IFIL GROUP IN 2007

QUARTERLY REPORT AT SEPTEMBER 30, 2007

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This is an English translation of the Italian original document "Relazione trimestrale al 30 settembre 2007" approved by the IFIL board of directors on November 14, 2007 and authorized for publication on the same date 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.

investments IFIL

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Board of Directors

Chairman	Gianluigi Gabetti
Vice Chairman (Vicario)	John Elkann
Vice Chairman	Tiberto Brandolini d'Adda
Chief Executive Officer and General Manager	Carlo Barel di Sant'Albano
Non-independent directors	Edoardo Ferrero Ventimiglia, Franzo Grande Stevens, Pio Teodorani-Fabbri, Daniel John Winteler
Independent directors	Giancarlo Lombardi, Antonio Maria Marocco, Giuseppe Recchi, Claudio Saracco

Secretary to the Board: Fernando Massara

Executive Committee

Chairman	Gianluigi Gabetti
Members	Tiberto Brandolini d'Adda, John Elkann, Carlo Barel di Sant'Albano

Audit Committee

Chairman	Antonio Maria Marocco
Members	Giancarlo Lombardi, Claudio Saracco

Compensation and Nominating Committee

Chairman	John Elkann
Members	Gianluigi Gabetti, Giuseppe Recchi

Board of Statutory Auditors

Standing Auditors	Cesare Ferrero (*Chairman*), Giorgio Giorgi, Paolo Piccatti
Alternate Auditors	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 held on June 27, 2005, will expire concurrently with the stockholders' meeting that will be held to approve the separate financial statements for the year ending December 31, 2007.
The appointment of the independent auditors will expire concurrently with the stockholders' meeting that will be held to approve the separate financial statements for the year ending December 31, 2011.

IFIL GROUP PROFILE

IFIL S.p.A. is one of Europe's leading investment companies, controlled by the Agnelli family. Founded in 1919, it is headquartered in Turin and listed on the Italian stock exchange.
IFIL conducts diversified investments on an international scale with entrepreneurial vision and solid financial backing. At the same time, it cooperates continuously with the management teams of its holdings, while respecting their right to operate autonomously and with a perspective geared to the medium-/long-term.
IFIL exercises an active management of its historic investment in Fiat.

Fiat S.p.A., in which IFIL S.p.A. has a holding of more than 30% of ordinary and preferred capital stock, is listed on the Electronic Share Market of the Italian stock exchange (Blue Chip segment). Founded in 1899, the Fiat Group operates in the sectors of automobiles (Fiat, Lancia, Alfa Romeo, Ferrari, Maserati and Fiat Light Commercial), agricultural and construction equipment (Case and New Holland), trucks and commercial vehicles, buses and special-purpose vehicles (Iveco, Irisbus, Astra and Magirus), components and production systems (Fiat Powertrain Technologies, Magneti Marelli, Teksid and Comau); it is also active in publishing and communications (Itedi). Other sectors also offer financial services to the sales networks and the clientele in addition to rental services to customers.

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

Cushman & Wakefield (C&W), in which the subsidiary Ifil Investissements S.A. has a 71.52% stake, is the largest privately held company for real estate services. The C&W Group has its headquarters in New York, where it was founded in 1917, and now has 201 offices and 12,000 employees in 55 countries.

Sequana Capital S.A., in which Ifil Investissements S.A. has a 26.69% stake, is a French company listed on the Euronext market which in 2006 has focused its operations on the paper sector where it operates through:

- Arjowiggins S.A. (100% holding), the world leader in the manufacture of high value-added paper products, with 7,800 employees in 82 countries.
- Antalis S.A. (100% holding), the leading European group in the distribution of paper products for printing and writing, with over 8,400 employees in 44 countries.

Intesa Sanpaolo S.p.A., in which IFIL S.p.A. has a 2.45% stake in ordinary capital stock, is listed on the Electronic Share Market of the Italian stock exchange (Blue Chip segment). It is one of the most important banking groups in Europe and is the foremost bank in Italy with a market share of 20% on average in all segments of business (retail, corporate and wealth management). With its network of 5,500 branches, the group offers its services to 12 million customers. It also operates in 13 Central-East European countries and in the Mediterranean basin with 1,650 branches and 7.7 million customers in the retail and commercial banking sectors. It also has an international network specialized in corporate customer support covering 35 countries including the United States, Russia, China and India.

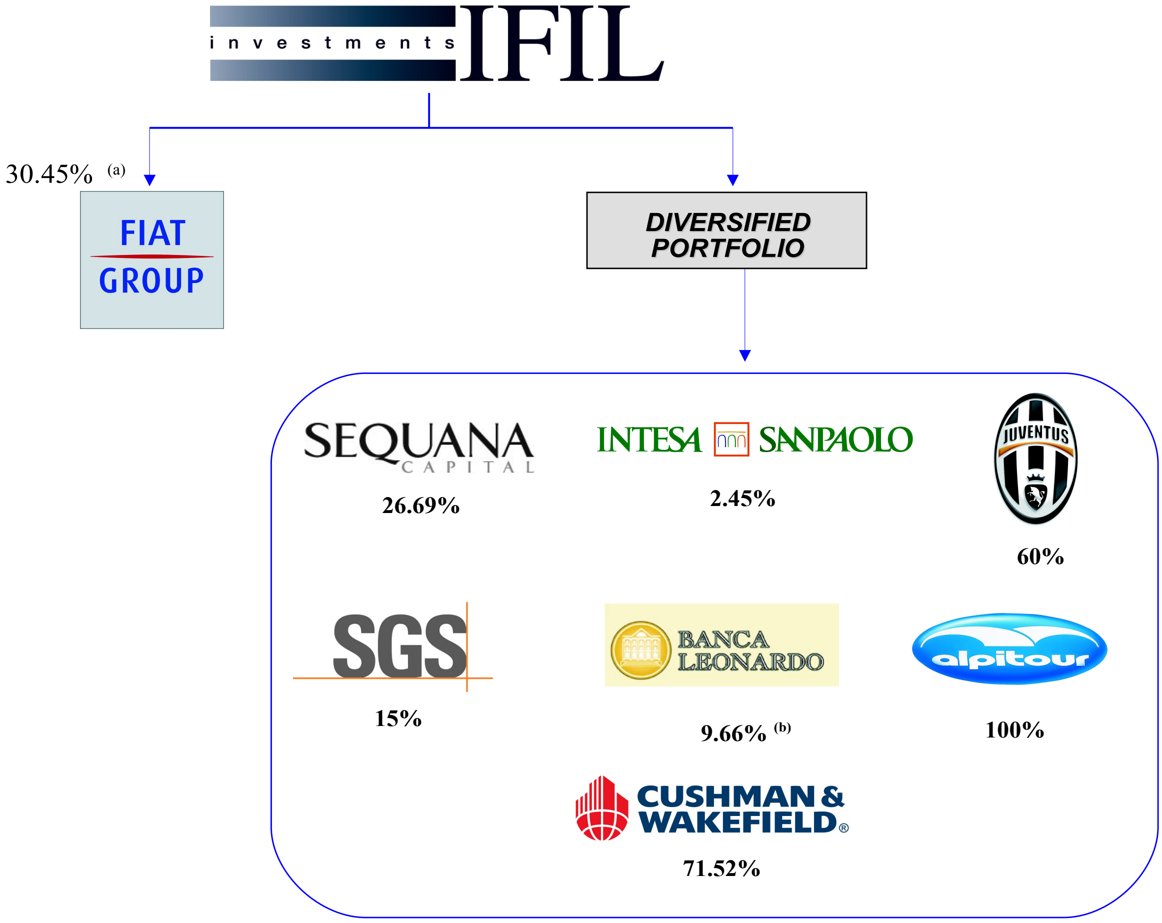
SGS S.A., in which Ifil Investissements S.A. has a 15% stake, is a Swiss company listed on the Virt-x market. Founded in 1878, the company is today the global leader in verification, inspection, control and certification activities with 48,000 employees and a network of more than 1,000 offices and laboratories throughout the world.

Gruppo Banca Leonardo S.p.A., in which Ifil Investissements S.A. has a 9.66% stake in fully diluted capital stock, is an independent investment bank offering corporate finance advisory and asset management services; it also provides private equity services under a joint venture with a leading European group.

Alpitour S.p.A., in which IFIL S.p.A. has a 100% stake, is the leading group in the tourist sector in Italy. It operates with a vast range of integrated services (tour operating, hotel, aviation, distribution, incoming and incentive and big events). In 2006, the Alpitour Group managed the accommodations of the Olympic Family at the Turin Winter Olympics 2006.

Juventus Football Club S.p.A., in which IFIL S.p.A. has a 60% stake, is listed on the Electronic Share Market of the Italian stock exchange (Star segment). Founded in 1897, it is one of the most prominent professional soccer teams in the world and boasts the largest number of fans in Italy and the highest number of total sports victories of all the Italian soccer teams in both national and international competition.

The following chart is updated to the end of October 2007 and presents the simplified structure of the investment portfolio. Percentage holdings refer to ordinary capital stock.



(a) IFIL also holds 30.09% of Fiat preferred capital stock.
(b) Fully diluted.

MAJOR EVENTS

Sale of a stake in Sequana Capital S.A.

On July 1, 2007, Ifil Investissements S.A. reached an agreement for the sale of an approximate 22% stake in Sequana Capital S.A. to DLMD, a company controlled by Pascal Lebard, general manager of Sequana Capital S.A.
After having obtained approval from the competent authorities, on July 27, 2007, Ifil Investissements S.A. sold 10,806,343 Sequana Capital shares at €21 per share for a total equivalent amount of €226.9 million.
Ifil Investissements S.A. partially financed the deal for a total equivalent amount of €27.2 million, subscribing to 2,723 S-Bonds issued by DLMD, maturing July 27, 2010.
After this deal (which led to the recognition at June 30, 2007 of a loss on consolidation of €54.3 million, including incidental charges), Ifil Investissements S.A. holds 13,203,139 Sequana Capital S.A. shares, equal to 26.69% of capital stock.
Ifil Investissements S.A. and DLMD signed a three-year stockholders' agreement aimed at keeping the stockholder base of Sequana Capital S.A. stable.

Increase of the investment in SGS S.A.

During the third quarter of 2007, the subsidiary Ifil Investissements S.A. purchased 98,580 SGS shares on the market for an investment of €81.9 million, equal to 1.26% of capital stock.
Currently, Ifil Investissements S.A. holds 1,173,400 SGS shares representing 15% of capital stock.

Sale of the investment in Turismo&Immobiliare

After having obtained authorization from the competent authorities, on September 18, 2007 Ifil Investissements S.A. sold its 25% holding in Turismo&Immobiliare to the Marcegaglia Group, Pirelli RE and Gabetti Property Solutions for €5.2 million; the IFIL Group realized a gain from the sale of €0.9 million on consolidation.

Other minor transactions

With effect on September 30, 2007, the IFIL Group purchased, from Exor Group S.A., the 100% stake in the capital stock of ANCOM USA Inc, an American company which holds 1.96% of NoCo A LP, the firm through which operations are conducted by the Perella Weinberg Group, for a total expenditure of approximately $27 million.

Proceedings relative to the contents of the press releases issued by IFIL S.p.A. and Giovanni Agnelli e C. S.a.p.az. on August 24, 2005

The ruling on the appeal before the Court of Appeals against the administrative sanctions imposed by Consob under Resolution 15760 notified on February 13, 2007 is in its final stage.

After the exchange of briefs, on November 7, 2007 the parties discussed the case and the Turin Court of Appeals adjourned the continuation of the discussion to the hearing set for December 5, 2007.

It should be recalled that the pecuniary sanction applied to the company by Consob for €4.5 million was recorded in the year 2006. Pecuniary sanctions of €2.5 million and €2 million were imposed, respectively, on Gianluigi Gabetti (chairman of IFIL S.p.A.) and Franzo Grande Stevens (director of IFIL S.p.A.). During the proceedings, the Turin Court of Appeals suspended the additional sanctionary measure against the individuals involved.

In the penal proceedings communicated to the same parties, the date set for the preliminary hearing before the Turin Courts was notified in accordance with articles 418 and 419 of the Penal Code for December 4, 2007.

BUSINESS OUTLOOK

For the year 2007, IFIL S.p.A. is expected to report a profit.

Taking into account the forecasts formulated by the major holdings, the IFIL Group forecasts a profit for 2007.

BASIS OF PREPARATION

The consolidated quarterly report of the IFIL Group at September 30, 2007 has been prepared in accordance with Article 82 of the "Regulations for the Implementation of Legislative Decree No. 58 of February 24, 1998 on the Activities of Issuers of Securities", as amended by Consob Resolution No. 14990 of April 14, 2005, in compliance with Annex 3D of the Regulation.

In order to facilitate the analysis of the equity and financial position and results of operations of the group, it is IFIL's practice to present period condensed financial statements (balance sheet and income statement) prepared by applying the "condensed" consolidation criteria. Such condensed consolidated financial statements are presented along with the annual consolidated financial statements and the interim consolidated financial statements for the first-half 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 preparation of the condensed consolidated balance sheet and income statement, the financial statements or accounting data 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, Cushman & Wakefield, Alpitour and Juventus Football Club) are accounted for by the equity method, always on the basis of their financial statements or accounting data prepared in accordance with IFRS.

Finally, it should be noted that certain valuation procedures, i.e. particularly complex procedures such as the determination of possible impairment losses on fixed assets, are generally completed only at the time of the preparation of the annual consolidated financial statements, when all the necessary information is available, except those cases in which impairment indicators require a prompt assessment of possible impairments.

The consolidated quarterly report of the IFIL Group at September 30, 2007 is unaudited.

The following table shows the consolidation and valuation methods used for investments in subsidiaries and associates.

	% holding in capital stock outstanding		
	9/30/2007	12/31/2006	9/30/2006
Subsidiaries of the " Holdings System" consolidated line-by-line			
- IFIL Investments S.p.A.	**-**	-	-
- Ifil Investment Holding N.V. (The 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 New Business S.r.l. (Italy) (a)	**100**	100	100
- Ifil USA Inc (USA)	**100**	100	100
- Ifil Asia Ltd (Hong Kong)	**100**	100	100
- Eufin Investments Unlimited (United Kingdom)	**100**	100	100
Companies accounted for by the equity method			
- Fiat Group	**28.99**	28.60	28.28
- Sequana Capital Group	**26.74**	48.88	52.68
- Cushman & Wakefield Group	**72**	-	-
- Alpitour Group	**100**	100	100
- Juventus Football Club S.p.A.	**60**	60	60

	% of capital stock issued		
	9/30/2007	12/31/2006	9/30/2006
Investments accounted for at fair value (b)			
- Intesa Sanpaolo S.p.A.	**2.45**	4.96 (c)	4.96 (c)
- SGS S.A.	**15.00**	13.16	-
Other investments accounted for at cost			
- Ancom USA Inc (USA) (d)	**100**	-	-
- Ifil France S.A. (France) (e)	**100**	-	-
- Gruppo Banca Leonardo S.p.A.	**9.66** (f)	9.43 (f)	10
- Turismo&Immobiliare S.p.A. (g)	-	25	25

(a) Dormant company.
(b) Based on the market price at the end of the period with the unrealized gain or loss recognized in equity.
(c) Percentage refers to the investment in Sanpaolo IMI S.p.A. merged in Banca Intesa with effect on January 1, 2007.
(d) Purchased on September 30, 2007. The company will be consolidated line-by-line starting from the last quarter of 2007.
(e) Set up on July 27, 2007 and not yet operational. The company will be consolidated line-by-line starting from the last quarter of 2007.
(f) Fully diluted.
(g) Sold on September 18, 2007.

IFIL GROUP – REVIEW OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AT SEPTEMBER 30, 2007

The **condensed interim consolidated income statement** and **balance sheet** and notes on the most significant items are presented below.

IFIL GROUP – Condensed interim consolidated income statement

Consolidated profit attributable to the equity holders of the company for the nine months ending September 30, 2007 is €438.6 million. The positive change of €167.6 million compared to the first nine months of 2006 (€271 million) is due to the net increase in the profit of the holdings (+€139.1 million) and the positive change in net financial income (expenses) (+€48 million) that was partially offset by other net changes (-€19.5 million).

Third-quarter 2007 consolidated profit attributable to the equity holders of the company is €123.8 million (€81.5 million in the corresponding period of 2006). The positive change of €42.3 million is attributable to the net increase in the profit of the holdings (+€57.4 million), the negative change in net financial income (expenses) (-€6.2 million) and other net changes (-€8.9 million).

Year			9 months to September 30			Quarter III		
2006	€ in millions	Note	**2007**	2006	Change	**2007**	2006	Change
293.2	Share of the profit (loss) of companies accounted for by the equity method	1	**358.0**	218.9	139.1	**132.4**	75.0	57.4
	Net financial income (expenses):							
53.0	- Dividends from investments	2	**111.6**	53.0	58.6	**0.0**	0.0	0.0
(0.7)	- Gains (losses) on the sale of securities and investments		**0.9**	0.0	0.9	**0.9**	0.0	0.9
19.2	- Other financial income (expenses)	3	**(6.7)**	4.8	(11.5)	**(4.9)**	2.2	(7.1)
71.5	Net financial income (expenses)		**105.8**	57.8	48.0	**(4.0)**	2.2	(6.2)
(23.2)	Net general expenses		**(15.0)**	(13.4)	(1.6)	**(4.5)**	(3.5)	(1.0)
0.2	Other non-current income (expenses)	4	**(7.9)**	7.8	(15.7)	**0.0**	7.8	(7.8)
341.7	**Profit before income taxes**		**440.9**	271.1	169.8	**123.9**	81.5	42.4
(0.2)	Income taxes		**(2.3)**	(0.1)	(2.2)	**(0.1)**	0.0	(0.1)
341.5	**Profit attributable to the equity holders of the company**		**438.6**	271.0	167.6	**123.8**	81.5	42.3

IFIL GROUP – Condensed interim consolidated balance sheet

€ in millions	Note	Balance at 9/30/2007	Balance at 12/31/2006	Change
Non-current assets				
Investments accounted for by the equity method	5	**3,753.6**	3,291.8	461.8
Other financial assets	6	**2,644.0**	2,563.5	80.5
Property, plant and equipment		**13.2**	13.2	0.0
Total Non-current assets		**6,410.8**	5,868.5	542.3
Current assets				
Financial assets and cash and cash equivalents	8	**889.6**	862.8	26.8
Trade receivables and other receivables		**48.3**	47.2	1.1
Total Current assets		**937.9**	910.0	27.9
Assets held for sale		**0.0**	0.0	0.0
Total Assets		**7,348.7**	6,778.5	570.2
Equity attributable to the equity holders of the company	9	**6,311.9**	6,222.3	89.6
Non-current liabilities				
Provisions for employee benefits and provisions for other liabilities and charges		**2.5**	2.4	0.1
Bonds and other debt	8	**943.5**	199.2	744.3
Deferred tax liabilities and other liabilities		**48.7**	52.6	(3.9)
Total Non-current liabilities		**994.7**	254.2	740.5
Current liabilities				
Bonds and other debt	8	**35.3**	277.6	(242.3)
Trade payables and other liabilities		**6.8**	24.4	(17.6)
Total Current liabilities		**42.1**	302.0	(259.9)
Total Equity and Liabilities		**7,348.7**	6,778.5	570.2

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Share of the profit (loss) of companies accounted for by the equity method

The share of the profit of companies accounted for by the equity method for the nine months ending September 30,2007 is €358 million (€218.9 million for the first nine months of 2006). The positive change of €139.1 million reflects the higher profit contribution by the Fiat Group (+€226.1 million), the result for the six months following the acquisition of the Cushman & Wakefield Group (+€1.2 million), lower profit contributions by the Sequana Capital Group (-€73.9 million, including the loss of €54.3 million on the sale of the 22% stake in capital stock), the Alpitour Group (-€12.7 million), Juventus Football Club (-€1.9 million) and other changes (+€0.3 million).

Year		9 months to September 30			Quarter III		
2006	€ in millions	**2007**	2006	Change	**2007**	2006	Change
304.6	Fiat Group	**401.0**	173.2	227.8	**126.9**	55.1	71.8
(15.4)	Consolidation adjustments	**0.6**	2.3	(1.7)	**0.3**	0.6	(0.3)
289.2	**Total Fiat Group**	**401.6**	175.5	226.1	**127.2**	55.7	71.5
504.2	Sequana Capital Group	**46.7**	66.3	(19.6)	**0.0**	10.1	(10.1)
(494.1) (a)	Consolidation adjustments	**(54.3)** (b)	0.0	(54.3)	**(0.8)**	0.0	(0.8)
10.1	**Total Sequana Capital Group**	**(7.6)**	66.3	(73.9)	**(0.8)**	10.1	(10.9)
0.0	Cushman & Wakefield Group	**1.2** (c)	0.0	1.2	**4.8**	0.0	4.8
3.0	Alpitour Group	**(24.3)** (d)	(11.6)	(12.7)	**4.3**	5.9	(1.6)
(8.8)	Juventus Football Club S.p.A.	**(12.9)** (e)	(11.0)	(1.9)	**(3.1)**	3.3	(6.4)
(0.3)	Other		(0.3)	0.3	**0.0**	0.0	0.0
293.2	**Total**	**358.0**	218.9	139.1	**132.4**	75.0	57.4

(a) To eliminate the gain net of taxes on the Sequana Capital/SGS Public Exchange and Purchase Offer (-€465.8 million) and for the diluting effect of the reduction in the stake held (-€28.3 million).
(b) To account for the loss realized (including incidental charges of €0.8 million) on the partial sale of Sequana Capital (22% of capital stock).
(c) Data for the period April 1 – September 30, subsequent to acquisition.
(d) Data for the period November 1 – July 31.
(e) Data for the period January 1 – September 30.

A review of the operating performance of the companies accounted for by the equity method is presented later in the report.

2. Dividends from investments

Dividends from investments for the first nine months of 2007 amount to €111.6 million and include dividends collected from Intesa Sanpaolo for €110.2 million (€53 million for the same period of the prior year) and Gruppo Banca Leonardo for €1.4 million.

3. Other financial income (expenses)

Net other financial expenses for the nine months ended September 30, 2007 amount to €6.7 million. In the corresponding period of the prior year the positive consolidated net financial position of the “Holdings System” had generated net financial income of €4.8 million.

4. Other non-current income (expenses)

Net other non-current expenses for the nine months ended September 30, 2007 stem from the expenses incurred to close the dispute over the sale of La Rinascente.

In the corresponding period of 2006, net other non-current income (€7.8 million) had referred to the release of the provision set aside for the Alpitour stock option plan 2000 which had not been exercised by the August 31, 2006 expiration date.

5. Investments accounted for by the equity method

Details are as follows:

	Carrying amount at		
€ in millions	**9/30/2007**	12/31/2006	Change
Fiat Group	**2,850.3**	2,610.6	239.7
Sequana Capital Group	**338.0**	588.8	(250.8)
Cushman & Wakefield Group	**452.5**	0.0	452.5
Alpitour Group	**46.1**	70.4	(24.3)
Juventus Football Club S.p.A.	**66.7**	17.7	49.0
Turismo&Immobiliare S.p.A.	**-**	4.3	(4.3)
Total	**3,753.6**	3,291.8	461.8

6. Non-current other financial assets

Details are as follows:

	Carrying amount at		
€ in millions	**9/30/2007**	12/31/2006	Change
Investments			
Intesa Sanpaolo S.p.A.	**1,566.7**	1,640.3	(73.6)
SGS S.A.	**940.1**	870.0	70.1
Gruppo Banca Leonardo S.p.A.	**82.4**	47.0	35.4
Ancom Usa Inc	**9.6**	0.0	9.6
Subsidiaries of the “Holdings System" in liquidation and others	**0.0**	1.0	(1.0)
Other investments			
DLMD bonds	**27.3**	0.0	27.3
Ancom Usa Inc. bonds	**9.5**	0.0	9.5
Ocean Club Méditerranée bonds	**5.1**	5.0	0.1
NoCo B LP	**3.1**	0.0	3.1
Sundry	**0.2**	0.2	0.0
Total	**2,644.0**	2,563.5	80.5

The original purchase cost of the investment in Intesa Sanpaolo is €883.4 million; the fair value adjustments to the investment amount in total to €683.3 million.

The original carrying amount of the investment in SGS is €469.7 million; the fair value adjustments to the investment amount in total to €470.4 million.

7. Comparison between carrying amounts and market prices of listed investments and other listed financial assets

Details are as follows:

				Market price at			
	Number of	Carrying amount		September 28, 2007		October 31, 2007	
	shares held	Per share (€)	Total (€ ml)	Per share (€)	Total (€ ml)	Per share (€)	Total (€ ml)
Investments							
Fiat Group							
- ordinary shares	332,587,447	7.838	**2,606.7**	21.290	**7,080.8**	22.280	**7,410.0**
- preferred shares	31,082,500	7.838	**243.6**	18.089	**562.2**	18.578	**577.5**
			2,850.3		**7,643.0**		**7,987.5**
Sequana Capital Group	13,203,139	25.596	**338.0**	23.150	**305.6**	23	**303.7**
Juventus Football Club S.p.A.	120,934,166	0.551	**66.7**	1.318	**159.4**	1.222	**147.8**
Other financial assets							
Intesa Sanpaolo S.p.A.	289,916,165	5.404	**1,566.7**	5.404	**1,566.7**	5.460	**1,582.9**
SGS S.A.	1,173,400	801.157	**940.1**	801.157	**940.1**	905.62	**1,062.7**
Ocean Club Méditerranée bonds	76,614	66	**5.1**	66.55	**5.1**	65.120	**5.0**
Total			**5,766.9**		**10,619.9**		**11,089.6**

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

The consolidated net financial position of the "Holdings System" at September 30, 2007 shows a borrowings position of €89 million with a negative change of €475.2 million compared to the cash position at the end of 2006 (€386.2 million).

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

6/30/2007				**9/30/2007**			12/31/2006		
Current	Non-current	Total	€ in millions	**Current**	**Non-current**	**Total**	Current	Non-current	Total
768.7	0.2	768.9	**Financial assets and cash and cash equivalents**	**889.6**	**0.2**	**889.8**	862.8	0.2	863.0
0.0	(744.0)	(744.0)	Bonds 2007-2017	**0.0**	**(744.1)**	**(744.1)**	0.0	0.0	0.0
0.0	(199.3)	(199.3)	Bonds 2006-2011	**0.0**	**(199.4)**	**(199.4)**	0.0	(199.2)	(199.2)
(0.1)	(3.3)	(3.4)	Bank debt and other financial liabilities	**(35.3)**	**0.0**	**(35.3)**	(277.6)	0.0	(277.6)
(0.1)	(946.6)	(946.7)	**Total financial liabilities**	**(35.3)**	**(943.5)**	**(978.8)**	(277.6)	(199.2)	(476.8)
768.6	(946.4)	(177.8)	**Consolidated net financial position of the "Holdings System"**	**854.3**	**(943.3)**	**(89.0)**	585.2	(199.0)	386.2

Current financial assets and cash and cash equivalents (€889.6 million) include investments in equity shares listed on the United States market and on the major European markets, bonds, time deposits and other short-term financial instruments. The carrying amounts of the financial instruments at September 30, 2007 are not in excess of market prices.

At September 30, 2007, IFIL S.p.A. has irrevocable credit lines for €660 million, of which €50 million is due by September 30, 2008 and €610 million at later expiration dates.

Standard & Poor's rates IFIL's long-term debt at "BBB+" and its short-term debt at "A-2", both with a stable outlook.

The net negative change of € 475.2 million during the first nine months of 2007 is due to the following flows:

€ in millions		
Consolidated net financial position of the "Holdings System" at December 31, 2006		**386.2**
Dividends collected from:		
- Intesa Sanpaolo S.p.A.	110.2	
- Fiat S.p.A.	61.2	
- Sequana Capital S.A.	14.4	
- SGS S.A.	13.3	
- Banca Leonardo S.p.A.	1.4	
		200.5
Dividends paid out by IFIL S.p.A.		(107.0) (a)
Investments in equity holdings and other financial assets:		
- Acquisition of 71.52% stake in C&W capital stock	(483.1)	
- Purchase of 143,944 SGS S.A. shares (1.84% stake)	(121.5)	
- Subscription to Juventus Football Club S.p.A. capital stock increase	(62.9)	
- Subscription to Gruppo Banca Leonardo S.p.A. capital stock increase	(35.4)	
- Subscription to 2,723 S-Bonds 2010 issued by DLMD	(27.2)	
- Purchase of 100% stake in Ancom USA and bonds issued by it	(19.1)	
- Investment in NoCo B LP	(3.1)	
		(752.3)
Disposals:		
- Sequana Capital to DLMD, 22% stake (net of incidental charges)	226.1	
- Turismo&Immobiliare, 25% stake	5.2	
		231.3
Other net changes:		
- Net general expenses	(15.0)	
- Other non-current expenses	(7.9)	
- Payment of Consob administrative fine	(4.5)	
- Net other financial expenses	(6.7)	
- Sundry net changes	(13.6)	
		(47.7)
Net change during the period		**(475.2)**
Consolidated net financial position of the "Holdings System" at September 30, 2007		**(89.0)**

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

9. Equity attributable to the equity holders of the company

Details are as follows:

€ in millions	**9/30/2007**	12/31/2006	Change
Capital and reserves	**6,360.4**	6,270.8	89.6
Treasury stock	**(48.5)**	(48.5)	0.0
Total	**6,311.9**	6,222.3	89.6

The changes during the period are analyzed as follows:

€ in millions	
Equity attributable to the equity holders of the company at December 31, 2006	**6,222.3**
Fair value adjustment to the investment in Intesa Sanpaolo (-€73.6 million, net of +€3.9 million of deferred taxes) and the investment in SGS (-€38.1 million)	(107.8)
Share of translation differences (-€62.4 million) and other net changes (-€71.8 million) shown in the equity of the companies consolidated and those accounted for by the equity method	(134.2)
Dividends paid-out by IFIL S.p.A.	(107.0) (a)
Profit attributable to the equity holders of the company	438.6
Net change during the period	**89.6**
Equity attributable to the equity holders of the company at September 30, 2007	**6,311.9**

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

At September 30, 2007, IFIL S.p.A. holds, directly and indirectly, the following treasury stock:

	Number of IFIL ordinary shares	% of class of stock	Amount	
			Per share (€)	Total (€ ml)
Held by IFIL S.p.A.	12,402,998	1.19	3.68	45.7
Held by the subsidiary Soiem S.p.A.	810,262	0.08	3.41	2.8
Balance at September 30, 2007	**13,213,260**	**1.27**	**3.67**	**48.5**

During the first nine months of 2007, there were no transactions involving treasury stock.

REVIEW OF THE OPERATING PERFORMANCE OF THE COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD

FIAT GROUP

(30.45% of ordinary capital stock and 30.09% of preferred capital stock)

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

	9 months to September 30		Quarter III	
€ in millions	**2007**	2006	**2007**	2006
Net revenues	**42,713**	37,973	**13,858**	11,809
Trading profit	**2,286**	1,409	**745**	427
Operating result	**2,286**	1,409	**745**	427
Net result for the period	**1,457**	681	**454**	200
Net result attributable to equity holders of the parent	**1,383**	613	**432**	195

	Balance at		
€ in millions	**9/30/2007**	12/31/2006	Change
Total assets	**58,495**	58,303	192
Net debt	**12,416**	11,836	580
Group interest in stockholders' equity	**9,996**	9,362	634
Employees at period-end (number)	**183,593**	172,012	11,581

The Fiat Group has **Net revenues** of €42,713 million for the first nine months of 2007, an increase of 12.5% from the corresponding period of 2006, with all the main industrial businesses posting improvements, as detailed below.

	9 months to September 30		Change
€ in millions	**2007**	2006	%
Automobiles (Fiat Group Automobiles, Maserati, Ferrari)	**21,167**	18,645	13.5
Agricultural and Construction Equipment (CNH-Case New Holland)	**8,783**	7,980	10.1
Trucks and Commercial Vehicles (Iveco)	**7,928**	6,452	22.9
Components and Production Systems (FPT, Magneti Marelli, Teksid and Comau)	**9,837**	9,167	7.3
Other Businesses (Publishing and Communications, Holding companies and Other companies)	**1,000**	1,088	-8.1
Eliminations	**(6,002)**	(5,359)	n.s.
Net revenues	**42,713**	37,973	12.5

The **Automobiles** businesses have revenues of €21,167 million for an increase of 13.5% from the first nine months of 2006. All sectors contributed to this good performance: higher sales volumes drove Fiat Group Automobiles revenues to €19,594 million, up 13.2% from the same period of 2006; revenues increased 29.3% at Maserati and 12.9% at Ferrari.

Agricultural and Construction Equipment (CNH) has revenues of €8,783 million for the first nine months of 2007 (+10.1% from the corresponding period of 2006). In US dollar terms, revenues increased by 18.9% due to increased volumes and the improved product mix.

In the first nine months of 2007, **Iveco** has revenues of €7,928 million, an increase of 22.9% from the first nine months of 2006, attributable to significantly higher sales volumes and improved pricing.

The **Components and Production Systems** businesses have revenues of €9,837 million for the first nine months of 2007, for an increase of 7.3% from the same period of 2006. Revenues increased at FPT Powertrain Technologies (+14.7%) and Magneti Marelli (+11%, +11.5% on a comparable scope of operations), while they decreased by 25.3% at Teksid, mainly due to the sale of Meridian Technologies at the beginning of March 2007 (-4.8% on a comparable scope of operations). Comau's revenues decreased by 15.7% due to difficult trading conditions and the impact of resizing efforts devoted to the sector.

In the first nine months of 2007, **Trading profit** of the Fiat Group amounts to €2,286 million, an increase of €877 million from the €1,409 million reported in the corresponding period of 2006. A sector analysis is presented below.

	9 months to 9/30/2007		
€ in millions	**2007**	2006	Change
Automobiles (Fiat Group Automobiles, Maserati, Ferrari)	**733**	266	467
Agricultural and Construction Equipment (CNH-Case New Holland)	**762**	547	215
Trucks and Commercial Vehicles (Iveco)	**564**	389	175
Components and Production Systems (FPT, Magneti Marelli, Teksid, Comau)	**350**	270	80
Other Businesses (Publishing and Communications, Holding companies and Other companies) and Eliminations	**(123)**	(63)	(60)
Total for the Group	**2,286**	1,409	877
Trading margin (%)	**5.4**	3.7	

The significant improvement posted by the Automobiles businesses reflects the higher trading profit (€374 million) of Fiat Group Automobiles (it should be noted that this sector's trading profit included a nonrecurring gain net of nonrecurring expenses of approximately €40 million recorded in the first quarter of 2007). A significant contribution also came from CNH, where trading profit was up €215 million (+39.3%) to €762 million, and from Iveco, where trading profit grew by €175 million (+45%) to €564 million. Components and Production Systems posted an aggregate improvement of €80 million as a result of higher trading profit at FPT Powertrain Technologies (+€66 million) and Magneti Marelli (+€9 million). Comau had a trading loss of €24 million (loss of €29 million for the first nine months of 2006); the improvement stems from the positive results achieved in the second and third quarter of 2007.

Operating income totals €2,286 million for the first nine months of 2007; the €877 million improvement from the €1,409 million reported in the corresponding period of 2006 reflects higher trading profit. Other major components of the operating result refer to the following:

- **Net gains on the disposal of investments** total €180 million for the first nine months of 2007 and mainly include the gain realized upon the sale of the interest held in Mediobanca (€118 million) and the gain realized upon the final disposal of Ingest Facility (€42 million). In the first nine months of 2006, gains amounted to €167 million.
- **Restructuring costs** total €54 million for the January-September 2007 period and relate primarily to CNH and Comau. In the first nine months of 2006, restructuring costs totaled €137 million and related mainly to the same sectors.
- **Other unusual income (expenses)** for the first nine months of 2007 consist of net expenses of €126 million, largely in connection with the rationalization of some strategic suppliers of the group. In the corresponding period of 2006, this item consisted of net expenses of €30 million.

Net income totals €1,457 million for the first nine months of 2007, an increase of €776 million with respect to net income of €681 million in the corresponding period of 2006. Other major components, besides those already mentioned, are analyzed as follows:

- **Net financial expenses** total €331 million for the first nine months of 2007, compared to net expenses of €418 million in the corresponding period of 2006. The €87 million improvement from the corresponding period of the previous year mainly reflects lower net industrial debt as well as higher financial income for €85 million arising from stock option-related equity swaps on Fiat shares. Conversely, expenses of €43 million were recognized in relation to the early redemption of a CNH 9.25% fixed rate bond due in 2011. The financial component of costs for pension plans and other employee benefits total €114 million for the first nine months of 2007, compared to €119 million in the corresponding period of 2006.
- **Investment income** totals €116 million for the first nine months of 2007, as compared to income of €110 million in the corresponding period of 2006, which included the release to income of a provision of €15 million, originally made in connection with an investment in China, for which the risk no longer subsisted.
- **Income taxes** total €614 million for the first nine months of 2007, €132 million of which for IRAP and €20 million for prior-period taxes. The tax charge (excluding IRAP), amounting to €482 million, increased with respect to the same period of last year due to improved net income, in particular those of foreign companies, partly offset by a net nonrecurring positive effect of €64 million. Income taxes for the first nine months of 2006 amounted to €420 million, €112 million of which for IRAP.

Net income attributable to equity holders of the parent totals €1,383 million for the first nine months of 2007, an increase of €770 million compared to income of €613 million in the corresponding period of 2006.

At September 30, 2007, consolidated **Net debt** (including net debt reclassified among Assets/Liabilities held for sale) amounts to €12,416 million, €580 million more than the €11,836 million reported at December 31, 2006 due to growth of the investment portfolio of financial services companies which was partly offset by the net cash flows generated by industrial activities.

The results of the third quarter of 2007 can be summarized as follows:

The group has **Net revenues** of €13,858 million for the third quarter of 2007, up 17.4% from the same period of 2006, driven by significant growth across all major industrial businesses, and in particular the Automobiles businesses (+17.3%), CNH-Case New Holland (+22%, +31% in US dollar terms) and Iveco (+23.2%).

In the third quarter of 2007, the group has a **trading profit** of €745 million (5.4% of revenues), a sharp increase (+€318 million) from the trading profit of €427 million (3.6% of revenues) reported in the corresponding quarter of 2006. A significant contribution came from the Automobiles businesses, with Fiat Group Automobiles more than tripling its trading profit to €185 million (2.8% of revenues), the Agricultural and Construction Equipment businesses, increasing its trading profit by €88 million to €225 million (8% of revenues), and Iveco, improving its trading profit by €34 million to €190 million (7.4% of revenues).

Operating income totals €745 million for the third quarter of 2007, equal to trading profit, with unusual items netting out to nil.

Income before taxes totals €622 million, compared to income of €327 million for the third quarter of 2006. The improvement of €295 million mainly reflects higher operating income (+€318 million), as the increase in investment income (+€20 million) was more than offset by higher net financial expenses (+€43 million); in the third quarter of 2007, net financial expenses include the negative impact of €19 million arising from the fair value adjustment of the stock option-related equity swaps, while in the corresponding period of 2006 this item had benefited from a gain of €24 million on the same equity swaps.

Net income is €454 million for the third quarter of 2007 (€432 million of which attributable to equity holders of the parent), up €254 million from net income of €200 million (€195 million of which attributable to equity holders of the parent) reported in the same period of 2006.

Business outlook

In view of the results achieved in the first nine months of 2007, the Fiat Group is raising its full year targets:

- group trading profit between €2.9 and €3 billion (trading margin of over 5%);
- net income between €1.8 and €1.9 billion;
- basic earnings per share between €1.40 and €1.50;
- net industrial debt of approximately €500 million (excluding the impact of additional share buy-backs).

(71.52% of capital stock through Ifil Investissements)

The data below refers to the six-month period April 1 – September 30, 2007 subsequent to Cushman & Wakefield acquisition, and is taken from accounting data prepared in accordance with IFRS.

$ in millions	**6 months to 9/30/2007**
Revenues	**888.3**
Profit attributable to the equity holders of the company	**2.3**
Equity attributable to the equity holders of the company (a)	**879.0**
Net financial position (a)	**(87.6)**

(a) Data at September 30, 2007.

In the six months ended September 30, 2007, the C&W Group reported revenues of more than $888 million (with an increase of 24% over the corresponding period of 2006) and a profit of $2.3 million post nonrecurring expenses, amortization and depreciation resulting from the fair value adjustments of assets following the IFIL-RGI deal and accounting adjustments connected with the transition to IFRS.

As for the cumulative performance from January 1 to September 30, 2007, revenues for the nine months to September 30, 2007 amount to $1,206 million (+27% compared to the nine months to September 30, 2006). The organic growth of revenues in all geographic areas is substantial. The main gains are reported in the United States (+22%, to $729 million) and Europe (+38%, to $315 million) and Asia (+65%, to $44 million), partly as a result of the acquisitions made during the period.
At the profit level, although stressing the effect of the seasonal nature of the business as a result of which the contribution to the annual result is concentrated during the last months of the year – the group reported a net loss of approximately $15 million. If the nonrecurring expenses and the amortization and depreciation associated with the deal are not taken into account, a considerable profit would have been reported for the period.

The profit reported for the period April 1 – September 30, 2007, instead, is $2.3 million.

Business outlook

For the full-year, despite the crisis in the American real estate market, the C&W Group forecasts global sales that will still show considerable growth. Also in terms of profitability, excluding the aforementioned nonrecurring expenses, an improvement is expected compared to 2006.

SEQUANA CAPITAL

(26.69% of capital stock through Ifil Investissements)

The highlights of the consolidated results of the Sequana Capital Group for the first nine months of 2007 are as follows:

	9 months to		Change
€ in millions	**9/30/2007**	9/30/2006	%
Net sales (a)	**3,045.5**	2,948.6	3.3
Trading profit	**64.6**	54.9	17.7
Profit before nonrecurring items (b)	**23.8**	21.3	11.7
Profit attributable to the equity holders of the company	**95.7**	125.1	-23.5

(a) Dalum Papir A/S was consolidated beginning on July 1, 2007. In order to provide comparative data, the results for 2006 have been restated including the acquisition of Dalum Papir A/S as from the third quarter of 2006 and excluding the operations sold by Canson, Canson Inc and SGS.

(b) Profit before nonrecurring items is given by the trading profit net of financial income (expenses), income tax expenses and taking into accounting the minority interest.

Net sales for the first nine months of 2007 are €3,045.5 million, gaining 3.3% over the corresponding period of 2006 (€2,948.6 million). Trading profit rose to €64.6 million, equal to 2.1% of net sales (+17.7% over 2006). The profit before nonrecurring items is €23.8 million, an increase of 11.7% compared to 2006 (€21.3 million). The profit attributable to the equity holders of the company is €95.7 million mainly as a result of the release of a part of the provision accrued to cover the “DGIV” sanction which was reduced by the European Commission.

The paper sector is continuing to experience a period of contraction following the rise in the costs of raw materials and energy and the pronounced weakness of the U.S. dollar against the euro. Sequana Capital's unique positioning which joins paper manufacturing and distribution operations together with low exposure to the U.S. dollar and the efforts to reduce costs, should put the group in a better position to confront the context of reference.

Major events

During the course of the third quarter, Sequana Capital affirmed its leadership ambitions in the paper sector by actively supporting the growth of its divisions.

Arjowiggins finalized the acquisition of all of Dalum Papir A/S thus becoming the European leader in the recycled paper sector.

Antalis received approval from the European Community for the acquisition of Map Merchant Group from M-Real. After closing the deal, Antalis is the European leader in paper distribution.

Arjowiggins sealed an agreement for the purchase of the assets and the inventories of the production plant of Reflex de Zanders (M-Real Group). Execution of the agreement is awaiting the approval of the European antitrust authority.

Sequana Capital announced forming a company, Image Paper Asia Ltd, with headquarters in Singapore which is jointly controlled by Antalis and Arjowiggins. The new company will become operational on November 1, 2007 and will represent the commercial interests of the two divisions in Asia.

Business outlook

For 2007, Sequana Capital forecasts a strong increase in the results of Antalis, while those of Arjowiggins are expected to be at least in line with the results of 2006. Expectations of an improvement in the operating results of the Sequana Capital Group are confirmed for the full-year 2007.

(100% of capital stock)

The consolidated results of the Alpitour Group for the first nine months of 2006/2007 can be summarized as follows:

€ in millions	**9 months to 7/31/2007 (a)**	9 months to 7/31/2006 (a)	Change Amount	Change %
Net sales	**755.3**	877.0	(121.7)	-13.9
Operating loss	**(18.4)**	(2.5)	(15.9)	n.s.
Loss attributable to the equity holders of the company	**(24.3)**	(11.6)	(12.7)	n.s.

€ in millions	**7/31/2007**	7/31/2006	Change
Equity attributable to the equity holders of the company	**46.1**	59.2	(13.1)
Consolidated net financial position	**(96.4)**	(139.0)	42.6

(a) Corresponding to the period November 1, 2006 – July 31, 2007.

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 principally concentrated in the summer season while structure costs are basically incurred regularly throughout the course of the year.

The first nine months of fiscal year 2006/2007 displayed a divergent trend. In fact, after a good sales performance recorded in the winter season (particularly during the holidays and Christmas vacation period which then continued into the following months with long-haul destinations), the first months of the summer season took an unexpected and sudden downward turn in demand, especially exhibiting an appreciable slump in bookings acquired close to the departure date. In contrast, the start of the summer season pointed to a progressive relaxation of the international climate with a gradual fading of distrust by vacationers towards the Arab world, a fact confirmed by a recovery in trips to destinations in Egypt.

In this context, the first nine months of 2006/2007 record consolidated net sales of €755.3 million, compared to €877 million in the corresponding period of the prior year.
For purposes of a more meaningful comparison, it should be noted that in the previous year, net sales included revenues of €142.6 million from the "Turin Winter Olympics 2006" event. Excluding the effect of the revenues from that event, the net sales of the Group for the first nine months of 2006/2007 would have been 2.8% higher than for the same period of 2005/2006.

The operating loss for the nine months to July 31, 2007 is €18.4 million, compared to an operating loss of €2.5 million for the nine months to July 31, 2006. It should be noted that the operating loss for the corresponding period of the prior year was significantly impacted by:

– the effect of nonrecurring events (in particular, the gains on the sale of the hotel resort "Club El Mandarin" for €13.9 million and the investment in the associate Viaggi dell'Elefante for €0.7 million);
– the operating profit reported by Jumbo Grandi Eventi for the management of the "Turin Winter Olympics 2006" (€6.4 million).

Net of these effects, the operating loss for the current period would have been €5.1 million lower than that of the same period of the prior year.

The loss attributable to the equity holders of the company is €24.3 million, compared to a loss of €11.6 million reported for the first nine months of the prior year. Net of the nonrecurring events of the prior year, the loss for the period would be reduced by approximately €2.1 million, compared to that of the first nine months of fiscal 2005/2006.

The consolidated net financial position at the end of the third quarter is a borrowings position of €96.4 million, compared to €139 million at July 31, 2006. The improvement of €42.6 million basically reflects the effective management of working capital.

Business outlook

As for forecasts for the full-year 2006/2007, the operating performance during the first nine months of the current year should allow the Group, considering the same scope of consolidation, to consolidate the margin recorded during the fiscal year 2005/2006 and achieve a further appreciable improvement in the financial situation.

(60% of capital stock)

The results of Juventus Football Club S.p.A. for the first quarter of the fiscal year 2007/2008 are presented below.
Since Juventus F.C.'s fiscal year ends on June 30 of every year, and in view of the highly seasonal nature typical of this sector, the quarterly data presented cannot represent the basis for a full-year projection.

	3 months to 9/30/2007		Change	
€ in millions	**2007**	2006	Amount	%
Operating revenues	**53.8**	61.5	(7.7)	-12.5
Operating income	**0.3**	16.4	(16.1)	-98.2
Net income (loss)	**(5.2)**	11.8	(17.0)	-144.1

€ in millions	**9/30/2007**	6/30/2007	Change
Shareholders' equity	**111.1**	116.3	(5.2)
Net financial position	**5.1**	21.7	(16.6)

Operating revenues recorded by Juventus for the quarter July – September 2007 total €53.8 million with a decline of 12.5% compared to the same period of 2006. The reduction is mainly due to the decrease in income from the management of players' registration rights (€16.6 million compared to €38.1 million) which, in the fiscal year 2006/2007, was particularly high as a result of the sales campaign connected with the team's relegation to Serie B.
In contrast, revenues from ticket sales, television and radio rights and media revenues, sponsorships and advertising show a total increase of €14.3 million.

Operating costs totaling €45.5 million (compared to €39.4 million for the same period of 2006) rose by 15.6%. The increase is due, in particular, to expenses relating to contract renewals for some players and new contracts signed during the course of the first phase of the Transfer Campaign 2007/2008. Similarly, amortization of players' registration rights for the period increased to €6.9 million (€5.6 million in 2006/2007).

The net loss for the first quarter of fiscal 2007/2008 amounts to €5.2 million, compared to net income of €11.8 million for the same period of the prior year, is mainly due to lower income from the disposal of players' registration rights as mentioned above.

Shareholders' equity at September 30, 2007 amounts to €111.1 million, with a decrease compared to €116.3 million at June 30, 2007 due to the loss for the period.

The net financial position is a net cash position of €5.1 million, a reduction from €21.7 million at June 30, 2007.

During the first phase of the Transfer Campaign 2007/2008 various transactions were executed which led to an increase in invested capital of approximately €44 million, following acquisitions of €53.2 million and disposals of €9.2 million.
The economic impact of gains and losses on the disposal of players' registration rights was a gain of €16.3 million for the fiscal year 2007/2008. The total financial effect, including financial income and expenses implicit in the receipts and payments is a negative €30.1 million.

Major events during the quarter include, on July 26, 2007, the exercise of the option rights by Costruzioni Generali Gilardi S.p.A. for the purchase of Campi di Vinovo S.p.A. shares held by Juventus pursuant to the option contract signed between the parties on March 31, 2006. Moreover, Juventus sold the business segment containing the contracts and all the activities relating to the commercial park located in the cities of Vinovo and Nichelino (the "Monde Juve" project) to Campi di Vinovo. Overall, the transaction will basically have a nil effect on the economic result for the current year. The total financial effect will be an approximate positive €23.5 million spread over six years since the last installment is scheduled to be received by December 31, 2013.

Business outlook

Owing to the large investments made to strengthen the First Team during the course of the first phase of the Transfer Campaign, which raised costs considerably, fiscal 2007/2008 will close with a loss as forecast by the company.

Turin, November 14, 2007

On behalf of the Board of Directors
The Chairman
Gianluigi Gabetti