Finanziaria di Partecipazioni SpA

Capital stock € 1,075,195,737, fully paid-in

Registered office in Turin - Corso Matteotti 26 - Turin Company Register No. 00914230016

QUARTERLY REPORT AT SEPTEMBER 30, 2003

Finanziaria di Partecipazioni SpA

QUARTERLY REPORT AT SEPTEMBER 30, 2003

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This is an English translation of the Italian original "Relazione trimestrale al 30 settembre 2003" approved by IFIL Board of Directors on November 12, 2003 which has been prepared solely for the convenience of the reader.
The version in Italian takes precedence and for complete information about IFIL S.p.A. and the Group reference should be made to the full original report in Italian "Relazione trimestrale al 30 settembre 2003" also available on the corporate website: http://www.ifil.

Finanziaria di Partecipazioni SpA

Board of Directors

Chairman and Managing Director	Gianluigi Gabetti
General Manager	Daniel John Winteler
	Luigi Arnaudo
	Winfried Bischoff
	Tiberto Brandolini d'Adda
	Edoardo Ferrero
	Luigi Garosci
	Franzo Grande Stevens
	Mario Greco
	Giancarlo Lombardi
	Antonio Maria Marocco
	Giuseppe Recchi
	Claudio Saracco
	Pio Teodorani-Fabbri
Secretary to the Board	*Pierluigi Bernasconi*

Executive Committee

Chairman	Gianluigi Gabetti
	Tiberto Brandolini d'Adda
	Luigi Garosci
	Daniel John Winteler

Audit Committee

Chairman	Luigi Garosci
	Luigi Arnaudo
	Giancarlo Lombardi

Compensation and Nominating Committee

Chairman	Franzo Grande Stevens
	Gianluigi Gabetti
	Tiberto Brandolini d'Adda

Board of Statutory Auditors

Chairman	Piero Locatelli
Standing Auditors	Cesare Ferrero
	Natale Ignazio Girolamo

The three-year terms of office for the Board of Directors and the Board of Statutory Auditors, elected by the Stockholders' Meeting on May 27, 2002, expire concurrently with the Stockholders' Meeting for the approval of the financial statements for the year ending December 31, 2004.

Corporate Governance

The Chairman and Managing Director, according to the by-laws (art. 20), may legally represent the Company. The Chairman and Managing Director, 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, under resolution on May 27, 2002, 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.

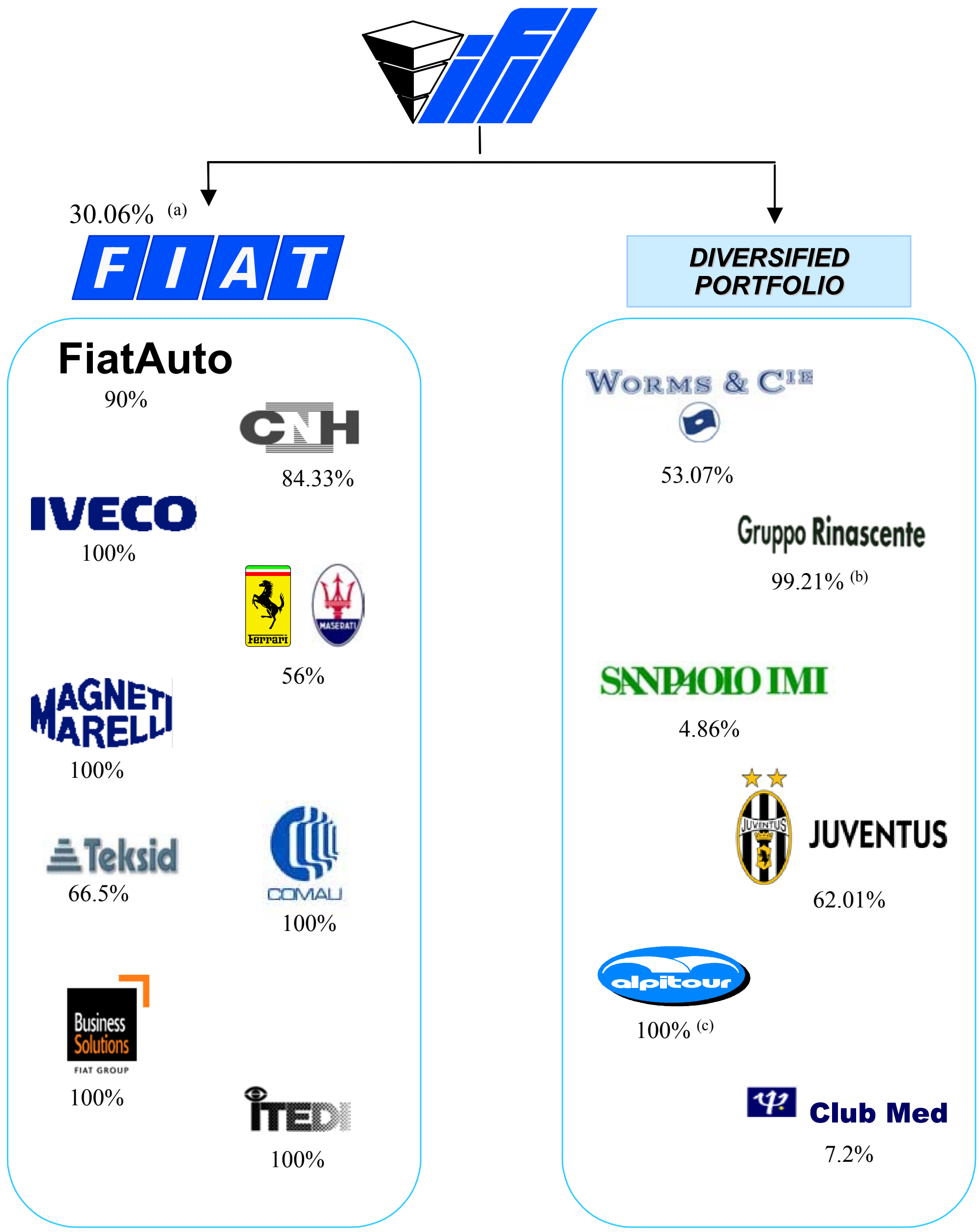
Specific operating powers have been conferred to the General Manager on June 25, 2003.

Independent Auditors

Deloitte & Touche S.p.A.

IFIL GROUP

The following chart is updated to the end of October 2003 and presents the simplified structure of the investment portfolio. Percentage holdings refer to ordinary capital stock.



(a) IFIL also holds 30.09% of the preferred capital stock.
(b) Control is exercised jointly with the Auchan Group through Eurofind (40.47% by IFIL and 40.47% by Auchan); Eurofind also holds 99.06% of the savings capital stock and 88.92% of the preferred capital stock of La Rinascente.
(c) Held through NHT (90% by IFIL and 10% by TUI).

MAJOR EVENTS IN THE THIRD QUARTER OF 2003

IFIL capital stock increase

On June 27, 2003, by the power vested in it pursuant to art. 2443 of the Italian Civil Code by the Extraordinary Stockholders' Meeting held on May 14, 2003, the Board of Directors of IFIL S.p.A. voted to increase the capital stock against payment, and divisible, for a maximum amount of par value € 386,321,490, through the issue of a maximum of 386,321,490 IFIL ordinary shares of par value € 1 each, with normal dividend rights, with option rights offered to the stockholders at a price of € 1.30, at a ratio of 57 shares for every 100 IFIL ordinary and/or savings shares held.

At the end of the rights offering period, 383,794,965 new IFIL ordinary shares were subscribed to, equal to 99.35% of the shares offered. The parent company, IFI S.p.A., after purchasing 810,126 rights, subscribed to 233,861,025 IFIL ordinary shares in the rights offering.

Following the subsequent offering of the 4,432,500 unexercised rights on the market (which generated proceeds of € 1.8 million), the remaining 2,526,525 new IFIL ordinary shares were subscribed to in August.

The capital stock increase was therefore concluded, without the intervention of the Underwriting Syndicate, with the subscription of the entire issue of 386,321,490 ordinary shares offered for total proceeds of € 504 million (of which € 1.8 million came from the sale of the unexercised rights).

On September 23, 2003, after the period established by art. 2445 of the Italian Civil Code elapsed, the documentation attesting to IFIL's new capital stock was filed with the Turin Company Register after the reduction of € 39,950,340 for the cancellation of 39,950,340 IFIL savings shares deriving from the voluntary share conversion transaction in May 2003.

At September 30, 2003, IFIL S.p.A.'s capital stock was entirely subscribed to and paid-in and amounted to € 1,075,195,737 million and was composed of 1,037,812,717 ordinary shares and 37,383,020 savings shares all with a par value of € 1 each.

Buyback of IFIL treasury stock

In September 2003, IFIL purchased 700,000 of its ordinary shares on the market, equal to 0.07% of the class of stock, for € 1.7 million; these shares were recorded in current assets since they will be used to service stock option plans.

At September 30, 2003, IFIL and the subsidiary Soiem also held 11,927,410 IFIL ordinary shares (respectively, 11,117,148 and 810,262) recorded in financial fixed assets, equal to 1.15% of ordinary capital stock and 1.11% of capital stock.

Fiat capital stock increase

In July 2003, Fiat S.p.A. launched the capital stock increase voted by the Board of Directors on June 26, 2003 upon the occasion of the approval and presentation of the Fiat Group Relaunch Plan.

The capital stock increase was concluded in August, without the intervention of the Underwriting Syndicate, with the subscription of all the 367,197,108 Fiat ordinary shares in the rights offering at the price of € 5 per share, for an equivalent amount of € 1,836 million.

IFIL, after having purchased 18,791,725 rights for € 5 million, subscribed to 108,921,627 Fiat ordinary shares for an investment of € 544.6 million. On September 30, 2003, IFIL thus held 240,583,447 Fiat ordinary shares (30.06% of ordinary capital stock) and 31,082,500 Fiat preferred shares (30.09% of preferred capital stock).

Purchase of La Rinascente shares

In the third quarter and in October 2003, Eurofind purchased 6,439,712 ordinary shares (2.15% of ordinary capital stock), 6,105 preferred shares (0.19% of preferred capital stock) and 60,782 savings shares (0.06% of savings capital stock) of La Rinascente for a total of € 29.3 million.

At the end of October 2003, Eurofind held 401,223,236 La Rinascente shares, equal to 99.09% of capital stock and, specifically, 296,556,269 ordinary shares (99.21% of ordinary capital stock), 2,797,086 preferred shares (88.92% of preferred capital stock) and 101,869,881 savings shares (99.06% of savings capital stock).

Sale of 25% of Sifalberghi capital stock

In August 2003, IFIL sold 25% of the capital stock of Sifalberghi to the Accor Group for the price of € 32 million, realizing a gain of € 25.1 million on consolidation.

Pending Litigation

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 (not quantified) suffered as a result of the unlawful conduct (allegedly) by IFI.

On October 29, 2003, the parties personally appeared at the hearing held for the ritual attempt at reconciliation and for the open inquiry of the parties, following which the Judge adjourned the continuation of the hearing to January 14, 2004.

Both of the aforementioned complaints (request to cancel the stockholders' resolution and compensation for non-quantified damages) appear to be inadmissible and groundless and therefore at this time the Company is not expected to incur any contingent liabilities or losses as a result of the complaints.

The appeal previously filed under ex article 2378, fourth paragraph of the Italian Civil Code wherein the stockholder K Capital had requested the suspension of the execution of the resolution was denied by the Turin Court, by decree filed on June 9, 2003.

CRITERIA USED IN THE PREPARATION OF QUARTERLY REPORTS

The quarterly consolidated report of the IFIL Group has been prepared pursuant to art. 82 of the "Rules containing the procedures for enacting Legislative Decree No. 58 dated February 24, 1998 for issuers of securities" (Consob resolution No. 11971 of May 14, 1999 as amended).

The quarterly consolidated report is unaudited and has been prepared according to principles which conform to those applied in the condensed annual and first-half financial statements; such presentation allows a uniform comparison of the quarterly data with the published data accompanying the first-half report and the annual consolidated financial statements prepared by using the line-by-line consolidation method pursuant to the law.

Certain more complex valuation procedures, particularly for the determination of eventual impairment losses of long-term assets, are generally carried out in a comprehensive manner only at the time of preparing the annual financial statements, when all the necessary information ultimately becomes available.

Income taxes are calculated, for each company and for each tax, by applying the average effective tax rate for the entire year to the pre-tax earnings for the period and, if necessary, adjusted to take into account significant extraordinary items. Deferred tax assets are recorded only when there is a reasonable certainty of recovery, in accordance with the principles of prudence and consistent valuation principles.
The quarterly report, in condensed form, has been prepared by consolidating the financial holding companies on a line-by-line or proportional basis and accounting for the operating holding companies and the other subsidiaries and associated companies using the equity method.
In detail, the scope of consolidation is as follows:

		% holding in capital stock outstanding		
		9/30/2003	12/31/2002	9/30/2002
HOLDINGS SYSTEM	**Consolidated line-by-line**			
	- IFIL S.p.A.	**-**	-	-
	- Ifil Investment Holding N.V. (Netherlands)	**100**	100	100
	- Ifil Investissements S.A. (Luxembourg)	**100**	100	100
	- Ifil Capital B.V. (Netherlands)	**100**	100	100
	- Ifil Finance B.V. (Netherlands)	**100**	100	100
	- Ifilgroup Finance Ltd (Ireland)	**100**	100	100
	- Ifil International Finance Ltd (Ireland)	**100**	100	100
	- Eufin Investments Unlimited (United Kingdom)	**-**	-	100
	- Soiem S.p.A. (a)	**100**	-	-
	Consolidated proportionally			
	- Eurofind S.A. (Luxembourg)	**40.47**	41.32	51
	- Eufin Investments Unlimited (United Kingdom)	**40.47**	41.32	-
OPERATING COMPANIES	**Accounted for using the equity method**			
	- Fiat Group	**27.62**	10.88	10.90
	- Worms & Cie Group	**53.07**	51.71	52.99
	- Rinascente Group (b)	**40.09**	38.74	30.02
	- NHT Group	**90.00**	90.00	90.00
	- Juventus Football Club S.p.A.	**62.01**	-	-
	- Sifalberghi S.r.l. (c)	**-**	25.00	25.00
	- Soiem S.p.A. (a)	**-**	49.90	49.90

(a) Control was assumed in the second quarter of 2003 following the Reorganization of the Group. The 49.9% stake in Soiem was previously accounted for using the equity method.
(b) At September 30, 2003, Eurofind holds 99.07% of La Rinascente's capital stock outstanding (93.76% at December 31, 2002 and 58.86% at September 30, 2002).
(c) Sold to the Accor Group in August 2003.

Lastly, there follows a description of the principles applied in accounting for the transactions regarding the Reorganization of the Group (for additional details, please refer to the First-half 2003 Report):

- the total accounting value of the investments contributed by the parent company, IFI S.p.A., recorded in the statutory financial statements of IFIL S.p.A., in exchange for the capital stock increase (including additional paid-in capital) reserved for IFI, amounted to € 794.5 million. In the consolidated financial statements, this value has been adjusted to the economic value attributed to the investments contributed, equal to € 1,052 million, with a contra-entry to the reserves in the consolidated stockholders' equity of the IFIL Group for € 257.5 million;

- the investment in Soiem has been consolidated line-by-line starting April 1, 2003;

- the investments in Fiat and in Juventus Football Club have been accounted for using the equity method starting April 1, 2003;

- the difference of € 277.1 million between the economic value of the contribution of the Fiat investment (€ 792.4 million) and the underlying share of the consolidated stockholders' equity of the Fiat Group at March 31, 2003 (€ 1,069.5 million) has been recorded in the caption "Consolidation reserve for risks and future expenses". This reserve has been partly utilized (€ 18.8 million) to cover the share of the loss of the Fiat Group for the second and third quarter of 2003;

- the goodwill of € 83.2 million arising from the comparison between the economic value of the contribution of the investment in Juventus Football Club (€ 136.7 million) and the underlying share of the stockholders' equity of the company at March 31, 2003 (€ 53.5 million) is being amortized pro rata over a period of 10 years.
  In the third quarter of 2003, a portion of such goodwill, equal to € 42.8 million, has been deducted from the consolidation reserve, set up during 2003, up to the amount of the same;

- the difference of € 1.9 million emerging from the comparison between the economic value of the contribution of the investment in Soiem (€ 11.6 million) and the underlying share of the stockholders' equity of the company at March 31, 2003 (€ 9.7 million) has been allocated as an increase to the value of the building owned by Soiem, within the limits of its appraisal value.

ANALYSIS OF CONDENSED CONSOLIDATED RESULTS

Results for the first nine months of the year

The first nine months of 2003 ended with a consolidated loss for the IFIL Group of € 20 million compared to a consolidated net income of € 6 million for the corresponding period of 2002. The negative change of € 26 million was due to the reduction (- € 51.2 million) in dividends and the decrease in IFIL's share of the results of the subsidiaries and associated companies – particularly the Worms & Cie Group (- € 63.4 million) which had reported significant gains on the sale of investments in the first nine months of the prior year – to the positive change in net gains (+€ 32.1 million) and other net changes (- € 6.9 million).

The main captions of the condensed consolidated income statement for the first nine months of 2003 are examined in the following paragraphs.

The **Group's share of earnings (losses) of companies** accounted for using the equity method amounted to losses of € 37.1 million (earnings of € 4.7 million for the first nine months of 2002) following IFIL's share of the earnings reported by the Worms & Cie Group (+€ 55.9 million) and losses reported by the Fiat Group (- € 104.5 million), the NHT Group (- € 29.7 million), the Rinascente Group (- € 3.7 million) and other holdings (- € 0.7 million), and consolidation adjustments (+€ 45.6 million).

Dividends from other holdings amounted to € 21.2 million (of which € 21.1 million received from SANPAOLO IMI); in the nine months ending September 30, 2002, the dividends received from SANPAOLO IMI had totaled € 30.6 million.

Gains, net, were due to the sale of 25% of Sifalberghi (€ 25.1 million) and losses, net, stemming from various transactions (- € 0.1 million).

Amortization of goodwill amounted to € 10.3 million. The increase of € 5 million compared to the first nine months ending September 30, 2002 was due to the increases in the investments in Juventus Football Club and in La Rinascente.

Financial expenses, net, totaled € 17.4 million (€ 14.2 million for the first nine months of 2002); the increase of € 3.2 million was attributable to higher average indebtedness during the first nine months.

General expenses, net, amounted to € 9.7 million, basically unchanged compared to the corresponding period of the prior year (€ 9.5 million).

Other expenses, net, amounted to € 5.4 million and included the expenses related to the IFIL S.p.A. capital stock increase (€ 2.7 million), the costs incurred as part of the Reorganization of the Group (€ 2.0 million), the accrual for estimated extraordinary expenses (to be paid over several years) regarding recourse to the "Solidarity Fund" in connection with incentives for cutbacks in reference to some employees of IFIL and Soiem (€ 0.5 million) and, lastly, sundry expenses (€ 0.2 million).

Financial fixed assets at September 30, 2003 amounted to € 4,801.1 million (€ 3,207.2 million at the end of 2002). Details are provided in the section "Condensed consolidated financial statements".

Consolidated net financial position of the "Holdings System" at September 30, 2003 showed a net indebtedness position of € 464.5 million (€ 484.4 million at the end of 2002). The positive change amounted to € 19.9 million.
The composition of the consolidated net financial position of the "Holdings System" and related changes during the first nine months of 2003 are detailed in the section "Condensed consolidated financial statements".

Stockholders' equity – Group at September 30, 2003 amounted to € 4,111.9 million (€ 2,708.1 million at the end of 2002). The changes during the first nine months of 2003 are provided in the section "Condensed consolidated financial statements".

Results for the third quarter of the year

In view of the fact that important components of the income statement are not evenly distributed over the course of the year, the results of the individual quarters may bear little resemblance to the overall performance of operations for a full year. Bearing this in mind, a review of the third-quarter 2003 results is presented below.

The **consolidated net income – Group** for the third quarter of 2003 was € 25 million (compared to a loss of € 53 million for the corresponding period of 2002).

The analysis of the main captions of the income statement for the third quarter of 2003 showed the following:

- The **Group's share of earnings (losses) of companies** accounted for using the equity method for the third quarter of 2003 resulted in earnings of € 14.1 million (losses of € 35.8 million for the corresponding period of 2002). The increase of € 49.9 million was mainly due to better results of the Fiat Group (+€ 21.9 million) and the Worms & Cie Group (+€ 12.5 million), higher positive consolidation adjustments (+€ 25.5 million), the loss of Juventus Football Club (- € 9.3 million) and other changes, net (- € 0.7 million);

- **Gains (losses), net,** for the third quarter of 2003 equal to € 24.9 million, were mainly due to the previously mentioned sale of the investment in Sifalberghi;

- **Financial expenses, net,** amounted to € 4.7 million (€ 5.6 million for the third quarter of 2002). The decrease of € 0.9 million was attributable to a lower average indebtedness in the third quarter of 2003.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The following describes the condensed consolidated **Income Statement** and the condensed consolidated **Balance Sheet** and provides details of the main captions.

Condensed consolidated income statement

Year		9 months to September 30			III Quarter		
2002	€ in millions	**2003**	2002	Change	**2003**	2002	Change
(301.6)	Group's share of earnings (losses) of companies accounted for using the equity method	**(37.1)**	4.7	(41.8)	**14.1**	(35.8)	49.9
30.6	Dividends from other holdings	**21.2**	30.6	(9.4)	**0.0**	0.0	0.0
8.2	Dividend tax credits	**11.9**	8.2	3.7	**0.0**	0.0	0.0
(51.8)	Gains (losses), net	**25.0**	(7.1)	32.1	**24.9**	(5.4)	30.3
(6.8)	Amortization of goodwill	**(10.3)**	(5.3)	(5.0)	**(3.5)**	(1.8)	(1.7)
(321.4)	**Investment income (expenses), net**	**10.7**	31.1	(20.4)	**35.5**	(43.0)	78.5
(20.6)	Financial expenses, net	**(17.4)**	(14.2)	(3.2)	**(4.7)**	(5.6)	0.9
(13.1)	General expenses, net	**(9.7)** (a)	(9.5)	(0.2)	**(1.0)** (a)	(2.7)	1.7
(12.5)	Other expenses, net	**(5.4)**	(4.8)	(0.6)	**(4.8)**	(4.0)	(0.8)
(367.6)	**Income (loss) before taxes**	**(21.8)**	2.6	(24.4)	**25.0**	(55.3)	80.3
4.6	Current income taxes, net	**0.2**	(0.4)	0.6	**0.0**	(1.7)	1.7
(4.0)	Deferred taxes	**1.6**	3.8	(2.2)	**0.0**	4.0	(4.0)
(367.0)	**Net income (loss) - Group**	**(20.0)**	6.0	(26.0)	**25.0**	(53.0)	78.0

(a) The figure includes general expenses, net, of the subsidiary Soiem, consolidated line-by-line beginning 2003.

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

Year		9 months to September 30			III Quarter		
2002	€ in millions	**2003**	2002	Change	**2003**	2002	Change
(429.5)	Fiat Group	**-**	(106.5)	106.5	**-**	(45.1)	45.1
	- I quarter 2003	**(74.1)**	-	(74.1)	**-**	-	-
	- II and III quarter 2003	**(30.4)**	-	(30.4)	**(23.2)**	-	(23.2)
98.1	Worms & Cie Group	**55.9**	119.3	(63.4)	**23.1**	10.6	12.5
15.2	Rinascente Group	**(3.7)**	0.0	(3.7)	**(2.5)**	(1.0)	(1.5)
(18.9)	NHT Group (a)	**(29.7)**	(31.1)	1.4	**(7.1)**	(8.3)	1.2
1.2	Sifalberghi S.r.l.	**0.2**	0.7	(0.5)	**0.0**	0.3	(0.3)
(1.0)	Soiem S.p.A. (b)	**-**	0.1	(0.1)	**0.0**	0.1	(0.1)
-	Juventus Football Club, II and III quarter 2003	**(0.9)**	0.0	(0.9)	**(9.3)**	-	(9.3)
(334.9)		**(82.7)**	(17.5)	(65.2)	**(19.0)**	(43.4)	24.4
33.3	Consolidation adjustments	**45.6**	22.2	23.4	**33.1**	7.6	25.5
(301.6)	**Group's share of earnings (losses) of companies accounted for using the equity method**	**(37.1)**	4.7	(41.8)	**14.1**	(35.8)	49.9

(a) For the NHT Group, the first nine months of the fiscal year coincide with the period November 1, 2002 to July 31, 2003.
(b) Consolidated line-by-line beginning 2003.

At September 30, 2003, consolidation adjustments were equal to € 45.6 million and regarded:

- the use of the "Consolidation reserve for risks and future expenses" (+€ 18.8 million) for IFIL's share of the loss reported by the Fiat Group for the second and third quarters of 2003 (for the 17.039% stake acquired by IFIL in 2003);
- IFIL's share of the Fiat Group's result (+€ 11.8 million);
- IFIL's share of the Worms & Cie Group's result (+€ 9.2 million);
- the reversal of amortization relating to the goodwill on Alpitour (+€ 5.9 million);
- the first-quarter 2003 net income of Soiem (- € 0.1 million) attributed to IFI.

Comments on the operating performance of the investment holdings are presented later in the report.

Amortization of goodwill

€ in millions	Balance at 12/31/2002	Change in the nine months to September 30, 2003 Increase	Decrease	Amortization	**Balance at 9/30/2003**
Rinascente Group (a)	158.2	7.4	-	(7.3)	**158.3**
Juventus Football Club (b)	-	83.2	(42.8) (c)	(3.0)	**37.4**
Total	158.2	90.6	(42.8)	(10.3)	**195.7**

(a) Amortized over 20 years.
(b) Amortized over 10 years.
(c) Deducted from the consolidation reserve.

Condensed consolidated balance sheet

9/30/2002	€ in millions	**9/30/2003**	12/31/2002	Change	6/30/2003
	Financial fixed assets:				
3,536.0	- investments	**4,752.0**	3,161.0	1,591.0	4,256.5
55.5	- treasury stock	**44.5**	41.7	2.8	44.8
4.4	- long-term bonds	**4.6**	4.5	0.1	4.6
3,595.9		**4,801.1**	3,207.2	1,593.9	4,305.9
	Financial assets recorded in current assets				
247.7	- cash and short-term investments	**200.6**	244.5	(43.9)	209.3
0.0	- treasury stock	**1.6**	0.0	1.6	0.0
247.7		**202.2**	244.5	(42.3)	209.3
80.0	Other assets	**88.5**	53.8	34.7	82.5
3,923.6	**Total assets**	**5,091.8**	3,505.5	1,586.3	4,597.7
3,140.3	Stockholders' equity - Group	**4,111.9**	2,708.1	1,403.8	3,636.0
	Financial payables:				
150.0	- short-term	**310.7**	434.2	(123.5)	278.7
588.5	- medium-term	**350.0**	295.0	55.0	350.0
738.5		**660.7**	729.2	(68.5)	628.7
37.1	Reserve for employee severance indemnities and reserves for risks and charges	**290.0 (a)**	41.3	248.7	304.3
7.7	Other liabilities	**29.2**	26.9	2.3	28.7
3,923.6	**Total liabilities and stockholders' equity**	**5,091.8**	3,505.5	1,586.3	4,597.7

(a) Includes the remaining "Consolidation reserve for risks and future expenses" of € 258.3 million.

Financial fixed assets

9/30/2002	€ in millions	9/30/2003	12/31/2002	Change	6/30/2003
	Investments accounted for using the equity method				
1,136.9	Fiat Group	**2,285.6**	806.2	1,479.4	1,753.2
1,259.0	Worms & Cie Group	**1,034.0**	1,066.2	(32.2)	1,010.8
458.0	Rinascente Group (40.47% holding)	**620.5**	626.4	(5.9)	613.7
-	Juventus Football Club S.p.A.	**89.9**	-	89.9	142.9
73.8	NHT Group	**59.4**	86.0	(26.6)	64.7
10.7	Soiem S.p.A. (a)	-	9.5	(9.5)	-
6.8	Sifalberghi S.r.l.	**0.0**	7.3	(7.3)	6.9
2,945.2		**4,089.4**	2,601.6	1,487.8	3,592.2
	Investments valued at cost				
512.3	SANPAOLO IMI S.p.A.	**620.0**	512.3	107.7	620.0
68.4	Club Méditerranée S.A.	**35.2**	35.2	0.0	35.2
-	Warrants 2007 on Fiat ordinary shares	**3.6**	0.0	3.6	3.6
10.1	Other	**3.8**	11.9	(8.1)	5.5
590.8		**662.6**	559.4	103.2	664.3
3,536.0	**Total investments**	**4,752.0**	3,161.0	1,591.0	4,256.5
	Treasury stock				
21.7	IFIL ordinary shares	**44.5**	16.3	28.2	44.8
33.8	IFIL savings shares	**-**	25.4	(25.4)	-
55.5	**Total treasury stock**	**44.5**	41.7	2.8	44.8
4.4	**Ocean Club Méditerranée bonds**	**4.6**	4.5	0.1	4.6
3,595.9	**Total financial fixed assets**	**4,801.1**	3,207.2	1,593.9	4,305.9

(a) Consolidated line-by-line beginning 2003.

Investments accounted for using the equity method – Other information

	Number of shares held		% holding of class of stock	% holding of capital stock	Carrying value Per share (€)	Carrying value Total (€ in ml)
Fiat Group:						
- ordinary shares	240,583,447		30.06	24.46	8.41	2,024.1
- preferred shares	31,082,500		30.09	3.16	8.41	261.5
				27.62		2,285.6
Worms & Cie Group	55,922,623		-	53.07	18.49	1,034.0
Rinascente Group:						
- ordinary shares	119,986,667	(a)	40.14	29.63	3.82	458.6
- savings shares	41,221,400	(a)	40.09	10.18	3.82	157.6
- preferred shares	1,130,767	(a)	35.95	0.28	3.82	4.3
				40.09		620.5
Juventus Football Club S.p.A.	74,992,103		-	62.01	1.20	89.9
NHT Group	29,682		-	90.00	2,001.21	59.4
Total investments accounted for using the equity method						**4,089.4**

(a) Equal to 40.47% of shares held by Eurofind.

Investments, treasury stock and bonds valued at cost – Comparison between carrying values and market prices

	Number of shares held		% holding of class of stock	Carrying value			Average market price			
							April-September		September 2003	
				Unit (€)	Total (€ ml)		Unit (€)	Total (€ ml)	Unit (€)	Total (€ ml)
SANPAOLO IMI S.p.A. - ordinary shares	70,371,000		4.86	8.81	620.0		8.12	571.6	8.95	629.8
Club Méditerranée S.A. - shares	1,393,090		7.20	25.24	35.2	(a)	26.67	37.2	30.90	43.0
Warrants 2007 on Fiat ordinary shares	18,914,511		-	0.19	3.6		0.29	5.5	0.28	5.4
IFIL ordinary shares, treasury stock	11,927,410	(b)	1.15	3.73	44.5	(c)	2.13	25.4	2.48	29.5
Ocean Club Méditerranée bonds	76,614		-	60.15	4.6		58.42	4.5	60.57	4.6
Total					**707.9**			**644.2**		**712.3**

(a) Net of writedowns of € 86.4 million carried out in prior years.
(b) Including 810,262 IFIL ordinary shares held by the subsidiary Soiem.
(c) Net of writedowns of € 17.4 million carried out in prior years.

Treasury stock recorded in current assets
IFIL holds 700,000 ordinary shares of treasury stock (0.07% of the class of stock) to be used to service stock option plans, recorded at estimated realizable value and carried at € 1.6 million.

Stockholders' equity - Group

€ in millions		
Stockholders' equity - Group at December 31, 2002	**2,708.1**	
IFIL capital stock increase reserved for IFI	794.5	(a)
Difference between the economic value (€ 1,052 million) and accounting value (€ 794.5 million) of the investments contributed by IFI	257.5	
IFIL S.p.A. capital stock increase (b)	504.0	
Posting of the consolidation reserve arising from the increases in the investments in Fiat and Worms & Cie	42.8	
Use of consolidation reserve for the amortization of goodwill on Juventus Football Club	(42.8)	
Translation adjustments (- € 132.7 million) in the stockholders' equity of companies accounted for using the equity method and other changes, net (+€ 0.5 million)	(132.2)	
Consolidated net loss - Group	(20.0)	
Net change during the period	**1,403.8**	
Stockholders' equity - Group at September 30, 2003	**4,111.9**	

(a) Accounting value of IFIL shares issued.
(b) Includes the sale of unexercised rights for € 1.8 million.

Composition of the consolidated net financial position of the “Holdings System”

6/30/2003 Short-term	6/30/2003 Medium/ long-term	6/30/2003 Total	€ in millions	9/30/2003 Short-term	9/30/2003 Medium/ long-term	9/30/2003 Total	12/31/2002 Short-term	12/31/2002 Medium/ long-term	12/31/2002 Total
209.3	0.0	209.3	Cash and short-term investments	**200.6**	**0.0**	**200.6**	244.5	0.0	244.5
0.3	0.0	0.3	Other assets (financial accrued income and prepaid expenses)	**0.3**	**0.0**	**0.3**	0.3	0.0	0.3
209.6	0.0	209.6	**Total financial assets**	**200.9**	**0.0**	**200.9**	244.8	0.0	244.8
(276.5)	(150.0)	(426.5)	Borrowings from banks	**(310.7)**	**(150.0)**	**(460.7)**	(428.5)	(150.0)	(578.5)
0.0	(200.0)	(200.0)	IFIL 2002/2005 bonds	**0.0**	**(200.0)**	**(200.0)**	0.0	(145.0)	(145.0)
(2.2)	0.0	(2.2)	Other liabilities (financial accrued expenses and deferred income)	**(4.7)**	**0.0**	**(4.7)**	(5.7)	0.0	(5.7)
(278.7)	(350.0)	(628.7)	**Total financial liabilities**	**(315.4)**	**(350.0)**	**(665.4)**	(434.2)	(295.0)	(729.2)
(69.1)	(350.0)	(419.1)	**Consolidated net financial position "Holdings System"**	**(114.5)**	**(350.0)**	**(464.5)**	(189.4)	(295.0)	(484.4)

The positive change of € 21.6 million from the end of 2002 was due to the following flows:

€ in millions		
Consolidated net financial position of the "Holdings System"at December 31, 2002	**(484.4)**	
Dividends received from:		
- Worms & Cie	83.9	(a)
- SANPAOLO IMI	21.1	
- La Rinascente	18.3	
- Sifalberghi	0.6	
- Other	0.1	
Dividends received	**124.0**	
Financial expenses, net	(17.4)	
General expenses, net	(9.7)	
Cash flows from operating activities	**96.9**	
Investments:		
- Fiat, subscription to the capital stock increase (and purchase of rights for € 5 million)	(549.6)	
- La Rinascente, 2.15% of capital stock	(38.4)	
- Worms & Cie, 1.37% of capital stock	(23.7)	
Investments	**(611.7)**	
Sales:		
- Sifalberghi, 25% of capital stock	32.0	
- Eurofind, 0.85% of capital stock (to Mediobanca)	15.2	
- Other	2.2	
Sales	**49.4**	
Other changes:		
- IFIL S.p.A. capital stock increase (and sale of unexercised rights for € 1.8 million)	504.0	
- IFIL S.p.A. capital stock increase expenses	(11.0)	
- Change in scope of consolidation	5.2	(b)
- Other, net	(12.9)	
Other changes	**485.3**	
Net change during the period	**19.9**	
Consolidated net financial position of the "Holdings System" at September 30, 2003	**(464.5)**	

(a) Includes € 50.3 million of extraordinary dividends.
(b) Cash of the subsidiary Soiem, consolidated line-by-line beginning 2003.

As from the end of June 2003, Standard & Poor’s Rating Services has assigned an “A-“ rating to IFIL’s long-term debt and an “A2” rating to its short-term debt, with a negative outlook.

FUTURE OUTLOOK

The balanced portfolio of IFIL's investment holdings – about one-third of which is concentrated in the automotive sector and about two-thirds in diversified businesses – and the efforts underway to relaunch Fiat constitute genuine premises for a turnaround of the Group which could likely manifest the first consequential signs in 2003.

The consolidated result of the IFIL Group for the year, however, will be influenced by uncertainties surrounding the economic scenario, in which the principal Group companies had to operate for the majority of the year, and the results of the Fiat Group, for which 2003, as anticipated, will represent a difficult and demanding year of transition.

As for the parent company, IFIL S.p.A., based on the data available to date, a profit is expected to be reported for 2003.

OPERATING PERFORMANCE OF THE MAJOR GROUP COMPANIES

The following describes the operating performance of the major Group companies.
The percentages indicated are updated to the end of October 2003.

FIAT GROUP

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

The consolidated results of the Fiat Group can be summarized as follows:

Year		9 months to September 30			III Quarter		
2002	€ in millions	**2003**	2002	Change	**2003**	2002	Change
55,649	Net revenues	**34,611**	40,742	(6,131)	**9,837**	11,987	(2,150)
(762)	Operating loss	**(652)**	(765)	113	**(285)**	(339)	54
(4,817)	Income (loss) before taxes	**(205)**	(1,143)	938	**365**	(615)	980
(3,948)	Net loss - Group	**(792)**	(976)	184	**(84)**	(413)	329
(3,780)	Consolidated net financial position	**(2,952)**	(5,844)	2,892	**-**	**-**	-

As anticipated in earlier forecasts, the performance of the Fiat Group in the third quarter of 2003, in addition to being affected by unfavorable seasonal factors, reflects the challenges of a difficult transition period. Nevertheless, the Group made further progress in strengthening its financial structure and returning to growth, as it continued to reap the benefits of the cost-cutting and streamlining program carried out under the Relaunch Plan started this past June. More specifically, operating result, consolidated net result and financial position all show improvement compared to the corresponding period of 2002. When comparing the results of this quarter with those of the corresponding period of the previous year, changes in the scope of consolidation resulting from asset divestitures (mainly Toro Assicurazioni, FiatAvio and Fidis Retail Italia) must be considered. In addition to these changes, revenues were impacted by the mixed market environment, resulting in lower unit sales at the principal Group Sectors. Fiat Auto, in particular, was adversely affected in two key segments as customers deferred buying decisions ahead of the introduction of new models. The beneficial impact on sales of the Panda and Ypsilon, which were introduced in September, will be felt starting from the fourth quarter of the year.

The most important results regarding the third quarter of 2003 are as follows:

- consolidated **net revenues** of the Group totaled € 9.8 billion in the third quarter of 2003, compared to € 12 billion in the same period last year. The main reasons for this approx. € 2.2 billion decline were a change in the scope of consolidation (- € 1.8 billion) caused by numerous asset divestitures, the depreciation of the U.S. dollar against the euro and also, in part, negative trends in some of the markets where the principal Group Sectors operate. During the period from July to September 2003, demand for agricultural and construction equipment increased in North America but decreased in Europe and Latin America. At the same time, shipments of commercial vehicles held steady in Europe, despite a contraction in Italy. In the automobile market, which showed modest growth in Italy but was virtually flat in Europe, Fiat Auto's performance was affected by aggressive price competition and by the impact of upcoming model introductions on customer orders.

- the Group reported an **operating loss** of € 285 million, compared to an operating loss of € 339 million in the third quarter of 2002. The year-over-year improvement (+€ 54 million) is even more significant (approximately +€ 110 million) when the comparison is made between figures restated on a comparable consolidation basis, i.e., eliminating the contributions of divested operations. This achievement reflects better performance by certain Group Sectors, in particular CNH (+€ 84 million) and Fiat Auto (+€ 46 million on a comparable consolidation basis). These results were achieved under uneven market conditions that, while ranging from stable to recessive, were always less favorable than those in the third quarter of 2002;

- the consolidated **net loss of the Group** in the third quarter of 2003 amounted to € 84 million, a sharp improvement over the consolidated net loss of € 413 million reported in the third quarter of 2002. This positive performance was made possible by the net gain of € 781 million earned on the sale of FiatAvio, which was offset by the Group's operating loss, financial expenses of € 245 million, and restructuring costs and other extraordinary expenses of about € 360 million;

- at September 30, 2003, Fiat's **consolidated net financial position** showed net indebtedness of € 2,952 million, an improvement of € 828 million compared to December 31, 2002. This improvement was made possible by proceeds from the disposal of Toro and FiatAvio and the capital increase by Fiat S.p.A., offset in part by higher cash requirements due to the net loss for the period, an increase in working capital requirements and a reduction in discounted receivables.

With regard to the "Mandatory Convertible Facility Agreement" signed in 2002 for € 3 billion, the Fiat Group affirms its compliance with the net debt reduction targets at September 30, 2003 and expects to reach the target of reducing gross debt when the remaining investments in the financial companies are sold to Fidis Retail Italia (of which a 51% stake was sold to some banks).

Moreover, Fiat's rating is still below investment grade level and should this condition persist in July 2004 the Banks may proceed in advance with the conversion of debt into capital for an amount up to € 2 billion. In this eventuality, should IFIL decide not to exercise, in whole or in part, the option rights to which it is entitled or should it not be in a condition to exercise, in whole or in part, such rights, the investment held by IFIL in Fiat could be diluted to below 30% of the capital stock with voting rights.

Results for the first nine months of 2003 are as follows:

- consolidated **net revenues** of the Group amounted to € 34.6 billion in the first nine months of 2003, or € 6.1 billion less than the first nine months of 2002 (€ 40.7 billion). More than half of this decrease is attributable to asset divestitures. On a same-scope basis, revenues decreased by € 2.5 billion, reflecting several factors: anemic demand and lower unit sales in many markets (Fiat Auto and Iveco); a weak product line during the beginning of the year and the transition from old to new models (Fiat Auto); and, lastly, the negative impact of an unfavorable euro/U.S. dollar exchange rate;

- the **operating loss** totaled € 652 million for the first nine months of 2003, or € 113 million less than the operating loss of € 765 million reported a year earlier. On a comparable consolidation basis, the operating loss narrows by € 220 million, entirely attributable to the reduction in operating loss achieved by Fiat Auto (€ 330 million).

- the consolidated **net loss of the Group** for the first nine months of 2003 was € 792 million compared to € 976 million in the first nine months of 2002. The decrease reflects the improvement achieved at the operating level, as well as higher gains earned on asset divestitures: in 2003, mainly the sale of Toro and FiatAvio and in 2002, the sale of an interest in Ferrari. These gains were offset in part by an increase in restructuring costs and other extraordinary charges as well as by higher taxes. The consolidated loss of the minority interest in the first nine months of 2003 amounted to € 90 million (€ 306 million in the nine months ending September 30, 2002): the losses pertaining to General Motors, the minority stockholder in Fiat Auto Holdings B.V., were charged to the Fiat Group to the extent that they exceeded the value of its share of the capital of the company.

As far as subsequent events are concerned, on October 26, 2003, Fiat and General Motors signed two important agreements that clarify the position of both groups with regard to the put option. GM has questioned Fiat's ability to exercise this put option due to the sale of certain financing businesses by Fiat Auto and the recapitalization of Fiat Auto Holdings. Fiat, on the other hand, contends that the put option remains fully effective.
These agreements reaffirm the strong desire of both partners to continue to develop their existing industrial ventures while seeking new opportunities for cooperation. At the same time, the parties decided to postpone the option exercise period by one year (from January 24, 2004 – July 24, 2009 to January 24, 2005 – July 24, 2010) and agreed to refrain until December 15, 2004 from initiating legal proceedings relating to the Master Agreement. By providing an additional year to redefine the relationship between Fiat and General Motors, the new agreements give the parties a platform for future discussions on how to amend the Master Agreement without harming the interests of either partner, or their stockholders, while continuing the constructive development of their existing industrial relationship.

The results reported by the Group, which were largely in line with forecasts, showed improvements in key operating parameters. They also confirm that, as repeatedly stated, 2003 is proving to be a difficult and challenging year of transition. However, several factors will positively impact the closing quarter of 2003. They include: the full effect of the restructuring programs carried out under the Relaunch Plan, the positive contribution of Fiat Auto's new models, and a strong performance by Sectors such as CNH, which expects to report much improved year-end results.

Notwithstanding recent divestitures, which caused the Group to exit from certain areas of business, the Group reaffirms the objectives stated in its Relaunch Plan, which calls for a significantly smaller operating loss in 2003 than in 2002 and an improved net financial position.

WORMS & Cie GROUP

(53.07% of capital stock, through Ifil Investissements)

Worms & Cie is a diversified group operating in industry through the wholly-owned subsidiaries ArjoWiggins and Carbonless Europe and in services through the wholly-owned subsidiaries Antalis and Permal Group and the 23.7% stake in SGS. The Group also holds 0.7% of the capital stock of the Accor Group.

The consolidated results of the Worms & Cie Group for the nine months to September 30, 2003 can be summarized as follows:

Year		9 months to September 30		
2002	€ in millions	**2003**	2002	Change
4,426	Revenues	**3,108.6**	3,304.1	(195.5)
215	Operating income	**128.9**	154.3	(25.4)
(12)	Financial income (expenses)	**(14.5)**	(6.3)	(8.2)
195	Current net income	**106.4**	113.8	(7.4)
(3)	Net extraordinary income (expenses)	**(1.0)**	111.4	(112.4)
197	*- of which gains on the sale of Danone and Accor shares*	***74.8***	*196.9*	*(122.1)*
192	Net income	**105.4**	225.2	(119.8)

In a particularly difficult economic context which continues to penalize the results of industrial operations, the good operating results of the services business has enabled Worms & Cie to report a current net income for the first nine months of the year of € 106.4 million which is only slightly below that of the corresponding period of the prior year.

The consolidated net income of the Group for the first nine months of 2003 is lower than that of the first nine months of 2002. Nevertheless, the comparison is not significant in that the change is due solely to the amount of gains realized on the sales of the Danone Groupe and Accor shares in 2003 and 2002.

The year 2002 had benefited from the favorable impact of the inclusion of the operating branches in the tax scope of the Group, which translated into a significant tax savings in the year ended December 31, 2002. Since such benefit will not be repeated in 2003, the current net income of Worms & Cie for the year 2003 will be lower than in 2002.

RINASCENTE GROUP

(99.21% of ordinary capital stock and 99.06% of savings capital stock, through Eurofind)

The consolidated results of the Rinascente Group can be summarized as follows:

Year		9 months to September 30			III Quarter		
2002	€ in millions	**2003**	2002	Change	**2003**	2002	Change
6,145.6	Gross sales	**4,702.4**	4,309.2	393.2	**1,639.2**	1,531.3	107.9
348.9	Gross operating profit	**205.3**	194.5	10.8	**66.1**	64.7	1.4
135.0	Income before taxes	**28.0**	25.5	2.5	**4.9**	5.7	(0.8)
50.8	Net income (loss) - Group	**(9.1)**	0.1	(9.2)	**(6.0)**	(3.2)	(2.8)
1,208.5	Shareholders' equity - Group	**1,152.9**	1,157.8	(4.9)	**-**	-	-
18.5	Consolidated net financial position	**(382.9)**	(426.8)	43.9	**-**	-	-

Gross sales for the first nine months of 2003 amounted to € 4,702.4 million compared to € 4,309.2 million in the same period of 2002 (+9.1%). All the commercial formulas of the Group registered equal or higher results compared to the corresponding period of the prior year. The increase in sales during the period July-September 2003 compared to the same quarter of 2002 was 7.1%. Such result was achieved in a market context fraught by a persisting weakness in demand.

Gross operating profit (gross cash flow) in the first nine months of 2003 was € 205.3 million, with a growth of 5.6% compared to € 194.5 million in the same period of the prior year.

Income before taxes for the first nine months of 2003 was € 28 million (€ 25.5 million in the first nine months of 2002). This result, which rose by € 2.5 million (+9.9%), was influenced by higher amortization and depreciation charges connected with investments and the absence of extraordinary income and compensated in part by the improvement in the net balance of financial income and expenses. The income before taxes in the third quarter of 2003 was € 4.9 million compared to € 5.7 million in the corresponding period of the prior year; the decrease was mainly connected with extraordinary items.
Income taxes totaled € 36.8 million, compared to € 25.2 million in 2002. Income taxes in 2002 had benefited from the posting of deferred tax credits on tax loss carryforwards of € 9.0 million.

A **net loss of the Group** was reported for the first nine months of 2003 of € 9.1 million compared to a net income of € 0.1 million for the same period of 2002.

The **consolidated net financial position** at September 30, 2003 was a net indebtedness position of € 382.9 million, compared to a net indebtedness position of € 426.8 million at September 30, 2002 and a net liquidity position of € 18.5 million at December 31, 2002. The change from the end of 2002 is primarily due to seasonal factors.

The result for the nine months to September 30 was significantly influenced by seasonal factors and, therefore, cannot represent the basis for a full-year projection. In fact, for a more meaningful reading of the economic and financial performance, the following should be taken into account:

- the amount of sales for each of the first three quarters, owing to a seasonal structural effect, for a large-scale retail company, is lower than the average sales for a full year;

- the composition of the sales made during the last part of the year has a significant impact upon the seasonal aspect of the percentage margins, which are much higher during the last period owing to the effect of the mix, with a consequent impact on the gross margin;

- costs and expenses, on the contrary, are more evenly distributed over the course of the year.

JUVENTUS FOOTBALL CLUB

(62.01% of capital stock)

The results of Juventus Football Club can be summarized as follows:

Year		9 months to September 30			III Quarter (b)		
2002/2003 (a)	€ in millions	**2003**	2002	Change	**2003**	2002	Change
215.4	Operating revenues	**155.2**	128.6	26.6	**36.6**	38.1	(1.5)
16.3	Gross operating profit (c)	**6.0**	(11.0)	17.0	**(1.0)**	(0.3)	(0.7)
2.2	Net income (loss)	**(8.6)**	(30.6)	22.0	**(14.9)**	0.5	(15.4)
99.6	Stockholders' equity	**84.7**	100.0	(15.3)	**-**	-	-
69.2	Net financial position (d)	**47.9**	56.5	(8.6)	**-**	-	-

(a) Corresponding to the period July 1, 2002 – June 30, 2003.
(b) Reclassified data. In view of the fact that Juventus F.C.'s fiscal year ends on June 30 of every year and the highly seasonal nature of the sector, it should be stressed that the data shown cannot represent the basis for a full-year projection
(c) Before amortization of the players' registration rights.
(d) Data refers to the end of the period.

Operating revenues (therefore, excluding the gains on the sale of deferred players' registration rights) for the period January 1, to September 30, 2003 amounted to € 155.2 million. This is a considerable increase over the same period of the prior year due to the brilliant sports results achieved in the second part of the 2002/2003 football season.
The gross operating profit benefited from the increase in revenues (a gross operating profit of € 6 million compared to a gross operating loss of € 11 million in the first nine months of 2002), with a basic stability in personnel expenses and higher costs connected with the temporary acquisition of players' registration rights incurred in the first half of 2003.
As regards the loss for the period of € 8.6 million (which improved considerably from the loss of € 30.6 million in the first nine months of 2002), the result was affected by player management results, which showed amortization for deferred players' registration rights of € 48.4 million (Juventus decided not to take advantage of the benefits under Law 27/2003, the so-called "save football decree"), income from the sale of analogous deferred players' rights of € 4 million (€ 13.2 million in 2002) and expenses for player sharing of € 1.8 million (income of € 2.8 million in the prior year).
In June 2003, Juventus sold 27.2% of the capital stock of the subsidiary Campi di Vinovo to the company Costruzioni Generali Gilardi di Torino, realizing a gain of € 32.5 million.

The income statement for the third quarter of 2003 showed a slight decrease in operating revenues (-1.5%) as a result of lower compensation from insurance companies for injuries to the players, which, at the gross operating result level, was partly compensated by lower operating costs.
The net loss for the third quarter of 2003 of € 14.9 million compared basically to a breakeven in the third quarter of 2002 was affected, as mentioned, by the balance in the first stage of the player transfer campaign for the current season and the amortization of players' rights of € 17.6 million.

Significant events during the period included, in July, the signing of the notarized deed with the City of Turin for the ninety-nine year lease on the Stadio delle Alpi and adjacent areas, renewable at the end of the lease period.

As for the sports season currently underway, in August, Juventus won the Italian Supercup for the fourth time and, in November, qualified as one of the sixteen teams vying for the UEFA Champions League title.

NHT GROUP

(90% of capital stock, through Ifil Investissements and Ifil Finance)

The consolidated results of the NHT Group can be summarized as follows:

Year		9 months to July 31 (b)			III Quarter		
2002 (a)	€ in millions	**2003**	2002	Change	**2003**	2002	Change
938	Revenues	**578.2**	558.2	20.1	**279.0**	285.7	(6.7)
18	Operating income (loss) (c)	**(8.5)**	(14.3)	5.9	**4.4**	4.1	0.3
(21)	Net loss - Group	**(33.0)**	(34.5)	1.5	**(7.9)**	(9.2)	1.2
(47)	Consolidated net financial position	**(141.7)**	(116.9)	(24.8)	**-**	-	-

(a) Corresponding to the period November 1, 2001 – October 31, 2002.
(b) Corresponding to the period November 1, 2002 – July 31, 2003.
(c) Net of provisions and writedowns.

In order to correctly interpret the results, the seasonal nature of the tour operator business should be taken into account since the profit curve shows the highest growth in the summer season (about 70% of the total for the year), whereas structure costs are incurred in a substantially linear manner over the course of the year.

Consolidated revenues of the NHT Group for the nine months ended July 31, 2003 amounted to € 578.2 million, with an increase of about 4% compared to the corresponding period of the prior year. The first nine months ended July 31, 2003 displayed contrasting signals. After a year marked by a weak economic trend and particularly influenced by the crisis of September 11, the first quarter of the current year, in fact, confirmed some signs of a recovery in demand which had became evident as early as the summer season of the prior year, leading to a gain in revenues with volumes and margins on the upswing. The second quarter, instead, affected by both the international political events which culminated in the conflict in Iraq and the health emergency caused by SARS which hit the eastern part of the world, again displayed new symptoms of weak demand. The third quarter, thanks to the resumption of greater tranquility in the international political situation, instead, brought a return to a substantially normal market scenario.

The Group reported an operating loss of € 8.5 million for the first nine months of the fiscal year, compared to an operating loss of € 14.3 million in the prior year. Such results evidence the significant improvement in margins, besides an attentive management of the discount policy, due in part to the measures undertaken by the Group to reduce service costs.

The positive performance of operations is not similarly reflected in the consolidated net result of the Group for the nine-month period which, in fact, showed a loss of € 33 million (after amortization of goodwill for a total of € 10.2 million), compared to a loss of € 34.5 million in the corresponding period of the prior year. The improvement in the pre-tax result is less susceptible than the operating margins predominantly on account of the effect of the euro/U.S. dollar exchange rate.

The consolidated net financial position at July 31, 2003 showed a net indebtedness position of € 141.7 million. The change from the net indebtedness position of € 46.9 million at October 31, 2002 can be ascribed to the seasonal nature of the business and the acquisition of the entire investment in Viaggidea.

Turin, November 12, 2003

For the Board of Directors
The Chairman
Gianluigi Gabetti