidation Interest held by	% of interest held	% of voting rights
Jointly-owned companies consolidated by the proportional integration method							
Powertrain Technologies							
Fiat-GM Powertrain Polska Sp. z o.o.	Bielsko-Biala	Poland	220,100,000	PLN	50.00 Fiat Powertrain B.V.	50.000	
Subsidiaries valued by the equity method							
Automobiles							
Alfa Romeo Inc.	Orlando	U.S.A.	3,000,000	USD	100.00 Fiat Auto S.p.A.	100.000	
Alfa Romeo Motors Ltd.	Bangkok	Thailand	160,000,000	THB	100.00 Fiat Auto S.p.A.	99.999	
Auto Italia Erfurt GmbH put into a wind-up	Erfurt	Germany	2,985,000	EUR	100.00 Fiat Automobil Vertriebs GmbH	100.000	
F.A. Austria Commerz GmbH	Vienna	Austria	037,000	EUR	100.00 Fiat Auto (Suisse) S.A.	100.000	
Fiat Auto Egypt Industrial Company SAE	Giza	Egypt	50,000,000	EGP	80.40 Fiat Auto S.p.A.	80.400	
Fiat Auto Egypt S.A.E.	Giza	Egypt	5,000,000	EGP	79.60 Fiat Auto Egypt Industrial Company SAE	99.000	
Fiat Auto S.A. de Ahorro para Fines Determinados	Buenos Aires	Argentina	24,535,149	ARS	100.00 Fiat Auto Argentina S.A.	100.000	
Fiat Auto Thailand Pvt. Ltd.	Bangkok	Thailand	300,000,000	THB	100.00 Fiat Auto S.p.A.	100.000	
Fiat Automoviles Venezuela C.A.	Caracas	Venezuela	300,000	VEB	100.00 Fiat Automoviles S.A. - FIASA	100.000	
Italcarr SA	Casablanca	Morocco	4,000,000	MAD	100.00 Inmap 2000 Espana S.L.	100.000	
Leasys S.p.A.	Fiomicino	Italy	77,499,400	EUR	51.00 Fidis Renting Italia S.p.A.	51.000	
Sirio Polska Sp. z o.o.	Bielsko-Biala	Poland	1,350,000	PLN	100.00 Fiat Auto Poland S.A. Fiat Polska Sp. z o.o.	99.963 0.037	
Zao Nizhegorod Motors	Nizhnyj Novgorod	Russia	24,660,000	RUR	73.14 Fiat Auto S.p.A.	73.139	73.127
Agricultural and Construction Equipment							
Farmers New Holland Inc.	Wilmington	U.S.A.	650,000	USD	84.26 CNH America LLC	100.000	
La Grande New Holland Inc.	Wilmington	U.S.A.	404,800	USD	63.90 CNH America LLC	75.840	
Medicine Hat New Holland Ltd.	Ottawa	Canada	977,000	CAD	74.31 CNH Canada Ltd.	88.188	
Memphis New Holland Inc.	Wilmington	U.S.A.	487,600	USD	81.52 CNH America LLC	96.739	
Northside New Holland Inc.	Wilmington	U.S.A.	250,000	USD	77.52 CNH America LLC	92.000	
Pensacola Tractor & Equipment Inc.	Wilmington	U.S.A.	330,000	USD	84.26 CNH America LLC	100.000	
Ridgeview New Holland Inc.	Wilmington	U.S.A.	440,000	USD	67.39 CNH America LLC	79.977	
St. Catharines New Holland Ltd.	Ottawa	Canada	327,700	CAD	57.03 CNH Canada Ltd.	67.684	
Sunrise Tractor & Equipment Inc.	Wilmington	U.S.A.	875,000	USD	78.29 CNH America LLC	92.914	
Tri-County New Holland Inc.	Wilmington	U.S.A.	400,000	USD	84.26 CNH America LLC	100.000	
Commercial vehicles							
Altra S.p.A.	Genoa	Italy	516,400	EUR	66.67 Irisbus Italia S.p.A.	66.670	
F. Pegaso S.A.	Madrid	Spain	993,045	EUR	100.00 Iveco Pegaso S.L.	100.000	
Financière Pegaso France S.A.	Trappes	France	260,832	EUR	100.00 Iveco Pegaso S.L.	100.000	
Iveco S.P.R.L.	Kinshasa	Congo (Dem. Rep. Congo)	340,235,000	CDF	100.00 Iveco S.p.A. Astra Veicoli Industriali S.p.A.	99.992 0.008	
Components							
Cofap Fabricadora de Pecas Ltda	Santo Andre	Brazil	60,838,291	BRL	68.14 Magneti Marelli do Brasil Industria e Comercio SA	68.350	
Serma Italiana Auto Svet	Krasnig Oktjabr Kirz	Russia	14,574,000	RUR	99.99 Automotive Lighting Rear Lamps Italia S.p.A.	100.000	
Metallurgical Products							
Teksid of India Private Limited Company put into a wind-up	Bardez-Goa	India	403,713,830	INR	80.48 Teksid S.p.A.	100.000	
Production Systems							
Comau AGS S.p.A.	Grugliasco	Italy	1,000,000	EUR	100.00 Comau S.p.A.	100.000	
Comau Australia Pty. Ltd	Wingfield	Australia	765,589	AUD	100.00 Comau S.p.A.	100.000	
Geico do Brasil Ltda	Betim	Brazil	202,950	BRL	48.78 Geico S.p.A. Comau do Brasil Industria e Comercio Ltda.	95.565 0.044	
Geico Endustriyel Taahhut A.S.	Istanbul	Turkey	1,000,000,000,000	TRY	50.98 Geico S.p.A.	99.959	
Geico S.p.A.	Cinisello Balsamo	Italy	3,627,000	EUR	51.00 Comau S.p.A.	51.000	
Sciaky s.a.s.	Bonneuil Sur Marne	France	795,077	EUR	100.00 Comau Systemes France S.A.	100.000	
Services							
Cromos Consulenza e Formazione S.r.l. put into a wind-up	Turin	Italy	013,000	EUR	76.00 Business Solutions S.p.A.	76.000	
Global Value S.p.A.	Turin	Italy	1,000,000	EUR	50.00 Business Solutions S.p.A.	50.000	
Matrix S.r.l. put into a wind-up	Turin	Italy	030,000	EUR	99.98 Business Solutions S.p.A. Isvor Fiat Società consorzio di sviluppo e addestramento industriale per azioni	99.990 1.000	
PDL Services S.r.l.	Turin	Italy	105,000	EUR	100.00 Business Solutions S.p.A.	100.000	
Miscellaneous and Holding companies							
Centro Studi sui Sistemi di Trasporto-CSST S.p.A.	Turin	Italy	520,000	EUR	89.76 Fiat Auto S.p.A. Iveco S.p.A. C.R.F. Società Consortile per Azioni	49.000 30.000 11.000	
European Engine Alliance EEIG	Basildon	United Kingdom	0	GBP	61.42 CNH U.K. Limited Iveco S.p.A.	33.333 33.333	
Fiat (China) Business Co., Ltd.	Beijing	People's Republic of China	500,000	USD	100.00 Fiat Partecipazioni S.p.A.	100.000	
Fiat Russia OOO	Moscow	Russia	18,509,050	RUR	100.00 Fiat Partecipazioni S.p.A. Fiat Attività Immobiliari S.p.A.	80.000 20.000	
Isvor Dealernet S.r.l. put into a wind-up	Turin	Italy	010,000	EUR	98.02 Isvor Fiat Società consorzio di sviluppo e addestramento industriale per azioni Fiat Auto S.p.A.	80.000 20.000	
SGR-Sociedad para la Gestion de Riesgos S.A.	Buenos Aires	Argentina	010,000	ARS	99.96 Rimaco S.A.	99.960	
Sistemi Ambientali S.p.A. put into a wind-up	Rivoli	Italy	9,544,080	EUR	99.79 Fiat Partecipazioni S.p.A.	99.785	

continued INVESTMENTS HELD THROUGH FIAT S.p.A. (percentage of Group consolidation equal to 27.74%)
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Name	Registered office	Country	Capital stock at 6/30/2005	Currency	% of Group consolidation Interest held by	% of interest held	% of voting rights
Subsidiaries valued at cost							
Automobiles							
Fiat Auto Espana Marketing Instituto Agrupacion de Interes Economico	Alcalá De Henares	Spain	030,051	EUR	95.00 Fiat Auto Espana S.A.		95,000
Fiat Auto Marketing Institute (Portugal) ACE	Alges	Portugal	015,000	EUR	80.00 Fiat Auto Portuguesa S.A.		80,000
Nuove Iniziative Finanziarie 2 S.r.l.	Turin	Italy	025,000	EUR	100.00 Fiat Auto S.p.A.		99,000
					Fidis S.p.A.		1,000
Powertrain India Pvt. Ltd. put into a wind-up	Mumbai	India	101,000	INR	100.00 Fiat India Automobiles Private Limited		100,000
Agricultural and Construction Equipment							
Case Credit Wholesale Pty. Limited	St. Marys	Australia	347,750	AUD	84.26 CNH Australia Pty Limited		100,000
Fermecc North America Inc.	Wilmington	U.S.A.	5	USD	84.26 CNH America LLC		100,000
International Harvester Company	Wilmington	U.S.A.	001,000	USD	84.26 CNH America LLC		100,000
J.I. Case Company Limited	Basildon	United Kingdom	2	GBP	84.26 Case United Kingdom Limited		100,000
Commercial Vehicles							
Consorzio per la Formazione Commerciale Iveco-Coforma	Turin	Italy	051,646	EUR	59.75 Iveco S.p.A.		50,000
					Isvor Fiat Società consortile di sviluppo e addestramento industriale per azioni		10,000
Iran Magirus-Deutz	Teheran	Iran	180,000,000	IRR	100.00 Iveco Magirus AG		100,000
Irisbus North America Limited Liability Company	Dover	U.S.A.	020,000	USD	100.00 Irisbus France S.A.		100,000
Iveco Defence Vehicles S.p.A.	Bolzano	Italy	100,000	EUR	100.00 Iveco S.p.A.		100,000
M.R. Fire Fighting International S.A.	Brasov	Romania	35,000,000	ROL	75.88 Iveco Magirus Brandschutztechnik GmbH		74,000
					Brandschutztechnik Gorlitz GmbH		1,000
					Iveco Eurofire (Holding) GmbH		1,000
Components							
Automotive Lighting Japan K.K.	Kohoku-Ku-Yokohama	Japan	10,000,000	JPY	99.99 Automotive Lighting Reutlingen GmbH		100,000
Magneti Marelli Automotive Components (India) Limited	Pune	India	125,000,000	INR	99.99 Magneti Marelli Components B.V.		100,000
Magneti Marelli Electronic Systems (Asia) Limited	Hong Kong	People's Republic of China	010,000	HKD	99.99 Magneti Marelli Sistemi Elettronici S.p.A.		99,990
					Magneti Marelli Systemes Electroniques France S		0,010
Yorka Northamerica Corp.	Southfield	U.S.A.	010,000	USD	99.99 Yorka de Mexico S.r.l. de CV		100,000
Production Systems							
Comau (Shanghai) International Trading Co. Ltd.	Shanghai	People's Republic of China	200,000	USD	100.00 Comau S.p.A.		100,000
Comau U.K. Limited	Telford	United Kingdom	002,500	GBP	100.00 Comau S.p.A.		100,000
Estil Shrewsbury Ltd. put into a wind-up	Shropshire	United Kingdom	100	GBP	100.00 Comau Estil Unl.		100,000
Pico Estil Control Systems Ltd.	Rainham	United Kingdom	100	GBP	100.00 Comau Estil Unl.		100,000
Pico Estil Manufacturing Ltd. put into a wind-up	Luton	United Kingdom	005,000	GBP	100.00 Comau Estil Unl.		100,000
Synesis	Modugno	Italy	020,000	EUR	75.00 Comau S.p.A.		75,000
Services							
CONSORZIO SERMAGEST - Servizi Manutentivi Gestionali	Turin	Italy	015,000	EUR	60.00 Ingest Facility S.p.A.		60,000
Gestione Servizi Territoriali S.r.l.	Turin	Italy	090,000	EUR	60.00 Ingest Facility S.p.A.		60,000
Polaris Consorzio fra Imprese con Attività Esterna put into a wind-up	Turin	Italy	003,099	EUR	86.65 Matrix S.r.l. in liquidazione		86,673
Miscellaneous and Holding companies							
Fast Buyer Middle East A.S.	Bursa	Turkey	95,000,000,000	TRY	98.80 Fast-Buyer S.p.A.		98,800
Fiat Common Investment Fund Limited	London	United Kingdom	2	GBP	100.00 Fiat United Kingdom Limited		100,000
Fiat Gra.De EEG	Watford	United Kingdom	0	GBP	96.16 Fiat Auto S.p.A.		46,000
					CNH Global N.V.		23,000
					Fiat Netherlands Holding N.V.		23,000
					Business Solutions S.p.A.		2,000
					Fiat S.p.A.		2,000
					Comau S.p.A.		1,000
					C.R.F. Società Consortile per Azioni		1,000
					Magneti Marelli Holding S.p.A.		1,000
					Teksid S.p.A.		1,000
Fiat Oriente S.A.E. put into a wind-up	Cairo	Egypt	050,000	EGP	100.00 Fiat Partecipazioni S.p.A.		100,000
Fides Corretagens de Seguros Ltda	Nova Lima	Brazil	365,525	BRL	100.00 Rimaco S.A.		99,998
ISVOR DILTS Leadership Systems Inc. put into a wind-up	Burlingame	U.S.A.	001,000	USD	49.74 Isvor Fiat Società consortile di sviluppo e addestramento industriale per azioni		51,000
Isvor Fiat India Private Ltd. put into a wind-up	New Delhi	India	1,750,000	INR	97.53 Isvor Fiat Società consortile di sviluppo e addestramento industriale per azioni		100,000
Norfinance & Associés S.A. put into a wind-up	Geneva	Switzerland	4,600,000	CHF	100.00 BUC - Banca Unione di Credito		100,000
Nuova Immobiliare Cinque S.r.l.	Turin	Italy	050,000	EUR	100.00 Fiat Partecipazioni S.p.A.		100,000
Nuova Immobiliare Quattro S.r.l.	Turin	Italy	050,000	EUR	100.00 Fiat Partecipazioni S.p.A.		100,000
Nuova Immobiliare Tre S.p.A.	Turin	Italy	120,000	EUR	100.00 Fiat Partecipazioni S.p.A.		100,000

continued INVESTMENTS HELD THROUGH FIAT S.p.A. (percentage of Group consolidation equal to 27.74%)
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Name	Registered office	Country	Capital stock at 6/30/2005	Currency	% of Group consolidation Interest held by	% of interest held	% of voting rights
Orione-Consortio Industriale per la Sicurezza e la Vigilanza	Turin	Italy	020,342	EUR	95.83 Fiat S.p.A.	82.010	
					Editrice La Stampa S.p.A.	2.000	
					Fiat Auto S.p.A.	2.000	
					Fiat Partecipazioni S.p.A.	2.000	
					CNH Italia s.p.a.	1.000	
					Comau S.p.A.	1.000	
					Fiat Gesco S.p.A.	1.000	
					Fiat Ge.Va. S.p.A.	1.000	
					Isvor Fiat Società consortile di sviluppo e addestramento industriale per azioni	1.000	
					Iveco S.p.A.	1.000	
					Magneti Marelli Holding S.p.A.	1.000	
					Sisport Fiat Società per Azioni-SF	1.000	

continued INVESTMENTS HELD THROUGH FIAT S.p.A. (percentage of Group consolidation equal to 27.74%)
The consolidation method indicated in the list is the method used by the Fiat Group

Name	Registered office	Country	Capital stock at 6/30/2005	Currency	% of Group consolidation Interest held by	% of interest held	% of voting rights
Associated companies valued by the equity method							
Automobiles							
Fidis Bank G.m.b.H.	Vienna	Austria	4,740,000	EUR	50.00 Fiat Auto S.p.A.		50.000
Fidis Retail Italia S.p.A.	Turin	Italy	672,076,000	EUR	49.00 Fiat Auto S.p.A.		49.000
GM-Fiat Worldwide Purchasing B.V. put into a wind-up	Amsterdam	Netherlands	300,000	EUR	50.00 Fiat Auto Holdings B.V.		50.000
IN ACTION S.r.l.	Arese	Italy	336,000	EUR	49.90 Fidis S.p.A.		49.900
Jiangsu Nanyang Auto Co. Ltd.	Nanjing	People's Republic of China	1,409,469,782	CNY	50.00 Fiat Auto S.p.A.		50.000
Società Europea Veicoli Leggeri-Sevel S.p.A.	Atessa	Italy	68,640,000	EUR	50.00 Fiat Auto S.p.A.		50.000
Société Européenne de Véhicules Légers du Nord-Sevelnord S.A.	Paris	France	80,325,000	EUR	50.00 Fiat Auto (France) S.A.		50.000
Targasys S.r.l.	Turin	Italy	4,322,040	EUR	40.00 Fidis S.p.A.		40.000
Tofas-Turk Otomobil Fabrikasi Tofas A.S.	Levent	Turkey	450,000,000	TRY	37.86 Fiat Auto S.p.A.		37.856
Ferrari							
Ferrari Maserati Cars International Trading (Shanghai) Co. Ltd.	Shanghai	People's Republic of China	3,000,000	USD	22.40 Ferrari S.p.A.		40.000
Agricultural and Construction Equipment							
Al-Ghazi Tractors Ltd	Karachi	Pakistan	195,165,660	PKR	36.38 CNH Global N.V.		43.170
Challenger New Holland Ltd	Ottawa	Canada	589,600	CAD	40.00 CNH Canada Ltd.		47.473
CNH Capital Europe S.a.S.	Puteaux	France	88,482,297	EUR	42.05 CNH Global N.V.		49.900
CNH de Mexico SA de CV	Sao Pedro	Mexico	165,276,000	MXN	42.13 CNH Global N.V.		50.000
CNH Servicios Comerciales, S.A. de C.V.	Sao Pedro	Mexico	50,000,000	MXN	41.29 CNH Global N.V.		49.000
Consolidated Diesel Company	Whitakers	U.S.A.	100	USD	42.13 CNH Engine Corporation		50.000
Employers Health Initiatives LLC	Wilmington	U.S.A.	0	USD	42.13 CNH America LLC		50.000
Kobelco Construction Machinery Co. Ltd.	Tokyo	Japan	16,000,000,000	JPY	16.85 CNH Global N.V.		20.000
LBX Company LLC	Wilmington	U.S.A.	0	USD	42.13 Case LBX Holdings Inc.		50.000
L&T Case Equipment Limited	Mumbai	India	240,100,000	INR	42.13 CNH America LLC		50.000
Megavolt L.P. L.L.L.P.	Wilmington	U.S.A.	500,000	USD	33.71 CNH America LLC		40.000
New Holland Finance Ltd	Basingstoke	United Kingdom	2,900,001	GBP	41.29 CNH Global N.V.		49.000
New Holland HFT Japan Inc.	Sapporo	Japan	240,000,000	JPY	42.13 CNH Global N.V.		50.000
New Holland Trakmak Traktor A.S.	Izmir	Turkey	800,000,000,000	TRY	31.60 CNH Global N.V.		37.500
Rathell Farm Equipment Company Inc.	Wilmington	U.S.A.	640,000	USD	36.46 CNH America LLC		43.266
Turk Traktor Ve Ziraat Makineleeri A.S.	Ankara	Turkey	47,000,000,000,000	TRL	31.60 CNH Global N.V.		37.500
Powertrain Technologies							
Powertrain Industrial Services S.C.R.L. put into a wind-up	Turin	Italy	100,000	EUR	48.00 Fiat Powertrain Italia S.r.l. FMA - Fabbrica Motori Automobilistici S.r.l. F.A. Powertrain Ltda. Fiat Auto Holdings B.V. Powertrain Mekanik Sanayi Ve Ticaret Limited Sirl		24.000 20.000 2.000 1.000 1.000
Commercial Vehicles							
Closed Joint Stock Company "AUTO-MS"	Zaporozhye	Ukraine	26,568,000	UAH	38.62 Iveco S.p.A.		38.618
GEIE V.I.V.R.E.	Boulogne	France	0	EUR	50.00 Iveco S.p.A.		50.000
Havoco Automotive Transmission Co. Ltd.	Zhajiing	People's Republic of China	200,010,000	CNY	33.33 Iveco S.p.A.		33.333
Iveco Finance Holdings Limited	Watford	United Kingdom	001,000	EUR	49.00 Iveco Partecipazioni Finanziarie S.r.l.		49.000
Iveco Uralaz Ltd.	Miass	Russia	65,255,056	RUR	33.33 Iveco S.p.A.		33.330
Machen-Iveco Holding S.A.	Luxembourg	Luxembourg	26,000,000	GBP	30.00 Iveco S.p.A.		30.000
Naveco Ltd.	Nanjing	People's Republic of China	2,527,000,000	CNY	50.00 Iveco S.p.A.		50.000
Otoyol Sanayi A.S.	Samandira-Kartal/Istanbul	Turkey	52,674,386	TRY	27.00 Iveco S.p.A.		27.000
Transolver Finance Establecimiento Financiero de Credito S.A.	Madrid	Spain	9,315,500	EUR	50.00 Iveco S.p.A.		50.000
V.I.V.E. RE Gruppo Europeo di Interesse Economico	Turin	Italy	0	EUR	50.00 Iveco S.p.A.		50.000
Metallurgical Products							
Hua Dong Teksid Automotive Foundry Co. Ltd.	Zhenjiang-Jiangsu	People's Republic of China	306,688,237	CNY	40.24 Teksid S.p.A.		50.000
Nanjing Teksid Iron Foundry Co. Ltd.	Nanjing	People's Republic of China	199,617,600	CNY	40.24 Teksid S.p.A.		50.000
Production Systems							
Gonzalez Production Systems Inc.	Pontiac	U.S.A.	010,000	USD	49.00 Comau Pico Holdings Corporation		49.000
G.P. Proprietes I.L.L.C.	Pontiac	U.S.A.	010,000	USD	49.00 Comau Pico Holdings Corporation		49.000
Services							
Global Value Services S.p.A.	Turin	Italy	10,730,000	EUR	50.00 Business Solutions S.p.A.		50.000
Global Value Soluções Ltda	Nova Lima	Brazil	002,000	BRL	50.00 Business Solutions do Brasil Ltda		50.000
Servizio Titoli S.p.A.	Turin	Italy	126,000	EUR	27.24 Business Solutions S.p.A.		27.238
Publishing and Communications							
Edititalia S.r.l.	Caserta	Italy	2,868,918	EUR	45.00 Editrice La Stampa S.p.A.		45.000
Editoriale Corriere Romagna S.r.l.	Forlì	Italy	2,856,000	EUR	40.00 Editrice La Stampa S.p.A.		40.000
Edizioni Dost S.r.l.	Bologna	Italy	1,042,914	EUR	40.00 Editrice La Stampa S.p.A.		40.000
Società Editrice Mercantile S.r.l.	Genoa	Italy	4,247,000	EUR	40.00 Editrice La Stampa S.p.A.		40.000
Miscellaneous and Holding companies							
IPI S.p.A.	Turin	Italy	40,784,134	EUR	10.00 Fiat Partecipazioni S.p.A.		10.000
Italenergia Bis S.p.A.	Turin	Italy	906,624,000	EUR	24.61 Fiat Energia S.r.l.		24.613
Livingstone Motor Assemblers Ltd.	Livingstone	Zambia	20,000,000	ZMK	20.00 Fiat Partecipazioni S.p.A.		20.000
Lombard Bank Malta PLC	Valletta	Malta	2,025,949	MTL	26.53 BUC - Banca Unione di Credito		26.530
Rizzoli Corriere della Sera MediaGroup S.p.A.	Milan	Italy	762,019,050	EUR	9.90 Fiat Partecipazioni S.p.A.		9.895 10.291
Robattino 87 S.r.l.	Milan	Italy	10,845,400	EUR	30.59 Fiat Partecipazioni S.p.A.		30.589
WorkNet S.p.A.	Milan	Italy	1,000,000	EUR	35.00 Fiat Partecipazioni S.p.A.		35.000

continued INVESTMENTS HELD THROUGH FIAT S.p.A. (percentage of Group consolidation equal to 27.74%)
The consolidation method indicated in the list is the method used by the Fiat Group

Name	Registered office	Country	Capital stock at 6/30/2005	Currency	% of Group consolidation Interest held by	% of interest held	% of voting rights
Associated companies valued at cost							
Automobiles							
Car City Club S.r.l.	Turin	Italy	390,000	EUR	33.00 Savarent Società per Azioni		33.000
Consorzio per la Reindustrializzazione Area di Arese S.r.l. in a wind-up	Arese	Italy	1,020,000	EUR	30.00 Fiat Auto S.p.A.		30.000
Fabrication Automobiles de Tiaret SpA	Wilaya de Tiaret	Algeria	1,225,000,000	DZD	36.57 Fiat Auto S.p.A.		36.571
Fidis Rent GmbH	Frankfurt	Germany	050,000	EUR	49.00 Fiat Handlervservice GmbH		49.000
G.E.I.E. Gisevel	Paris	France	015,200	EUR	50.00 Fiat Auto (France) S.A.		50.000
G.E.I.E.-Sevelind	Paris	France	015,200	EUR	50.00 Fiat Auto (France) S.A.		50.000
N. Technology S.p.A.	Chivasso	Italy	1,500,000	EUR	20.00 Fiat Auto S.p.A.		20.000
Ferrari							
GPWC Holdings B.V.	Amsterdam	Netherlands	2,500,000	EUR	11.20 Ferrari S.p.A.		20.000
Iniziativa Fiorano S.r.l.	Modena	Italy	090,000	EUR	18.67 Ferrari S.p.A.		33.333
Commercial Vehicles							
CBC-Iveco Ltd.	Changzhou	People's Republic of China	664,000,000	CNY	50.00 Iveco S.p.A.		50.000
Iveco Fiat - Oto Melara Società consortile r.l.	Rome	Italy	040,000	EUR	50.00 Iveco S.p.A.		50.000
Sotra S.A.	Abidjan	Ivory Coast	3,000,000,000	XAF	39.80 Irisbus France S.A.		39.800
Trucks & Bus Company	Tajoura	Libya	96,000,000	LYD	25.00 Iveco Pegaso S.L.		25.000
Zastava-Kamioni D.O.O.	Kragujevac	Serbia	1,673,505,893	YUM	33.68 Iveco S.p.A.		33.677
Components							
Flexider S.p.A.	Turin	Italy	4,131,655	EUR	25.00 Magneti Marelli Holding S.p.A.		25.000
Gestamp Marelli Autochasis S.L.	Barcelona	Spain	700,000	EUR	50.00 Sistemi Sospensioni S.p.A.		50.000
Gulf Carrosserie India Limited	Worli	India	5,000,000	INR	20.00 Magneti Marelli Holding S.p.A.		20.000
Mars Seal Private Limited	Mumbai	India	400,000	INR	24.00 Magneti Marelli France S.A.		24.000
Matay Otomotiv Yan Sanay Ve Ticaret A.S.	Istanbul	Turkey	2,400,000,000,000	TRY	28.00 Magneti Marelli Holding S.p.A.		28.000
M.I.P.-Master Imprese Politecnico	Milan	Italy	020,658	EUR	50.00 Magneti Marelli Holding S.p.A.		50.000
Metallurgical Products							
S.A.S.-Società Assofond Servizi S.r.l.	Trezzano sul Naviglio	Italy	520,000	EUR	16.10 Teksid S.p.A.		20.000
Servicios Industriales Parque Fundidores S.de r.l. de C.V.	Sao Pedro	Mexico	010,000	MXN	26.82 Teksid Hierro de Mexico S.A. de C.V.		33.330
Production Systems							
Consorzio Fermag	Rome	Italy	144,608	EUR	45.00 Comau S.p.A.		45.000
Consorzio Generazione Forme-CO.GE.F.	San Mauro Torinese	Italy	015,494	EUR	33.33 Comau S.p.A.		33.333
Services							
Multiservizi Reggio Calabria - Società per Azioni	Reggio di Calabria	Italy	120,000	EUR	29.40 Gestione Servizi Territoriali S.r.l.		49.000
S.I.MA.GEST2 Società Consortile a Responsabilità Limitata	Zola Predosa	Italy	050,000	EUR	30.00 Ingest Facility S.p.A.		30.000
Società Cooperativa Delta Più r.l. put into a wind-up	Trieste	Italy	044,865	EUR	34.96 Cromos Consulenza e Formazione S.r.l. in liquidazione		46.000
Miscellaneous and Holding companies							
Agenzia Internazionalizzazione Imprese Torino S.r.l. put into a wind-up	Turin	Italy	102,000	EUR	35.00 Fiat Partecipazioni S.p.A.		35.000
Alcmena S.a.r.l.	Luxembourg	Luxembourg	5,000,000	EUR	20.00 BUC - Banca Unione di Credito		20.000
Ascal Servizi S.r.l. put into a wind-up	Rome	Italy	073,337	EUR	25.33 Isvor Fiat Società consortile di sviluppo e addestra		25.970
Ciosa S.p.A. put into a wind-up	Milan	Italy	516	EUR	25.00 Fiat Partecipazioni S.p.A.		25.000
Concordia Finance S.A.	Luxembourg	Luxembourg	12,900,000	EUR	30.00 Fiat Netherlands Holding N.V.		30.000
CONFORM - Consorzio Formazione Manageriale	Avellino	Italy	051,600	EUR	34.13 Isvor Fiat Società consortile di sviluppo e addestra		35.000
Consorzio Fiat Media Center	Turin	Italy	219,756	EUR	46.57 Astra Veicoli Industriali S.p.A.		2.041
					Altanet S.p.A.		2.041
					Business Solutions S.p.A.		2.041
					Clickar Assistance S.R.L.		2.041
					CNH Italia s.p.a.		2.041
					Comau S.p.A.		2.041
					Editrice La Stampa S.p.A.		2.041
					Fast-Buyer S.p.A.		2.041
					Fiat Auto S.p.A.		2.041
					Fiat Center Italia S.p.A.		2.041
					Fiat Gesco S.p.A.		2.041
					Fiat Information & Communication Services societ		2.041
					Fiat Partecipazioni S.p.A.		2.041
					Fiat S.p.A.		2.041
					Global Value S.p.A.		2.041
					Irisbus Italia S.p.A.		2.041
					Itedi-Italiana Edizioni S.p.A.		2.041
					Iveco S.p.A.		2.041
					Leasys S.p.A.		2.041
					Magneti Marelli After Market S.p.A.		2.041
					Maserati S.p.A.		2.041
					Savarent Società per Azioni		2.041
					Sestrieres S.p.A.		2.041
					Targa Infomobility S.p.A.		2.041
Consorzio Oto-BPD put into a wind-up	Aulla	Italy	103,291	EUR	50.00 Fiat Partecipazioni S.p.A.		50.000
Consorzio Parco Industriale di Chivasso	Chivasso	Italy	051,650	EUR	23.10 Fiat Partecipazioni S.p.A.		23.100
Consorzio per lo Sviluppo delle Aziende Fornitrici	Turin	Italy	241,961	EUR	30.34 CNH Italia s.p.a.		10.672
					Fiat Auto S.p.A.		10.672
					Iveco S.p.A.		10.672

continued INVESTMENTS HELD THROUGH FIAT S.p.A. (percentage of Group consolidation equal to 27.74%)
The consolidation method indicated in the list is the method used by the Fiat Group

Name	Registered office	Country	Capital stock at		% of Group consolidation	Interest held by	% of interest held	% of voting rights
			6/30/2005	Currency				
Consorzio Prode	Naples	Italy	051,644	EUR	48.91	Elasis-Società Consortile per Azioni	50.000	
Consorzio Scire	Pomigliano d'Arco	Italy	051,644	EUR	48.91	Elasis-Società Consortile per Azioni	50.000	
Consorzio Scuola Superiore per l'Alta Formazione Universitaria Federico II	Naples	Italy	127,500	EUR	19.36	Elasis-Società Consortile per Azioni	20.000	
Expo 2000 - S.p.A.	Turin	Italy	2,828,750	EUR	24.50	Fiat Partecipazioni S.p.A.	24.498	
FMA-Consultoria e Negocios Ltda	Sao Paolo	Brazil	1	BRL	50.00	Fiat do Brasil S.A.	50.000	
Giraglia Immobiliare S.p.A.	Milan	Italy	3,500,000	EUR	28.24	Fiat Partecipazioni S.p.A.	28.240	
Immobiliare Novoli S.p.A.	Florence	Italy	20,640,000	EUR	40.00	Fiat Partecipazioni S.p.A.	40.000	
Interfinanziaria S.A.	Paradiso	Switzerland	1,000,000	CHF	33.33	IHF-Internazionale Holding Fiat S.A.	33.330	
Le Monde Europe S.A.	Paris	France	3,658,800	EUR	32.00	La Stampa Europe SAS	32.000	
Le Monde Presse S.A.S.	Paris	France	7,327,930	EUR	27.28	La Stampa Europe SAS	27.277	
Maire Engineering S.p.A.	Rome	Italy	7,857,143	EUR	20.00	Fiat Partecipazioni S.p.A.	20.000	
MB Venture Capital Fund I N.V.	Amsterdam	Netherlands	050,000	EUR	45.00	Fiat Partecipazioni S.p.A.	45.000	
Niugarit.Promocao e Desenvolvimento de Actividades Industriais em Cooperacao Ltda	Lisbon	Portugal	049,880	EUR	30.00	Fast-Buyer S.p.A.	30.000	
Nuova Didactica S.c. a r.l.	Modena	Italy	112,200	EUR	19.50	Ferrari S.p.A. CNH Italia s.p.a.	16.364 12.273	
Presse Europe Régions S.A.	Paris	France	62,087,232	EUR	25.28	La Stampa Europe SAS	25.280	
QSF Qualità Servizi Formazione GEIE	Turin	Italy	010,329	EUR	24.38	Isvor Fiat Società consortile di sviluppo e addestra	25.000	
Tecnologie per il Calcolo Numerico-Centro Superiore di Formazione S.c.a r.l Trento	Trento	Italy	100,000	EUR	24.45	C.R.F. Società Consortile per Azioni	25.000	
Zetesis S.p.A.	Milan	Italy	283,150	EUR	40.00	Fiat Partecipazioni S.p.A.	40.000	

continued INVESTMENTS HELD THROUGH FIAT S.p.A. (percentage of Group consolidation equal to 27.74%)
The consolidation method indicated in the list is the method used by the Fiat Group

Name	Registered office	Country	Capital stock at 6/30/2005	Currency	% of Group consolida- tion Interest held by	% of interest held	% of voting rights
Other companies valued at cost							
Agricultural and Construction Equipment							
Polagris S.A.	Pikieliszki	Lithuania	1,133,400	LTT	9.31 CNH Polska Sp. z o.o.	11.054	
Commercial Vehicles							
Consorzio Bolzano Energia	Bolzano	Italy	012,000	EUR	16.67 Iveco S.p.A.	16.667	
Consorzio Spike	Genoa	Italy	090,380	EUR	15.00 Iveco S.p.A.	15.000	
Components							
Consorzio U.L.I.S.E.	Rome	Italy	227,241	EUR	11.36 Magneti Marelli Holding S.p.A.	11.360	
Services							
Byte Software House - S.p.A.	Turin	Italy	4,215,000	EUR	17.79 Business Solutions S.p.A.	17.794	
H.R.O. Polska Sp. z o.o.	Bielsko-Biala	Poland	400,000	PLN	18.00 Business Solutions Polska Sp. z o.o.	18.000	
We-Cube.Com S.p.A. put into a wind-up	Turin	Italy	666,668	EUR	14.79 Business Solutions S.p.A.	14.790	
Miscellaneous and Holding companies							
Consorzio Sorore	Siena	Italy	009,296	EUR	16.66 Fiat Partecipazioni S.p.A.	16.663	
Consorzio Technapoli	Naples	Italy	1,626,855	EUR	10.87 Elasis-Società Consortile per Azioni	11.110	
Ercole Marelli & C. S.p.A. put into a wind-up	Milan	Italy	9,633,000	EUR	13.00 Fiat Partecipazioni S.p.A.	13.000	
Euromedia Luxembourg One S.A.	Luxembourg	Luxembourg	44,887,500	USD	14.29 Fiat Netherlands Holding N.V.	14.286	
Fin.Priv. S.r.l.	Milan	Italy	020,000	EUR	14.29 Fiat S.p.A.	14.285	
IRCC-Istituto per la Ricerca e la Cura del Cancro-Torino S.p.A.	Turin	Italy	15,500,000	EUR	19.36 Fiat Partecipazioni S.p.A.	19.355	
Istituto Europeo di Oncologia S.r.l.	Milan	Italy	57,305,382	EUR	10.90 Fiat Partecipazioni S.p.A.	10.903	
Société Anonyme Technique Immobilière et Financière de la Sadim (S.A.T.I.F.)	Monaco	Princip. of Monaco	750,000	EUR	12.60 Fiat Partecipazioni S.p.A.	12.600	
Torino Zerocinque Investment S.p.A.	Milan	Italy	2,755,000	EUR	17.62 Fiat Partecipazioni S.p.A.	17.620	

INVESTMENTS HELD THROUGH SEQUANA CAPITAL S.A. (percentage of Group consolidation equal to 52.96%)

Name	Country	Capital Stock at 6/30/2005	Currency	% of Group consoli- dation	Interest held by	% of interest held	% of voting rights
Companies consolidated on a line-by-line basis							
Paper							
AGENA N.V.	BELGIUM	62,000.00	EUR	100.00	ARJOWIGGINS PAPIERS COUCHES SAS	99.200	99.200
ANTALIS A.B.	SWEDEN	1,000,000.00	SEK	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
ANTALIS AG	SWITZERLAND	3,000,000.00	CHF	100.00	ANTALIS (SWITZERLAND) AG	100.000	100.000
ANTALIS A/S	DENMARK	4,000,000.00	DKK	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS AS	LATVIA	533,900.00	LVL	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	99.960	99.960
ANTALIS, A.S.	SLOVAK REP.	2,000,000.00	SKK	100.00	ANTALIS S.R.O.	61.000	61.000
					ANTALIS INTERNATIONAL HOLDINGS BV	39.000	39.000
ANTALIS BOLIVIA SRL	BOLIVIA	2,775,000.00	BOB	100.00	INVERSIONES EXTERIOR SA	74.000	74.000
					INVERSIONES LOS PELLINES DOS SA	26.000	26.000
ANTALIS BV	NETHERLANDS	2,314,279.10	EUR	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
ANTALIS DO BRAZIL PRODUCTOS PARA A INDUSTRIA GRAFICA LTDA	BRAZIL	520,000.00	BRL	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS ENVELOPES LIMITED	UNITED KINGDOM	1.00	GBP	100.00	ANTALIS GROUP HOLDINGS LIMITED	100.000	100.000
ANTALIS ENVELOPES NV (PUT INTO A WIND-UP)	BELGIUM	62,000.00	EUR	100.00	ANTALIS NV/SA	99.900	99.900
					ANTALIS INTERNATIONAL HOLDINGS BV	0.100	0.100
ANTALIS ENVELOPES MANUFACTURING, S.L.	SPAIN	2,815,988.40	EUR	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS EUROPE HOLDINGS	UNITED KINGDOM	39,775,643.00	GBP	100.00	ANTALIS GROUP	100.000	100.000
					PROTALIS LIMITED	0.000	0.000
ANTALIS GMBH	GERMANY	4,725,000.00	EUR	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS GROUP HOLDINGS LIMITED	UNITED KINGDOM	260,000,000.00	EUR	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS GROUP	UNITED KINGDOM	115,991,323.00	GBP	100.00	ANTALIS GROUP HOLDINGS LIMITED	100.000	100.000
					PROTALIS LIMITED	0.000	0.000
ANTALIS HOLDINGS LIMITED	UNITED KINGDOM	86,244,205.00	GBP	100.00	ANTALIS GROUP	100.000	100.000
ANTALIS (HONG KONG) LIMITED	HONG KONG	150,000.00	HKD	100.00	ANTALIS OVERSEAS HOLDINGS LIMITED	99.993	99.993
					WIGGINS TEAPE LIMITED	0.007	0.007
ANTALIS IBERIA SA	SPAIN	9,407,866.37	EUR	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS INTERNATIONAL HOLDINGS BV	NETHERLANDS	21,500.00	EUR	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS INTERNATIONAL SAS	FRANCE	986,880,573.00	EUR	100.00	SEQUANA CAPITAL S.A.	100.000	100.000
ANTALIS INTERSERVICES NV/SA	BELGIUM	99,000,000.00	EUR	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
					ANTALIS INTERNATIONAL HOLDINGS BV	0.000	0.000
ANTALIS IRELAND LIMITED	IRELAND	3,491,779.50	EUR	100.00	ANTALIS HOLDINGS LIMITED	100.000	100.000
					WIGGINS TEAPE LIMITED	0.000	0.000
ANTALIS LIETUVA UAB	LITHUANIA	4,000,000.00	LTL	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS LIMITED	UNITED KINGDOM	71,346,866.00	GBP	100.00	ANTALIS HOLDINGS LIMITED	100.000	100.000
ANTALIS NV/SA	BELGIUM	7,437,128.00	EUR	100.00	ANTALIS INTERNATIONAL SAS	99.995	99.995
					ARJO WIGGINS BELGIUM S.A.	0.002	0.002
ANTALIS OFFICE SUPPLIES, S.L.	SPAIN	11,129,914.16	EUR	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS OVERSEAS HOLDINGS LIMITED	UNITED KINGDOM	7,948,114.00	GBP	100.00	ANTALIS GROUP	100.000	100.000
ANTALIS OY	FINLAND	1,918,600.00	FIM	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
ANTALIS PERU SA	PERU	5,590,261.61	SOL	100.00	INVERSIONES EXTERIOR SA	74.000	74.000
					INVERSIONES LOS PELLINES DOS SA	26.000	26.000
ANTALIS POLAND SPOLKA Z.O.O.	POLAND	2,011,600.00	PLN	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS PROMOTIONAL PRODUCTS BV	NETHERLANDS	907,560.43	EUR	100.00	MÜHLEBACH B.V.	100.000	100.000
ANTALIS PROMOTIONAL PRODUCTS GMBH	GERMANY	25,000,000.00	EUR	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS PROMOTIONAL PRODUCTS (HONG-KONG) LTD	HONG KONG	100,000.00	HKD	100.00	ANTALIS INTERNATIONAL SAS	99.000	99.000
					ANTALIS (HONG KONG) LIMITED	1.000	1.000
ANTALIS PROMOTIONAL PRODUCTS S.L. SU	SPAIN	26,913,010.00	EUR	100.00	ANTALIS IBERIA SA	81.410	81.410
					MÜHLEBACH B.V.	18.590	18.590
ANTALIS PROMOTIONAL PRODUCTS SNC	FRANCE	305.00	EUR	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	95.000	95.000
					ANTALIS PURCHASING SASU	5.000	5.000
ANTALIS (PROPRIETARY) LIMITED	SOUTH AFRICA	1,000.00	ZAR	100.00	ANTALIS SA HOLDINGS LIMITED	100.000	100.000
ANTALIS PURCHASING SASU	FRANCE	40,000.00	EUR	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS SA	ROMENIA	2,400,000,000.00	ROL	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
ANTALIS SA HOLDINGS LIMITED	UNITED KINGDOM	1,000.00	GBP	100.00	ANTALIS GROUP	100.000	100.000
ANTALIS SNC	FRANCE	25,309,566.00	EUR	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
					ANTALIS PURCHASING SASU	0.000	0.000
ANTALIS SPA	ITALY	32,217,406.00	EUR	99.26	ANTALIS INTERNATIONAL SAS	98.995	98.995
ANTALIS S.R.O.	CZECH REP.	62,200,000.00	CZK	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS (MALAYSIA) SDN. BHD.	MALAYSIA	2,500,000.00	MYR	100.00	ANTALIS OVERSEAS HOLDINGS LIMITED	100.000	100.000
ANTALIS (SINGAPORE) PTE LIMITED	SINGAPORE	10,000,000.00	SGD	100.00	ANTALIS OVERSEAS HOLDINGS LIMITED	100.000	100.000
ANTALIS (SWITZERLAND) AG	SWITZERLAND	10,000,000.00	CHF	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS (THAILAND) LIMITED	THAILAND	30,000,000.00	THB	84.00	ANTALIS OVERSEAS HOLDINGS LIMITED	80.000	80.000
					SHRIRO PACIFIC PAPER (SINGAPORE) PTE LTD	9.999	9.999
ANTHALO SRL	ITALY	30,000.00	EUR	50.00	CENTRO DISTRIBUZIONE ARTICOLI DA REGALO SRL	50.000	50.000
APPLETON COATED LLC	USA	100.00	USD	100.00	APPLETON COATED PAPER HOLDINGS INC.	100.000	100.000
APPLETON COATED PAPERS HOLDINGS INC.	USA	1,445.00	USD	100.00	ARJO WIGGINS FINE PAPERS HOLDINGS LIMITED	100.000	100.000
ARJOWIGGINS CANSON SAS	FRANCE	5,356,213.00	EUR	100.00	ARJOWIGGINS SAS	100.000	100.000
ARJOWIGGINS CHARTHAM LIMITED	UNITED KINGDOM	6,000,000.00	GBP	100.00	THE WIGGINS TEAPE GROUP LIMITED	100.000	100.000
ARJOWIGGINS IVYBRIDGE LIMITED	UNITED KINGDOM	1	GBP	100.00	THE WIGGINS TEAPE GROUP LIMITED	100.000	100.000
ARJOWIGGINS LE BOURRAY SAS	FRANCE	1,351,577.00	EUR	100.00	ARJOWIGGINS SAS	100.000	100.000
ARJOWIGGINS PAPIERS COUCHES SAS	FRANCE	87,916,250.00	EUR	100.00	ARJOWIGGINS SAS	100.000	100.000

continued INVESTMENTS HELD THROUGH SEQUANA CAPITAL S.A. (percentage of Group consolidation equal to 52.96%)

Name	Country	Capital Stock at 6/30/2005	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
ARJOWIGGINS RIVES SAS	FRANCE	30,000,000.00	EUR	100.00	ARJOWIGGINS CANSON SAS	100.000	100.000
ARJOWIGGINS SAS	FRANCE	165,920,000.00	EUR	100.00	SEQUANA CAPITAL S.A.	100.000	100.000
ARJOWIGGINS SECURITY SAS	FRANCE	70,000,000.00	EUR	100.00	ARJOWIGGINS SAS	100.000	100.000
ARJO WIGGINS APPLETON INSURANCE LIMITED	GUERNSEY	2,000,000.00	GBP	100.00	THE WIGGINS TEAPE GROUP LIMITED ARJO WIGGINS UK HOLDINGS LIMITED	100.000 0.000	100.000 0.000
ARJO WIGGINS AUSTRALIA PTY LIMITED	AUSTRALIA	200,000.00	AUD	99.99	ARJO WIGGINS BELGIUM S.A.	100.000	100.000
ARJO WIGGINS AUSTRALIA PTY LIMITED	AUSTRALIA	400,000.00	AUD	100.00	CANSON INTERNATIONAL SAS ARJOWIGGINS SAS	91.500 8.500	91.500 8.500
ARJO WIGGINS BELGIUM HOLDINGS S.A.	BELGIUM	193,852,736.37	EUR	100.00	LIMITED	99.998	99.998
ARJO WIGGINS BELGIUM S.A.	UNITED KINGDOM	32,500,000.00	EUR	99.99	ARJO WIGGINS LIMITED ARJO WIGGINS BELGIUM HOLDINGS S.A. ARJO WIGGINS LIMITED	0.002 99.990 0.000	0.002 99.990 0.000
ARJO WIGGINS CANSON KK	JAPAN	20,000,000.00	JPY	100.00	CANSON INTERNATIONAL SAS	100.000	100.000
ARJO WIGGINS CARBONLESS PAPERS CHINA LIMITED	UNITED KINGDOM	2.00	GBP	100.00	LIMITED	100.000	100.000
ARJO WIGGINS CARBONLESS PAPERS EUROPE LIMITED	UNITED KINGDOM	170,735,640.00	GBP	100.00	ARJOWIGGINS SAS	100.000	100.000
ARJO WIGGINS CARBONLESS PAPERS INTERNATIONAL LTD	UNITED KINGDOM	75,000.00	GBP	100.00	ARJO WIGGINS CARBONLESS PAPERS EUROPE LIMITED	100.000	100.000
ARJO WIGGINS CARBONLESS PAPERS LIMITED	UNITED KINGDOM	2.00	GBP	100.00	LIMITED	100.000	100.000
ARJO WIGGINS CASTING PAPERS LIMITED	UNITED KINGDOM	2.00	GBP	100.00	THE WIGGINS TEAPE GROUP LIMITED	100.000	100.000
ARJO WIGGINS CHINA HOLDINGS LIMITED	UNITED KINGDOM	100.00	GBP	100.00	LODI 12 SAS	100.000	100.000
ARJO WIGGINS DEUTSCHLAND GMBH	GERMANY	12,271,005.15	EUR	100.00	ARJOWIGGINS SAS	100.000	100.000
ARJO WIGGINS ERMSTAL GMBH & CO. KG	GERMANY	54,836,054.26	EUR	100.00	ARJO WIGGINS GERMANY HOLDINGS LIMITED ARJOWIGGINS SAS	48.951 51.049	48.951 51.049
ARJO WIGGINS ERMSTAL VERWALTUNGS GMBH	GERMANY	25,564.59	EUR	100.00	ARJOWIGGINS SAS	100.000	100.000
ARJO WIGGINS ESPANA S.A.	SPAIN	60,200.00	EUR	99.96	ARJO WIGGINS BELGIUM S.A. WIGGINS TEAPE LIMITED	99.970 0.030	99.970 0.030
ARJO WIGGINS FEINPAPIER GMBH	GERMANY	2,556,459.41	EUR	99.99	ARJO WIGGINS BELGIUM SA	100.000	100.000
ARJO WIGGINS FINE PAPERS EXPORT LIMITED	UNITED KINGDOM	25,000.00	GBP	100.00	THE WIGGINS TEAPE GROUP LIMITED	100.000	100.000
ARJO WIGGINS FINE PAPERS HOLDINGS LIMITED	UNITED KINGDOM	10,253,565.00	GBP	100.00	ARJO WIGGINS UK HOLDINGS LIMITED	100.000	100.000
ARJO WIGGINS FINE PAPERS LIMITED	UNITED KINGDOM	25,010,000.00	GBP	100.00	THE WIGGINS TEAPE GROUP LIMITED	100.000	100.000
ARJO WIGGINS FINE PAPERS PTY LTD	AUSTRALIA	2.00	AUD	100.00	ARJO WIGGINS FINE PAPERS HOLDINGS LTD	100.000	100.000
ARJO WIGGINS GERMANY HOLDINGS LIMITED	UNITED KINGDOM	25,000,000.00	GBP	100.00	THE WIGGINS TEAPE GROUP LIMITED	100.000	100.000
ARJO WIGGINS ITALIA HOLDINGS S.R.L.	ITALY	2,275,000.00	EUR	100.00	LIMITED	100.000	100.000
ARJO WIGGINS LIMITED	UNITED KINGDOM	92,260,100.00	GBP	100.00	ARJO WIGGINS LIMITED	0.000	0.000
ARJO WIGGINS LIMITADA	BRAZIL	25,205,145.00	BRL	100.00	IDEM LIMITED	100.000	100.000
ARJO WIGGINS MEDICAL, INC	USA	1.00	USD	100.00	ARJO WIGGINS PARTICIPACOES LTDA CANSON INTERNATIONAL SAS	98.698 1.302	98.698 1.302
ARJO WIGGINS NC, LLC	USA	1.00	USD	100.00	MURO, INC.	100.000	100.000
ARJO WIGGINS PARTICIPACOES LTDA	BRAZIL	49,705,800.00	BRL	100.00	ARJOWIGGINS SECURITY SAS	100.000	100.000
ARJO WIGGINS S.P. ITALIA S.r.l.	ITALY	46,482.00	EUR	100.00	ARJOWIGGINS SAS	100.000	100.000
ARJO WIGGINS SARL	SWITZERLAND	200,000.00	CHF	100.00	ARJOWIGGINS PAPIERS COUCHES SAS ARJOWIGGINS SAS	99.500 0.500	99.500 0.500
ARJO WIGGINS SPECIALTY HOLDINGS INC.	USA	5,000.00	USD	100.00	APPLETON COATED PAPERS HOLDINGS INC.	100.000	100.000
ARJO WIGGINS SVENSKA AB	SWEDEN	100,000.00	SEK	99.99	ARJO WIGGINS BELGIUM S.A.	100.000	100.000
ARJO WIGGINS UK HOLDINGS LIMITED	UNITED KINGDOM	206,000,000.00	EUR	100.00	ARJOWIGGINS SAS	100.000	100.000
ARJO WIGGINS USA, INC	USA	1.00	USD	100.00	ARJO WIGGINS SPECIALTY HOLDINGS INC.	100.000	100.000
ARJOBEX AMERICA	USA	21,000,000.00	USD	100.00	MURO, INC. ARJO WIGGINS NC, LLC.	51.000 49.000	51.000 49.000
ARJOBEX LIMITED	UNITED KINGDOM	2,000,100.00	GBP	100.00	THE WIGGINS TEAPE GROUP LIMITED	100.000	100.000
ARJOBEX SAS	FRANCE	1,029,280.00	EUR	100.00	ARJOWIGGINS SAS	100.000	100.000
AS ANTALIS	ESTHONIA	5,700,000.00	EEK	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
AWA QINGDAO PAPER LIMITED	CHINA (People's Rep.)	6,350,000.00	USD	63.15	ARJO WIGGINS CARBONLESS PAPERS CHINA LIMITED	63.150	63.150
BRANGS AND HEINRICH GMBH	GERMANY	1,600,000.00	EUR	100.00	ANTALIS GMBH	100.000	100.000
BRANGS AND HEINRICH GES.M.B.H.	AUSTRIA	510,000.00	EUR	92.50	ANTALIS (SWITZERLAND) AG	92.500	92.500
BRANOPACK S.R.L.	ITALY	100,000.00	EUR	100.00	ANTALIS (SWITZERLAND) AG	100.000	100.000
BRANOPACK LIMITED	UNITED KINGDOM	175,000.00	GBP	100.00	ANTALIS (SWITZERLAND) AG	100.000	100.000
B.T.I.I.	FRANCE	30.00	EUR	90.00	ARJOWIGGINS CANSON SAS	90.000	90.000
BERNARD DUMAS SAS	FRANCE	686,070.00	EUR	99.93	GUARRO CASAS S.A.	100.000	100.000
CANSON & MONTGOLFIER (DEUTSCHLAND) GMBH	GERMANY	512,000.00	EUR	100.00	CANSON INTERNATIONAL SAS	100.000	100.000
CANSON INTERNATIONAL SAS	FRANCE	76,250.00	EUR	100.00	ARJOWIGGINS CANSON SAS	100.000	100.000
CANSON ITALIA S.P.A.	ITALY	312,000.00	EUR	100.00	CANSON INTERNATIONAL SAS ARJOWIGGINS CANSON SAS	95.000 5.000	95.000 5.000
CANSON POLSKA SP.Z.O.O.	POLAND	63,300.00	PLN	100.00	CANSON INTERNATIONAL SAS	100.000	100.000
CANSON, INC.	USA	1,560.00	USD	100.00	APPLETON COATED PAPERS HOLDINGS INC.	100.000	100.000
CARBONLESS PAPERS LIMITED	UNITED KINGDOM	2.00	GBP	100.00	LIMITED	100.000	100.000
CENTRO DISTRIBUZIONE ARTICOLI DA REGALO SRL (EXPO EUROPA)	ITALY	1,000,000.00	EUR	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
CLASS PAPIER B.V.	NETHERLANDS	40,000.00	NLG	100.00	ARJOWIGGINS PAPIERS COUCHES SAS	100.000	100.000
COPIGRAPH GMBH (PUT INTO A WIND-UP)	GERMANY	511,803.00	EUR	100.00	COPIGRAPH S.A. GUERIMAND SAS	97.692 2.308	97.692 2.308
COPIGRAPH S.A.	FRANCE	6,300,000.00	EUR	100.00	GUERIMAND SAS	100.000	100.000

continued INVESTMENTS HELD THROUGH SEQUANA CAPITAL S.A. (percentage of Group consolidation equal to 52.96%)

Name	Country	Capital Stock at 6/30/2005	Currency	% of Group consoli- dation	Interest held by	% of interest held	% of voting rights
CREA PAPIER GMBH	GERMANY	26,000.00	EUR	100.00	ARJOWIGGINS PAPIERS COUCHES SAS	100.000	100.000
DISTRIBUIDORA OFIMARKET SA	CHILE	1,216,260,179.00	CLP	100.00	INVERSIONES ANTALIS HOLDING LIMITADA GMS PRODUCTOS GRAFICOS LIMITADA	99.993 0.007	99.993 0.007
ESPECIALIDADES DEL PAPEL DE COLOMBIA LTDA (ESPACOL LTDA)	COLOMBIA	608,003,000.00	COP	99.93	TORDERA S.A.	100.000	100.000
EUROPEAN PRINTED PRODUCTS S.A.S. (E2P)	FRANCE	6,100,000.00	EUR	100.00	ARJOWIGGINS SAS	100.000	100.000
FAIRPRINT BV	NETHERLANDS	16,336.09	EUR	100.00	ANTALIS PROMOTIONAL PRODUCTS BV	100.000	100.000
FIRMO - PAPEIS E PAPELARIA, S.A.	PORTUGAL	4,990,000.00	EUR	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
FIRST PAPER HOUSE BOTSWANA (PTY) LIMITED	BOTSWANA	80,000.00	BWP	100.00	ANTALIS SA HOLDINGS LIMITED	99.999	99.999
FRESER S.L.	SPAIN	3,006.00	EUR	99.93	GUARRO CASAS S.A.	100.000	100.000
FYNE PAPERS LIMITED	UNITED KINGDOM	5,000,000.00	GBP	100.00	ANTALIS LIMITED	100.000	100.000
GEP S.P.A.	ITALY	1,571,152.00	EUR	90.71	W PARTICIPATIONS SAS ARJOWIGGINS SECURITY SAS	30.640 60.070	30.640 60.070
GMS DISTRIBUIDORA GRAFICA SA	CHILE	455,343,028.00	CLP	100.00	INVERSIONES ANTALIS HOLDING LIMITADA GMS PRODUCTOS GRAFICOS LIMITADA	99.990 1.000	99.990 1.000
GMS PRODUCTOS GRAFICOS LIMITADA	CHILE	30,515,570,540.00	CLP	100.00	INVERSIONES ANTALIS HOLDINGS LIMITADA ANTALIS INTERNATIONAL HOLDINGS BV	99.990 0.010	99.990 0.010
GUARRO CASAS FRANCE SARL	FRANCE	8,000.00	EUR	99.93	GUARRO CASAS S.A.	100.000	100.000
GUARRO CASAS S.A.	FRANCE	6,600,000.00	EUR	99.93	ARJOWIGGINS CANSON SAS GUARRO CASAS S.A. (*)	97.958 1.972	97.958 1.972
GUERIMAND SAS	FRANCE	11,900,000.00	EUR	100.00	ARJOWIGGINS SAS	100.000	100.000
HARDWARE SOFTWARE ENGINEERING SRL	ITALY	20,000,000.00	EUR	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
I-PAPERS LIMITED	UNITED KINGDOM	5,000.00	GBP	100.00	LIMITED	100.000	100.000
IDEM LIMITED	UNITED KINGDOM	92,250,002.00	GBP	100.00	ARJO WIGGINS BELGIUM HOLDINGS S.A. LIMITED	81.301 18.699	81.301 18.699
INTERPAPEL S.A.	MEXICO	50,000.00	MXP	99.93	TORDERA S.A.	100.000	100.000
INVERSIONES ANTALIS HOLDINGS LIMITADA	CHILE	13,986,735,100.00	CLP	100.00	ANTALIS OVERSEAS HOLDINGS LIMITED ANTALIS INTERNATIONAL SAS ANTALIS INTERNATIONAL HOLDINGS BV	17.230 45.380 37.390	17.230 45.380 37.390
INVERSIONES EXTERIOR SA	CHILE	3,094,646,599.00	CLP	100.00	GMS PRODUCTOS GRAFICOS LIMITADA INVERSIONES ANTALIS HOLDINGS LIMITADA	99.990 0.010	99.990 0.010
INVERSIONES LOS PELLINES DOS SA	CHILE	1,088,894,160.00	CLP	100.00	GMS PRODUCTOS GRAFICOS LIMITADA INVERSIONES ANTALIS HOLDINGS LIMITADA	99.990 0.010	99.990 0.010
ISOPAC PACKMITTEL GMBH	GERMANY	52,000.00	EUR	100.00	ANTALIS GMBH	100.000	100.000
ISSY 5 EUURL	FRANCE	8,000.00	EUR	100.00	ARJOWIGGINS SAS	100.000	100.000
JAMICE SAS	FRANCE	38,125.00	EUR	100.00	ARJOWIGGINS CANSON SAS	100.000	100.000
LODI 12 SAS	FRANCE	38,112.00	EUR	100.00	CANSON INTERNATIONAL SAS	100.000	100.000
LODI 11 SAS	FRANCE	40,000.00	EUR	100.00	ARJOWIGGINS SAS	100.000	100.000
MU.RO. INC.	USA	5,000.00	USD	100.00	ARJO WIGGINS SPECIALTY HOLDINGS INC.	100.000	100.000
MUHLBACH B.V.	NETHERLANDS	45,378.02	EUR	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
NEWTON FALLS LLC	USA	1.00	USD	100.00	APPLETON COATED LLC	100.000	100.000
PAPER PEOPLE LIMITED	UNITED KINGDOM	5,000,000.00	GBP	100.00	ANTALIS LIMITED	100.000	100.000
PERFORMANCE PAPERS LIMITED	UNITED KINGDOM	550,000.00	GBP	100.00	THE WIGGINS TEAPE GROUP LIMITED	100.000	100.000
PRIPLAK SAS	FRANCE	323,554.00	EUR	100.00	ARJOWIGGINS SAS	100.000	100.000
PROTALIS LIMITED	UNITED KINGDOM	4,100.00	GBP	100.00	ANTALIS GROUP HOLDINGS LIMITED	100.000	100.000
QINGDAO ARJO WIGGINS PAPER CO., LTD.	CHINA (People's Rep.)	1,176,000.00	USD	100.00	LODI 12 SAS ARJO WIGGINS CHINA HOLDINGS LIMITED	40.000 60.000	40.000 60.000
QUAIFE PAPER LIMITED	UNITED KINGDOM	2,026,000.00	GBP	100.00	ANTALIS LIMITED	100.000	100.000
SARNIA (PTY) LIMITED	BOTSWANA	1,345,625.00	BWP	100.00	FIRST PAPER HOUSE BOTSWANA (PTY) LIMITED	92.569	100.000
SIMGE ANTALIS KAGIT SANAYI VE TICARET AS	TURKEY	31,459,475,000,000.00	TLR	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
SOCIEDAD COMERCIALIZADORA DE PAPELES ESPACHILE LTDA	CHILE	16,995,300.00	CLP	99.92	TORDERA S.A.	100.000	100.000
SOCIETE CIVILE IMMOBILIERE DU MARAIS	FRANCE	152.45	EUR	100.00	ARJOWIGGINS SAS ARJOWIGGINS LE BOURRAY SAS	95.000 5.000	95.000 5.000
THE WIGGINS TEAPE GROUP LIMITED	UNITED KINGDOM	282,500,000.00	GBP	100.00	ARJO WIGGINS UK HOLDINGS LIMITED	100.000	100.000
TORDERA S.A.	PANAMA	97,000.00	USD	99.93	GUARRO CASAS S.A.	100.000	100.000
VEILIGHEIDSPAPIERFABRIEK UGCHELEN	NETHERLANDS	6,806,703.24	EUR	100.00	ARJOWIGGINS SECURITY SAS	100.000	100.000
WIGGINS TEAPE LIMITED	UNITED KINGDOM	21,300,000.00	GBP	100.00	ANTALIS LIMITED	100.000	100.000
WILLOW PAPER COMPANY LIMITED	UNITED KINGDOM	16,000.00	GBP	100.00	ANTALIS LIMITED	100.000	100.000
WITCEL S.A.	ARGENTINA	1,901,200.00	USD	100.00	ARJOWIGGINS SECURITY SAS	100.000	100.000
Financing services							
A.I.H. INVESTMENT MANAGEMENT COMPANY LTD	BAHAMAS	5,000.00	USD	60.00	THE ST JAMES BANK & TRUST COMPANY LIMITED	60.000	60.000
FINANCIERE WORMS & CIE S.A.	SWITZERLAND	10,000,000.00	CHF	100.00	PERMAL GROUP SCA	100.000	100.000
HAUSSMANN HOLDINGS SA	LUXEMBOURG	100,000.00	USD	40.00	W & P FUND SERVICES LTD IFABANQUE SA	40.000 7.000	40.000 7.000
H.H. INVESTMENT MANAGEMENT COMPANY (NASSAU) LIMITED	BAHAMAS	50,000.00	USD	40.00	HAUSSMANN HOLDINGS SA	100.000	100.000
H.H. NORTH AMERICAN SERVICES	USA	1,000.00	USD	40.00	HAUSSMANN HOLDINGS SA	100.000	100.000
H.H. REPURCHASE & TRADING COMPANY NV	DUTCH ANTILLES	30,000.00	USD	40.00	W & P FUND SERVICES LTD	40.000	40.000
PERMAL ASSET MANAGEMENT INC	USA	10.00	USD	100.00	PERMAL GROUP INC.	100.000	100.000
PERMAL CAPITAL HOLDINGS INC	USA	100.00	USD	100.00	PERMAL GROUP LIMITED	100.000	100.000
PERMAL CAPITAL MANAGEMENT LLC	USA	3,424,498.00	USD	100.00	PERMAL CAPITAL HOLDINGS INC	99.000	99.000
PERMAL FRANCE SAS	FRANCE	40,000.00	EUR	100.00	PERMAL GROUP LIMITED	100.000	100.000

(*) Voting suspended.

continued INVESTMENTS HELD THROUGH SEQUANA CAPITAL S.A. (percentage of Group consolidation equal to 52.96%)

Name	Country	Capital Stock at 6/30/2005	Currency	% of Group consoli- dation	Interest held by	% of interest held	% of voting rights
PERMAL GROUP LIMITED	UNITED KINGDOM	1,074,433.00	GBP	100.00	PERMAL GROUP SCA	100.000	100.000
PERMAL GROUP INC	USA	535,081.00	USD	100.00	PERMAL GROUP LIMITED	100.000	100.000
PERMAL GROUP SCA	FRANCE	286,219,820.00	EUR	100.00	SEQUANA CAPITAL S.A.	100.000	100.000
PERMAL HONG KONG LTD	HONG KONG	1.00	HKG	100.00	LIMITED	100.000	100.000
PERMAL INVESTMENT MANAGEMENT SERVICES LIMITED	UNITED KINGDOM	7,000,000.00	GBP	100.00	PERMAL U.K. LTD	100.000	100.000
PERMAL (ISLE OF MAN) LTD.	ISLE OF MAN	1.00	GBP	100.00	LIMITED	100.000	100.000
PERMAL UK LTD	UNITED KINGDOM	6,750,000.00	GBP	100.00	PERMAL GROUP LIMITED	100.000	100.000
THE ST JAMES BANK & TRUST COMPANY LIMITED	BAHAMAS	20,000,000.00	USD	100.00	PERMAL GROUP LIMITED	100.000	100.000
VELOCITY SPV LLC	USA	400,000.00	USD	100.00	PERMAL GROUP INC.	100.000	100.000
W & P FUND SERVICES LIMITED	BAHAMAS	500,000.00	USD	100.00	THE ST JAMES BANK & TRUST COMPANY LIMITED	100.000	100.000
Miscellaneous and Holding companies							
ANTONIN RODET SAS	FRANCE	11,100,000.00	EUR	100.00	W PARTICIPATIONS SAS	100.000	100.000
ARJO WIGGINS APPLETON (BERMUDA) LIMITED	BERMUDA	61,020.00	USD	100.00	ARJO WIGGINS (BERMUDA) HOLDINGS LIMITED	89.910	89.910
ARJO WIGGINS APPLETON GROUP SERVICES SAS	FRANCE	500,000.00	EUR	100.00	SEQUANA CAPITAL S.A.	100.000	100.000
ARJO WIGGINS APPLETON HOLDINGS	UNITED KINGDOM	1,000.00	GBP	100.00	ARJO WIGGINS APPLETON LIMITED	99.900	99.900
					AWA FINANCE	0.100	0.100
ARJO WIGGINS APPLETON LIMITED	UNITED KINGDOM	213,954,077.75	GBP	100.00	SEQUANA CAPITAL S.A.	100.000	100.000
ARJO WIGGINS (BERMUDA) HOLDINGS LIMITED	BERMUDA	15,000.00	USD	100.00	ARJO WIGGINS APPLETON LIMITED	20.000	100.000
ARJO WIGGINS EUROPE HOLDINGS	UNITED KINGDOM	1,000.00	GBP	100.00	ARJO WIGGINS APPLETON LIMITED	99.900	99.900
					ARJO WIGGINS APPLETON HOLDINGS	0.100	0.100
ARJO WIGGINS NORTH AMERICA INVESTMENTS	UNITED KINGDOM	1,000.00	GBP	100.00	ARJO WIGGINS APPLETON LIMITED	99.900	99.900
					AWA FINANCE	1.000	0.100
ARJO WIGGINS US HOLDINGS	UNITED KINGDOM	36,187,415.00	GBP	100.00	ARJO WIGGINS APPLETON LIMITED	100.000	100.000
					AWA FINANCE	0.000	0.000
AP CROISSANCE SAS	FRANCE	40,000.00	EUR	100.00	SEQUANA CAPITAL S.A.	100.000	100.000
AP GESTION ET FINANCEMENT SAS	FRANCE	40,000.00	EUR	100.00	SEQUANA CAPITAL S.A.	100.000	100.000
AWA FINANCE	UNITED KINGDOM	1,000.00	GBP	100.00	ARJO WIGGINS APPLETON LIMITED	99.900	99.900
					ARJO WIGGINS APPLETON HOLDINGS	0.100	0.100
SOCIETE FERMIERE ET DE PARTICIPATIONS S.A. (PUT INTO A WIND-UP)	FRANCE	2,287,500.00	EUR	100.00	W PARTICIPATIONS SAS	99.986	99.986
WORMS UK LIMITED	UNITED KINGDOM	120,714.00	GBP	100.00	SEQUANA CAPITAL S.A.	100.000	100.000
W PARTICIPATIONS SAS	FRANCE	42,323,123.70	EUR	100.00	SEQUANA CAPITAL S.A.	92.786	92.786
W SYSTEMES ET INFORMATION	FRANCE		N.D.	100.00	ANTALIS INTERNATIONAL SAS	40.000	40.000
					ARJOWIGGINS SAS	37.000	38.000
					PERMAL France SAS	8.000	8.000
					SEQUANA CAPITAL S.A.	15.000	15.000

continued INVESTMENTS HELD THROUGH SEQUANA CAPITAL S.A. (percentage of Group consolidation equal to 52.96%)

Name	Country	Capital Stock at 6/30/2005	Currency	% of Group consoli- dation	Interest held by	% of interest held	% of voting rights
Companies valued by the equity method							
Paper							
DIMAGRAF SA	ARGENTINA	125,000.00	ARS	30.00	INVERSIONES EXTERIOR SA INVERSIONES LOS PELLINES DOS SA	22.200 7.800	22.200 7.800
ESPECIALIDADES PAPELERAS ESPAVE C.A.	VENEZUELA	6,000,000.00	VEB	33.48	TORDERA S.A.	33.500	33.500
MWT PAPER PROCESSING LIMITED	MAURITIUS	20,000,000.00	MUR	50.00	ANTALIS SA HOLDINGS LIMITED	50.000	50.000
QUIMIGRAF SA	ARGENTINA	100,000.00	ARS	30.00	INVERSIONES EXTERIOR SA INVERSIONES LOS PELLINES DOS SA	22.200 7.800	22.200 7.800
Financing services							
IFABANQUE S.A.	FRANCE	15,785,200.00	EUR	25.00	PERMAL GROUP SCA	25.002	25.002
TWO COAST, LLC	USA	800,000.00	USD	50.00	VELOCITY SPV LLC	50.000	50.000
Miscellaneous and Holding companies							
SGS S.A. / SGS LTD	SWITZERLAND	156,443,320.00	CHF	24.33	SEQUANA CAPITAL S.A.	23.773	24.326
Companies valued at cost							
Paper							
ARJO WIGGINS ARGENTINA S.A.	ARGENTINA	12,000.00	ARS	-	ARJO WIGGINS FINE PAPERS HOLDINGS LTD	99.992	99.992
ARJO WIGGINS CHINA LIMITED	CHINA (People's Rep.)	1,000.00	HKD	-	ANTALIS (HONG KONG) LIMITED	90.000	90.000
ARJO WIGGINS LYNX LTD	UNITED KINGDOM	3,000,000.00	GBP	-	ARJOWIGGINS CANSON SAS ARJO WIGGINS FINE PAPERS LIMITED ARJOWIGGINS PAPIERS COUCHES SAS GUARRO CASAS S.A. ARJOWIGGINS SAS	32.800 29.800 28.200 9.200 0.000	32.800 29.800 28.200 9.200 0.000
ARJO WIGGINS PAPER PRODUCTS (BEIJING) CO. LTD.	CHINA (People's Rep.)	300,000.00	USD	-	ARJO WIGGINS CHINA LIMITED	100.000	100.000
ARJO WIGGINS PAPER PRODUCTS (SHANGHAI) CO. LTD.	CHINA (People's Rep.)	470,000.00	USD	-	ARJO WIGGINS CHINA LIMITED	100.000	100.000
PAPELCO SAI CIF	ARGENTINA	ND	USD	-	WITCEL S.A.	99.776	99.776
Miscellaneous and Holding companies							
AP FRANKLIN SAS	FRANCE	40,000.00	EUR	-	SEQUANA CAPITAL S.A.	100.000	100.000
AP PLACEMENTS SAS	FRANCE	40,000.00	EUR	-	SEQUANA CAPITAL S.A.	100.000	100.000
AP STRATEGIE SAS	FRANCE	40,000.00	EUR	-	AP FRANKLIN SAS	100.000	100.000
AP VALORISATION SAS	FRANCE	40,000.00	EUR	-	SEQUANA CAPITAL S.A.	100.000	100.000
CHATEAU DE MERCEY DOMAINE RODET SAS	FRANCE	542,500.00	EUR	-	ANTONIN RODET SAS	100.000	100.000
DUCS DE SAVOIE	FRANCE	3,200.00	EUR	-	SEQUANA CAPITAL S.A.	23.810	23.810
DUVERGEY S.A.R.L.	FRANCE	7,622.45	EUR	-	ANTONIN RODET SAS	95.000	95.000
FINANCIERE DES GRANDS VIGNOBLES DE BOURGOGNE SAS	FRANCE	4,575,000.00	EUR	-	ANTONIN RODET SAS	35.625	35.625
FRANKLIN INTERNATIONAL SAS	FRANCE	40,000.00	EUR	-	W PARTICIPATIONS SAS	100.000	100.000
S.C.I. ELISEE RECLUS PARIS 17E	FRANCE	1,524.00	EUR	-	SEQUANA CAPITAL S.A.	50.000	50.000
SCE DU DOMAINE DE LA BRESSANDE	FRANCE	15,244.90	EUR	-	ANTONIN RODET SAS	99.800	99.800
SOCIETE D'EXPLOITATION DU DOMAINE DE L'AIGLE (SCEA)	FRANCE	642,430.00	EUR	-	ANTONIN RODET SAS CHATEAU DE MERCEY DOMAINE RODET SAS	99.998 0.002	99.998 0.002
WIGGINS TEAPE PENSIONS LIMITED	UNITED KINGDOM	3.00	GBP	-	ARJO WIGGINS APPLETON LIMITED	100.000	100.000
Other companies pursuant to Consob resolution No. 11971 (Art. 126 of the Regulations)							
Paper							
EXPRESSO PAPER PLATFORM BV	NETHERLANDS	3,346,410.20	EUR	-	ANTALIS INTERNATIONAL HOLDINGS BV	12.895	12.895
Miscellaneous and Holding companies							
JUSTRADEIT S.A. (PUT INTO A WIND-UP)	FRANCE	192,593.00	EUR	-	W PARTICIPATIONS SAS	13.890	13.890

INVESTMENTS HELD THROUGH ALPITOUR S.p.A. (percentage of Group consolidation equal to 100%)

Name	Country	Capital Stock at 6/30/2005	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Companies consolidated on a line-by-line basis							
Hotel management							
ALPITOUR ESPANA S.L. UNIPERSONAL	SPAIN	22,751,000.00	EURO	100.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESOOAL, LDA	100.000	100.000
ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESOOAL, LDA	PORTUGAL	2,494,000.00	EURO	100.000	ALPITOUR S.p.A.	100.000	100.000
ALTAMAREA INTERNATIONAL S.p.A.	ITALY	120,000.00	EURO	100.000	ALPITOUR S.p.A.	100.000	100.000
ALTAMAREA V & H COMPAGNIA ALBERGHIERA S.p.A.	ITALY	140,385.00	EURO	60.003	ALPITOUR S.p.A.	60.003	60.003
BLUE MARIN TUNISIE S.A.	TUNISIA	3,000.000	TND	99.998	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESOOAL, LDA	99.998	99.998
BLUEMARIN HOTEL S.A. DE C.V.	MEXICO	65,956,258.00	MXP	99.998	HORIZON HOLIDAYS S.A. UNIPERSONAL	99.998	99.998
BLUEMARIN SERVICES S.A. DE C.V.	MEXICO	50,000.00	MXP	99.998	HORIZON HOLIDAYS S.A. UNIPERSONAL	99.998	99.998
BLUMARIN DE IMPORTAÇÃO, SOCIEDAD UNIPESOOAL S.A.	CAPE VERDE	5,000,000	CVE	100.000	BLUMARIN HOTELS, SOCIEDADE UNIPESOOAL, S.A.	100.000	100.000
BLUMARIN HOTELS, SOCIEDADE UNIPESOOAL, S.A.	CAPE VERDE	2,500,000	CVE	100.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESOOAL, LDA	100.000	100.000
BLUMARIN HOTELS SARDEGNA S.r.l.	ITALY	52,000.00	EURO	100.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	100.000	100.000
BLUMARIN HOTELS SICILIA S.p.A.	ITALY	38,000,000.00	EURO	100.000	ALPITOUR S.p.A.	99.900	99.900
					FRANCOROSSO INCENTIVE S.r.l.	0.100	0.100
D.I. RESORTS PRIVATE LTD	MALDIVES	100,000	MVR	100.000	ALPITOUR S.p.A.	99.000	99.000
					HORIZON HOLIDAYS S.A. UNIPERSONAL	1.000	1.000
EL-MASRIEN FOR HOTELS AND SHIPPING CONSTRUCTION	EGYPT	4,000,000	EGP	59.625	ITALIAN EGYPTIAN COMPANY FOR TOURISTIC INVESTMENT (S.A.E.)	99.375	99.375
ELSHAH FOR FLOATING HOTELS	EGYPT	6,000,000	EGP	59.802	ITALIAN EGYPTIAN COMPANY FOR TOURISTIC INVESTMENT (S.A.E.)	99.670	99.670
HARROW TRADING E INVESTIMENTOS SOCIEDADE UNIPESOOAL LDA	PORTUGAL	5,000,000	EURO	100.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESOOAL, LDA	100.000	100.000
HORIZON HOLIDAYS S.A. UNIPERSONAL	SPAIN	20,133,500.00	EURO	100.000	ALPITOUR ESPANA S.L. UNIPERSONAL	100.000	100.000
INVERSIONES LOS UVEROS S.A. DE C.V.	DOMINICAN REP.	200,000	DOP	99.700	HORIZON HOLIDAYS S.A. UNIPERSONAL	99.700	99.700
ITALIAN EGYPTIAN COMPANY FOR TOURISTIC INVESTMENT (S.A.E.)	EGYPT	4,536,000	EGP	60.000	BLUMARIN HOTELS SARDEGNA S.r.l.	60.000	60.000
KELBIA BEACH S.A.	TUNISIA	6,000,000	TND	99.990	HORIZON HOLIDAYS S.A. UNIPERSONAL	99.990	99.990
KIWENGA LIMITED	TANZANIA	745,559,000	TZS	100.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	98.964	98.964
					ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESOOAL, LDA	1.036	1.036
KIWENGA STRAND HOTEL LTD.	TANZANIA	1,480,000,000	TZS	100.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	99.000	99.000
					ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESOOAL, LDA	1.000	1.000
MEDITERRANEAN TOURIST COMPANY S.A.	GREECE	3,603,900.00	EURO	100.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	100.000	100.000
ORIENT SHIPPING FOR FLOATING HOTELS	EGYPT	1,450,000	EGP	58.966	ITALIAN EGYPTIAN COMPANY FOR TOURISTIC INVESTMENT (S.A.E.)	98.276	98.276
RENTHOTEL MEXICO S.A. DE C.V.	MEXICO	50,000	MXP	98.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	98.000	98.000
RENTHOTEL TRAVEL SERVICE S.A. UNIPERSONAL	SPAIN	1,562,860.00	EURO	100.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	100.000	100.000
RENTHOTEL TUNISIE S.A.	TUNISIA	200,000	TND	99.970	HORIZON HOLIDAYS S.A. UNIPERSONAL	99.970	99.970
RIVIERA AZUL S.A. DE C.V.	MEXICO	50,000	MXP	96.000	HARROW TRADING E INVESTIMENTOS SOCIEDADE UNIPESOOAL LDA	96.000	96.000
S.T. RESORTS PRIVATE LTD.	MALDIVES	100,000	MVR	50.000	ALPITOUR S.p.A.	50.000	50.000
STAR RESORT & HOTELS COMPANY PVT LTD.	MALDIVES	1,000,000	MVR	100.000	ALPITOUR S.p.A.	99.000	99.000
					HORIZON HOLIDAYS S.A. UNIPERSONAL	1.000	1.000
Insurance company							
ALPITOUR REINSURANCE COMPANY LIMITED	IRELAND	750,000.00	EURO	100.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESOOAL, LDA	100.000	100.000
Distribution (Travel agency)							
WELCOME TRAVEL GROUP S.P.A.	ITALY	6,380,000	EURO	100.000	ALPITOUR S.P.A.	100.000	100.000
BLUE VIAGGI S.A.	SWITZERLAND	100,000	CHF	97.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESOOAL, LDA	97.000	97.000
Incoming services							
CONSORCIO TURISTICO PANMEX S.A. DE C.V.	MEXICO	50,000	MXP	70.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESOOAL, LDA	70.000	70.000
JUMBO CANARIAS S.A. UNIPERSONAL	SPAIN	180,300.00	EURO	100.000	JUMBOTURISMO S.A. UNIPERSONAL	100.000	100.000
JUMBO TOURS DOMINICANA S.A.	DOMINICAN REP.	100,000	DOP	99.500	JUMBOTURISMO S.A. UNIPERSONAL	99.300	99.300
					JUMBO CANARIAS S.A. UNIPERSONAL	0.100	0.100
					JUMBO TOURS ESPANA S.L. UNIPERSONAL	0.100	0.100
JUMBO TOURS ESPANA S.L. UNIPERSONAL	SPAIN	904,505.00	EURO	100.000	JUMBOTURISMO S.A. UNIPERSONAL	100.000	100.000
JUMBO TOURS FRANCE S.A.	FRANCE	152,400.00	EURO	64.980	JUMBOTURISMO S.A. UNIPERSONAL	64.980	64.980
JUMBO TOURS ITALIA S.r.l.	ITALY	78,000.00	EURO	100.000	ALPITOUR S.p.A.	50.000	50.000
					JUMBOTURISMO S.A. UNIPERSONAL	50.000	50.000
JUMBO TOURS MEXICO S.A. DE C.V.	MEXICO	50,000	MXP	98.000	JUMBOTURISMO S.A. UNIPERSONAL	98.000	98.000
JUMBO TOURS TUNISIE S.A.	TUNISIA	300,000	TUD	49.983	JUMBOTURISMO S.A. UNIPERSONAL	49.983	49.983
JUMBOTURISMO S.A. UNIPERSONAL	SPAIN	364,927.20	EURO	100.000	ALPITOUR ESPANA S.L. UNIPERSONAL	100.000	100.000
JUMBOTURISMO CABO VERDE, Agencia de Viagens e Turismo, SOCIEDADE UNIPESOOAL, S.A.	CAPE VERDE	5,000,000	CVE	100.000	JUMBOTURISMO S.A. UNIPERSONAL	100.000	100.000
PANAFRICAN TOURS S.A.	MAROCOCCO	400,000	MAD	99.700	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESOOAL, LDA	99.700	99.700
PANCARIBE S.A.	DOMINICAN REP.	200,000	DOP	69.900	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESOOAL, LDA	69.900	69.900
PROMOTORA DE SERVICIOS TURISTICOS DE ESPANA EN MEXICO S.A. DE C.V.	MEXICO	50,000	MXP	98.000	JUMBOTURISMO S.A. UNIPERSONAL	98.000	98.000

continued INVESTMENTS HELD THROUGH ALPITOUR S.p.A. (percentage of Group consolidation equal to 100%)

Name	Country	Capital Stock at 6/30/2005	Currency	% of Group con- solidation	Interest held by	% of interest held	% of voting rights
Tour Operating							
COMPAGNIA DELLA NATURA S.p.A.	ITALY	155,000.00	EURO	100.000	ALPITOUR S.p.A.	100.000	100.000
FRANCOROSSO INCENTIVE S.r.l.	ITALY	10,400.00	EURO	100.000	ALPITOUR S.p.A.	100.000	100.000
JUMBO GRANDI EVENTI S.r.l.	ITALY	78,000.00	EURO	70.000	JUMBO TOURS ITALIA S.r.l.	70.000	70.000
Airline							
NEOS S.p.A.	ITALY	4,425,800.00	EURO	100.000	ALPITOUR S.p.A. WELCOME TRAVEL GROUP S.p.A.	100.000 0.000	100.000 0.000

continued INVESTMENTS HELD THROUGH ALPITOUR S.p.A. (percentage of Group consolidation equal to 100%)

Name	Country	Capital Stock at 6/30/2005	Currency	% of Group con- solidation	Interest held by	% of interest held	% of voting rights
Companies valued by the equity method							
Hotel management							
BLUE DIVING MEXICO S.A. DE C.V.	MEXICO	50,000	MXP	49,000	HORIZON HOLIDAYS S.A. UNIPERSONAL	49,000	49,000
Incoming services							
HOY VIAJAMOS S.A.	SPAIN	732,032.74	EURO	28,629	JUMBOTURISMO S.A. UNIPERSONAL	28,629	28,629
ITALO HISPANA DE INVERSIONES S.L.	SPAIN	3,005.06	EURO	30,000	ALPITOUR S.p.A.	30,000	30,000
JUMBO TOURS CARIBE S.A.	MEXICO	50,000	MXP	50,000	JUMBOTURISMO S.A. UNIPERSONAL	50,000	50,000
PANAFRICAN SERVICE S.A.R.L.	TUNISIA	10,500	TND	50,000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL LDA	50,000	50,000
PEMBA S.A.	SPAIN	510,809.20	EURO	25,000	JUMBOTURISMO S.A. UNIPERSONAL	25,000	25,000
VIAJES MEDYMAR S.L.	SPAIN	60,101.21	EURO	30,000	ALPITOUR S.p.A.	30,000	30,000
Tour Operating							
VIAGGI DELL'ELEFANTE S.p.A.	ITALY	260,000.00	EURO	35,000	ALPITOUR S.p.A.	35,000	35,000
Companies valued at cost							
Hotel management							
FLASH NILE CRUISES	EGYPT	480,000.00	EGP	-	ALPITOUR S.p.A. FRANCOROSSO INCENTIVE S.r.l.	25,000 15,000	25,000 15,000
FLASH TOUR P.L.C.	EGYPT	7,000,000	EGP	-	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL LDA	20,000	20,000
VACANZEINITALIA S.p.A.	ITALY	300,000	EURO	-	ALPITOUR S.p.A.	50,000	50,000
Distribution (Travel agency)							
MINERVA VIAGGI S.r.l.	ITALY	156,000.00	EURO	-	ALPITOUR S.p.A.	100,000	100,000
AIRPORTS & TRAVEL S.r.l.	ITALY	50,000.00	EURO	-	WELCOME TRAVEL GROUP S.p.A.	49,000	49,000
SAUGO VIAGGI S.r.l.	ITALY	20,938.00	EURO	-	WELCOME TRAVEL GROUP S.p.A.	95,000	95,000
VIAGGI GALLERIA 57 S.r.l.	ITALY	50,000.00	EURO	-	WELCOME TRAVEL GROUP S.p.A.	100,000	100,000
TEAM TRAVEL SERVICE S.r.l.	ITALY	102,000.00	EURO	-	WELCOME TRAVEL GROUP S.p.A.	50,000	50,000
TREND S.r.l.	ITALY	47,000.00	EURO	-	WELCOME TRAVEL GROUP S.p.A.	100,000	100,000
WELCOME TRAVEL SUD S.R.L.	ITALY	100,000.00	EURO	-	WELCOME TRAVEL GROUP S.p.A.	50,000	50,000
WELCOME WE TRAVEL S.R.L.	ITALY	100,000.00	EURO	-	WELCOME TRAVEL GROUP S.p.A.	100,000	100,000
Incoming services							
ALPITOUR GROUP EGYPT FOR TOURISM S.A.E.	EGYPT	2,000,000	EGP	-	ALPITOUR S.p.A.	50,000	50,000
CALOBANDE S.L. UNIPERSONAL	SPAIN	453,755.00	EURO	-	JUMBOTURISMO S.A. UNIPERSONAL	100,000	100,000
INFRA TOURS DOMINICANA S.A.	DOMINICAN REP.	400,000.00	DOP	-	JUMBOTURISMO S.A. UNIPERSONAL	49,500	49,500

AUDITORS' REVIEW REPORT ON THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2005, PREPARED IN CONFORMITY WITH ARTICLE 81 OF CONSOB REGULATION NO. 11971 OF MAY 14, 1999 AND SUSEQUENT MODIFICATIONS

**To the Shareholders of
IFIL INVESTMENTS S.p.A.**

1. We have reviewed the interim consolidated financial statements of IFIL Investments S.p.A. ("IFIL") and subsidiaries (the "IFIL Group"), consisting of the consolidated balance sheet, income statement and related explanatory notes, included in the First-Half Report as of June 30, 2005. These interim consolidated financial statements are the responsibility of the Company's directors. Our responsibility is to issue a report on these interim consolidated financial statements based on our review. In addition, we have verified the consistency of the management discussion and analysis with the other data contained in the above interim consolidated financial statements.
2. Our review was carried out in accordance with the standards recommended by the Italian Regulatory Commission for Companies and the Stock Exchange ("Consob") for the review of the half-yearly interim financial statements under Resolution n° 10867 of July 31, 1997. The review of the half-yearly interim financial statements of certain subsidiaries and associates, among which Sequana Capital S.A. and subsidiaries, which represent approximately 15% of the consolidated net equity and approximately 4% of the consolidated net profit of the Group, is the responsibility of other auditors. Our review consisted principally of applying analytical procedures to the underlying financial data, assessing whether accounting policies have been consistently applied and making enquiries of management responsible for financial and accounting matters. The review excluded audit procedures such as tests of controls and substantive verification procedures of the assets and liabilities and was therefore substantially less in scope than an audit performed in accordance with established auditing standards. Accordingly, unlike our report on the year-end consolidated financial statements, we do not express an audit opinion on the half-yearly interim consolidated financial statements.
3. With regard to the comparative figures related to the year ended December 31, 2004 presented in the interim consolidated financial statements and in the 2004 IFRS Reconciliation Statements included in the Appendix 1 to this First-Half Report entitled "Transition to International Financial Reporting Standards (IFRS)", reference should be made to our special purpose auditors' report issued as of the same date as this report.

The comparative figures related to the six-month period ended June 30, 2004 as restated in accordance with IFRS and the related IFRS Reconciliation Statements are based on the interim consolidated financial statements for that period prepared in accordance with the preceding Italian statutory provisions and accounting principles, which we have previously reviewed and on which we issued our auditors' review report dated September 13, 2004.

4. Based on our review, we are not aware of any material modifications that should be made to the interim consolidated financial statements mentioned in paragraph 1. above in order for them to be in conformity with the criteria provided by Consob regulations for the preparation of the half-yearly interim financial statements set out in Article 81 of Resolution n° 11971 of May 14, 1999 and subsequent modifications.
5. We draw attention to the following matters, disclosed in the 2005 First-Half Report:
 - (a) On September 20, 2005, following the resolutions passed by the Board of Directors on September 15, 2005, IFIL sold to third parties all of the option rights to which it was entitled on the Fiat capital increase executed in settlement of the Mandatory Convertible Financing and at the same time purchased from Exor Group (an entity controlled by Giovanni Agnelli e C. S.a.p.az.) n° 82,250,000 Fiat ordinary shares. For further information on these transactions reference should be made to the section of the 2005 First-Half Report entitled "Significant Events after June 30, 2005".
 - (b) In the consolidated financial statements as of and for the year ended December 31, 2004 prepared in accordance with the previously applicable Italian statutory provisions and accounting principles the investment in Fiat S.p.A., in which IFIL owned 30.06% of ordinary capital stock, was consolidated line by line since it was considered a "de facto" controlled entity under art. 2359, paragraph 1, n° 2 of the Italian Civil Code. In the consolidated financial statements prepared in accordance with IFRS the investment in Fiat has been accounted for under the equity method, since under the currently prevailing interpretation of IAS 27 "Consolidated and Separate Financial Statements" "de facto" controlled entities are excluded from the scope of consolidation.
 - (c) The accounting principles adopted for the preparation of the unconsolidated half-year financial statements of IFIL Investments S.p.A., included in the section "IFIL S.p.A. – Interim financial statements at June 30, 2005 and operating performance", are those required by Italian statutory provisions and accounting principles.

DELOITTE & TOUCHE S.p.A.

Signed by
Colin Johnston
Partner

Turin, Italy
September 29, 2005

This report has been translated into the English language solely for the convenience of international readers.

SPECIAL PURPOSE AUDITORS' REPORT ON THE STATEMENTS OF RECONCILIATION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

To the Board of Directors of IFIL INVESTMENTS S.p.A.

1. We have audited the accompanying statements of reconciliation to International Financial Reporting Standards ("IFRS") of IFIL Investments S.p.A. ("IFIL") and subsidiaries (the "IFIL Group"), consisting of the statements of the effects of transition to IFRS on the consolidated balance sheet and the reconciliations of consolidated shareholders' equity as of January 1 and December 31, 2004, the statement of the effects of transition to IFRS on the consolidated income statement and the reconciliation of the consolidated net result for the year ended December 31, 2004 and the related explanatory notes, as presented in Appendix 1 to the First-Half Report as of June 30, 2005 (hereinafter the "IFRS Reconciliation Statements"). These IFRS Reconciliation Statements are based on the consolidated financial statements of the IFIL Group as of December 31, 2003 and 2004 prepared in accordance with the applicable Italian statutory provisions governing the criteria for their preparation, which we have previously audited and on which we issued our auditors' reports dated May 13, 2004 and April 7, 2005, respectively. The IFRS Reconciliation Statements have been prepared as part of the Group's conversion to IFRS as adopted by the European Commission. These IFRS Reconciliation Statements are the responsibility of the Directors of IFIL Investments S.p.A. Our responsibility is to express an opinion on these IFRS Reconciliation Statements based on our audit.
2. We conducted our audit in accordance with generally accepted auditing standards in Italy. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the IFRS Reconciliation Statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the IFRS Reconciliation Statements. An audit also includes assessing the adequacy and the fairness of the accounting principles used and the reasonableness of the estimates made by the Directors. We believe that our audit provides a reasonable basis for our opinion.

The audit of data included in the accompanying IFRS Reconciliation Statements for certain subsidiaries and associates, among which Sequana Capital S.A. and subsidiaries, which represent approximately 28% and 17% of the Group's consolidated net equity as of January 1 and December 31, 2004, respectively, and approximately 20% of the Group's consolidated net result for the year 2004, is the responsibility of other auditors.

3. In our opinion, the IFRS Reconciliation Statements identified in paragraph 1., taken as a whole, have been prepared in all material respects in accordance with the criteria and principles set out in article 81 of CONSOB Regulation no. 11971/1999, as amended by Resolution no. 14990 of April 14, 2005, and with the specific criteria and principles set out in the explanatory notes.
4. For a better understanding of the IFRS Reconciliation Statements, we draw attention to the following matters described in more detail in the explanatory notes:
 - (a) As a result of new versions, changes or interpretations of IFRS, the data presented in the IFRS Reconciliation Statements may require adjustment before its inclusion as comparative information in the consolidated financial statements as of and for the year ending December 31, 2005, when the Group prepares its first set of consolidated financial statements in accordance with IFRS as adopted by the European Commission.
 - (b) Because the IFRS Reconciliation Statements have been prepared solely for the purposes of the transition process for the preparation of the Group's first annual consolidated financial statements in accordance with IFRS, they do not include all of the statements, comparative information and explanatory notes which would be necessary for a full presentation of the financial position and results of operations of the IFIL Group in conformity with IFRS.
 - (c) In the consolidated financial statements as of and for the year ended December 31, 2004 prepared in accordance with the previously applicable Italian statutory provisions and accounting principles the investment in Fiat S.p.A., in which IFIL owned 30.06% of ordinary capital stock, was consolidated line by line since it was considered a "de facto" controlled entity under art. 2359, paragraph 1, n° 2 of the Italian Civil Code. In the IFRS Reconciliation Statements the investment in Fiat has been accounted for under the equity method, since under the currently prevailing interpretation of IAS 27 "Consolidated and Separate Financial Statements" "de facto" controlled entities are excluded from the scope of consolidation.

DELOITTE & TOUCHE S.p.A.

Signed by
Colin Johnston
Partner

Turin, Italy
September 29, 2005

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