

Istituto Finanziario Industriale

IFI GROUP
ANNUAL REPORT 2003



Istituto Finanziario Industriale

Capital stock € 163,251,460, fully paid-in
Registered office in Turin, Corso Matteotti 26 – Turin Company Register No. 00470400011

ANNUAL REPORT 2003

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This is an English translation of the Italian original document "Relazioni e Bilanci 2003" approved by the IFI Board of Directors on March 30, 2004, which has been prepared solely for the convenience of the reader.

The version in Italian takes precedence and for complete information about IFI S.p.A. and the Group, reference should be made to the full original report in Italian "Relazioni e Bilanci 2003" containing the Directors' Report on operations and the Consolidated and Statutory financial statements also available on the corporate website: <http://www.gruppoifi.com>.



Istituto Finanziario Industriale

The Chairman of the Company, Mr. Umberto Agnelli, deceased on May 27, 2004. We wish to recall his extraordinary human and professional gifts as well as the great enthusiasm that distinguished him and his sense of responsibility shown in the Relaunch process of the Group. His death has left a void in all the persons who have known and highly esteemed him.

Board of Directors

<i>Chairman</i>	Gianluigi Gabetti
<i>Deputy Chairman</i>	Pio Teodorani-Fabbri
<i>Directors</i>	Annibale Avogadro di Collobiano John Philip Elkann Luca Ferrero Ventimiglia (co-opted on June 11, 2004) Gabriele Galateri di Genola
<i>Secretary to the Board</i>	Franzo Grande Stevens Andrea Nasi Lupo Rattazzi

General Manager

Virgilio Marrone

Board of Statutory Auditors

<i>Chairman</i>	Cesare Ferrero
<i>Standing Auditors</i>	Giorgio Giorgi Lionello Jona Celesia
<i>Alternate Auditors</i>	Giorgio Ferrino Paolo Piccatti

Independent Auditors

Deloitte & Touche S.p.A.

Expiry of term of office

The three-year terms of office of the Board of Directors and the Board of Statutory Auditors, elected by the Stockholders' Meeting on May 29, 2003, expire concurrently with the Stockholders' Meeting for the approval of the financial statements for the year ending December 31, 2005.

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

Corporate Governance

The Chairman, according to the by-laws (art. 21), may represent the Company, also before a court of law, and has signature powers.

Specific operating powers have been conferred to the Deputy Chairman and the General Manager.

IFI GROUP PROFILE

THE INVESTMENT PORTFOLIO

IFI – Istituto Finanziario Industriale S.p.A. – is the controlling financial holding company of the Group led by Giovanni Agnelli e C. S.a.p.a.z. The Company's assets are represented by investments in IFIL - Finanziaria di Partecipazioni S.p.A. (62.03% of ordinary capital stock) and in Exor Group (29.3% of capital stock).

IFIL is the operating holding company of the Group commanding two distinctive areas of operations: the active management of the controlling investment in Fiat and the dynamic management of the other holdings.

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

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

Worms & Cie (53.07% holding in capital stock) is a French-listed holding company with a portfolio comprising the following major investments:

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

La Rinascente (jointly controlled with the Auchan Group, through Eurofind, which holds more than 99% of the ordinary capital stock) is one of the largest Italian retailers operating throughout Italy with roughly 1,850 points of sale (direct, affiliates and associates) and over 31,000 employees.

SANPAOLO IMI (4.86% holding in ordinary capital stock) is a leading national banking group with over 3,000 branches throughout Italy.

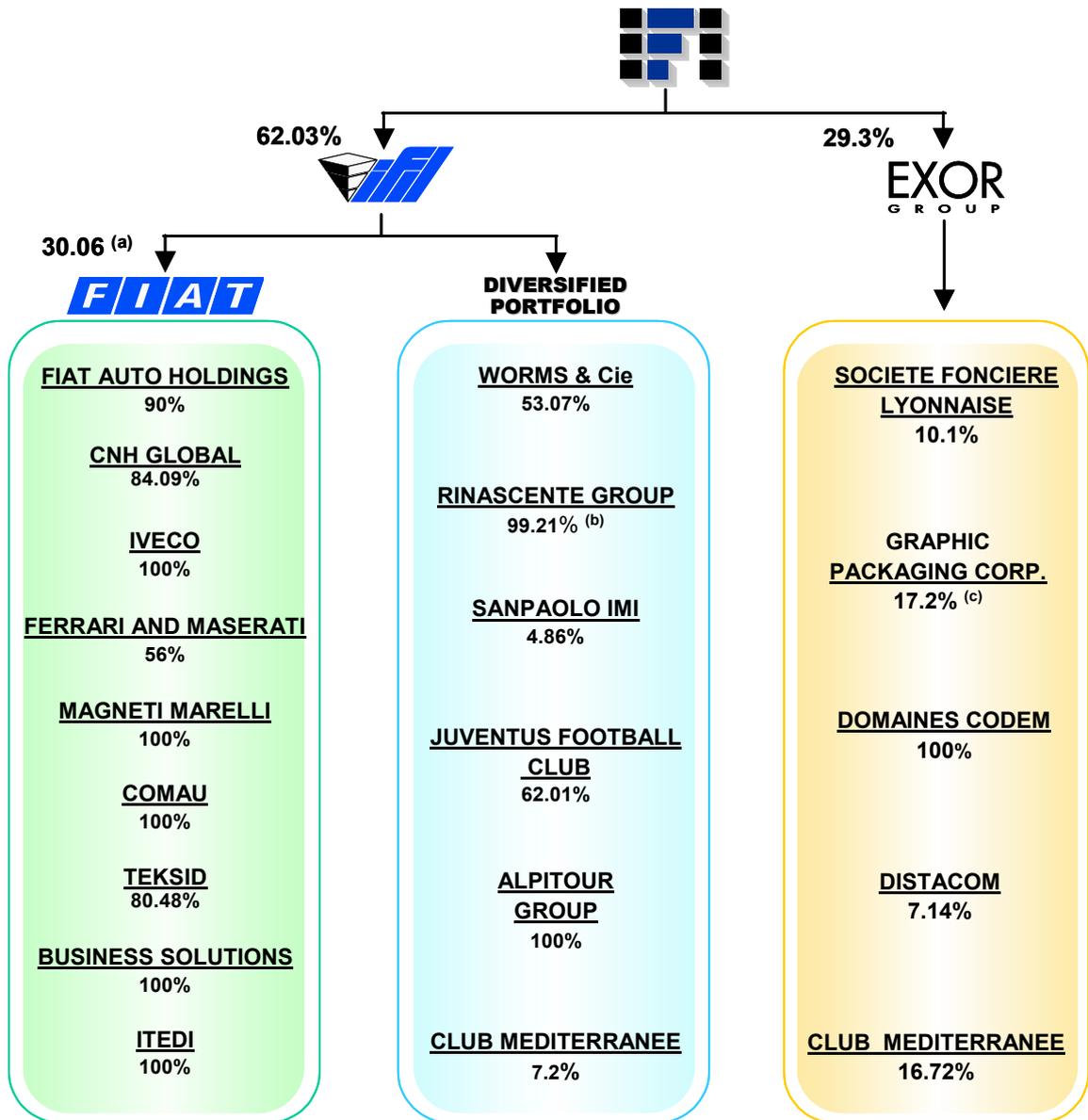
Alpitour (100% holding through NHT New Holding for Tourism) is a leading company in Italian tourism.

Club Méditerranée (7.2% holding in capital stock) is a company in which the Agnelli Group also holds an equity interest through Exor Group (16.72% holding in capital stock).

Juventus Football Club (62.01% holding in capital stock) is a company with more than one hundred years of history and an enviable record gained at various national and international sports events.

Exor Group is a Luxembourg holding company; its principal investments are the 16.7% stake in Club Méditerranée, the 17.2% interest in Graphic Packaging Corporation (a U.S.A. company in the packaging sector that emerged in 2003 from the merger of Riverwood and Graphic Packaging, listed on the New York stock exchange), the 10.1% holding in Société Foncière Lyonnaise (one of the most important real estate companies listed on the Paris stock exchange), the 100% holding in Domaines Codem (a French wine company) and the 7.1% stake in Distacom (a company headquartered in Hong Kong operating in the telecommunications sector).

The following chart is updated to the end of February 2004 and presents the simplified structure of the investment portfolio. Percentage holdings refer to ordinary capital stock.



- (a) IFIL also holds 30.09% of preferred capital stock.
- (b) Control is exercised jointly by the Auchan Group through Eurofind (50% by FIL and 50% by Auchan).
- (c) Company emerging from the merger of Riverwood and Graphic Packaging.

STOCKHOLDERS AND THE STOCK MARKET

Capital stock

At December 31, 2003, IFI's capital stock, fully subscribed to and paid-in, amounted to € 163,251,460 and was composed of 86,450,000 ordinary shares and 76,801,460 preferred shares all with a par value of € 1 each.

The directors have the right, for a period of five years from the resolution passed on April 22, 2003, to increase, at one or more times, also in divisible form, the capital stock up to a maximum of € 561,750,000.

The ordinary shares are 100% held by the parent company Giovanni Agnelli e C. S.a.p.az. The preferred shares are listed on the Mercato Telematico Azionario (Electronic Trading Market) of Borsa Italiana S.p.A.

In accordance with art. 10 of the by-laws, preferred shares have voting rights only for the resolutions set forth in art. 2365 of the Italian Civil Code.

Pursuant to art. 26 of the by-laws, preferred shares have the right to a preference dividend, which is not cumulative from one year to the next, equal to 5.17% of par value (€ 1).

Treasury stock

At the end of February 2004, IFI holds 5,360,300 preferred treasury stock (6.98% of the class of stock).

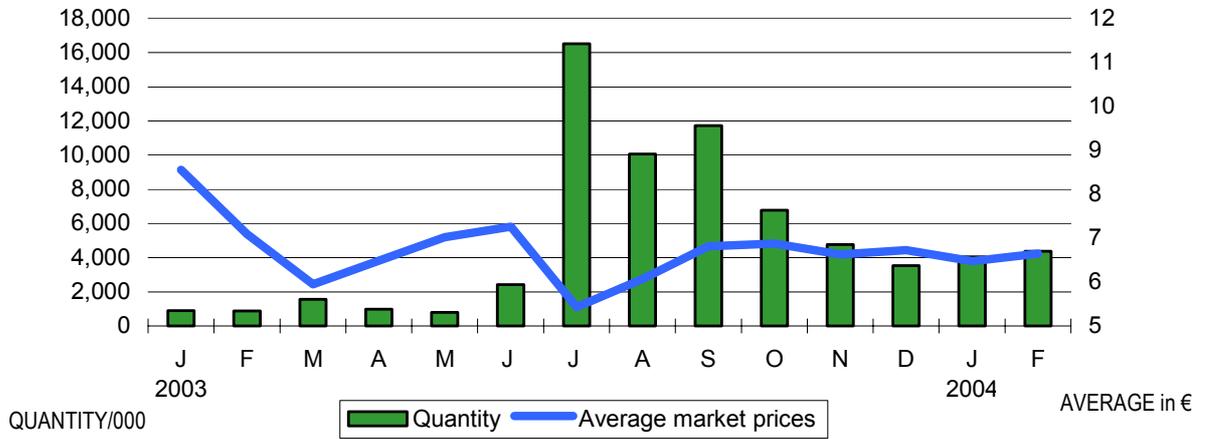
On March 30, 2004 the Board of Directors voted to present a motion to the Ordinary Stockholders' Meeting for renewal of the resolution for the authorization of the buyback of treasury stock for a maximum of 16 million IFI ordinary shares and/or preferred shares, setting aside a total of € 120 million.

Information and charts depicting IFI preferred share performance are presented in the following tables.

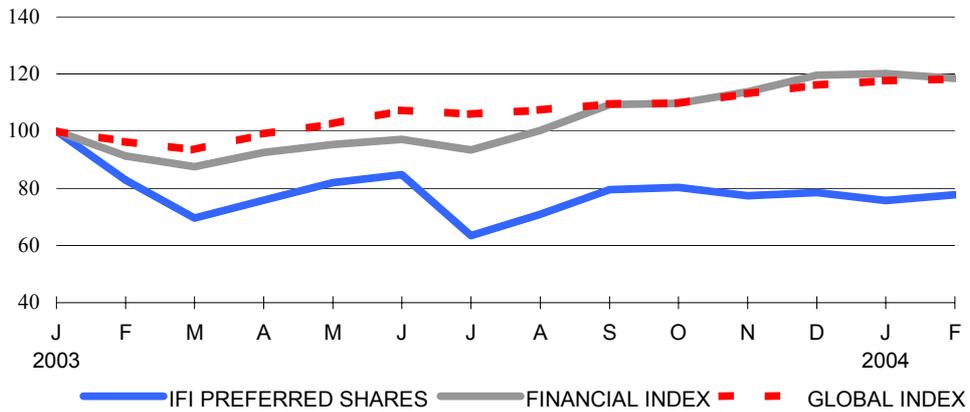
	2004 (January/February)	2003	2002	2001
Market price per preferred share (€)				
. year-end	-	6.708	7.951	20.283
. high	7.030	9.466	21.451	33.113
. low	6.235	5.003	7.762	18.631
Quantities traded during the year				
. preferred shares (millions of shares)	8.4	60.9	14.9	20
Equivalent annual volumes traded on stock market (€ in millions)				
. preferred shares (€ in millions)	55.6	383.8	269	610

The market prices have been adjusted on the basis of the capital stock increase in July 2003.

IFI PREFERRED SHARES - AVERAGE MARKET PRICES IN € - QUANTITIES TRADED



PERFORMANCE OF IFI PREFERRED SHARES COMPARED TO COMIT MARKET INDEXES



KEY OPERATING AND FINANCIAL DATA

The key results of the Group and IFI S.p.A. are presented as follows:

IFI GROUP

€ in millions	2003	2002	2001	2000	1999
Net revenues	52,434	61,015	63,614	63,263	54,208
Operating income (loss)	(395)	(620)	296	1,117	1,253
<i>Operating income (loss) to net revenues (ROS)</i>	-0.75%	-1.02%	0.47%	1.77%	2.31%
Net income (loss) - Group and minority interest	(1,647)	(4,032)	(111)	1,011	954
Consolidated net income (loss) - Group	(130)	(803)	164	218	213
Stockholders' equity - Group and minority interest	10,292	11,257	16,645	18,047	18,652
Consolidated stockholders' equity - Group	2,221	2,026	3,164	3,088	2,776
Net financial position	(4,525)	(5,783)	(7,512)	(8,734)	(5,016)
Earnings per share (€)					
Consolidated net income (loss) (a)	(1.21)	(14.17)	2.83	3.66	3.51
Consolidated stockholders' equity (b)	13.61	32.81	51.23	50.00	44.96

IFI S.p.A.

€ in millions	2003	2002	2001	2000	1999
Net income (loss) - IFI S.p.A.	15	(227)	117	77	266
Stockholders' equity - IFI S.p.A.	1,567	1,095	1,356	1,082	1,071
Financial fixed assets	1,857	1,525	1,617	1,827	1,522
Net financial position	(295)	(427)	(239)	(695)	(345)
Earnings per share (€)					
Net income (loss) - IFI S.p.A. (a)	0.14	(4.00)	2.02	1.30	4.39
Stockholders' equity - IFI S.p.A. (b)	9.60	17.73	21.96	17.53	17.34
Total dividends paid out	-	-	34	35	66
Dividends paid out per share (€)					
Per ordinary share	-	-	0.5783	0.5783	1.0883
Per preferred share	-	-	0.63	0.63	1.14

(a) Calculated using the average number of shares outstanding.

(b) Calculated using the number of shares issued at the end of the year.

FINANCIAL COMMUNICATIONS AND INVESTOR RELATIONS

- IFI's corporate website (<http://www.gruppoifi.com>) presents a descriptive profile of the Group, outlines the activities and strategies of the Company and also contains accounting and financial information as well as press releases and other corporate reports.
- More than 1,000 copies (in Italian and English) of the annual report, the first-half report and the quarterly reports have been distributed. These reports are sent, on request, to stockholders, and are also available on the corporate website.
- Intensive contacts have been established through individual meetings with financial analysts and institutional investors.
- Far-reaching, comprehensive information has been circulated through the Italian and foreign economic and financial press.

Information for Stockholders, Investors and the Press

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CHAIRMAN'S LETTER

To our Stockholders,

In 2003, after a lengthy period of stagnation, the world economy showed signs of recovery, though with a different intensity in various parts of the world. In fact, starting in the spring, industrial production in the United States and Asia picked up decisively, whereas in the euro zone, and in Italy, in particular, signs of development and growth were much weaker, also due to the strong euro. In 2004, the favourable direction of the economic cycle should begin to gather speed, although the differences among the various areas will remain evident.

The United States has continued to be the driving force behind development. The increase in consumption and investments has been sustained by extremely expansive monetary and fiscal policies: in particular, interest rates remained at record lows. However, two serious dangers are threatening the future of the American economy, which risk jeopardising the soundness of the recovery: the distinct worsening of public debt and the enormous foreign trade deficit. Balancing public debt, combined with a probable inversion in the monetary policy trend could slow down domestic demand.

The other protagonist of world recovery is the Asiatic area: Japan is finally showing concrete signs of improvement, while the rest of the area has resumed a very fast pace of growth following the slowdown caused by SARS.

Notwithstanding the favourable impetus stemming from outside, the euro zone is finding it difficult to jump onto the recovery stage of the economic cycle. Domestic demand has remained weak while the strong appreciation of the euro has penalized exports. In 2003, inflation in the euro zone remained under control, although it was slightly higher than the benchmark ceiling fixed by the European Central Bank. The sluggish recovery, while the euro is strong and prices are restrained, could induce the European Monetary Authority to reduce interest rates, which have remained stationary since June 2003.

The performance of the European economy mainly reflected the recession in Germany and the weakness of France. According to the latest data released by ISTAT (National Statistical Institute), the growth of economic activity in Italy was also quite weak during 2003 (+0.3%). Consumption made a positive contribution to growth, while investments and net exports slowed development: in particular, the foreign channel reduced GDP growth by almost one percentage point. Historical structural problems still frustrated the Italian economy, which was manifested by the negative trend of productivity and an extreme vulnerability to competition from emerging countries in the sectors Italy is traditionally skilled in. The disappointing performance of productivity keeps inflation in Italy above the European average, causing a further loss in competitiveness for Italian companies on the international markets.

In 2003, two important and extraordinary operations were carried out with the aim of strengthening the equity position of the companies Group:

- the IFI/IFIL Reorganization, which took place in Q2 2003, involved the contribution to IFIL, against a reserved capital increase, of the investments held in Fiat, Juventus, SANPAOLO IMI and Soiem, in order to rationalize the Group's structure and concentrate the dynamic management of the investment portfolio in the operating holding company;
- the fully-subscribed capital increase of € 457.4 million, which made it possible to reduce net indebtedness to € 295.4 million and, through subsequent capital increases by IFIL and Fiat, to supply the latter with the financial resources needed to the sustain the relaunch plan.

2003 marked the return to a profit position for IFI, with a net income of € 14.7 million, after a 2002 that had posted a loss of € 226.9 million, due to the write-down of the principal listed investments.

At a consolidated level, the still unfavourable economic climate, and the difficulties of the Fiat Group, affected the consolidated result, with a loss of € 130 million, of which € 110.8 million related to IFI's share of the first-quarter loss of the Fiat Group.

In view of these results, the IFI Board of Directors decided not to propose a motion to the Stockholders' Meeting for the distribution of dividends.

As regards IFI's investment holdings, in 2003, the IFIL activities were directed at the active management of its investment portfolio, besides its support of Fiat's relaunch plan (of which it has recently been possible to appreciate positive signs such as an improvement in the operating result and the increase in the market share of the Auto sector). This was marked by the divisionalization process at the Rinascente Group, the reorganization of the Alpitour Group, the distribution of extraordinary dividends by Rinascente and Worms & Cie and, lastly, the sale of the stake held in Sifalberghi.

Although the consolidated net result of the IFIL Group is still a loss, amounting to € 45 million, IFIL S.p.A. closed 2003 with a net income of € 72.7 million, laying the foundations for a resumption of the distribution of dividends. Another positive sign was the reduction in net financial indebtedness, halved to € 234.7 million.

For 2004, IFIL anticipates further opportunities of optimising and developing its holdings, including also a new cycle of investments. This situation is supported by the setting up of an operating branch office in the United States, which will enable IFIL to take advantage of investment opportunities on the major world market

In 2003, Exor Group's consolidated financial statements closed with a net income of € 17.1 million, an increase versus that of € 15.4 million reported in 2002.

2003 also saw the sale of the investments in Château Margaux and the Espirito Santo Financial Group, as well as a part of the shares held in Société Foncière Lyonnaise, with a corresponding increase in net cash. Part of these resources were utilised to buy back treasury stock, subsequently cancelled by resolution of the Stockholders' Meeting, so that IFI and the parent company Giovanni Agnelli e C. currently hold almost the total capital stock of Exor Group.

Finally, together with the Board of Directors, I would like to thank the Stockholders for the trust accorded, the Statutory Auditors and the Independent Auditors for the care in the execution of their task, the Executives and Staff of the Company and its subsidiaries for the productive work carried out in an extremely difficult economic framework.

Umberto Agnelli

MAJOR EVENTS IN 2003

The Reorganization of the Group

Following the resolution passed by IFIL's Extraordinary Stockholders' Meeting held on April 23, 2003, IFI and IFIL gave effect to the Group Reorganization Plan proposed by the respective Boards of Directors on March 3, 2003.

IFI thus contributed the following investments and warrants to the subsidiary IFIL:

	Number	% of class of stock	Contribution value			
			Accounting value		Economic value	
			Per share (€)	Total (€ ml)	Per share (€)	Total (€ ml)
Fiat ordinary shares	77,944,334	17.99%	7.197	561.0	8.869	691.3
Fiat preferred shares	19,582,500	18.96%	5.165	101.1	5.165	101.1
Warrants 2007 on Fiat ordinary shares	11,216,334	-	0.319	3.6	0.319	3.6
SANPAOLO IMI ordinary shares	16,300,000	1.13%	6.605	107.7	6.605	107.7
Juventus Football Club	74,992,103	62.01%	0.156	11.7	1.823	136.7
Soiem	18,286,500	50.10%	0.516	9.4	0.633	11.6
TOTAL				794.5		1,052.0

The economic value of the contribution was calculated (with the exception of Soiem, which is unlisted and valued at net asset value) on the basis of the average official market prices in the period between September 2, 2002 and February 28, 2003 and resulted in a total of € 1,052 million.

The contribution, however, was recorded for € 794.5 million in that, in accordance with the provisions of art. 3 of Legislative Decree No. 358 of October 8, 1997, the Fiat ordinary shares, the Juventus Football Club shares and the Soiem shares (representing investments in subsidiaries or affiliates) were contributed with a view to the continuity of the accounting values recorded in the financial statements of IFI S.p.A. for the year ended December 31, 2002, whereas the SANPAOLO IMI ordinary shares, the Fiat preferred shares and the Fiat 2007 warrants on ordinary shares were contributed at economic value, with a gain of € 22.6 million.

In exchange for this contribution, based upon the economic value of IFIL determined for purposes of the transaction, IFIL issued to IFI 167,450,949 ordinary shares at the accounting per share price of approximately € 3.122 and 119,635,991 savings shares at the accounting per share price of approximately € 2.272. The par value of the IFIL shares issued amounted to € 287,086,940, plus € 507,460,128 of additional paid-in capital, for a total of € 794,547,068.

In April and May 2003, IFI also purchased on the market 1,807,150 IFIL ordinary shares and 114,009 IFIL savings shares for a total investment of € 4.4 million.

In May 2003, IFI then exercised the right to voluntarily convert all the 119,750,000 IFIL savings shares held for 101,787,500 IFIL ordinary shares, without payment of any cash differential.

IFI S.p.A. capital stock increase against payment

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 April 22, 2003, the Board of Directors of IFI S.p.A. voted to increase the capital stock against payment, and in divisible form, for a maximum amount of par value € 101,501,460, through the issue of:

- 55,575,000 IFI ordinary shares of par value € 1 each, with normal dividend rights, with option rights offered to Giovanni Agnelli e C. S.a.p.az., the sole stockholder of IFI ordinary shares, at the price of € 4.5 each, in a ratio of 9 new ordinary shares for every 5 ordinary shares held;
- maximum 45,926,460 IFI preferred shares of par value € 1 each, with normal dividend rights, with option rights offered to the preferred stockholders at the price of € 4.5 each, in a ratio of 9 new preferred shares for every 5 preferred shares held.

At the end of the rights offering period, 45,412,722 new preferred shares were subscribed to equal to 98.88% of the preferred shares offered. Moreover, Giovanni Agnelli e C. S.a.p.az., the sole stockholder of IFI ordinary shares, subscribed to the 55,575,000 IFI ordinary shares in the rights offering, with an investment of € 250 million.

Following the subsequent offering of the 285,410 unexercised rights on the market (which generated proceeds of € 0.7 million for IFI, recorded as an increase to stockholders' equity), the remaining new 513,738 IFI preferred shares were subscribed to in August.

The capital stock increase was therefore concluded with the subscription of the entire issue of 55,575,000 ordinary shares and the 45,926,460 preferred shares offered for total proceeds of € 457.4 million (of which € 0.7 million deriving from the sale of unexercised rights).

At December 31, 2003, the capital stock of IFI S.p.A., fully subscribed to and paid-in, amounted to € 163,251,460 and was composed of 86,450,000 ordinary shares and 76,801,460 preferred shares, all with a par value of € 1 each.

Subscription to IFIL S.p.A. capital stock increase against payment

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 in divisible form, 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 the 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.

The capital stock increase was concluded in August, without the intervention of the Underwriting Syndicate, with the subscription of all 386,321,490 ordinary shares in the rights offering for total proceeds of € 504 million for IFIL S.p.A.

After purchasing 810,126 rights, IFI subscribed to 233,861,025 IFIL ordinary shares in the rights offering with a total investment of € 304.2 million.

In August 2003, IFI also purchased on the market 450,000 IFIL ordinary shares for € 0.9 million.

At December 31, 2003, IFI held 643,783,399 IFIL ordinary shares, equal to 62.03% of IFIL ordinary capital stock (62.8% of ordinary capital stock outstanding).

ANALYSIS OF IFI GROUP CONDENSED CONSOLIDATED RESULTS

In order to assist in the analysis of the financial position and results of operations of the IFI Group, a **condensed consolidated Balance Sheet** and a **condensed consolidated Statement of Operations** have been prepared wherein the investments in IFIL (60.55% of capital stock outstanding) and in Exor Group (29.3% of capital stock outstanding) have been accounted for using the equity method.

As regards the principles used in preparing the condensed consolidated financial statements, the following should be noted:

- subsequent to the Reorganization of the Group (please refer to the previous section "Major events in 2003"), the investment in Soiem was deconsolidated by IFI beginning April 1, 2003 and, from the same date, was consolidated line-by-line by IFIL. Effective the same date, the investments in Fiat and in Juventus Football Club were accounted for by IFIL using the equity method;
- accordingly, the condensed consolidated statement of operations of the IFI Group for the year 2003 shows, for the above holdings, only the share of the earnings (losses) for the first quarter of 2003; for the other three quarters of 2003, the results of these holdings, instead, were indirectly recorded through IFI's share of the consolidated result of the IFIL Group;
- the economic impact of the contribution of the investments in Fiat, Juventus Football Club, SANPAOLO IMI and Soiem (gains and losses compared to the carrying value of these holdings at March 31, 2003) have been completely eliminated, being a transaction with a subsidiary.

Consolidated net loss for the year and condensed consolidated statement of operations

The first half of 2003 shows a consolidated net loss for the IFI Group of € 130 million (consolidated net loss of € 803 million in 2002) due substantially to the share of the first-quarter 2003 loss of the Fiat Group of € 110.8 million.

The **condensed consolidated statement of operations** can be summarized as below.

€ in millions	2003	2002	Change
Group's share of earnings (losses) of companies accounted for using the equity method	(117.7)	(755.2)	637.5
Dividends from other holdings and tax credits	0.2	14.7	(14.5)
Losses, net	0.0	(60.3)	60.3
Amortization of differences on consolidation	0.0	(7.4)	7.4
Investment expenses, net	(117.5)	(808.2)	690.7
Financial expenses, net	(15.0)	(17.5)	2.5
General expenses, net	(6.1)	(9.2)	3.1
Other income (expenses), net	1.0	(4.5)	5.5
Loss before taxes	(137.6)	(839.4)	701.8
Current income taxes, net	0.0	21.8	(21.8)
Deferred taxes	7.6	14.6	(7.0)
Net Loss - Group	(130.0)	(803.0)	673.0

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

€ in millions	Earnings (losses)		IFI's share		Change
	2003	2002	2003	2002	
IFIL Group	(45.0)	(367.0)	(27.2)	(118.6)	91.4
Exor Group S.A.	17.1	15.4	5.0	3.9	1.1
Fiat Group	(681.0) ^(a)	(3,948.0)	(110.8)	(642.2)	531.4
Juventus Football Club S.p.A.	(7.2) ^(a)	(35.3)	(4.5)	(22.0)	17.5
			(137.5)	(778.9)	641.4
Consolidation adjustments			19.8	23.7	(3.9)
Group's share of earnings (losses) of companies accounted for using the equity method			(117.7)	(755.2)	637.5

(a) Results in the first quarter of 2003.

Comments on the operating performance of the IFIL Group and Exor Group are presented later in the report.

Dividends from other holdings and tax credits

These amounted to € 0.2 million and relate to dividends received from Emittenti Titoli in 2003. The amount in 2002 (€ 14.7 million) had included the dividends received from SANPAOLO IMI (€ 9.3 million) and the related tax credit (€ 5.2 million).

General expenses, net

These amounted to € 6.1 million, a decrease of 9.2 million compared to the year 2002 due to the headcount reduction in employees and the deconsolidation of the subsidiary Soiem.

Other income (expenses), net

These amounted to € 1 million of other income, net, and included the credit to the statement of operations for the release of excess income taxes recorded in the prior year (+€ 4.1 million), expenses for the Reorganization of the Group (-€ 1.5 million), expenses for the "Solidarity Fund for the support of earnings" (-€ 0.9 million), nonrecurring financial expenses (-€ 0.2 million) and other nonrecurring expenses (-€ 0.5 million).

Condensed consolidated balance sheet

€ in millions	12/31/2003	12/31/2002	Change
Financial fixed assets:			
- investments	2,436.0	2,366.9	69.1
- treasury stock	70.5	70.5	0.0
- other receivables	6.7	6.7	0.0
	2,513.2	2,444.1	69.1
Cash and banks, financial receivables and other assets	0.1	1.8	(1.7)
Other assets	18.6	29.7	(11.1)
Total assets	2,531.9	2,475.6	56.3
Stockholders' equity:			
- Group	2,221.3	2,026.2	195.1
- Minority interest	0.0	10.4 ^(a)	(10.4)
	2,221.3	2,036.6	184.7
Financial payables:			
- banks, short-term	66.3	211.7	(145.4)
- banks, medium-term	212.7	170.0	42.7
- parent company, short-term	15.2	39.3	(24.1)
- subsidiaries, short-term	0.0	0.5	(0.5)
	294.2	421.5	(127.3)
Other liabilities and reserves	16.4	17.5	(1.1)
Total liabilities and stockholders' equity	2,531.9	2,475.6	56.3

(a) Corresponds to the equity interest in Soiem (49.9%) previously held by IFIL.

Financial fixed assets – Investments

€ in millions	Number of shares held	% holding of		Carrying value	
		class of stock	capital stock	per share (€)	total
Investments accounted for using the equity method					
IFIL - ordinary shares	643,783,399	62.03	59.88	3.504	2,255.9
Exor Group SA	3,418,242	29.30	29.30	52.415	179.2
Investments valued at cost					
Deutsche Morgan Grenfell Capital Italy SA					
- ordinary shares	1,058	1.13	0.36	513.893	0.5
- preferred shares	2,000	1.30	0.69	2.582	0.0
Emittenti Titoli S.p.A.	720,000	8.78	8.78	0.516	0.4
Total investments					2,436.0

The increase in the carrying value of investments (+€ 69.1 million), compared to the end of 2002, is due to the investments in IFIL (+€ 309.5 million), to the Group's share of the earnings (losses) of companies accounted for using the equity method (-€ 117.7 million), the share of the translation adjustments shown by the same companies (-€ 165.5 million) and other net changes (+€ 42.8 million).

Financial fixed assets – Treasury stock

Treasury stock includes 5,360,300 IFI preferred shares, equal to 6.98% of the class of stock and 3.28% of capital stock, carried for a total of € 70.5 million (€ 13.148 per share). The per share value of the consolidated stockholders' equity of the IFI Group at December 31, 2003 is € 13.61.

Stockholders' equity - Group

€ in millions	
Stockholders' equity - Group at December 31, 2002	2,026.2
IFI S.p.A. capital stock increase against payment	457.4 (a)
Share of the translation adjustments shown by the investment holdings IFIL and Exor Group (-€ 165.5 million) and other net changes (+€ 33.0 million)	(132.5)
Increase in the consolidation reserve deriving from the valuation, using the equity method, of IFIL shares purchased by IFI	2.2
Use of the consolidation reserve for the difference on consolidation arising from the purchases of Exor Group shares by Exor Group	(2.0)
Consolidated net loss - Group	(130.0)
Net change during the year	195.1
Stockholders' equity - Group at December 31, 2003	2,221.3

(a) Includes the proceeds on the sale of unexercised rights for € 0.7 million.

Net financial position of IFI S.p.A.

€ in millions	12/31/2003			12/31/2002 ^(a)		
	Short-term	Medium/long-term	Total	Short-term	Medium/long-term	Total
Cash and banks, financial receivables and other assets	0.1	0.0	0.1	1.8	0.0	1.8
Borrowings from banks	(66.3)	(212.7)	(279.0)	(211.7)	(170.0)	(381.7)
Payables to parent company	(15.2)	0.0	(15.2)	(39.3)	0.0	(39.3)
Financial accrued expenses and deferred income	(1.3)	0.0	(1.3)	(1.6)	0.0	(1.6)
Payables to subsidiaries	0.0	0.0	0.0	(0.5)	0.0	(0.5)
Total financial payables	(82.8)	(212.7)	(295.5)	(253.1)	(170.0)	(423.1)
Net financial position of IFI S.p.A.	(82.7)	(212.7)	(295.4)	(251.3)	(170.0)	(421.3)

(a) This figure included cash of Soiem, equal to € 5.2 million.

Change in net financial position of IFI S.p.A.

€ in millions	
Net financial position of IFI S.p.A. and Soiem S.p.A. at December 31, 2002	(421.3)
Deconsolidation of Soiem S.p.A. cash	(5.2)
IFI S.p.A. capital stock increase against payment	457.4 ^(a)
Subscription to IFIL capital stock increase against payment (€ 304.2 million) and purchase of IFIL shares (€ 5.3 million)	(309.5) ^(b)
Financial expenses, net	(15.0)
General expenses, net	(6.1)
Dividends received from Exor Group (€ 4.4 million) and Emittenti Titoli (€ 0.1 million)	4.5
Sale of receivables from the tax authorities to Group companies (+€ 2.6 million) and other net changes (-€ 2.8 million)	(0.2)
Net change during the year	125.9
Net financial position of IFI S.p.A. at December 31, 2003	(295.4)

(a) Of which € 0.7 million for the sale of unexercised rights.

(b) Of which € 0.2 million for the purchase of rights.

ANALYSIS OF IFI GROUP CONSOLIDATED RESULTS

The summarized consolidated Statement of Operations and the summarized consolidated Balance Sheet drawn up in accordance with Legislative Decree 127/91 (line-by-line consolidation), as well as the composition of the consolidated net financial position (line-by-line consolidation) are shown below:

Summarized consolidated statement of operations (line-by-line consolidation)

€ in millions	2003	2002	Change
Value of production	55,553	63,503	(7,950)
Costs of production	(55,948)	(64,123)	8,175
Difference between the value and costs of production	(395)	(620)	225
Financial expenses, net	(1,001)	(689)	(312)
Adjustments to financial assets	(78)	(899)	821
Extraordinary income (expenses), net	533	(2,239)	2,772
Loss before taxes	(941)	(4,447)	3,506
Income taxes	(706)	415	(1,121)
Net loss before minority interest	(1,647)	(4,032)	2,385
Minority interest	1,517	3,229	(1,712)
Net loss - Group	(130)	(803)	673

Summarized consolidated balance sheet (line-by-line consolidation)

€ in millions	12/31/2003		12/31/2002		Change
	Amount	%	Amount	%	
Fixed assets:					
- intangible fixed assets	4,711	7	6,223	7	(1,512)
- property, plant and equipment	10,811	15	13,264	13	(2,453)
- financial fixed assets	8,334	12	19,199	19	(10,865)
	23,856	34	38,686	39	(14,830)
Current assets:					
- inventories	15,938	23	15,880	16	58
- receivables	10,775	15	14,021	14	(3,246)
- financial assets	15,161	22	26,348	26	(11,187)
- cash	3,461	5	3,733	4	(272)
	45,335	65	59,982	60	(14,647)
Other assets	849	1	1,281	1	(432)
Total assets	70,040	100	99,949	100	(29,909)
Stockholders' equity:					
- Group	2,221	3	2,026	2	195
- Minority interest	8,071	12	9,231	9	(1,160)
	10,292	15	11,257	11	(965)
Reserves for risks and charges and employee severance indemnities	7,405	11	25,879	26	(18,474)
Financial payables	24,639	35	31,878	32	(7,239)
Other liabilities and reserves	27,704	40	30,935	31	(3,231)
Total liabilities and stockholders' equity	70,040	100	99,949	100	(29,909)

Consolidated net financial position (line-by-line consolidation)

The consolidated net financial position of the IFI Group at December 31, 2003 showed a net indebtedness position of € 4,525 million (€ 5,783 million at December 31, 2002).

At December 31, 2003, the consolidated net financial position (line-by-line consolidation) was composed as follows:

€ in millions	12/31/2003	12/31/2002	Change
Cash	3,461	3,733	(272)
Marketable securities and other short-term investments	4,269	1,828	2,441
Financial receivables, finance lease contracts receivable and other financial fixed assets	12,959	21,801	(8,842)
Financial accrued income and prepaid expenses	387	662	(275)
Total financial assets	21,076	28,024	(6,948)
Financial payables due within one year	(8,355)	(10,480)	2,125
Financial payables due beyond one year	(16,284)	(21,398)	5,114
Financial accrued expenses and deferred income	(962)	(1,929)	967
Total financial payables	(25,601)	(33,807)	8,206
Consolidated net financial position (line-by-line consolidation)	(4,525)	(5,783)	1,258

The contribution by the consolidated companies to the consolidated net financial position (line-by-line consolidation) was the following:

€ in millions	2003	2002	Change
IFI S.p.A.	(295)	(421) (a)	126
IFIL "Holdings System"	(235)	(484)	249
Adjustment to eliminate the net financial position of the holdings consolidated proportionally (b)	(6)	(52)	46
Fiat Group	(3,028)	(3,780)	752
Worms & Cie Group	(887)	(999)	112
NHT Group	(74)	(47)	(27)
Consolidated net financial position (line-by-line consolidation)	(4,525)	(5,783)	1,258

(a) This figure included the line-by-line consolidation of Soiem.

(b) Balances not included in the consolidated financial statements (line-by-line consolidation) of the IFIL Group since they refer to companies accounted for using the equity method (consolidated, instead proportionally, in the "Holdings System").

Research and development costs

In 2003, research and development costs expensed directly to income during the year totalled € 1,763 million, including € 1,747 million relative to the Fiat Group (€ 1,748 million in 2002) and € 16 million relative to the Worms & Cie Group (€ 14 million in 2002).

ANALYSIS OF IFI S.p.A. STATUTORY RESULTS

Net income for the year and summarized statement of operations of IFI S.p.A.

The net income of IFI S.p.A. for 2003 was € 14.7 million, compared to the net loss of € 226.9 million reported in 2002 due to the writedowns of the accounting carrying values of Fiat preferred shares, IFIL ordinary shares and IFI preferred treasury stock.

The summarized statement of operations of IFI S.p.A. is presented below:

€ in millions	2003	2002	Change
Dividends	4.5	79.9	(75.4)
Dividend and related tax credits	0.1	36.2	(36.1)
Writedowns	0.0	(304.8)	304.8
Gains	22.6	1.0	21.6
Income/(expenses), net, from investments and other financial fixed assets	27.2	(187.7)	214.9
Financial expenses, net	(15.0)	(17.6)	2.6
General expenses, net	(6.1)	(9.4)	3.3
Other expenses, net	1.0	(4.5)	5.5
Income (loss) before taxes	7.1	(219.2)	226.3
Income taxes	7.6	(7.7)	15.3
Net income (loss)	14.7	(226.9)	241.6

Dividends

Dividends in 2003 were received from Exor Group (€ 4.4 million) and Emittenti Titoli (€ 0.1 million); Fiat and IFIL did not pay out dividends whereas the SANPAOLO IMI shares were contributed to IFIL before payment of dividends. The figure for the year 2002 (€ 79.9 million) had included the dividends received from Fiat for € 30.3 million, from IFIL for € 24.9 million, from Exor Group for € 14.4 million, from SANPAOLO IMI for € 9.3 million, from Juventus Football Club for € 0.9 million and from Emittenti Titoli for € 0.1 million.

Gains totalling € 22.6 million were realized on the contribution of the SANPAOLO IMI ordinary shares (€ 19 million) and warrants 2007 on Fiat ordinary shares (€ 3.6 million) to IFIL.

General expenses, net, amounted to € 6.1 million and decreased by € 3.3 million compared to the year 2002 (€ 9.4 million) mainly due to a headcount reduction and consequent lower related costs.

Other income (expenses), net, amounted to € 1 million of other income, net, and included the credit to the statement of operations for the release of excess income taxes recorded in the prior year (+€ 4.1 million), expenses for the Reorganization of the Group (-€ 1.5 million), expenses for the "Solidarity Fund for the support of earnings" (-€ 0.9 million), nonrecurring financial expenses (-€ 0.2 million) and other nonrecurring expenses (-€ 0.5 million).

No income taxes were charged in 2003 as the taxable base for the year was a loss (taking into account the writedowns of financial fixed assets made at the end of 2002 which became deductible). Since there is no reasonable certainty of future recovery, no deferred tax assets have been booked on the fiscal 2003 tax losses and on the portions of investment writedowns posted in 2002 that, as allowed by existing tax legislation, will be deductible in future years.

Summarized balance sheet of IFI S.p.A.

€ in millions	12/31/2003		12/31/2002		Change
	Amount	%	Amount	%	
Financial fixed assets	1,856.8	99.0	1,524.7	98.8	332.1
Other assets	18.7	1.0	18.1	1.2	0.6
Total assets	1,875.5	100.0	1,542.8	100.0	332.7
Stockholders' equity	1,567.0	83.6	1,094.9	71.0	472.1
Financial payables:					
- banks, short-term	66.3	3.5	211.7	13.7	(145.4)
- banks, medium-term	212.7	11.3	170.0	11.0	42.7
- parent company	15.2	0.8	39.3	2.6	(24.1)
- subsidiaries	0.4	0.0	4.7	0.3	(4.3)
	294.6	15.6	425.7	27.6	(131.1)
Other liabilities and reserves	13.9	0.8	22.2	1.4	(8.3)
Total liabilities and stockholders' equity	1,875.5	100.0	1,542.8	100.0	332.7

The principal equity and financial captions are analyzed in the following tables.

Financial fixed assets

€ in millions	12/31/2003	12/31/2002	Change
Investments			
IFIL S.p.A.	1,676.2 (a)	572.2	1,104.0
Exor Group S.A.	102.5	102.5	0.0
Deutsche Morgan Grenfell Capital Italy S.A.	0.5	0.5	0.0
Emittenti Titoli S.p.A.	0.4	0.4	0.0
Fiat S.p.A.	0.0	662.1	(662.1)
SANPAOLO IMI S.p.A.	0.0	88.6	(88.6)
Juventus Football Club S.p.A.	0.0	11.7	(11.7)
Soiem S.p.A.	0.0	9.5	(9.5)
	1,779.6	1,447.5	332.1
Treasury stock - IFI S.p.A. preferred shares	70.5 (b)	70.5	0.0
Receivables - TL com I	6.7	6.7	0.0
Total financial fixed assets	1,856.8	1,524.7	332.1

(a) Net of writedowns of € 73.5 million made in 2002.

(b) Net of writedowns of € 58.9 million made in 2002.

The net increase in financial fixed assets of € 332.1 million compared to the end of 2002 (€ 1,524.7 million) was the result of the following movements:

€ in millions	
Financial fixed assets at December 31, 2002	1,524.7
Contribution to IFIL S.p.A.:	
- Fiat, 77,944,334 ordinary shares (17.99% of the class of stock) and 11,216,334 warrants 2007 on ordinary shares	(561.0)
- Fiat, 19,582,500 preferred shares (18.96% of the class of stock)	(101.1)
- SANPAOLO IMI, 16,300,000 ordinary shares (1.13% of the class of stock)	(88.6)
- Juventus Football Club, 74,992,103 shares (62.01% of capital stock)	(11.7)
- Soiem, 18,286,500 shares (50.1% of capital stock)	(9.5)
	(771.9)
IFIL capital stock increase reserved for IFI in exchange for contribution:	
- 167,450,949 ordinary shares (€ 3.122 per share)	522.7
- 119,635,991 savings shares (€ 2.272 per share) (a)	271.8
	794.5
Subscription to IFIL S.p.A. capital stock increase against payment (233,861,025 ordinary shares at € 1.3 per share)	304.2 (b)
Other investments:	
- IFIL, 2,257,150 ordinary shares (€ 2.255 per share)	5.1
- IFIL, 114,009 savings shares (€ 1.773 per share) (a)	0.2
	5.3
Net change during the year	332.1
Financial fixed assets at December 31, 2003	1,856.8

(a) Converted in May 2003 to 101,787,500 IFIL ordinary shares (in a ratio of 17 ordinary shares for every 20 savings shares) without payment of any cash differential.

(b) Including the purchase of 810,126 rights for € 0.2 million.

Comparison of carrying values and market prices of listed financial fixed assets

	% holding		Carrying value		Average market prices			
	Number of shares	of class of stock			II Half 2003		December 2003	
			Unit (€)	Total (€ ml)	Unit (€)	Total (€ ml)	Unit (€)	Total (€ ml)
IFIL ordinary shares	643,783,399	62.03	2.604	1,676.2	2.325	1,496.8	2.603	1,675.8
IFI preferred treasury stock	5,360,300	6.98	13.148	70.5	6.414	34.4	6.723	36.0
Total				1,746.7		1,531.2		1,711.8

The carrying value of IFI preferred treasury stock held is lower than the per share value of the consolidated stockholders' equity of the IFI Group at December 31, 2003, equal to € 13.61 per share.

Stockholders' equity of IFI S.p.A.

Stockholders' equity at December 31, 2003 amounted to € 1,567 million (€ 1,094.9 million at December 31, 2002). The positive change of € 472.1 million was due to the following changes:

€ in millions	
Stockholders' equity at December 31, 2002	1,094.9
IFI capital stock increase against payment	457.4 (a)
Net income for 2003	14.7
Net change during the year	472.1
Stockholders' equity at December 31, 2003	1,567.0

(a) Including the sale of unexercised rights for € 0.7 million.

Net financial position of IFI S.p.A.

The net financial position of IFI S.p.A. at December 31, 2003 showed a net indebtedness position of € 295.4 million (€ 426.5 million at the end of 2002), which is composed as follows:

€ in millions	12/31/2003	12/31/2002	Change
Borrowings from banks	(279.0)	(381.7)	102.7
Payables to parent company	(15.2)	(39.3)	24.1
Payables to subsidiaries	0.0	(4.1)	4.1
Financial accrued expenses	(1.3)	(1.6)	0.3
Cash	0.1	0.2	(0.1)
Net financial position of IFI S.p.A.	(295.4)	(426.5)	131.1

The negative change of € 131.1 million in 2003 resulted from the following cash flows:

€ in millions	
Net financial position at December 31, 2002	(426.5)
IFI capital stock increase against payment	457.4 (a)
Subscription to IFIL capital stock increase against payment	(304.2) (b)
Purchase of 2,257,150 ordinary shares and 114,009 savings shares of IFIL	(5.3)
Financial expenses, net	(15.0)
General expenses, net	(6.1)
Dividends received from Exor Group (€ 4.4 million) and Emittenti Titoli (€ 0.1 million)	4.5
Sale of receivables from the tax authorities to Group companies (+€ 2.6 million) and other net changes (-€ 2.8 million)	(0.2)
Net change during the year	131.1
Net financial position at December 31, 2003	(295.4)

(a) Including the proceeds on the sale of unexercised rights for € 0.7 million.

(b) Including the purchase of rights for € 0.2 million.

OTHER INFORMATION

Transition to International Financial Reporting Standards

Following the coming into force of the European Union Regulation No. 1606, dated July 19, 2002, beginning from 2005 those EU companies whose securities are traded on an EU regulated market must prepare their consolidated financial statements in accordance with International Financial Reporting Standards (IFRS/IAS).

In order to prepare for a proper transition, a working group was created to identify the differences between the national and Group accounting principles currently in place and the IFRS/IAS, to ascertain the adequacy of the accounting systems and procedures compared to the new requirements.

IFI has taken note of the transition processes in progress at the IFIL Group, agreeing the timetables to obtain the 2003 and 2004 data, in compliance with IFRS, which will be necessary for the preparation of the opening consolidated balance sheet as at January 1, 2004, as well as the 2004 interim quarterly and semi-annual consolidated financial statements of the IFI Group, prepared in accordance with IFRS (to be shown for comparative purposes with the equivalent data for 2005).

With regard to IFI S.p.A., the first indications from the work performed to date are that the adoption of the new IFRS will principally impact the following items:

Financial fixed assets: the LIFO method (last in-first out) can no longer be used.

Treasury stock: the carrying value of treasury stock should be recorded as a reduction of stockholders' equity; any gains/losses deriving from disposals should be recorded in stockholders' equity.

Employee severance indemnities and employee benefits: should be recalculated for each employee in accordance with the provisions of IAS19; to that end, the Company will use an independent actuary.

Transactions among Group companies and with related parties

Transactions among IFI S.p.A., the parent company, the subsidiaries and the companies in which a significant influence is exercised are entered into in conformity with the provisions of existing laws, based upon an evaluation of reciprocal economic gain.

In addition to the comments in respect of the Reorganization of the Group, the most important transactions can be summarized as follows:

- suretyships granted in the past in favor of Federazione Italiana Giuoco Calcio – Lega Nazionale Professionisti (F.I.G.C. - L.N.P.) on behalf of Juventus Football Club for a residual amount of € 32 million, expiring in 2004 and 2005, remunerated at market conditions;
- sale of receivables from the tax authorities to Group companies (€ 2.6 million);
- loans secured at floating monthly market rates from the parent company Giovanni Agnelli e C. and from the subsidiaries Juventus Football Club and Soiem;
- services rendered to and costs recovered from subsidiaries and associated companies.

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

€ in thousands	12/31/2003			Year 2003	
	Accounts receivable	Accounts payable	Suretyships and Commitments	Income	Expenses
La Rinascente S.p.A.		2			2
Antalis S.p.A.					2
Orione - Consorzio per la sicurezza e la vigilanza		24			273
Exor Group S.A.	54			92	
Welcome Travel Group S.p.A.	22			20	
Fiat Auto S.p.A.		11			26
Fiat S.p.A.				19	
Fiat Sava S.p.A.	620	2		620	4
Fiat Sepin S.p.A.		4			19
Giovanni Agnelli e C. S.a.p.az.		15,176			656
Human Resources Services S.p.A.		3			9
IFIL S.p.A.	201			201	
Juventus Football Club S.p.A.	159		32,003	223	43
Publikompass S.p.A.		1			31
SANPAOLO IMI S.p.A.				109	99
Savarent S.p.A.		14			122
Soiem S.p.A.	11	313		10	1,143
Worknet S.p.A.					26
Commitments to beneficiaries of stock purchase plans on IFIL shares			424		
Total	1,067	15,550	-	1,294	2,455

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

- option rights on IFIL ordinary shares granted to Directors and Managers of IFIL, IFI, and the subsidiary Soiem;
- option rights on Alpitour shares granted by Alpitour to the Directors of IFIL under a stock option plan for the Directors, Managers and Cadres of Alpitour and its direct and indirect subsidiaries;
- professional services rendered by the Director Franzo Grande Stevens to companies in the Fiat Group for consideration of € 875 thousand.

In February 2003, all the Directors and Managers of the Group, who had the right, sold their Atlanet shares to Ifil Investissements (from which they had previously bought the Atlanet shares) at prices slightly lower than the investments made.

With a view to optimizing the management of the Group's financial resources, loan transactions were entered into among companies of the Group during the year.

Additional information and details (including commitments for purchases and sales of investments, dividends received, purchases and sales of investments, as well as subscriptions to capital stock increases) are disclosed in the section "Major events in 2003" and in the "Notes to the statutory financial statements of IFI S.p.A." and to the consolidated financial statements.

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

Equity investments held by Directors, Statutory Auditors and General Manager
(Art. 79 of Consob resolution No. 11971 dated May 14, 1999 and subsequent amendments)

Name	Company	Number of shares			Held at 12/31/2003
		Held at 12/31/2002	Increase	Decrease	
Directors					
Agnelli Giovanni	IFI preferred shares (a)	630,000		630,000 (b)	0
	Juventus (a)	53,235		53,235 (b)	0
Agnelli Umberto	Juventus (a)	26,595			26,595
	Worms & Cie (a)	2		1	1
	Permal Group (a)	1			1
Gabetti Gianluigi	IFIL ordinary shares (a)	0	120,000		120,000
	Worms & Cie (a)	0	1		1
Avogadro di Collobiano	IFIL ordinary shares (a)	0	93,500		93,500
Annibale	IFIL savings shares (a)	40,000 (c)	30,000	70,000 (d)	0
	IFI preferred shares (e)	27,522 (c)	49,536		77,058
Elkann John Philip	Fiat ordinary shares (a)	300 (c)		300	0
Galateri di Genola Gabriele	IFI preferred shares (a)	1			1
	IFI preferred shares (e)	125			125
	Fiat ordinary shares (e)	2,750	578		3,328
	Fiat preferred shares (e)	440			440
	IFIL ordinary shares (e)	1,000	4,250		5,250
	Worms & Cie (a)	1			1
Camerana Carlo	Fiat ordinary shares (a)	1		1 (f)	0
Fresco Paolo (g)	Fiat ordinary shares	211,452	5,650		217,102
Teodorani-Fabbri Pio	IFI preferred shares (e)	152,819	275,076		427,895
	Fiat ordinary shares (e)	1,969	4,614		6,583
	Fiat warrants on ordinary shares (e)	825			825
	Fiat savings shares (e)	5,720			5,720
	IFIL ordinary shares (a)	0	200,000		200,000
	IFIL ordinary shares (e)	0	500,000		500,000
Statutory Auditors					
Ferrero Cesare	Fiat ordinary shares (a)	1			1
Giorgi Giorgio	Fiat savings shares (e)	1,500			1,500
Jona Celesia Lionello	IFIL ordinary shares (e)	500	285		785
General Manager					
Marrone Virgilio	IFIL savings shares (a)	70,000		70,000 (h)	0
	IFIL ordinary shares (a)	0	93,415		93,415

- (a) Direct holding.
(b) The shares were transferred to the heirs.
(c) Held at the date he took office (March 3, 2003).
(d) Converted to 42,500 IFIL ordinary shares.
(e) Indirect holding through spouse.
(f) The shares were transferred to the heirs.
(g) No longer in office.
(h) Converted into 59,500 IFIL ordinary shares.

SIGNIFICANT SUBSEQUENT EVENTS

Investment in Tlcom I

In February, IFI invested € 1.5 million in TLcom I Capital Partners Limited, a venture capital fund geared to companies operating in the telecommunications and information technology sector in Europe and in other markets.

Net financial position of IFI S.p.A.

At the end of February 2004, the net indebtedness position amounted to € 299.8 million. The negative change (€ 4.4 million) was due to financial and operating expenses (€ 2.4 million), to the investment in TLcom I (€ 1.5 million) and other net changes (€ 0.5 million).

Programming document on security

The Company has prepared the programming document on security (Dps) for the year 2003 according to the laws then in force and is currently proceeding to update this document pursuant to the provisions of Legislative Decree No. 196 dated June 30, 2003, Attachment B – technical specifications regarding minimum safety measures.

BUSINESS OUTLOOK

Taking into account the motions for the distribution of dividends from the 2003 profits formulated by the Boards of Directors of IFIL and Exor Group, it is believed that the result for 2004 of IFI S.p.A. will be a profit.

The consolidated result of the IFI Group for 2004 will be closely linked to the performance of IFIL S.p.A. and its main holdings. The forecasts formulated by the holdings themselves are indicated in the following paragraphs.

Fiat Group

The forecast for 2004 calls for the global economy to grow, driven by expansion in the United States and Southeast Asia. However, the growth rates projected for Italy and the rest of Europe are significantly lower. Consequently, the Fiat Group will be faced with market demand that will expand slightly in the United States but hold relatively steady in most other countries, and with aggressive competition from other carmakers.

In this environment, all of the Group's Sectors will strive to achieve significant gains in profitability. They will pursue this goal by following the guidelines set out in the Relaunch Plan, by restructuring and by streamlining their manufacturing operations. At the same time, they will be making major investments in renewing their product range and improving their distribution networks.

In 2004, the Fiat Group will continue to strengthen its management organization by pursuing a strategy of bringing in top professionals from the outside and leveraging the competencies available inside.

While taking into account the current business outlook, management's goal will continue to be to achieve the objectives of the Relaunch Plan: an operating breakeven for the Group, a further reduction of Fiat Auto's losses and better operating results than in 2003 from all other Sectors.

Worms & Cie Group

In 2003, although operating in a difficult economic context, the companies of the Worms & Cie Group raised or maintained their market share and took structural actions that will make it possible to consolidate or improve their operating results in 2004.

The first two months of 2004 confirm this forecast with a strong level of activities for the subsidiaries SGS and Permal Group and make it possible to anticipate a gradual turnaround in the paper sector where manufacturing costs are being subjected to a rigorous control policy.

Rinascente Group

In the first two months of 2004, the Rinascente Group reported sales of € 1,023.9 million, with an increase of 7.9% compared to the corresponding period of the prior year.

In an economic context with growth forecasts uncertain, the Rinascente Group will support every commercial initiative necessary to pursue the objectives of efficiency and process effectiveness in order to preserve and, if possible, improve the operating result.

NHT Group

In view of the actions undertaken to reduce operating costs and the performance during the first few months, the NHT Group is forecasting a further improvement in its results for the year 2003/2004. However, the impacts deriving from a worsening of international political tension, partly as a result of recent terrorist attacks in Spain, could make reaching the anticipated results more difficult.

Juventus Football Club

Juventus, in light of the economic and balance sheet performance for the first six months of the year and information available to date, should register a negative net result for the year that will end on June 30, 2004. Such result could nevertheless be significantly affected by any extraordinary transactions regarding its assets.

SANPAOLO IMI

SANPAOLO IMI recently announced the distribution of dividends per share of € 0.39 which will bring IFIL receipts of € 27.4 million.

OPERATING PERFORMANCE OF IFIL AND EXOR GROUP HOLDINGS

IFIL

(62.03% of ordinary capital stock)

The following consolidated data of the IFIL Group at December 31, 2003 has been taken from the condensed consolidated balance sheet and condensed consolidated statement of operations. Such data has been prepared by consolidating the financial holding companies and Soiem (which make up the so-called "Holdings System") line-by-line and proportionally and accounting for the subsidiaries and associated companies, including the operating holding companies, using the equity method.

€ in millions	12/31/2003	12/31/2002	Change
Consolidated net loss - Group	(45.0)	(367.0)	322.0
Consolidated stockholders' equity - Group	3,953.9	2,708.1	1,245.8
Consolidated net financial position of the "Holdings System"	(234.7)	(484.4)	249.7
Financial fixed assets	4,223.1	3,207.2	1,015.9

The year 2003 ended with a consolidated loss of € 45 million for the IFIL Group. Presented below are the condensed consolidated statement of operations and comments on the main captions.

€ in millions	Year 2003	Year 2002	Change
Group's share of earnings (losses) of companies accounted for using the equity method	(49.7)	(301.6)	251.9
Dividends from other holdings	21.2	30.6	(9.4)
Dividend tax credits	11.9	8.2	3.7
Gains (losses), net	25.0	(51.8)	76.8
Amortization of differences on consolidation	(13.7)	(6.8)	(6.9)
Investment expenses, net	(5.3)	(321.4)	316.1
Financial expenses, net	(23.6)	(20.6)	(3.0)
General expenses, net	(13.0)	(13.4)	0.4
Other expenses, net	(6.1)	(12.2)	6.1
Loss before taxes	(48.0)	(367.6)	319.6
Current income taxes, net	0.1	4.6	(4.5)
Deferred taxes	2.9	(4.0)	6.9
Net loss - Group	(45.0)	(367.0)	322.0

Group's share of earnings (losses) of companies accounted for using the equity method amounted to losses of € 49.7 million (losses of € 301.6 million in 2002). The positive change of € 251.9 million was due to the share of lower losses reported by the Fiat Group (+€ 229.3 million) and the NHT Group (+€ 8.8 million), the share of higher earnings by the Rinascente Group (+€ 65.2 million), the share of lower earnings by the Worms & Cie Group (€ 45.8 million) and the losses reported by Juventus (-€ 5.5 million), and other net changes (-€ 0.1 million).

The abovementioned changes include consolidation adjustments.

Dividends from other holdings amounted to € 21.2 million, of which € 21.1 million was received from SANPAOLO IMI.

At December 31, 2002, dividends received by SANPAOLO IMI had totaled € 30.6 million.

Gains (losses), net were due to the sale of 25% of Sifalberghi capital stock (€ 25.1 million) and losses, net, stemming from various transactions (-€ 0.1 million). In 2002, the losses, net (-€ 51.8 million) had also included writedowns of the investment in Club Méditerranée (-€ 33.7 million) and IFIL treasury stock (-€ 15.4 million).

Amortization of differences on consolidation amounted to € 13.7 million (€ 6.8 million in 2002).

The increase of € 6.9 million compared to December 31, 2002 was due to the increases in the investments in Juventus Football Club and in La Rinascente.

Financial expenses, net, totaled € 23.6 million (€ 20.6 million in 2002) and increased by € 3 million due to higher average net indebtedness during the year.

Other expenses, net, amounted to € 6.1 million (€ 12.2 million in 2002) and included the amortization of the expenses related to the IFIL S.p.A. capital stock increase (€ 2.2 million), nondeductible VAT associated with such costs (€ 1 million), legal consulting fees regarding pending litigation (€ 1.5 million), provisions for extraordinary expenses (to be paid over several years) in connection with recourse to the "Solidarity Fund for the support of earnings" in reference to some employees of IFIL and Soiem (€ 0.8 million) and lastly, other expenses, net, (€ 0.6 million).

Stockholders' equity - Group amounted to € 3,953.9 million at December 31, 2003. The increase of 1,245.8 million compared to December 31, 2002 (€ 2,708.1 million) originated from the contribution of investments by IFI (+€ 1,052 million), the IFIL S.p.A. capital stock increase against payment (+€ 504 million), the share of the translation adjustments (-€ 272.9 million) and other net changes (+€ 7.7 million) shown by companies accounted for using the equity method and, lastly, the consolidated loss of the Group (-€ 45 million).

The consolidated net financial position of the "Holdings System" showed a net indebtedness position at December 31, 2003 of € 234.7 million; the positive change of € 249.7 million (more than 51%) compared to the balance at December 31, 2002 (- € 484.4 million) 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:		
- La Rinascente	258.9	
- Worms & Cie	83.9	
- SANPAOLO IMI	21.1	
- Sifalberghi	0.6	
- Other	0.1	
	Dividends received	364.6
Financial expenses, net		(23.6)
General expenses, net		(13.0)
Investments:		
- Fiat, subscription to the capital stock increase (and purchase of rights for € 5 million)	(549.6)	
- La Rinascente, 2.16% of capital stock	(38.6)	
- Worms & Cie, 1.37% of capital stock	(23.7)	
	Investments	(611.9)
Sales:		
- Sifalberghi, 25% of capital stock (to Accor Group)	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 against payment	504.0 (a)	
- IFIL S.p.A. capital stock increase expenses	(11.2)	
- Change in the scope of consolidation	5.2 (b)	
- Other, net	(13.8)	
	Other changes	484.2
Net change during the year		249.7
Consolidated net financial position of the "Holdings System" at December 31, 2003		(234.7)

(a) Including proceeds on the sale of unexercised rights for € 1,8 million.

(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.

The parent company, IFIL S.p.A., closed 2003 with a net income of € 72.7 million. In 2002, IFIL S.p.A. had reported a net loss of € 516.4 million due to writedowns of the accounting carrying values in the investments held, directly and indirectly, in Fiat, Club Méditerranée and Soiem, and also in IFIL treasury stock.

In addition to the comments in respect of the Reorganization of the Group and the capital increase effected in July 2003, the following paragraphs describe the major events of the IFIL Group in 2003 and in the early months of 2004.

Transactions regarding La Rinascente and Eurofind

In January 2003, Eurofind, the subsidiary jointly controlled by Ifil Investissements and the Auchan Group, launched a tender offer for the residual ordinary and preferred shares of La Rinascente and a voluntary tender offer for the purchase of La Rinascente savings shares for the purpose of obtaining all La Rinascente shares not yet held by Eurofind.

By the end of the offer period (February 28, 2003), the total shares tendered comprised 10,768,383 ordinary shares, equal to 3.6% of ordinary capital stock, 491,006 preferred shares, equal to 15.61% of preferred capital stock, and 2,596,139 savings shares, equal to 2.52% of savings capital stock.

The transaction involved a total payment of € 60.9 million (€ 4.45 per ordinary and preferred share and € 4.15 per savings share) and the delisting of all classes of La Rinascente stock.

In the following months, Eurofind purchased off-market 7,380,130 ordinary shares (2.47% of ordinary stock), 45,215 preferred shares (1.44% of preferred stock) and 308,225 savings shares (0.30% of savings capital stock) for a total amount of € 34.4 million.

At the end of December 2003, Eurofind holds 401,223,236 La Rinascente shares (equal to 99.09% of capital stock) and, in particular, 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).

Again in December 2003, La Rinascente paid extraordinary dividends for € 600 million which gave rise to receipts of € 240.6 million for the IFIL Group (€ 594,5 million for Eurofind).

IFIL bonds

In February 2003, the IFIL bonds issued in December 2002 were increased from € 145 million to € 200 million. These are three-year bonds placed with primary institutional investors.

In December 2003, IFIL floated a second bond issue for € 100 million. These are also three-year bonds subscribed to by primary institutional investors.

Both bonds are listed on the Luxembourg stock exchange.

Transactions relating to Worms & Cie

Ifil Investissements purchased 1,438,059 Worms & Cie shares (equal to 1.37% of capital stock) for a total equivalent amount of € 23.7 million.

After this transaction, Ifil Investissements holds 55,922,623 Worms & Cie shares, equal to 53.07% of capital stock.

In May 2003, Worms & Cie paid dividends of € 1.5 per share (including extraordinary dividends for € 0.9) which gave rise to receipts of € 83.9 million for Ifil Investissements.

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, with a 12.5% IRR.

Purchase of 9.53% of Eurofind capital stock

As stated earlier, in January 2004, Ifil Investissements purchased 3,029,651 Eurofind shares (equal to 9.53% of capital stock) from Mediobanca for an investment of € 116.1 million.

Eurofind's capital stock is currently held equally by the IFIL Group (50%) and the Auchan Group (50%).

Purchase of 10% of NHT New Holding for Tourism capital stock

In January 2004, Ifil Investissements purchased 3,298 NHT New Holding for Tourism shares (equal to 10% of capital stock) from the TUI Group for an outlay of € 46.3 million. As part of this transaction, NHT also purchased the remaining 50% of the capital stock of Neos S.p.A. from the TUI Group for an investment of € 2.7 million.

IFIL currently holds, through the subsidiaries Ifil Investissements and Ifil Finance, complete control of NHT.

IFIL's new organization in the United States of America

For the purpose of contributing to the search for new investment opportunities, IFIL set up an organization in the United States with offices in New York. Thanks to its positioning in one of the most interesting international financial centers and with its highly-qualified professional management staff, the organization – which will operate in close coordination with IFIL's offices in Turin – could significantly boost the opportunities of creating economic value for the Company.

Possible Fiat S.p.A. capital increase in execution of the Convertible Mandatory Facility agreements dated July 26, 2002

In 2003, the major rating agencies downgraded Fiat's debt to below investment grade level and, accordingly, should this condition exist at July 2004, the lending Banks could bring forward the conversion of the debt to capital stock 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.

EXOR GROUP

(29.3% of ordinary capital stock)

Exor Group reported a consolidated net income in 2003 of € 17.1 million (€ 15.4 million in 2002) after booking a provision of € 40 million to the Reserve for investment fluctuations to take into account the market price reductions in listed investments and, with reference to the United States companies, the appreciation of the euro against the U.S. dollar.

In 2003, Exor Group sold the investments in Châteaux Margaux and Espirito Santo Financial Group, and a 7.6% stake in SFL – Société Foncière Lyonnaise. These transactions gave rise to a total net gain of € 52.3 million, after income taxes.

Exor Group still has an investment in SFL totaling 10.1% of capital stock.

Dividends totalled € 9.1 million, whereas general expenses and other operating expenses, net, decreased by 31.7%, from € 12 million in 2002 to € 8.2 million in 2003.

The stockholders' equity of the Group amounted to € 611.5 million at December 31, 2003. The reduction from the balance last year (€ 720.3 million) was mainly due to the buy-back of treasury stock and subsequent cancellation during the year by resolution of the Extraordinary Stockholders' Meeting for a total amount of € 110 million. After this transaction, following the sale of the investment in Château Margaux to the Mentzelopoulos Group, IFI and the parent company Giovanni Agnelli e C. hold almost all the capital stock of Exor Group.

The net cash of Exor Group amounts to approximately € 250 million at December 31, 2003.

As far as the main investment holdings are concerned, Club Méditerranée closed the year 2003 with a net loss of € 94 million (net loss of € 62 million in the prior year), with revenues down by 7.7% to € 1.6 billion and a net operating loss of € 6 million (€ 3 million in 2002). The Group's results were still impacted by the difficulties in the tourism sector (and that of the airplane carrier sector) as a result of the war in Iraq, the persisting threat of world terrorism and the SARS syndrome. The relaunch plan begun in prior years continued through actions aimed at reducing structure costs and bringing the hotel capacity into line with the changed conditions of the market. The divestiture of non-profitable businesses generated net financial flows of € 42 million. For the current year, the company expects a gradual improvement in the economic climate, which, for the last three years, has negatively affected its results.

In August 2003, the merger was concluded between the United States associated company Riverwood (in which Exor Group held a 29.7% stake) and Graphic Packaging, a company engaged in the packaging of consumer products. Exor Group currently holds 17.2% of the company that emerged from the merger, which took the name of Graphic Packaging Corporation and which is listed on the New York stock exchange.

The company ended 2003 with total revenues of US\$ 2.3 billion, with the aim of becoming the leader in its sector in the United States market.

Important synergies and cost reductions as a result of the merger are anticipated for the current year.

In 2003, Société Foncière Lyonnaise showed a sharp increase in net income, equal to € 54.9 million (+59.6% compared to 2002) and cash flows, totaling € 79.3 million (+26.3%). Rental income has also registered a slight increase, reaching € 146.4 million (+2%).

MOTION FOR APPROVAL OF THE FINANCIAL STATEMENTS, INCREASE OF THE LEGAL RESERVE TO ONE-FIFTH OF CAPITAL STOCK AND APPROPRIATION OF NET INCOME FOR THE YEAR

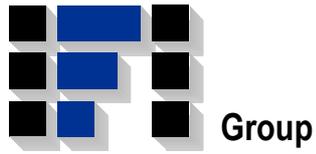
To our Stockholders,

We ask you to approve the financial statements for the year ended December 31, 2003 and increase the legal reserve to one-fifth of capital stock, equal to € 163,251,460, by drawing € 17,861,380 from the extraordinary reserve. Furthermore, since the Board of Directors waived the right to its portion of profits under art. 26 of the by-laws by passing a specific resolution, we propose to appropriate the net income of € 14,666,264 to the extraordinary reserve.

The extraordinary reserve therefore amounts to € 732,885,985.

Turin, March 30, 2004

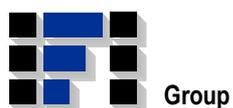
For the Board of Directors
The Chairman
Umberto Agnelli





CONSOLIDATED BALANCE SHEET - ASSETS

€ in millions	12/31/2003	12/31/2002	Change
AMOUNTS DUE FROM STOCKHOLDERS FOR SHARES SUBSCRIBED BUT NOT CALLED	0	1	(1)
FIXED ASSETS			
Intangible fixed assets (note 1)			
Start-up and expansion costs	155	81	74
Research, development and advertising expenses	22	18	4
Industrial patents and intellectual property rights	406	416	(10)
Concessions, licenses, trademarks and similar rights	383	493	(110)
Goodwill	159	236	(77)
Intangible assets in progress and advances	255	281	(26)
Other intangible assets	167	367	(200)
Differences on consolidation	3,164	4,331	(1,167)
Total intangible fixed assets	4,711	6,223	(1,512)
Property, plant and equipment (note 2)			
Land and buildings	3,115	4,180	(1,065)
Plant and machinery	3,401	3,728	(327)
Industrial and commercial equipment	2,104	2,182	(78)
Other assets	1,363	2,151	(788)
Construction in progress and advances	828	1,023	(195)
Total property, plant and equipment	10,811	13,264	(2,453)
Financial fixed assets (note 3)			
Investments in			
. unconsolidated subsidiaries	488	627	(139)
. associated companies	4,465	4,154	311
. other companies	926	1,440	(514)
Total investments	5,879	6,221	(342)
Receivables from			
associated companies	1	1	0
others	188	208	(20)
Total receivables	189	209	(20)
Other securities	84	2,463	(2,379)
Treasury stock	70	70	0
Finance lease contracts receivable	1,797	2,947	(1,150)
Investments where the investment risk is borne by policyholders and those related to pension plan management	0	6,930	(6,930)
Other financial fixed assets	315	359	(44)
Total financial fixed assets	8,334	19,199	(10,865)
TOTAL FIXED ASSETS	23,856	38,686	(14,830)
CURRENT ASSETS			
Inventories (note 4)			
Raw materials and supplies	1,259	1,399	(140)
Work in progress and semifinished products	983	1,122	(139)
Contract work in progress	4,077	5,293	(1,216)
Finished goods and merchandise	4,431	4,242	189
Advances to suppliers	5,188	3,824	1,364
Total inventories	15,938	15,880	58



€ in millions	12/31/2003	12/31/2002	Change
CURRENT ASSETS (continued)			
Receivables	(note 5)		
Trade receivables	4,679	6,294	(1,615)
Receivables from unconsolidated subsidiaries	79	55	24
Receivables from associated companies	768	477	291
Other receivables	5,249	7,195	(1,946)
Total receivables	10,775	14,021	(3,246)
Financial assets not held as fixed assets	(note 6)		
Investments	32	810	(778)
Other securities	4,359	7,112	(2,753)
Financial receivables from unconsolidated subsidiaries	521	519	2
Financial receivables from associated companies	644	1,313	(669)
Financial receivables from others	9,605	16,594	(6,989)
Total financial assets not held as fixed assets	15,161	26,348	(11,187)
Cash			
Banks and post office accounts	3,443	3,697	(254)
Cash on hand	9	25	(16)
Checks	9	11	(2)
Total cash	3,461	3,733	(272)
TOTAL CURRENT ASSETS	45,335	59,982	(14,647)
ACCRUED INCOME AND PREPAID EXPENSES	(note 7)		
	849	1,280	(431)
TOTAL ASSETS	70,040	99,949	(29,909)


CONSOLIDATED BALANCE SHEET - LIABILITIES AND STOCKHOLDERS' EQUITY

€ in millions	12/31/2003	12/31/2002	Change
STOCKHOLDERS' EQUITY			
	(note 8)		
Stockholders' equity of the Group			
Capital stock	163	62	101
Additional paid-in capital	387	66	321
Revaluation reserves	81	81	0
Legal reserve	15	15	0
Treasury stock valuation reserve	70	70	0
Retained earnings and other reserves	1,919	2,823	(904)
Cumulative translation adjustments	(284)	(288)	4
Net loss	(130)	(803)	673
Total stockholders' equity of the Group	2,221	2,026	195
Minority interest - capital and reserves	9,588	12,460	(2,872)
Minority interest - net loss	(1,517)	(3,229)	1,712
TOTAL STOCKHOLDERS' EQUITY	10,292	11,257	(965)
RESERVES FOR RISKS AND CHARGES			
	(nota 9)		
Reserve for pensions and similar obligations	1,571	1,527	44
Income tax reserves	429	1,587	(1,158)
Other reserves	3,984	4,533	(549)
Insurance policy liabilities and accruals	89	9,605	(9,516)
Other insurance policy liabilities and accruals	0	7,000	(7,000)
TOTAL RESERVES FOR RISKS AND CHARGES	6,073	24,252	(18,179)
RESERVE FOR EMPLOYEE SEVERANCE INDEMNITIES			
	(note 10)		
	1,332	1,627	(295)
PAYABLES			
	(note 11)		
Bonds	9,910	11,018	(1,108)
Convertible bonds	1,765	2,125	(360)
Borrowings from banks	10,494	14,578	(4,084)
Other financial payables	1,405	1,634	(229)
Advances	9,166	9,326	(160)
Trade payables	12,597	13,015	(418)
Notes payable	955	2,438	(1,483)
Payables to unconsolidated subsidiaries	69	68	1
Payables to associated companies	854	1,117	(263)
Payables to parent companies	15	39	(24)
Taxes payable	943	1,390	(447)
Social security payable	329	354	(25)
Other payables	1,505	2,225	(720)
TOTAL PAYABLES	50,007	59,327	(9,320)
ACCRUED EXPENSES AND DEFERRED INCOME			
	(note 12)		
	2,336	3,486	(1,150)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	70,040	99,949	(29,909)



GUARANTEES GRANTED, COMMITMENTS AND OTHER MEMORANDUM ACCOUNTS			
	(note 13)		
€ in millions	12/31/2003	12/31/2002	Change
GUARANTEES GRANTED			
Unsecured guarantees			
Suretyships			
on behalf of unconsolidated subsidiaries	32	98	(66)
on behalf of associated companies	10	21	(11)
on behalf of others	3,162	1,678	1,484
Total suretyships	<u>3,204</u>	<u>1,797</u>	<u>1,407</u>
Guarantees of notes on behalf of others	261	316	(55)
Other unsecured guarantees			
on behalf of unconsolidated subsidiaries	1	0	1
on behalf of associated companies	295	351	(56)
on behalf of others	2,813	3,050	(237)
Total other unsecured guarantees	<u>3,109</u>	<u>3,401</u>	<u>(292)</u>
Total unsecured guarantees	<u>6,574</u>	<u>5,514</u>	<u>1,060</u>
Secured guarantees on behalf of others	<u>47</u>	<u>501</u>	<u>(454)</u>
TOTAL GUARANTEES GRANTED	<u>6,621</u>	<u>6,015</u>	<u>606</u>
COMMITMENTS			
Commitments related to derivative financial instruments	22,507	39,926	(17,419)
Commitments to purchase property, plant and equipment	330	499	(169)
Other commitments	10,690	10,216	474
TOTAL COMMITMENTS	<u>33,527</u>	<u>50,641</u>	<u>(17,114)</u>
THIRD-PARTY ASSETS HELD BY THE GROUP	<u>2,017</u>	<u>2,071</u>	<u>(54)</u>
GROUP ASSETS HELD BY THIRD PARTIES	<u>4,706</u>	<u>20,846</u>	<u>(16,140)</u>
OTHER MEMORANDUM ACCOUNTS	<u>380</u>	<u>267</u>	<u>113</u>



CONSOLIDATED STATEMENT OF OPERATIONS

€ in millions	2003	2002	Change
VALUE OF PRODUCTION (note 14)			
Revenues from sales and services	53,509	60,793	(7,284)
Change in work in progress, semifinished and finished products inventories	694	(809)	1,503
Change in contract work in progress	(1,075)	222	(1,297)
Additions to internally produced fixed assets	688	1,107	(419)
Other income and revenues:			
revenue grants	53	47	6
other	1,684	2,143	(459)
Total other income and revenues	1,737	2,190	(453)
TOTAL VALUE OF PRODUCTION	55,553	63,503	(7,950)
COSTS OF PRODUCTION (note 15)			
Raw materials, supplies and merchandise	(30,917)	(32,965)	2,048
Services	(9,855)	(11,339)	1,484
Leases and rentals	(434)	(531)	97
Personnel:			
salaries and wages	(5,341)	(6,039)	698
social security contributions	(1,409)	(1,520)	111
employee severance indemnities	(248)	(259)	11
employee pensions and similar obligations	(188)	(105)	(83)
other costs	(340)	(398)	58
Total personnel costs	(7,526)	(8,321)	795
Amortization, depreciation and writedowns:			
amortization of intangible fixed assets	(604)	(689)	85
depreciation of property, plant and equipment	(1,868)	(2,146)	278
writedown of fixed assets	(35)	(2)	(33)
writedown of receivables among current assets and cash	(281)	(379)	98
Total amortization, depreciation and writedowns	(2,788)	(3,216)	428
Change in raw materials, supplies and merchandise inventories	(86)	(12)	(74)
Provisions for risks	(1,164)	(1,138)	(26)
Other provisions	(29)	(37)	8
Other operating costs	(1,114)	(1,404)	290
Expenses of financial services companies	(668)	(1,115)	447
Insurance claims and other insurance costs	(1,367)	(4,045)	2,678
TOTAL COSTS OF PRODUCTION	(55,948)	(64,123)	8,175
DIFFERENCE BETWEEN THE VALUE AND COSTS OF PRODUCTION	(395)	(620)	225
FINANCIAL INCOME AND EXPENSES (note 16)			
Investment income from:			
unconsolidated subsidiaries	0	3	(3)
associated companies	1	1	0
other companies	59	214	(155)
Total investment income	60	218	(158)
Other financial income from:			
receivables held as fixed assets from others	5	8	(3)
securities held as fixed assets other than equity investments	0	156	(156)
securities held as current assets other than equity investments	127	160	(33)
Other income from:			
. unconsolidated subsidiaries	8	26	(18)
. associated companies	7	23	(16)
. others	1,416	1,925	(509)
Total other income	1,431	1,974	(543)
Total other financial income	1,563	2,298	(735)
Interest and other financial expenses from:			
unconsolidated subsidiaries	(3)	(3)	0
associated companies	(6)	(3)	(3)
parent companies	(1)	(1)	0
others	(2,614)	(3,198)	584
Total interest and other financial expenses	(2,624)	(3,205)	581
TOTAL FINANCIAL INCOME AND EXPENSES	(1,001)	(689)	(312)



€ in millions	2003	2002	Change
ADJUSTMENTS TO FINANCIAL ASSETS			
	(note 17)		
Revaluations of:			
equity investments	229	112	117
financial fixed assets other than equity investments	0	1	(1)
securities held in current assets other than equity investments	15	7	8
Total revaluations	244	120	124
Writedowns of:			
equity investments	(306)	(895)	589
financial fixed assets other than equity investments	(1)	(59)	58
securities held in current assets other than equity investments	(9)	(45)	36
financial receivables	(6)	(20)	14
Total writedowns	(322)	(1,019)	697
TOTAL ADJUSTMENTS TO FINANCIAL ASSETS	(78)	(899)	821
EXTRAORDINARY INCOME AND EXPENSES			
	(note 18)		
Income:			
gains on disposals	2,080	1,378	702
other income	197	166	31
Total income	2,277	1,544	733
Expenses:			
losses on disposals	(56)	(1,241)	1,185
taxes relating to prior years	(27)	(80)	53
other expenses	(1,661)	(2,462)	801
Total expenses	(1,744)	(3,783)	2,039
TOTAL EXTRAORDINARY INCOME AND EXPENSES	533	(2,239)	2,772
LOSS BEFORE TAXES	(941)	(4,447)	3,506
INCOME TAXES			
	(note 19)		
	(706)	415	(1,121)
LOSS BEFORE MINORITY INTEREST	(1,647)	(4,032)	2,385
Minority interest	1,517	3,229	(1,712)
NET LOSS	(130)	(803)	673

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

STRUCTURE AND CONTENT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements for the year ended December 31, 2003 have been prepared in accordance with the provisions contained in Italian Legislative Decree No. 127 dated April 9, 1991. The Notes to the consolidated financial statements have been prepared in conformity with the same Legislative Decree, art. 38. The consolidated financial statements are expressed in millions of euros.

Significant subsequent events are disclosed in the Directors' Report on Operations to which reference can be made.

THE REORGANIZATION OF IFI GROUP

Following the resolution passed by IFIL's Extraordinary Stockholders' Meeting held on April 23, 2003, IFI contributed the following investments and warrants to the subsidiary IFIL:

	Number	% of class of stock	Contribution value			
			In the statutory financial statements		In the consolidated financial statements	
			Per share (€)	Total (€ ml)	Per share (€)	Total (€ ml)
Fiat ordinary shares	77,944,334	17.99%	7.197	561.0	8.869	691.3
Fiat preferred shares	19,582,500	18.96%	5.165	101.1	5.165	101.1
Warrants 2007 on Fiat ordinary shares	11,216,334	-	0.319	3.6	0.319	3.6
SANPAOLO IMI ordinary shares	16,300,000	1.13%	6.605	107.7	6.605	107.7
Juventus Football Club	74,992,103	62.01%	0.156	11.7	1.823	136.7
Soiem	18,286,500	50.10%	0.516	9.4	0.633	11.6
TOTAL				794.5		1,052.0

The economic value of the contribution was calculated (with the exception of Soiem, which is unlisted and valued at net asset value) on the basis of the average official market prices in the period between September 2, 2002 and February 28, 2003 and resulted in a total of € 1,052 million.

The contribution, however, was recorded for € 794.5 million in that, in accordance with the provisions of art. 3 of Legislative Decree No. 358 of October 8, 1997, the Fiat ordinary shares, the Juventus Football Club shares and the Soiem shares (representing investments in subsidiaries or affiliates) were contributed with a view to the continuity of the accounting values recorded in the financial statements of IFI S.p.A. for the year ended December 31, 2002, whereas the SANPAOLO IMI ordinary shares, the Fiat preferred shares and the Fiat 2007 warrants on ordinary shares were contributed at economic value, with a gain of € 22.6 million.

In exchange for this contribution, based upon the economic value of IFIL determined for purposes of the transaction, IFIL issued to IFI 167,450,949 ordinary shares at the accounting per share price of approximately € 3.122 and 119,635,991 savings shares at the accounting per share price of approximately € 2.272. The par value of the IFIL shares issued amounted to € 287,086,940, plus € 507,460,128 of additional paid-in capital, for a total of € 794,547,068.

In April and May 2003, IFI also purchased on the market 1,807,150 IFIL ordinary shares and 114,009 IFIL savings shares for a total investment of € 4.4 million.

In May 2003, IFI then exercised the right to voluntarily convert all the 119,750,000 IFIL savings shares held for 101,787,500 IFIL ordinary shares, without payment of any cash differential.

Lastly, there follows a description of the principles applied in accounting for the transactions regarding the Reorganization of the Group in the consolidated financial statements:

- the economic impact of the contribution of the investments in Fiat, Juventus Football Club, SANPAOLO IMI and Soiem (gains and losses compared to the carrying value of these holdings at March 31, 2003) have been completely eliminated, being a transaction with a subsidiary;
- until March 31, 2003, the results of the investments in Fiat, Juventus Football Club and Soiem were accounted for by IFI on the basis of the share of the equity interest which it had held prior to the contribution; starting

April 1, 2003, the results of these companies are accounted for on the basis of the new equity interests, through IFIL.

In its consolidated financial statements at December 31, 2003, IFIL has consolidated the investments in Fiat and Soiem line-by-line and accounted for the interest in Juventus Football Club using the equity method, consistently with the methods adopted by IFI in the past. In IFI's consolidated financial statements at December 31, 2003, therefore, there is no change in the scope of consolidation as a result of the Reorganization of the Group.

SCOPE OF CONSOLIDATION

Criteria used in determining the scope of consolidation

Directly and indirectly controlled subsidiaries (in which IFI holds directly or indirectly more than 50% of the capital stock or has de facto control) have been consolidated line-by-line using the financial statements at December 31, 2003 or the annual accounting data at the same date (where the year-end does not coincide with that of the consolidated financial statements) except as indicated below.

The NHT Group has been consolidated on a line-by-line basis using the consolidated accounting data at October 31, 2003, owing to the impossibility of obtaining, on a timely basis without disproportionate expense, consolidated accounting data as of the date of IFIL's consolidated financial statements. This treatment, allowed by IAS 27, does not affect the assertion that the consolidated financial statements are a true and correct representation of the financial position and results of operations of the Group.

Investments in companies subject to joint control and associated companies in which the Group exercises a significant influence have been accounted for using the equity method.

Certain non-relevant companies which do not have a significant impact on the total consolidated revenues and for which it is not practicable to obtain the necessary information on a timely basis without disproportionate expense have been excluded from consolidation and valued at cost. This exclusion does not affect the assertion that the consolidated financial statements are a true and correct representation of the financial position and results of operations of the Group or the clarity of the financial statements.

Furthermore, the subsidiaries BUC – Banca Unione di Credito and Juventus Football Club have been accounted for using the equity method inasmuch as they have non-homogeneous operations.

Changes in the scope of consolidation

Changes in the scope of consolidation are described below.

Fiat Group

The major transactions which impacted the scope of consolidation of the Fiat Group are summarized in the following paragraphs.

In the first quarter of 2003, Iveco sold the activities of Fraikin, a company specializing in long-term vehicle leasing, to Eurazeo. The activities sold were deconsolidated as from the beginning of the year. The sales price was € 307 million, realizing a net loss of € 24 million.

Also in the first quarter of 2003, Business Solutions sold approximately 56% of IPI S.p.A. to the Zunino Group. IPI, which was deconsolidated as from the beginning of the year, operates in the field of large property improvements, management and sales.

At the end of March 2003, the Automobile Sector sold Fiat Auto Holdings' retail financing activities in Brazil to the Itaú banking group and the activities were deconsolidated from that date. The sales price was € 247 million, with a net gain of € 103 million.

On May 2, 2003, the agreement to sell the Toro Assicurazioni Group to the DeAgostini Group was signed. The relevant insurance operations were deconsolidated from that date. The sales price was € 2,378 million, with a net gain of € 390 million.

On May 27, 2003, under the agreement signed by Fiat and Capitalia, Banca Intesa, SANPAOLO IMI, Unicredito on March 11, 2003, and following approval by the competent authorities, the first part of the transaction for the sale of the majority interest (51%) in Fidis Retail Italia was concluded. Fidis Retail Italia is the company that controls the European operations of Fiat Auto Holdings in the field of retail consumer financing for automobile purchases. The sale was finalized in October 2003 when the equity investments in the other financial companies covered by the agreement were transferred to Fidis Retail Italia, with the sole exception of the company operating in the United Kingdom.

In execution of the contract dated July 1, 2003 and after having met the conditions precedent, the sale of the aerospace activities of FiatAvio S.p.A. to Avio Holding S.p.A., a company 70% owned by The Carlyle Group and 30% by Finmeccanica S.p.A., was finalized. Such activities were deconsolidated from the date of the agreement. The sales price was € 1,509 million, with a net gain of € 1,258 million.

Moreover, Iveco has accounted for Naveco, the 50-50 joint venture with the Yueijin Group, using the equity method since the beginning of the year. This investment was previously consolidated using the proportional method.

NHT Group

Through NHT - New Holding for Tourism (90%-owned), the wholly owned investments in Alpitour Group and Welcome Travel Group were consolidated line-by-line. The investment in Neos (50%-owned) was accounted for using the equity method.

In the year ended October 31, 2003, Altamarea V & H Compagnia Alberghiera, in which a 60%-investment was acquired in 2003, was consolidated line-by-line.

The investment in Viaggidea was consolidated line-by-line beginning in 2003 (in 2002, the investment was accounted for using the equity method).

The acquisition of a further 30%-investment in Promoviaggi (now 60%-owned) was finalized at the end of the year. This investment is accounted for using the equity method; the share of earnings was recorded on the basis of the 30% interest held during the course of the year.

PRINCIPLES OF CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared from the statutory financial statements or consolidated financial statements of the Group's single companies approved by the Boards of Directors and adjusted, where necessary, by the directors of the companies to conform with Group accounting principles and to eliminate tax-driven adjustments. The Group's accounting principles respect the requirements set forth by Legislative Decree No. 127 of April 9, 1991, interpreted and supplemented by the Italian accounting principles issued by the National Boards of Dottori Commercialisti and of Ragionieri, and, where there are none and not at variance, by those laid down by the International Accounting Standards Board (I.A.S.B.), to the extent that they are compatible with the laws in force. As regards the transition to International Accounting Standards "International Financial Reporting Standards IFRS", reference should be made to the specific section in the Directors' Report on Operations.

In order to obtain a true and fair representation of the financial position and results of operations of the Fiat Group, taking into account their functional integration, the financial companies that provide service to the industrial Sectors of the Fiat Group and the insurance companies have also been consolidated on a line-by-line basis. As a result, adjustments to the balance sheet and statement of operations format have been made in applying Article 32 of Legislative Decree No. 127/91, which provides for changes to be made to obtain a more clear, true and correct representation of the financial position and results of operations.

Assets and liabilities, and revenues and expenses, of subsidiaries consolidated on a line-by-line basis are included in the consolidated financial statements of the Group, regardless of the percentage of ownership. Furthermore, carrying values of investments are eliminated against the subsidiaries' related stockholders' equity. The portion of stockholders' equity and results of operations attributed to minority interests are disclosed separately. When losses pertaining to minority interest exceed the value of their share of the relevant capital stock, the excess, or deficit, is

charged to the Group, unless the minority stockholders are expressly committed to reimbursing the losses, in which case the excess is recorded as an asset in the consolidated financial statements. If no such commitment is in place, should income be realized in the future, the minority interests' share of that income will be attributed to the Group, up to the amount necessary to recover the losses previously attributed to the Group.

Differences arising from the elimination of investments against the related stockholders' equity of the investment at the date of acquisition are allocated to the assets and liabilities of the companies being consolidated, up to the limit of their current value. The residual value, if negative, is recorded as a component of stockholders' equity, "Consolidation reserve", or as a liability, "Consolidation reserve for risks and futures expenses", when due to a forecast of unfavorable economic results. The residual value, if positive, is capitalized as an asset, "Differences on consolidation", and amortized over a period considered consistent with the practices of the sector of business or, alternatively, is deducted from the consolidation reserve up to the amount of the same. The positive difference is set off against the pre-existing consolidation reserve as allowed by Legislative Decree No. 127/91, art. 33, paragraph 3. This is considered a prudent approach since recovery of part of the cost through amortization is not deferred until future years but can immediately be compensated against the pre-existing consolidation reserve or the reserve set up during the year.

The effects of subscribing to capital stock increases at different issue prices for the various classes of stock are recorded as changes in stockholders' equity.

Intercompany profits and losses, not yet realized with third parties, are eliminated net of related tax effects, together with all intercompany receivables, payables, revenues and expenses arising on transactions among the companies consolidated on a line-by-line basis. Exceptions are the gross margins on intercompany sales of plant and equipment produced and sold at prices in line with market conditions, in which case such eliminations would be effectively irrelevant and not cost-beneficial.

Also subject to elimination are guarantees, commitments and risks relating to companies included in the scope of consolidation.

The balance sheets of foreign subsidiaries are translated into euros by applying the exchange rates in effect at year-end. The statements of operations of foreign subsidiaries are translated using the average exchange rates for the year. In the financial statements of subsidiaries operating in high-inflation countries (cumulative inflation in excess of 100% in three years), accounting principles for hyperinflationary economies are used.

Exchange differences resulting from the translation of opening stockholders' equity at current exchange rates and at the exchange rates used at the end of the previous year, as well as differences between net income expressed at average exchange rates and that expressed at current exchange rates, are reflected in the stockholders' equity caption "Cumulative translation adjustments". The exchange rates used are summarized in Note 24.

ACCOUNTING PRINCIPLES

Intangible fixed assets

Intangible assets and deferred charges expected to benefit future periods are recorded at cost, adjusted by amortization calculated on a straight-line basis at rates that reflect the estimated useful life of the assets over the period to be benefited. In particular, goodwill and differences on consolidation are amortized over a period of no more than 20 years, taking into account their expected period of recovery. In general, the Group's companies periodically review that the carrying value of such assets is not higher than the estimated recovery value, in relation to their use or realization, as determined by reference to the most recent corporate plans. In cases in which there is a permanent impairment in the estimated recovery value that is lower than the carrying value, appropriate writedowns are recorded.

The costs of researching and developing new products and/or processes are mainly included in the results of operations in the period in which such costs are incurred in line with the principle of prudence.

Goodwill is recorded as an asset when acquired for consideration.

Property, plant and equipment

Property, plant and equipment are recorded at purchase or construction cost. These values are adjusted where specific laws of the country in which the assets are located allow or require revaluation, in order to reflect, even if only partially, changes in the purchasing power of the currency. Cost also includes financing expenses incurred during the construction period of specific loans, where significant.

Depreciation is provided on a straight-line basis at rates that reflect the estimated useful life of the related assets.

When, at the balance sheet date, property, plant and equipment show a permanent impairment in value to below their carrying value, such assets are written down to the lower value, according to the method indicated above for intangible fixed assets.

Ordinary repairs and maintenance expenses related to property, plant and equipment are directly charged to the statement of operations in the year in which they are incurred, while maintenance expenses which increase the value of property, plant and equipment are capitalized and depreciated over the estimated useful lives of the assets.

Capital investment grants related to investments in property, plant and equipment are recorded as deferred income when collection becomes certain and credited to income over the useful life of the related asset.

Properties held by insurance companies to cover policy liabilities and accruals are stated at acquisition cost and adjusted by the compulsory law on revaluations imposed on Italian companies; however, the carrying amounts do not exceed market value. Depreciation is determined based on the useful life and expected recovery value.

The revaluation of assets allowed by Law No. 342/2000, having been effected by only a very few Italian companies of the Group, was reversed in the consolidated financial statements, for purposes of giving preference to the uniformity and comparability of the accounting principles over time.

Financial fixed assets

Financial fixed assets include investments in unconsolidated subsidiaries, associated companies and other companies, financial receivables held for investment purposes, other securities and treasury stock.

Investments in unconsolidated subsidiaries, in companies in which the Group exercises joint control with other partners and in associated companies (those in which the Group exercises, directly or indirectly, a significant influence) are normally accounted for using the equity method. This method is not used in cases in which the investor no longer exercises significant influence over the investee, in which case the cost is considered to be the value of the investment taken from the prior year's financial statements.

Investments in other companies are valued at cost of acquisition or contribution value (including accessory charges which increase the investment value). If, at the balance sheet date, the investment value is determined to have suffered a permanent impairment in value to below the cost of acquisition or the contribution value, as defined above, it is written down to the lower value.

Should the reasons for the writedown no longer apply, the value of the investment will be reinstated up to the limit of the cost of acquisition.

Financial receivables are recorded at estimated realizable value.

Securities are recorded at cost of acquisition, including additional direct charges. In the event of permanent impairment, a valuation allowance is provided as a direct reduction of the securities.

Treasury stock held as fixed assets is recorded at purchase cost, including any writedowns resulting from a permanent impairment in its value. A specific reserve for treasury stock is also recorded under stockholders' equity of the Group for the same amount.

Financial fixed assets also include receivables for vehicles sold under finance lease contracts, accounted for at cost. The related depreciation is calculated, according to the financial method, based on the life of the lease and the related risk in managing such contracts.

Current assets - Inventories

Inventories of raw materials, semifinished products, finished goods and contract work in progress completed within the fiscal year are valued at the lower of cost and market value, cost being determined on a First-In First-Out (FIFO) basis or at weighted average cost (for the Worms & Cie Group). The valuation of inventories includes the direct costs of materials and labor and variable and fixed indirect costs. Provision is made for obsolete and slow-moving raw materials, finished goods, spare parts and other supplies based on their expected future use and realizable value.

Work in progress on long-term contract is valued based on the stage of completion and is recorded gross of advance payments received from customers. Eventual losses on such contracts are fully recorded when they become known.

Receivables

Receivables are recorded at estimated realizable value. Any unearned interest included in the nominal value of financial receivables has been deferred to future periods. Receivables sold to third parties with recourse or without recourse (including those sold as part of securitization transactions) are eliminated from receivables and disclosed in the memorandum accounts. Receivables denominated in foreign currency are translated at the exchange rate in effect at year-end. Resulting exchange gains and losses are included in the statement of operations.

Other receivables also include deposits to guarantee the securitization transactions of trade receivables (securitization refers to particular programs of discounting trade receivables without recourse, with a collateral deposit as a guarantee).

Investments, treasury stock and securities recorded in current assets

These are stated at the lower of the cost of acquisition, including accessory charges, determined using the "Last-In First-Out" (LIFO) method and realizable value. If realizable value can be determined from the market trend, it is defined on the basis of the market prices at the end of the year.

Reserves for risks and charges

The reserves for risks and charges include provisions to cover losses or liabilities likely to be incurred but uncertain as to amount or as to the date on which they will arise.

Restructuring reserves include the costs to carry out corporate reorganization and restructuring plans and are provided in the year the company formally decides to commence such plans and the relative costs can be reasonably estimated.

The policy liabilities and accruals of insurance companies are determined according to the procedures and rules issued by the regulatory agencies in each country in which the individual subsidiaries operate. In particular, unearned property and liability premiums are recognized on the pro-rata basis over the period of the policy. The reserve for unpaid property and liability losses and unpaid adjustment expenses has been calculated on the basis of reasonable estimates of the "latest cost" of the claims, analytically and for groups of particular risks, following adequate statistical and actuarial methods. The policy liabilities and accruals for unpaid losses on life insurance claims are calculated on an actuarial basis, accompanied by an opinion by a qualified actuary on the congruity of the amount.

Reserve for employee severance indemnities

The reserve for employee severance indemnities comprises liability for severance indemnities that Italian companies accrue each year for employees, as determined in accordance with labor legislation and contracts in force. The liability is calculated in reference to the years of service and the employee's salary and is indexed for inflation, in accordance with art. 2120 of the Italian Civil Code.

Reserves for pensions and similar obligations

As regards the Fiat Group, the reserve for pensions and similar obligations includes provisions for long-service or other bonuses (including pension funds required by some countries in which the Group operates), payable to employees and former employees under contractual agreements or by law, determined on an actuarial basis, where applicable.

As regards the Worms & Cie Group, the reserves include termination pay accrued on behalf of employees, and calculated on the basis of the period of service.

The estimated cost of pensions, calculated periodically by independent experts, is charged to the statement of operations over the average residual service life of the interested employees.

Contributions paid in to the pension funds in excess of the actuarial cost are recorded in other receivables in the assets.

The actuarial valuation of the assets managed by the funds is compared to the benefits provided to employees in service and retired employees. The excess is amortized over the average residual service life of the employees.

Payables

Payables are recorded at face value; the portion of interest included in the nominal amount is deferred until future periods in which it is earned. Accounts payable denominated in foreign currency are translated at the exchange rate in effect at year-end. Resulting exchange gains and losses are included in the statement of operations.

Taxes payable includes the tax charge for the current year recorded in the statement of operations.

Accruals and deferrals

Accruals and deferrals, common to two or more years, are determined using the accrual method based on the income and expense to which they relate.

Securitization of financial receivables

The Fiat Group has programs for discounting financial receivables originated by the financial services companies using securitization transactions. This discounting of financial receivables calls for the sale without recourse of a portfolio of financial receivables to a non-Group securitization vehicle. This company finances the purchase of the portfolio by issuing securities which it backs (Asset Backed Securities). The securities issued are divided into two types having different characteristics: the first is placed on the market, occasionally subdivided by various classes of ratings, and subscribed to by investors; the second, the reimbursement of which is subordinated to the first, is subscribed to by the seller. The risk for the seller is limited to the portion of the securities which it has subscribed. At the end of each accounting period, therefore, such securities are evaluated in relation to the performance of the receivables sold and may be written down on the basis of this evaluation. These securities are recorded in Financial receivables.

Lastly, these sales without recourse require the immediate recognition of the present value of the future margin implicit in the receivables sold, net of discounting costs. This net value is included in the Value of production since it relates to revenues arising out of the normal operations of the financial services companies (to this end, the financial income of such companies is included in revenues from sales and services, as described in the relevant note).

Derivative financial instruments

Financial instruments used to hedge exchange and interest rate fluctuations and, in general, changes in the assets and liabilities, are presented in Note 13. Derivative financial instruments are recorded at inception in the memorandum accounts at their notional contract amount.

Beginning 2001 the Fiat Group adopted – to the extent that it is consistent and not in contrast with general principles set forth in the Italian law governing financial statements – the international accounting standard IAS 39 “Financial Instruments: Recognition and Measurement”, applicable beginning January 1, 2001. Such principle covers the accounting treatment of all financial assets and liabilities in and off-balance sheet and, in particular, states that derivative financial instruments should be valued at fair value. Taking into account the restrictions under Italian law (Legislative Decree No. 6/2003), the Group maintains, consistently with Consob rulings, that IAS 39 is immediately applicable only in part and only in reference to the designation of derivative financial instruments as “hedging” or “non-hedging instruments” and with respect to the symmetrical accounting of the result of the valuation of the derivative hedging instrument and the result attributable to the hedged item (“hedge accounting”). The transactions which, according to the Group’s policy for risk management, are able to meet the conditions stated by the accounting principle for hedge accounting treatment are designated as hedging transactions; the others although set up for the purpose of managing risk (inasmuch as the Group’s policy does not permit speculative transactions), have been designated as “trading”.

Details of the accounting treatment adopted are as follows.

For foreign exchange instruments designated as hedges, the premium (or discount, representing the difference between the spot exchange rate at the inception of the contract and the forward exchange rate) is recorded in the statement of operations, in Financial income and expenses, in accordance with the accrual method. As regards these instruments, differences between the value of such instruments using the exchange rates at inception and those at year-end are also included in the statement of operations to offset the exchange effects of the items being hedged. In particular, for contracts entered into to hedge the exchange risk of future transactions that are considered highly probable, the effects of the alignment with the year-end exchange rate are deferred until the year in which the underlying transactions are recorded.

For interest rate instruments designated as hedges, the interest rate differential is included in the statement of operations, in Financial income and expenses, in accordance with the accrual method, offsetting the effects of the hedged transaction.

Derivative financial instruments hedging interest rate fluctuations that are designated as trading instruments are valued at market value and the differential, if negative compared to the contractual value, is recorded in the statement of operations as Financial income and expenses, in accordance with the concept of prudence.

The same prudent principle is followed in recording derivative financial instruments to manage trading risks (for example equity swaps) that do not meet the conditions for hedge accounting treatment.

Revenue recognition

Revenues from sales and services are recognized on the accrual basis net of returns, discounts, allowances and rebates.

Revenues from sales of products are recognized at the moment title passes to the customer, which is generally at the time of shipment. Under contracts for vehicle sale and buy-back at a specified price, a specific reserve for future risks and charges is set aside based on the difference between the guaranteed residual value and the estimated realizable value of the used asset, taking into account the probability that such option will be exercised; this reserve is set up at the time of the initial sale and adjusted periodically over the period of the contract.

Revenues from services are recorded when they are performed. Revenues from long-term contracts are recognized using the percentage of completion method.

Revenues from sales and services include income from the normal business of the financial services companies. Revenues also include amounts received from financing leases, net of depreciation, and income from company assets on operating leases.

With regard to the Insurance Sector, insurance premiums are recognized on the accrual basis.

Costs

Costs are recognized on an accrual basis.

Research and development costs are principally charged to the statement of operations in the period in which they are incurred. Research-related revenue grants provided by the Government or the EU are credited to the statement of operations when collection becomes certain.

Advertising and promotion expenses are charged to the statement of operations in the year incurred.

Estimated product warranty costs are charged to the statement of operations at the time the sale is recorded.

The costs of production include the interest and expenses in the normal course of business of the financial services companies, as well as insurance claims and other technical costs of the insurance companies.

Investment income

Dividends distributed by companies valued at cost are recorded in the year in which they are declared. The related tax credit is recorded at the time the dividends are received.

On consolidation, tax credits on dividends received by companies consolidated line-by-line or accounted for using the equity method are shown as a reduction of current income taxes.

Financial income and expenses

Financial income and expenses are recorded on the accrual basis. Income and expenses resulting from derivative financial instruments, as well as relevant year-end exchange differences, are included in the statement of operations in accordance with the abovementioned policies disclosed under memorandum accounts.

Costs relating to the factoring of receivables and notes of any type (with recourse, without recourse, securitization) and nature (trade, financial, other) are charged to the statement of operations on an accrual basis.

Income taxes

Income taxes currently payable are provided for in accordance with the existing legislation of the countries in which the Group operates.

Deferred tax liabilities or deferred tax assets are determined on all the temporary differences between the consolidated assets and liabilities and the corresponding amounts for purposes of taxation, including those deriving from the most significant consolidation adjustments. As allowed by the applicable Accounting Principles, deferred tax assets are also recorded to account for the tax benefit of tax loss carryforwards whenever the specific conditions for future recoverability are met.

In particular, deferred tax assets have only been recorded if there is a reasonable certainty of their future recovery. Deferred tax liabilities are not recorded if it is unlikely that a future liability will arise.

Deferred tax assets and liabilities are offset if they refer to the same company and to taxes which can be compensated. The balance from offsetting the amounts is recorded in other receivables in current assets, if a deferred tax asset, and in the deferred tax reserve, if a deferred tax liability.

COMPOSITION, PRINCIPAL CHANGES AND OTHER INFORMATION

1) Intangible fixed assets

€ in millions	Balance at 12/31/2002	Additions	Amortiz.	Change in the scope of consolidation	Reclassific.	Foreign exchange effects	Disposals and Other changes	Balance at 12/31/2003
Start-up and expansion costs	81	118	(41)	3	3	(4)	(5)	155
Research, development and advertising expenses	18	16	(8)	1	(2)	0	(3)	22
Industrial patents and intellectual property rights	416	45	(107)	(11)	100	(44)	7	406
Concessions, licenses, trademarks and similar rights	493	51	(97)	(52)	44	(47)	(9)	383
Goodwill	236	15	(17)	(41)	0	(22)	(12)	159
Intangible assets in progress and advances	281	175	0	(2)	(154)	(1)	(44)	255
Other intangible assets	367	119	(95)	(217)	9	(2)	(14)	167
Differences on consolidation	4,331	26	(239)	(517)	0	(409)	(28)	3,164
Total	6,223	565	(604)	(836)	0	(529)	(108)	4,711

Details of the composition of intangible fixed assets and the changes during the year, by Group, are as follows:

€ in millions	Balance at 12/31/2002	Additions	Amortiz.	Change in the scope of consolidation	Reclassific.	Foreign exchange effects	Disposals and Other changes	Balance at 12/31/2003
Fiat Group								
Start-up and expansion costs	77	107	(37)	3	3	(4)	(5)	144
Research, development and advertising expenses	18	16	(8)	1	(2)	0	(3)	22
Industrial patents and intellectual property rights	416	44	(106)	(11)	100	(44)	7	406
Concessions, licenses, trademarks and similar rights	467	45	(85)	(52)	44	(46)	(26)	347
Goodwill	229	14	(17)	(41)	0	(22)	(12)	151
Intangible assets in progress and advances	263	160	0	(3)	(153)	0	(21)	246
Other intangible assets	359	116	(91)	(218)	8	(1)	(16)	157
Differences on consolidation	3,371	25	(175)	(529)	0	(409)	(32)	2,251
Total Fiat Group	5,200	527	(519)	(850)	0	(526)	(108)	3,724
Worms & Cie Group								
Concessions, licenses, trademarks and similar rights	21	5	(12)	0	0	(1)	19	32
Intangible assets in progress and advances	17	13	0	0	0	(1)	(21)	8
Other intangible assets	3	0	(2)	0	0	0	1	2
Differences on consolidation	922	1	(59)	2	0	0	5	871
Total Worms & Cie Group	963	19	(73)	2	0	(2)	4	913
NHT Group								
Start-up and expansion costs	3	0	(1)	0	0	0	0	2
Concessions, licenses, trademarks and similar rights	5	0	(1)	0	0	(1)	0	3
Goodwill	7	1	0	0	0	0	(1)	7
Intangible assets in progress and advances	1	2	0	0	(1)	0	0	2
Other intangible assets	4	3	(2)	0	1	0	1	7
Differences on consolidation	38	0	(4)	9	0	0	0	43
Total NHT Group	58	6	(8)	9	0	(1)	0	64
IFIL Holdings system and intragroup eliminations	2	13	(4)	3	0	0	(4)	10
Total	6,223	565	(604)	(836)	0	(529)	(118)	4,711

Major changes, by Group, are described below.

Fiat Group

Intangible fixed assets are shown net of writedowns of € 614 million (€ 559 million at December 31, 2002), of which € 579 million (€ 545 million at December 31, 2002) relate to goodwill and differences on consolidation. Writedowns made in 2003 amount to € 55 million (€ 559 million in 2002) and are included in the Disposals and other changes column.

Start-up and expansion costs at December 31, 2003 consist of deferred plant start-up costs and corporate formation costs of € 60 million (€ 53 million at December 31, 2002) and capital increase costs of € 84 million (€ 24 million at December 31, 2002). Additions during the year include € 88 million for the capital increase costs of Fiat S.p.A. for

€ 57 million, Fiat Auto Holdings B.V. for € 17 million, CNH Global N.V. for € 12 million and other minor companies for € 2 million.

Differences on consolidation amount to € 2,251 million at December 31, 2003 and include the net goodwill (net of amortization and writedowns, as described below) on the acquisition of the Case Group and other CNH Group companies for € 2,013 million, the Irisbus Group for € 46 million, Meridian Technologies Inc. for € 25 million, certain Automotive Components Sector companies for € 20 million, certain Production Systems Sector companies for € 46 million, Magneti Marelli Holding S.p.A. for € 18 million and other minor companies for € 32 million, as well as goodwill from the CNH Global N.V. capital increase effected in 2000 for € 51 million.

As regards the amounts recorded in goodwill and differences on consolidation, amortization is charged over periods ranging from five to twenty years, on the basis of the expected recoverability of these amounts. At the end of the year, however, specific reviews were conducted to verify whether such amounts are recoverable by considering the existing prospects of earnings. From the analyses performed, taking into consideration the changed market conditions, the restructuring plans initiated by certain Sectors of the Group and the consequent impact on the business plans of various Sectors, permanent impairments in value were identified at December 31, 2003 that gave rise to writedowns totaling € 38 million (€ 533 million at December 31, 2002).

Worms & Cie Group

The balance of intangible fixed assets of € 913 million at December 31, 2003 mainly includes the residual difference on consolidation on the purchase of the ex-AWA Group (€ 862 million) which is being amortized over 20 years.

NHT Group

The differences on consolidation regarding the subsidiaries of the NHT Group are amortized over five years; differences on consolidation relating to the companies owning the resorts in the Maldives are amortized on the straight-line basis over the life of the concession rights (from six to 16 years) received from the government for the use of the islands for tourism purposes. It should be pointed out that such concession rights were renewed up to 2015 with an outlay of approximately US\$ 3 million.

The change in the scope of consolidation, equal to € 9 million, is mainly due to the acquisition of the 60% investment in Altamarea V&H Compagnia Alberghiera S.r.l. (€ 2 million) and the line-by-line consolidation of Viaggidea S.p.A. (€ 7 million), after full control was acquired on October 31, 2003.

2) Property, plant and equipment

€ in millions	Balance at		Deprec.	Change in the scope of consol.	Reclass.	Foreign ex change effects	Disposals and Other changes	Accumulated	
	12/31/2002	Addit.						Balance at 12/31/2003	am./writ. 12/31/2003
Land and buildings	4,180	69	(174)	(689)	36	(139)	(168)	3,115	2,175
Plant and machinery	3,728	307	(615)	(119)	288	(93)	(95)	3,401	7,498
Industrial and commercial equipment	2,182	519	(711)	4	306	(81)	(115)	2,104	7,522
Other assets	2,151	487	(379)	(702)	6	(81)	(119)	1,363	1,803
Construction in progress and advances	1,023	778	0	136	(636)	(39)	(434)	828	0
Total property, plant and equipment	13,264	2,160	(1,879)	(1,370)	0	(433)	(931)	10,811	18,998

Details of the composition of property, plant and equipment and the changes during the year, by Group, are as follows:

€ in millions	Balance at 12/31/2002	Addit.	Deprec.	Change in the scope of consol.	Reclass.	Foreign exchange effects	Disposals and Other changes	Balance at 12/31/2003	Accumulated am./writ. 12/31/2003
Fiat Group									
Land and buildings	3,801	60	(150)	(730)	36	(121)	(160)	2,736	1,903
Plant and machinery	3,721	305	(613)	(118)	288	(92)	(98)	3,393	7,492
Industrial and commercial equipment	1,511	475	(623)	3	306	(49)	(119)	1,504	6,297
Other assets	2,095	480	(364)	(507)	6	(78)	(318)	1,314	1,674
Construction in progress and advances	978	691	0	(65)	(636)	(37)	(203)	728	0
Total Fiat Group	12,106	2,011	(1,750)	(1,417)	0	(377)	(898)	9,675	17,366
Worms & Cie Group									
Land and buildings	322	6	(20)	(5)	0	(15)	1	289	252
Industrial and commercial equipment	669	44	(89)	1	0	(31)	5	599	1,224
Other assets	41	6	(13)	6	0	(1)	0	39	114
Construction in progress and advances	39	64	0	0	0	(2)	(33)	68	0
Total Worms & Cie Group	1,071	120	(122)	2	0	(49)	(27)	995	1,590
NHT Group									
Land and buildings	108	1	(4)	(12)	(3)	(4)	(6)	80	17
Plant and machinery	7	1	(1)	(1)	3	(1)	0	8	5
Industrial and commercial equipment	2	0	0	(2)	0	0	1	1	1
Other assets	15	2	(2)	0	0	(3)	0	12	15
Construction in progress and advances	6	25	0	0	0	0	0	31	0
Total NHT Group	138	29	(7)	(15)	0	(8)	(5)	132	38
IFI, IFIL Holdings System and intragroup eliminations	(51)	0	0	60	0	1	(1)	9	4
Total	13,264	2,160	(1,879)	(1,370)	0	(433)	(931)	10,811	18,998

Major changes, by Group, are described below.

Fiat Group

Property, plant and equipment include revaluations required or allowed by national laws, which, net of related accumulated depreciation, amount to € 231 million at December 31, 2003 (€ 288 million at December 31, 2002).

No interest expenses were capitalized in 2003 or in 2002.

The change in the scope of consolidation shows a negative amount of € 1,417 million owing to the sale of the Toro Assicurazioni Group (-€ 582 million), Fraikin (-€ 514 million) and FiatAvio S.p.A. (-€ 326 million), as well as a positive balance due to the inclusion and exclusion of other minor companies in consolidation (€ 5 million).

Reclassifications refer to a reduction in construction in progress and advances on purchases of property, plant and equipment existing at the end of the prior year which were reclassified at the time they were effectively acquired and put into operation.

Disposals and other changes, which have a negative balance of € 898 million, include, in the land and buildings category, € 160 million relating in part to the sale of non-strategic properties. Furthermore, this item includes the writedowns recorded during the year. In fact, as with intangible fixed assets, the estimated recoverable amounts of property, plant and equipment were analyzed, in terms of the value in use or realizable value, based upon the most recently updated company plans, which take into consideration the changed market conditions and the restructuring plans initiated by certain Sectors of the Group. As a result of those analyses, property, plant and equipment were written down by € 351 million (€ 227 million in 2002), divided by Sector as follows: Automobiles € 312 million, Commercial Vehicles € 6 million, Metallurgical Products € 16 million, Automotive Components € 7 million, and other minor companies € 10 million. This item also comprises disposals relating to assets on operating leases of € 289 million.

Other assets include vehicles on operating leases for € 914 million at December 31, 2003 (€ 1,585 million at December 31, 2002), mainly relating to long-term leases. The reduction of € 671 million includes € 466 million due to the sale of Fraikin.

Worms & Cie Group

Property, plant and equipment include assets under finance leases for € 125 million (€ 135 million at December 31, 2002).

The depreciation of property, plant and equipment includes € 11 million of extraordinary depreciation.

NHT Group

The change in the scope of consolidation is principally the result of the first-time line-by-line consolidation of Altamarea V&H Compagnia Alberghiera (€ 4 million), the sale of the subsidiary Blumarini S.p.A., owner of the hotel complex Hotel "Abi D'Oru" in Sardinia (€ 18 million), and the sale of the buildings located in Turin, Milan and Trieste owned by Alpitour (€ 6 million).

The Group has ensured the use of the "Abi d'Oru" complex by signing a 15-year lease contract with the buyer company.

Investments mainly include the costs for the construction work on a new tourist resort in Sicily, in Arenella (province of Siracusa) for € 24 million, as well as the financial charges related specifically to the financing secured for the building work (€ 0.2 million).

Mortgages are carried by financial institutions on certain buildings held by the NHT Group (mainly tourism resorts) for € 6 million.

The residual net book value of monetary revaluations effected in prior years on buildings held by the NHT Group, as allowed by specific laws, amount to € 0.6 million.

The depreciation rates used for property, plant and equipment are within the following ranges:

	Minimum	Maximum
Land and buildings	1%	10%
Industrial and commercial equipment	5%	28%
Plant and machinery	8%	21%
Other assets	4%	33%

3) Financial fixed assets

Investments

€ in millions	Balance at 12/31/2002	Equity in earnings	Equity in losses	Change in the scope of consolid.	Acquisitions and Capitalizations	Foreign exchange effects	Disposals and Other changes	Balance at 12/31/2003
Unconsolidated subsidiaries	627	16	(160)	(23)	8	(28)	48	488
Associated companies	4,154	209	(77)	535	82	(70)	(368)	4,465
Other companies	1,440	1	(8)	(492)	15		(30)	926
Total investments	6,221	226	(245)	20	105	(98)	(350)	5,879

Equity in earnings and Equity in losses include the Group's share of the income or the loss of companies accounted for using the equity method, the amortization of the differences on consolidation and the loss in value of the companies accounted for at cost.

Details of the composition of financial fixed assets and the changes during the year, by Group, are as follows:

€ in millions	Balance at 12/31/2002	Equity in earnings	Equity in losses	Change in the scope of consolid.	Acquisitions and Capitalizations	Foreign exchange effects	Disposals and other changes	Balance at 12/31/2003
IFI and IFIL Holdings System								
Unconsolidated subsidiaries	58	0	(10)	0	0	0	0	48
Associated companies	863	86	(10)	(1)	0	0	(292)	646
Other companies	643	0	0	(1)	0	0	(1)	641
Total investments	1,564	86	(20)	(2)	0	0	(293)	1,335
Fiat Group								
Unconsolidated subsidiaries	558	16	(150)	(14)	7	(28)	46	435
Associated companies	2,722	74	(45)	536	29	(59)	(55)	3,202
Other companies	682	1	(5)	(491)	11	0	59	257
Total investments	3,962	91	(200)	31	47	(87)	50	3,894
Worms & Cie Group								
Unconsolidated subsidiaries	2	0	0	0	0	0	0	2
Associated companies	564	49	(22)	0	53	(11)	(20)	613
Other companies	115	0	(3)	0	4	0	(88)	28
Total investments	681	49	(25)	0	57	(11)	(108)	643
NHT Group								
Unconsolidated subsidiaries	9	0	0	(9)	1	0	2	3
Associated companies	5	0	0	0	0	0	(1)	4
Total investments	14	0	0	(9)	1	0	1	7
Total investments of IFI Group	6,221	226	(245)	20	105	(98)	(350)	5,879

Major changes in investments, by Group, can be summarized as follows.

IFI and IFIL Holdings System

Other changes in associated companies (-€ 292 million) mainly refer to the distribution of reserves and dividends by Eurofind (-€ 264 million) and the sale of the 25% equity interest in Sifalberghi S.r.l. (-€ 7 million).

Fiat Group

The Change in the scope of consolidation can be analyzed as follows:

- investments in unconsolidated subsidiaries: the decrease is due to the line-by-line consolidation of the companies B.D.C. & Co. Société en Commandite Simple (-€ 8 million), New City Car S.A. (-€ 2 million) and other minor companies (-€ 4 million);
- investments in associated companies: the caption includes the effects consequent to the exclusion from the scope of consolidation of the companies now accounted for using the equity method and the investments held by companies that were sold during the year; the change particularly refers to: Fidis Retail Italia S.p.A. (€ 376 million), Naveco Ltd. (€ 122 million), IPI S.p.A. (€ 16 million), Toro Targa Assicurazioni S.p.A. (€ 15 million), Transolver Finance Establecimiento Financiero de Credito S.A. (€ 12 million), Fidis Bank G.m.b.H. (€ 3 million), IN ACTION S.r.l. (€ 2 million), the company Atla S.r.l. owned by FiatAvio S.p.A. (-€ 4 million), investments held by IPI S.p.A. (-€ 5 million) and other minor companies (-€ 1 million);
- investments in other companies: the decrease is mainly due to the exclusion from the scope of consolidation of Capitalia S.p.A. (-€ 481 million), Toro Assicurazioni Group holding and other minor companies (-€ 10 million).

Acquisitions and capitalizations refer principally to the following:

- investments in unconsolidated subsidiaries: capitalization of the company Cofap Companhia Fabricadora de Pecas LTDA (€ 5 million) and other minor companies (€ 2 million);
- investments in associated companies: capitalizations of the companies CNH Capital Europe S.A.S. (€ 10 million), Toro Targa Assicurazioni S.p.A. (€ 9 million), Mako Elektrik Sanay Ve Ticaret A.S. (€ 4 million), and other minor companies (€ 6 million);
- investments in other companies: acquisitions of the companies Gas Turbine Technologies S.p.A. (€ 6 million), IPSE 2000 S.p.A. (€ 3 million) and other minor companies (€ 2 million).

Disposals and Other Changes refer mainly to:

- investments in unconsolidated subsidiaries: line-by-line consolidation of Atlanet S.p.A. (€ 56 million) and other minor companies (-€ 10 million);
- investments in associated companies: sale of E.D.M. S.r.l. (-€ 8 million), Johnson Matthey Argentina S.A. (-€ 3 million) and other companies (-€ 44 million);
- investments in other companies : the increase, net of minor variations for -€ 6 million, is due to the subscription of the Edison S.p.A. capital increase, equal to € 65 million, through the conversion of the rights subscribed to in 2002.

Worms & Cie Group

Acquisitions refer to the purchase of SGS Société Générale de Surveillance shares for € 53 million, which brings the Worms & Cie Group's holding to 24.27% of the outstanding capital stock of SGS.

Disposals and Other Changes refer mainly to the sale of 1.3% of Groupe Danone shares (-€ 88 million).

Investments in unconsolidated subsidiaries

€ in millions	%	12/31/2003	%	12/31/2002	Change
IFI and IFIL Holdings System					
Juventus Football Club S.p.A.	62.0	48	62.0	58	(10)
Fiat Group					
Buc- Banca Unione di Credito	100.0	340	100.0	361	(21)
Leasys S.p.A.	51.0	36	51.0	112	(76)
Fiat Group - sundry unconsolidated subsidiaries		59		85	(26)
		<u>435</u>		<u>558</u>	<u>(123)</u>
Worms & Cie Group - sundry companies	-	2	-	2	0
NHT Group - sundry companies (a)	-	3	-	9	(6)
Total investments in unconsolidated subsidiaries		488		627	(139)

(a) The carrying value at December 31, 2003 includes the goodwill paid on the acquisition of the 30% stake in the company Promoviaggi for € 2 million.

Unconsolidated subsidiaries of the Fiat Group

As allowed by law, the above companies have not been consolidated either because their operations are so dissimilar (BUC – Banca Unione di Credito) or because it would not have been possible to obtain the necessary information for their consolidation on a timely basis without disproportionate expense or because their operations are not significant. Such companies show a negative net financial position of € 297 million (€ 164 million at December 31, 2002).

As regards the investment in Leasys S.p.A., this company is subject to joint control with the other partner, even though the Fiat Group holds 51% of capital stock; like the other principal jointly controlled companies (which, instead are included in the associated companies), this investment is accounted for using the equity method.

Investments in associated companies

€ in millions	12/31/2003	12/31/2002	Change
IFI and IFIL Holdings System			
Eurofind Group	467	676	(209)
Exor Group SA	179	180	(1)
Sifalberghi S.r.l. (a)	0	7	(7)
	646	863	(217)
Fiat Group			
Fiat -GM Powertrain B.V.	1,172	1,189	(17)
Italenergia Bis S.p.A.	512	481	31
Fidis Retail Italia S.p.A. (b)	372	-	372
Tofas Turk Otomobil Fabrikasi A.S.	156	136	20
Sevel S.p.A.	118	125	(7)
Kobelco Construction Machinery Co. Ltd	103	107	(4)
Naveco Ltd. (c)	102	-	102
Rizzoli Corriere della Sera MediaGroup S.p.A. (former H.d.P. S. p.A.)	99	98	1
Consolidated Diesel Company	54	59	(5)
Jiangsu Nanya Auto Co. Ltd	54	55	(1)
Société Européenne de Véhicules Légers du Nord - Sevelnord Société Anonyme	49	47	2
Fiat Group - sundry associated companies	411	425	(14)
	3,202	2,722	480
Worms & Cie Group			
SGS Société Générale de Surveillance S.A.	560	512	48
WORMS & Cie Group - sundry associated companies	53	52	1
	613	564	49
NHT Group - sundry companies			
	4	5	(1)
Total associated companies	4,465	4,154	311

(a) Sold to the Accor Group in August 2003.

(b) Consolidated on a line-by-line basis in 2002.

(c) Consolidated proportionally in 2002.

Associated companies of the IFIL Holdings System

At December 31, 2003, the carrying value of the investment in the Eurofind Group, controlled jointly by the IFIL Group and the Auchan Group, includes the residual difference on consolidation of € 156 million generated by purchases of La Rinascente shares, which is being amortized over 20 years. The reduction in the carrying value of the investment in Eurofind is mainly due to its distribution of profits and reserves at the end of 2003.

The aggregate net indebtedness of Eurofind and the Rinascente Group at December 31, 2003 amounts to € 467 million.

Associated companies of the Fiat Group

The Fiat Group also holds certain companies under joint control, the most important of which are Fiat-GM Powertrain B.V., Sevel S.p.A., Société Européenne de Véhicules Légers du Nord-Sevelnord Société Anonyme and Naveco Ltd. Such companies show a negative net financial position of € 1,093 million (€ 2,480 million at December 31, 2002).

Fiat-GM Powertrain

Fiat-GM Powertrain B.V. is an industrial joint venture for the manufacture of engines and gears for cars that was set up in the second half of 2001 between Fiat and General Motors Corporation (General Motors) under the well-known strategic alliance. The key figures taken from the financial statements of Fiat-GM Powertrain, drawn up in accordance with the accounting principles of the Group for the valuation of the investment using the equity method at December 31, 2003 and 2002 are as follows.

€ in millions	12/31/2003	12/31/2002
Balance sheet data		
Fixed assets	3,250	3,416
Total assets	6,611	6,681
Financial payables	(1,452)	(1,695)
Stockholders' equity	2,344	2,377

€ in millions	2003	2002
Statement of operations data		
Net sales	6,598	6,624
Operating income	296	280
Net income	180	131

In view of the strictly industrial nature of the joint venture and in order to achieve a reading of its industrial performance that is consistent with the past, since 2001 and during the period in which the industrial convergence and the relative synergies are being implemented (estimated at less than three years), the Group's share of the results of the company is included in the consolidated statement of operations as a split between the operating/industrial component and the other non-operating components. In particular, the Group's share of the operating result of the company (€ 147 million in 2003, € 143 million in 2002 and € 47 million in the second half of 2001), determined by the transfer pricing policy adopted, is included in the consolidated statement of operations as an adjustment to the cost of the products purchased from the joint venture, whereas the share of the result in the other non-operating components is allocated to the respective principal captions, without effect on the total net result recorded by the Group. As far as Fiat-GM Powertrain's balance sheet is concerned, with regard to the debt position, there are no commitments or guarantees provided by Fiat.

Italenergia Bis

With reference to the investment in Italenergia Bis S.p.A., during the second half of 2002, the Fiat Group sold a 14% holding to certain other stockholders of the company (Banca Intesa, IMI Investimenti and Capitalia, hereinafter the "Banks") for € 548 million, realizing a gain of € 189 million. The related sales contracts and the contemporaneous agreements with another stockholder of Italenergia Bis (Electricité de France, hereinafter "EDF") provide, among other things, that:

- by virtue of an option acquired in respect of EDF (the so-called EDF Put), Fiat may elect, between March and April 2005, to sell the shares it still holds in Italenergia Bis (223,151,568 shares, equal to 24.6%,) to EDF, at a price corresponding to the value of the investment, as estimated on the basis of the valuations performed by three experts appointed for that purpose. That price, less a premium of € 127 million, payable only in the event the option is exercised, may not be less than a minimum (floor) of € 1,147 million, or € 5.141698 per share;
- in connection with the EDF Put, the Banks (in addition to the put agreements negotiated independently with EDF for their respective initial holdings in Italenergia Bis) obtained a so-called "tag along/drag along" agreement from Fiat, and Fiat arranged a symmetrical Put/Call contract with EDF (conditional upon the prior exercise of the EDF Put by Fiat) that gives rise to two scenarios:
 - a) Fiat independently exercises the EDF Put on its own 24.6% holding and in this case:
 - the Banks exercise the "tag along" under which the Banks each sell their own 4.66% holding to Fiat under the same price conditions as the EDF Put (valuation at fair market value, minimum floor of € 5.141698 per share). Fiat, in turn, sells the acquired shares to EDF, making use of the put clauses in the Put/Call arranged with EDF;
 - the corresponding "drag along" allows Fiat to reacquire the Banks' shares in any case and to surrender them to EDF which in turn has, by means of the call clauses in the Put/Call, the right to ask Fiat to acquire and surrender the shares. In substance, by means of the call, EDF may (providing that Fiat exercised the EDF Put, which is a condition for the Put/Call) acquire the entire original Fiat investment;

- b) Fiat does not independently exercise the EDF Put on its own 24.6% holding and in this case:
- the individual Banks, separately, have the right to request Fiat to exercise its Put on EDF which allows the Banks to exercise the “tag along”, as described above, and to realize a gain;
 - Fiat may elect not to exercise the EDF Put, as instead requested, and the Banks have the right to ask that Fiat purchase from the same Banks their respective 4.66% holdings at the lower of the price determined pursuant to the EDF Put, in accordance with the same criteria and procedures agreed with EDF, and € 6.5 per share;
 - Fiat does not have a call right on the Banks’ holdings which were sold to the Banks definitively.

In conclusion, the 14% holding in Italenergia Bis sold by Fiat is subject to Put options exercisable in 2005 by each of the Banks. Nevertheless, the effects of the sale were considered final and the resulting gain realized in the previous year, in that Fiat had contemporaneously stipulated a put option with EDF that will give it the right, in the event that the Banks ask to purchase said shares, to sell them in turn to EDF at the same price conditions as the EDF Put.

Fidis Retail Italia (“FRI”)

With reference to the associated company Fidis Retail Italia S.p.A. (“FRI”), this company was set up to take over the European activities of the Automobile Sector in the area of consumer financing for retail automobile purchases. To this end, those activities, performed by the various companies operating in the different countries in Europe, were gradually sold to FRI, after obtaining the necessary authorizations from the local regulatory agencies. As envisaged by the Framework Agreement signed on May 27, 2002 by Fiat and the “Money Lending Banks” (Capitalia, Banca Intesa, SANPAOLO IMI and later Unicredito Italiano), on May 27, 2003, the Fiat Group sold 51% of FRI’s shares and, as a result, the relative control, to Synesis Finanziaria S.p.A., an Italian company held equally by the four Banks, at the price of € 370 million. This transaction led to a loss of € 15 million that had already been set aside in a specific reserve for risks in the consolidated financial statements at December 31, 2002, based upon the binding agreements signed by the parties at that time. The sale contract calls for Put and Call options that can be summarized as follows:

- call option by Fiat to purchase 51% of Fidis Retail Italia, held by Synesis Finanziaria, exercisable twice a year (in January and July) up to January 31, 2006 at a price increased *pro rata temporis* over the sales price plus additional payments less any distributions;
- Synesis Finanziaria’s right to ask Fiat to exercise the above purchase option on 51% of Fidis Retail Italia in the event of which, by January 31, 2006, there is a change in control of Fiat or Fiat Auto (also through the sale of a substantial part of the companies owned by Fiat Auto or one of its brands Fiat, Alfa and Lancia) as set forth in the relative stockholders agreement between Fiat, Synesis Finanziaria and the four money lending banks;
- so-called “tag along” option on behalf of Synesis Finanziaria if the same events referred to in the preceding point occur after January 31, 2006;
- so-called “drag along” option on behalf of Fiat Auto in the event of the sale of the investment after January 31, 2006.

As a result of the transaction, FRI was deconsolidated and has repaid all the loans it previously obtained from the centralized treasury department of the Fiat Group.

Lastly, it should be mentioned that previous to the negotiations with the four Money Lending Banks, the control of FRI had been offered to General Motors, which, as established by the Master Agreement, had the “Right of First Refusal”.

Associated companies of the Worms & Cie Group

The carrying value of the investment in SGS Société Générale de Surveillance S.A. includes the difference on consolidation of € 393 million which is being amortized over 20 years (€ 376 million at December 31, 2002). The increase is due to the share purchases made during 2003.

Investments in other companies

€ in millions	12/31/2003	12/31/2002	Change
IFI and IFIL Holdings System			
Sanpaolo IMI S.p.A.	601	601	0
Club Méditerranée S.A.	35 (a)	35 (a)	0
Other unlisted investments	5	7	(2)
	641	643	(2)
Fiat Group			
Mediobanca S.p.A.	93	93	0
Edison S.p.A.	65	0	65
Other unlisted investments	99	108	(9)
Capitalia S.p.A.	0	481	(481)
	257	682	(425)
Worms & Cie Group			
Accor S.A.	23	21	2
Other unlisted investments	5	7	(2)
Groupe Danone S.A.	0	87	(87)
	28	115	(87)
Total other companies	926	1,440	(514)

(a) Net of writedowns of € 86 million made in the previous years.

The carrying value of investments in other listed companies is lower than the market prices at December 31, 2003.

Financial fixed assets – Receivables

€ in millions	12/31/2003				12/31/2002			
	Due within one year	Due beyond one year	Total	Of which due beyond 5 years	Due within one year	Due beyond one year	Total	Of which due beyond 5 years
From associated companies	1	0	1	0	1	0	1	0
From others	18	170	188	129	27	181	208	139
Total receivables	19	170	189	129	28	181	209	139

Details, by Group, are as follows:

€ in millions	12/31/2003				12/31/2002			
	Due within one year	Due beyond one year	Total	Of which due beyond 5 years	Due within one year	Due beyond one year	Total	Of which due beyond 5 years
IFI S.p.A. - receivables from others	0	7	7	0	0	7	7	0
Fiat Group - receivables from others	4	25	29	2	19	28	47	2
Worms & Cie Group - receivables from others	8	124	132	124	0	134	134	134
NHT Group								
Receivables from associated companies	1	0	1	0	1	0	1	0
Receivables from others	6	14	20	3	8	12	20	3
	7	14	21	3	9	12	21	3
Total receivables	19	170	189	129	28	181	209	139

Financial receivables by the Fiat Group held as fixed assets are shown in the financial statements net of the allowances for doubtful accounts of € 5 million (€ 4 million at December 31, 2002), with a provision of € 1 million during the year 2003; Financial receivables recorded in the financial statements at December 31, 2003 approximate their fair values which have been calculated using the present value method, based on a discount rate which reflects market conditions, the duration and the risk of insolvency.

Financial receivables by the Worms & Cie Group include the loan made by ArjoWiggins to the buyers of Appleton Papers Inc. for the remaining period of six years, repayable at the expiry date. The nominal value of the receivable totals US\$ 321 million. The amount recorded (€ 124 million) represents the present value of the loan calculated at an implicit rate of interest of 12%.

Financial receivables by the NHT Group total € 21 million and include loans granted to companies operating hotels and suppliers providing tourist services, earning interest at floating rates based on the Euribor and Libor (€ 11 million), security deposits (€ 8 million) to guarantee exclusive marketing contracts for the tourist resorts in the Maldives and in Tunisia, earning interest on floating rates based on the Euribor and Libor (of which € 3 million is due beyond five years), as well as other receivables (€ 2 million).

Financial fixed assets – Other securities

€ in millions	12/31/2003	12/31/2002	Change
Fiat Group			
Government securities and bonds held by industrial companies	56	134	(78)
Government securities and bonds held by insurance companies	0	2,311	(2,311)
	56	2,445	(2,389)
Worms & Cie Group - Government securities and bonds	23	14	9
IFIL Holdings System - Ocean Club Méditerranée bonds	5	4	1
Total other securities	84	2,463	(2,379)

Other securities of the Fiat Group are shown in the financial statements net of the allowance for writedowns of € 32 million (€ 2 million at December 31, 2002). The writedown refers to the adjustment of the securities to estimated realizable value.

The Ocean Club Méditerranée bonds mature on November 1, 2008 and earn annual interest of 3% and give the right, at maturity, to subscribe to the same number of Club Méditerranée shares at a unit price of € 58 or to receive a total reimbursement of € 5.2 million.

Financial fixed assets – Treasury stock

There were no transactions in treasury stock during the year; the balance at December 31, 2003 is as follows:

	Number of shares	Carrying value	
		Per share (€)	Total (€ in millions)
IFI preferred shares	5,360,300	13.15	70 (a)

(a) Net of writedowns of € 58.9 million made in 2002.

IFI preferred treasury stock in portfolio at December 31, 2003 has a par value of € 5,360 thousand and represents, after the capital stock increase, 3.28% of capital stock and 6.98% of the class of stock.

On the basis of the average market prices for the second half of 2003 (€ 6.41), there is an unrealized loss on IFI preferred shares of € 36 million, which decreases (€ 31 million) when considering the average market prices for the period March 1 to March 17, 2004 (€ 7.439).

Such unrealized loss is not considered representative of a permanent decline in value taking into account that the per share carrying value of IFI preferred shares held is in any case lower than the per share value of the consolidated stockholders' equity of the IFI Group at December 31, 2003 (€ 13.61).

Financial fixed assets – Finance lease contracts receivable

Balance at 12/31/2002	Additions	Financial amortization	Foreign exchange effects	Change in the scope of consolidation	Disposal and other changes	Balance at 12/31/2003	Accumulated amort. and writed. 12/31/2003
2,947	1,112	(528)	(31)	(1,485)	(218)	1,797	1,036

Finance lease contracts receivable refer to vehicles sold by the Automotive Sectors of the Fiat Group under finance leases. The reduction of € 1,150 million compared to December 31, 2002 is principally due to the Change in the scope of consolidation following the sale of the majority interest in Fidis Retail Italia S.p.A.

Finance lease contracts receivable do not include vehicles on operating leases, which are included under Property, plant and equipment.

Other financial fixed assets

These total € 315 million (€ 359 million at December 31, 2002) and refer to the Worms & Cie Group. They comprise:

- the deposit of € 110 million lodged with a leading banking institution which partially earns interest. The deposit was made by the Worms & Cie Group within the framework of the loans given to the buyers of Appleton Papers Inc. in order to guarantee the disbursing banks against the risk of an eventual acceleration of the indemnities connected with the dispute over the environmental risks to the Fox River;
- the deposit of € 92 million, made for the fine levied on Arjo Wiggins Appleton by the European Commission for alleged violations of fair trade practices;
- the deposit of € 111 million made by Arjo Wiggins Appleton to guarantee the commitments under financial lease transactions;
- other receivables of € 2 million.

Additional information is provided in the section "Pending litigation".

4) Current assets - Inventories

€ in millions	12/31/2003			12/31/2002		
	Gross	Allowance	Net	Gross	Allowance	Net
Raw materials and supplies	1,480	(221)	1,259	1,548	(149)	1,399
Work in progress and semifinished products	1,006	(23)	983	1,144	(22)	1,122
Contract work in progress	4,077	0	4,077	5,293	0	5,293
Finished goods and merchandise	4,897	(466)	4,431	4,730	(488)	4,242
Advances to suppliers	5,188	0	5,188	3,824	0	3,824
Total inventories	16,648	(710)	15,938	16,539	(659)	15,880
Advance payments on contract work in progress	(8,448)	-	(8,448)	(8,227)	-	(8,227)
Net inventories	8,200	(710)	7,490	8,312	(659)	7,653

Inventories mainly refer to the Fiat Group (a net amount of € 15,360 million at December 31, 2003).

Advance payments received by the Fiat Group from customers against contract work in progress amount to € 8,448 million (€ 8,227 million at December 31, 2002) and are recorded in Payables (Note 11). Inventories, net of such advance payments received from customers, amount to € 6,912 million (€ 7,050 million at December 31, 2002). Advances to suppliers principally regard the amounts paid by Fiat S.p.A. to the consortiums involved in the T.A.V. project. Contract work in progress decreased mainly as a result of the Change in the scope of consolidation.

5) Current assets - Receivables

An analysis of receivables by type and due date is as follows:

€ in millions	12/31/2003			12/31/2002		
	Due within one year	Due beyond one year	Total	Due within one year	Due beyond one year	Total
Trade receivables	4,653	26	4,679	6,234	60	6,294
Receivables from unconsolidated subsidiaries	76	3	79	55	0	55
Receivables from associated companies	768	0	768	476	1	477
Receivables from tax authorities	1,560	138	1,698	1,833	147	1,980
Receivables from social security agencies	15	0	15	23	0	23
Receivables from employees	35	2	37	39	3	42
Receivables from others	1,990	1,509	3,499	2,306	2,844	5,150
Total receivables	9,097	1,678	10,775	10,966	3,055	14,021

An analysis of receivables by due date, by Group, is as follows:

€ in millions	12/31/2003			12/31/2002		
	Due within one year	Due beyond one year	Total	Due within one year	Due beyond one year	Total
Fiat Group						
Trade receivables	3,733	25	3,758	5,248	60	5,308
Receivables from unconsolidated subsidiaries	73	3	76	54	0	54
Receivables from associated companies	764	0	764	472	0	472
Receivables from tax authorities	1,413	137	1,550	1,639	146	1,785
Receivables from social security agencies	14	0	14	22	0	22
Receivables from employees	33	2	35	36	3	39
Receivables from others	1,808	1,508	3,316	2,120	2,834	4,954
Total	7,838	1,675	9,513	9,591	3,043	12,634
Worms & Cie Group						
Trade receivables	837	1	838	909	0	909
Receivables from tax authorities	52	1	53	117	1	118
Receivables from social security agencies	1	0	1	1	0	1
Receivables from employees	1	0	1	2	0	2
Receivables from others	132	0	132	151	0	151
Total	1,023	2	1,025	1,180	1	1,181
NHT Group						
Trade receivables	83	0	83	76	0	76
Receivables from unconsolidated subsidiaries	2	0	2	1	0	1
Receivables from associated companies	4	0	4	4	0	4
Receivables from tax authorities	14	0	14	10	0	10
Receivables from employees	1	0	1	0	0	0
Receivables from others	50	1	51	24	10	34
Total	154	1	155	115	10	125
IFI, IFIL Holdings System and intragroup eliminations						
Trade receivables	0	0	0	1	0	1
Receivables from unconsolidated subsidiaries	1	0	1	0	0	0
Receivables from associated companies	0	0	0	0	1	1
Receivables from tax authorities	81	0	81	67	0	67
Receivables from employees	0	0	0	1	0	1
Receivables from others	0	0	0	11	0	11
	82	0	82	80	1	81
Total receivables	9,097	1,678	10,775	10,966	3,055	14,021

Receivables from tax authorities principally refer to VAT and income taxes receivable from the Italian tax authorities and include the tax credit relating to the advance payments of income tax on employee severance indemnities paid by Italian companies. The portion of interest accrued on that receivable relating to the current year is recorded in Financial income and expenses.

Other receivables from others include the net debit balance of deferred tax assets, equal to € 1,907 million (€ 3,560 million at December 31, 2002) of which € 1,879 million refers to the Fiat Group, € 23 million to the Worms & Cie Group and € 5 million to the NHT Group. Additional information on these assets is provided in Note 9, reserves for risks and charges, which comments on the income tax reserves.

Receivables due beyond five years, which refer entirely to the Fiat Group, amount to € 12 million (unchanged compared to 2002).

Receivables are presented net of the allowance for doubtful accounts (in reference to trade receivables) for € 567 million. Movements in these allowance accounts in 2003 are as follows:

Balance at 12/31/2002	Provisions	Use and Other changes	Change in scope of consolidation	Balance at 12/31/2003
629	114	(123)	(53)	567

6) Financial assets not held as fixed assets

Investments

Investments in other companies, entirely held by the Fiat Group, amount to € 32 million (€ 810 million at December 31, 2002) and show a decrease of € 778 million mainly due to the sale of the Toro Assicurazioni Group.

Other securities

€ in millions	12/31/2003	12/31/2002	Change
IFIL Holdings System			
Short-term investments of liquidity	427	184	243
700,000 IFIL ordinary shares servicing the stock option plans	2	0	2
	429	184	245
Fiat Group			
4,969,034 Fiat shares, of which 4,834,019 shares servicing the stock option plans	32	22	10
Securities held by the insurance companies	186	6,102	(5,916)
Securities held by the industrial companies	3,659	667	2,992
	3,877	6,791	(2,914)
Worms & Cie Group			
69,947 Worms & Cie shares servicing the stock option plans	1	1	0
Certificates of deposit	0	80	(80)
Mutual funds	36	43	(7)
Commercial paper and other securities	11	6	5
	48	130	(82)
NHT Group - Marketable securities and bonds	5	7	(2)
Total other securities	4,359	7,112	(2,753)

The analysis, by Group, is as follows:

IFIL Holdings System

At December 31, 2003, other securities mainly comprise investments of liquidity in the money market, in time deposits, in short-term Italian government securities and in other short-term financial instruments held by the foreign subsidiaries.

Fiat Group

At December 31, 2003, other securities include short-term bonds and commercial paper (€ 1,480 million) and highly rated liquidity funds of leading international banks (€ 2,365 million), in which mainly the treasury management companies of the Fiat Group have made temporary and highly liquid investments of available cash resources that arose mainly as a result of the significant divestitures by the Group. Additional liquidity (€ 3,211 million) in the form of bank accounts and cash is included in cash.

At December 31, 2002, other securities comprised securities with a broad market issued by debtors with a high credit rating and mainly held by the insurance companies to cover, for the most part, policy liabilities and accruals.

The securities portfolio of € 3,845 million at December 31, 2003 (€ 6,769 million at December 31, 2002) approximates fair value.

Financial receivables

€ in millions	12/31/2003				12/31/2002			
	Due within one year	Due beyond one year	Of which due beyond 5 years	Total	Due within one year	Due beyond one year	Of which due beyond 5 years	Total
	From unconsolidated subsidiaries	475	46	0	521	356	163	0
From associated companies	413	231	0	644	912	401	0	1,313
From others	6,508	3,097	422	9,605	9,223	7,371	935	16,594
Total financial receivables	7,396	3,374	422	10,770	10,491	7,935	935	18,426

Details, by Group, are as follows:

€ in millions	12/31/2003				12/31/2002			
	Due within one year	Due beyond one year	Of which beyond 5 years	Total	Due within one year	Due beyond one year	Of which beyond 5 years	Total
Fiat Group								
From unconsolidated subsidiaries	475	46	0	521	348	163	0	511
From associated companies	413	231	0	644	912	401	0	1,313
From others	6,488	3,097	422	9,585	9,216	7,371	935	16,587
	7,376	3,374	422	10,750	10,476	7,935	935	18,411
Worms & Cie Group								
From others	9	0	0	9	7	0	0	7
NHT Group								
From unconsolidated subsidiaries	0	0	0	0	8	0	0	8
From others	11	0	0	11	0	0	0	0
	11	0	0	11	8	0	0	8
Total financial receivables	7,396	3,374	422	10,770	10,491	7,935	935	18,426

Fiat Group

Financial receivables amounting to € 10,750 million (€ 18,411 million at December 31, 2002), net of allowances for doubtful accounts of € 316 million (€ 523 million at December 31, 2002), decreased by € 7,661 million compared to the end of the prior year. Such reduction is mainly due to the change in the scope of consolidation (€ 6,183 million) particularly as a result of the sale of the retail financing activities of the Automobile Sector.

Movements during the year in the allowance accounts for financial receivables are as follows:

Balance at 12/31/2002	Provisions	Use and Other changes	Change in scope of consolidation	Balance at 12/31/2003
523	188	(115)	(280)	316

The fair value of financial receivables would be approximately € 10,800 million at December 31, 2003 (€ 18,454 million at December 31, 2002); the fair value of financial receivables was determined in accordance with the method indicated in Note 3 - Financial fixed assets – Receivables.

Financial receivables from associated companies of € 644 million at December 31, 2003 (€ 1,313 million at December 31, 2002) decreased by € 669 million due to loan repayments.

Financial receivables from others amount to € 9,585 million at December 31, 2003 (€ 16,587 million at December 31, 2002) of which € 7,914 million at December 31, 2003 (€ 15,615 million at December 31, 2002) consist of financing granted to retail customers as well as dealer networks and suppliers.

Financial receivables from others also include the net value of subordinated securities of € 214 million (€ 602 million at December 31, 2002), subscribed to as part of the securitization of financial receivables; the reduction of € 388 million is chiefly due to the change in the scope of consolidation following the sale of Fidis Retail Italia.

NHT Group

Financial receivables from others amount to € 11 million and include the receivables on the sale of the buildings in Turin and Milan, finalized in October. These receivables are secured by bank sureties issued by leading credit institutions.

7) Accrued income and prepaid expenses

€ in millions	12/31/2003	12/31/2002	Change
Commercial accrued income:			
- Interest and commissions	5	30	(25)
- Other	37	68	(31)
Total commercial accrued income	42	98	(56)
Commercial prepaid expenses:			
- Interest	39	9	30
- Other	356	502	(146)
Total commercial prepaid expenses	395	511	(116)
Total commercial accrued income and prepaid expenses	437	609	(172)
Financial accrued income	327	553	(226)
Financial prepaid expenses	85	118	(33)
Total accrued income and prepaid expenses	849	1,280	(431)

Financial accrued income mainly includes day-to-day interest earned on securities and derivative financial instruments.

8) Stockholders' equity

Statement of changes in the stockholders' equity of the Group

€ in millions	Additional		Revaluation reserves	Treasury stock		Retained earnings and other reserves	Cumulative		Stockholders' equity
	Capital stock	paid-in capital		Legal reserve	valuation reserve		translation adjustments	Net loss for the year	
Balance at December 31, 2002	62	66	81	15	70	2,823	(288)	(803)	2,026
IFI S.p.A. capital stock increase against payment (a)	101	356							457
Posting of the consolidation reserve						2			2
Use of the consolidation reserve						(2)			(2)
Net adjustments from the translation of foreign currency financial statements							(165)		(165)
Other changes, net						33			33
Appropriation of the prior year's loss and reclassifications		(35)				(937)	169	803	0
Consolidated net loss - Group								(130)	(130)
Balance at December 31, 2003	163	387	81	15	70	1,919 (b)	(284)	(130)	2,221

(a) Includes the sale of unexercised rights for € 0.7 million.

(b) Includes the consolidation reserve for € 152 million.

Capital stock

At December 31, 2003, IFI's capital stock, fully subscribed to and paid-in, amounts to € 163,251,460 and is composed of 86,450,000 ordinary shares and 76,801,460 preferred shares all with a par value of € 1 each.

In accordance with art. 10 of the by-laws, preferred shares have voting rights only for the resolutions set forth in art. 2365 of the Italian Civil Code.

Pursuant to art. 26 of the by-laws, preferred shares have the right to a preference dividend, which is not cumulative from one year to the next, equal to 5.17% of par value (€ 1).

Capital stock may be increased for a period of five years, at one or more times, also in divisible form, up to a maximum of € 561,750,000, by the authority delegated to the Board of Directors in the Extraordinary Stockholders' Meeting on April 22, 2003, under the provisions of art. 2443 of the Italian Civil Code.

Changes in capital stock during the year are detailed as follows:

	Number of shares		
	Ordinary	Preferred	Total
At December 31, 2002	30,875,000	30,875,000	61,750,000
Capital stock increase against payment	55,575,000	45,926,460	101,501,460
At December 31, 2003	86,450,000	76,801,460	163,251,460

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 April 22, 2003, the Board of Directors of IFI S.p.A. voted to increase the capital stock against payment, and in divisible form, for a maximum amount of par value € 101,501,460, through the issue of:

- 55,575,000 IFI ordinary shares of par value € 1 each, with normal dividend rights, with option rights offered to Giovanni Agnelli e C. S.a.p.az., the sole stockholder of IFI ordinary shares, at the price of € 4.5 each, in a ratio of 9 new ordinary shares for every 5 ordinary shares held;
- maximum 45,926,460 IFI preferred shares of par value € 1 each, with normal dividend rights, with option rights offered to the preferred stockholders at the price of € 4.5 each, in a ratio of 9 new preferred shares for every 5 preferred shares held.

At the end of the rights offering period, 45,412,722 new preferred shares were subscribed to equal to 98.88% of the preferred shares offered. Moreover, Giovanni Agnelli e C. S.a.p.az., the sole stockholder of IFI ordinary shares, subscribed to the 55,575,000 IFI ordinary shares in the rights offering, with an investment of € 250 million.

Following the subsequent offering of the 285,410 unexercised rights on the market (which generated proceeds of € 684 thousand for IFI, recorded as an increase to stockholders' equity), the remaining new 513,738 IFI preferred shares were subscribed to in August.

The capital stock increase was therefore concluded with the subscription of the entire issue of 55,575,000 ordinary shares and the 45,926,460 preferred shares offered for total proceeds of € 457 million (of which € 0.7 million deriving from the sale of unexercised rights).

In execution of the resolution passed by the Stockholders' Meeting of June 3, 1985, a part of the monetary revaluation reserve Law No. 576 of December 2, 1975 was transferred to capital stock (€ 1,325 thousand) which, in the event of distribution, will form part of the taxable income of the Company.

At December 31, 2003, a total of € 83.7 million was booked to reserves in suspension of taxes, of which € 81.4 million was posted to the monetary revaluation reserves, € 2 million to the legal reserve and € 0.3 million to other reserves. In the event of distribution, such amounts will form part of the taxable income of the Company. Deferred taxes have not been provided on these reserves since it is unlikely that they will be distributed.

Reconciliation to the stockholders' equity and the net loss of the parent company IFI S.p.A.

€ in millions	12/31/2003		12/31/2002	
	Net income (loss)	Stockholders' equity	Net income (loss)	Stockholders' equity
Statutory financial statements of IFI S.p.A.	15	1,567	(227)	1,095
Difference between the consolidated stockholders' equity and the stockholders' equity of the parent company at the beginning of the year		931		1,808
Net balance of changes during the year in stockholders' equity of consolidated companies and companies accounted for using the equity method (excluding the results for the year) and translation adjustments		(132)		(305)
Share of earnings of consolidated companies and companies accounted for using the equity method, net of consolidation adjustments	(138)	(138)	(780)	(780)
Elimination of writedowns relating to consolidated companies and accounted for using the equity method	0	0	269	269
Elimination of dividends received from consolidated companies and accounted for using the equity method	(4)	(4)	(71)	(71)
Adjustments to gains on sales of investments	(3)	(3)	(1)	(1)
Consolidation reserve				4
Other consolidation adjustments			7	7
Consolidated financial statements of the IFI Group	(130)	2,221	(803)	2,026

Stockholders' equity – Minority interest

The minority interest in stockholders' equity of € 8,071 million at December 31, 2003 refers to the following holdings in directly owned companies:

€ in millions	12/31/2003			Total	12/31/2002
	%	Capital and reserves	Net income (loss)		
IFIL Group	39	9,588	(1,517)	8,071	2,996
Fiat Group					6,235
Total		9,588	(1,517)	8,071	9,231

9) Reserves for risks and charges

€ in millions	12/31/2003	12/31/2002	Change
Reserve for pensions and similar obligations	1,571	1,527	44
Income tax reserve:			
current income tax reserve	118	220	(102)
deferred income tax reserve	311	1,367	(1,056)
Total income tax reserve	429	1,587	(1,158)
Other reserves:			
Warranty reserve	791	842	(51)
Restructuring reserves	482	743	(261)
Various liabilities and risk reserves	2,711	2,948	(237)
Total other reserves	3,984	4,533	(549)
Insurance policy liabilities and accruals	89	9,605	(9,516)
Other insurance policy liabilities and accruals	0	7,000	(7,000)
Total reserves for risks and charges	6,073	24,252	(18,179)

Reserve for pensions and similar obligations

The reserve for pensions and similar obligations amounted to € 1,571 million (€ 1,527 million at December 31, 2002), includes payable to employees and former employees according to contractual agreements or by law and is determined on an actuarial basis, where applicable.

Income tax reserves

The deferred income tax reserve at December 31, 2003 includes deferred tax liabilities, net of deferred tax assets, which have been offset where possible by the individual consolidated companies. The net debit balance between the deferred income tax reserve and deferred tax assets is recorded in Other receivables from others and is composed as follows:

€ in millions	12/31/2003	12/31/2002	Change
Deferred income tax reserve	311	1,367	(1,056)
Deferred tax assets	(1,907)	(3,569)	1,662
Total	(1,596)	(2,202)	606

The net change of € 606 million compared to December 31, 2002, derives mainly from the reversal, by the Fiat Group, of deferred tax assets for which the recovery was mainly connected to the realization of gains on the sales of investments that took place during 2003.

Overall, the deferred income tax reserve, net of deferred tax assets recorded under Other receivables from others, can be analyzed as follows:

€ in millions	12/31/2003	12/31/2002	Change
Deferred tax liabilities from:			
- Accelerated depreciation	585	841	(256)
- Deferred tax on gains	502	404	98
- Capital investment grants	18	13	5
- Other	682	849	(167)
Total deferred tax liabilities	1,787	2,107	(320)
Deferred tax assets for:			
- Taxed reserves for risks and charges	(1,022)	(1,310)	288
- Inventories	(129)	(162)	33
- Taxed allowances for doubtful accounts	(89)	(190)	101
- Pension funds	(293)	(225)	(68)
- Other	(2,863)	(1,999)	(864)
Total deferred tax assets	(4,396)	(3,886)	(510)
Theoretical tax benefit connected to tax loss carryforwards	(4,431)	(3,662)	(769)
Adjustments for assets whose recoverability is not certain (mainly tax loss carryforwards)	5,444	3,239	2,205
Total deferred income tax reserve, net of deferred tax assets	(1,596)	(2,202)	606

As disclosed in the accounting policies, in recording deferred tax assets, each company in the Group critically evaluated whether the conditions existed for the future recoverability of such assets on the basis of updated strategic plans, accompanied by the related tax plans. For this reason, the total theoretical future tax benefits deriving from positive temporary differences (€ 4,396 million), and tax loss carryforwards (€ 4,431 million), have prudently been reduced for a total of € 5,444 million.

In particular, the deferred income tax reserve net of deferred tax assets includes € 1,322 million of tax benefits connected to tax loss carryforwards. However, a further tax benefit connected to tax loss carryforwards of € 3,109 million has not been recorded in the financial statements.

Deferred taxes of € 72 million (€ 127 million at December 31, 2002) have not been provided by the Fiat Group on temporary differences relating to reserves and provisions in suspension of taxes, since they are not expected to be used in a manner which would warrant their taxation.

Since there is no reasonable certainty of future recovery, IFIL S.p.A. did not book any deferred tax assets on the fiscal 2001, 2002 and 2003 tax losses (approximate total of € 178 million) and on the portions of investment writedowns that, as allowed by existing tax legislation, will be deductible in future years (approximate total of € 266 million).

Since there is no reasonable certainty of future recovery, IFI S.p.A. did not book any deferred tax assets on the fiscal 2003 tax losses (€ 131 million) and on the portions of investment writedowns that, as allowed by existing tax legislation, will be deductible in future years (€ 63 million).

Other reserves

Restructuring reserves

Restructuring reserves amount to € 482 million at December 31, 2003 (€ 743 million at December 31, 2002) and are related to the corporate restructuring programs of the following Sectors:

€ in millions	12/31/2003	12/31/2002	Change
Automobiles	160	320	(160)
Agricultural and construction equipment	83	218	(135)
Commercial vehicles	75	83	(8)
Metallurgical products	24	2	22
Components	64	59	5
Production systems	54	2	52
Services	8	19	(11)
Other sectors	3	27	(24)
Paper sector	11	13	(2)
Total restructuring reserves	482	743	(261)

Various liabilities and risk reserves

The various liabilities and risk reserves amount to € 2,711 million at December 31, 2003 (€ 2,948 million at December 31, 2002) and represent the provisions made by the individual companies mainly for contractual, commercial and litigation risks. The reduction of € 237 million from December 31, 2002 represents the balance between ordinary and extraordinary provisions of € 1,344 million, decreases due to the currency exchange effect of € 99 million and decrease due to uses and other changes of € 1,482 million.

The various liabilities and risk reserves include:

- provisions made by the Worms & Cie Group in 2001 for the litigation pending in relation to the environmental risk concerning the Fox River (€ 82 million) and the fine levied by the European Commission for alleged violations of fair trade practices (€ 184 million);
- provisions made by the Worms & Cie Group for guarantees that certain British banks could ask the Worms & Cie Group to provide on behalf of the ex-AWA Group in relation to four leasing contracts signed by the same AWA Group between 1994 and 1997. The guarantees would serve in the case of an eventual dispute with the British tax authorities over the tax deductibility of accelerated depreciation regarding these same leasing contracts.

Additional information is provided in the section "Pending litigation".

Insurance policy liabilities and accruals

The reduction in all the Insurance policy liabilities and accruals of € 16,516 million is due to the sale of the Toro Assicurazioni Group

10) Reserve for employee severance indemnities

This reserve refers to the liability of the Italian consolidated companies for employees' severance indemnities, calculated in accordance with art. 2120 of the Italian Civil Code.

Movements in the reserve account, in millions of euros, are as follows:

Balance at 12/31/2002	Provisions	Use and Other changes	Balance at 12/31/2003
1,627	248	(543)	1,332

The Use and Other changes column comprise the change in the scope of consolidation (€ 160 million) due to the deconsolidation of the Toro Assicurazioni Group, FiatAvio S.p.A. and Fidis Retail Italia S.p.A.

11) Payables

Payables may be analyzed by due date as follows:

€ in millions	12/31/2003				12/31/2002			
	Due within one year	Due beyond one year	Total	Of which due beyond 5 years	Due within one year	Due beyond one year	Total	Of which due beyond 5 years
Bonds	1,034	8,876	9,910	3,804	1,853	9,165	11,018	3,243
Convertible bonds	1,765	0	1,765	0	0	2,125	2,125	0
Borrowings from banks	3,386	7,108	10,494	117	5,539	9,039	14,578	303
Other financial payables	1,105	300	1,405	152	1,227	407	1,634	173
Advances (a)	2,894	6,272	9,166	0	3,618	5,708	9,326	0
Trade payables	12,561	36	12,597	0	12,919	96	13,015	0
Notes payable	954	1	955	0	1,774	664	2,438	0
Payables to unconsolidated companies	69	0	69	0	68	0	68	0
Payables to associated companies	854	0	854	0	1,117	0	1,117	0
Payables to parent companies	15	0	15	0	39	0	39	0
Taxes payable	914	29	943	2	1,366	24	1,390	0
Social security payable	324	5	329	0	352	2	354	0
Other payables	1,474	31	1,505	0	1,894	331	2,225	0
Total payables	27,349	22,658	50,007	4,075	31,766	27,561	59,327	3,719

(a) Of which advance payments on contract work in progress total € 8,448 million at December 31, 2003 (€ 8,227 million at December 31, 2002).

Payables may be analyzed by type as follows:

€ in millions	12/31/2003				12/31/2002			
	Trade	Financial	Other	Total	Trade	Financial	Other	Total
Bonds	0	9,910	0	9,910	0	11,018	0	11,018
Convertible bonds	0	1,765	0	1,765	0	2,125	0	2,125
Borrowings from banks	0	10,494	0	10,494	0	14,578	0	14,578
Other financial payables	0	1,405	0	1,405	0	1,634	0	1,634
Advances	0	0	9,166	9,166	0	0	9,326	9,326
Trade payables	12,597	0	0	12,597	13,015	0	0	13,015
Notes payable	9	946	0	955	17	2,421		2,438
Payables to unconsolidated companies	22	47	0	69	25	39	4	68
Payables to associated companies	792	57	5	854	1,077	24	16	1,117
Payables to parent companies	0	15	0	15	0	39	0	39
Taxes payable	0	0	943	943	0	0	1,390	1,390
Social security payable	0	0	329	329	0	0	354	354
Other payables	0	0	1,505	1,505	0	0	2,225	2,225
Total payables	13,420	24,639	11,948	50,007	14,134	31,878	13,315	59,327

Payables comprise advances of € 9,166 million at December 31, 2003 (€ 9,326 million at December 31, 2002), including € 8,448 million of advance payments received on contract work in progress (€ 8,227 million at December 31, 2002) against the stage of the completion of work by companies managing long-term contracts.

Payables secured by collateral amount to € 1,245 million (€ 1,631 million in 2002) and include € 1,234 million relating to the Fiat Group, € 6 million relating to the NHT Group and € 5 million to the Worms & Cie Group.

Additional details are provided in the note "Guarantees granted, commitments and other memorandum accounts".

The interest rates and the nominal currencies of medium and long-term financial payables, including the current portion of € 2,767 million at December 31, 2003 (€ 4,807 million at December 31, 2002) are as follows:

€ in millions	less than	from 5%	from 7.5%	from 10%	greater	Total
	5%	to 7.5%	to 10%	to 12.5%	than 12.5%	
Euro and euro-zone currencies	8,432	6,507	78	4	5	15,026
U.S. dollar	562	591	848	0	1	2,002
Japanese yen	304	0	0	0	0	304
Brazilian real	32	580	42	2	194	850
British pound	212	581	0	0	0	793
Canadian dollar	74	0	0	0	0	74
Other	0	1	0	1	0	2
Total 2003 medium and long-term debt	9,616	8,260	968	7	200	19,051
Total 2002 medium and long-term debt	15,764	9,275	873	31	262	26,205

Financial payables with nominal rates greater than 12.5% relate principally to companies of the Fiat Group operating in Brazil.

Details of payables, by Group, are as follows.

Fiat Group

€ in millions	12/31/2003				12/31/2002			
	Due	Due	Total	Of which	Due	Due	Total	Of which
	within one year	beyond one year		due beyond 5 years	within one year	beyond one year		due beyond 5 years
Bonds	1,034	8,576	9,610	3,804	1,853	9,020	10,873	3,243
Convertible bonds	1,765	0	1,765	0	0	2,125	2,125	0
Borrowings from banks	2,697	6,687	9,384	115	4,482	8,558	13,040	300
Other financial payables	809	155	964	34	961	248	1,209	50
Advances	2,877	6,272	9,149	0	3,603	5,707	9,310	0
Trade payables	11,733	36	11,769	0	12,056	96	12,152	0
Notes payable	224	1	225	0	973	664	1,637	0
Payables to unconsolidated companies	68	0	68	0	63	0	63	0
Payables to associated companies	842	0	842	0	1,107	0	1,107	0
Taxes payable	833	28	861	2	1,279	24	1,303	0
Social security payable	283	4	287	0	311	2	313	0
Other payables	1,288	28	1,316	0	1,729	327	2,056	0
Total payables	24,453	21,787	46,240	3,955	28,417	26,771	55,188	3,593

€ in millions	12/31/2003				12/31/2002			
	Trade	Financial	Other	Total	Trade	Financial	Other	Total
Bonds	0	9,610	0	9,610	0	10,873	0	10,873
Convertible bonds	0	1,765	0	1,765	0	2,125	0	2,125
Borrowings from banks	0	9,384	0	9,384	0	13,040	0	13,040
Other financial payables	0	964	0	964	0	1,209	0	1,209
Advances	0	0	9,149	9,149	0	0	9,310	9,310
Trade payables	11,769	0	0	11,769	12,152	0	0	12,152
Notes payable	9	216	0	225	17	1,620	0	1,637
Payables to unconsolidated companies	21	47	0	68	24	39	0	63
Payables to associated companies	789	48	5	842	1,074	17	16	1,107
Taxes payable	0	0	861	861	0	0	1,303	1,303
Social security payable	0	0	287	287	0	0	313	313
Other payables	0	0	1,316	1,316	0	0	2,056	2,056
Total payables	12,588	22,034	11,618	46,240	13,267	28,923	12,998	55,188

As regards the Fiat Group, the decrease in payables (€ 8,948 million) compared to December 31, 2002 is mainly due to the following:

- a decrease in trade payables of € 679 million, including € 685 million for the change in the scope of consolidation;
- a decrease in financial payables of € 6,889 million due to the change in the scope of consolidation (€ 3,836 million mainly as a result of the sale of Fidis Retail Italia) and the effect of foreign exchange rates;
- a decrease in other payables of € 1,380 million mainly due to the change in the scope of consolidation of € 1,076 million.

Financial payables total € 22,034 million at December 31, 2003 (€ 28,923 million at December 31, 2002). Financial payables due within one year amount to € 6,616 million at December 31, 2003 (€ 8,310 million at December 31, 2002) and their carrying values approximate fair value as a consequence of the short-term maturity.

The portion of medium and long-term financial payables due beyond one year amounts to € 15,418 million at December 31, 2003 (€ 20,613 million at December 31, 2002). The scheduled maturities are:

€ in millions	2005	2006	2007	2008	Thereafter	Total
Medium and long-term financial payables due beyond one year	7,443	2,955	643	424	3,953	15,418

The fair value of medium and long-term financial payables due beyond one year would be approximately € 397 million lower than the carrying value at December 31, 2003 (at December 31, 2002, fair value would have been € 2,169 million lower). The fair values of such financial payables take into account the current market cost of funding with similar maturities, and, for bonds, their market prices.

Medium and long-term financial payables of the Fiat Group include financing of approximately € 1,150 million secured from Citigroup and a small group of banks that is guaranteed by the EDF put option (refer to the EDF Put described in Note 3) held by the Fiat Group on its remaining investment (24.6%) in Italernergia Bis and the shares in the same Italernergia Bis pledged by Fiat.

At December 31, 2003, the Group has an unused “committed” line of credit available mainly denominated in U.S. dollars for an equivalent amount of approximately € 2,000 million (approximately € 3,700 million at December 31, 2002). The decrease can principally be ascribed to the maturity of a syndicated credit line of US\$ 1 billion, in addition to the effects of the translation of the credit lines in their original currencies to euros.

Fiat Group’s bonds, including convertible bonds, amount to € 11,375 million (€ 12,998 million at December 31, 2002) and can be analyzed by year of maturity as follows:

€ in millions	2004	2005	2006	2007	2008	Thereafter	Total
EMTN	98	1,426	2,351	181	228	2,769	7,053
Convertible bonds	1,765	-	-	-	-	-	1,765
Other bonds	936	489	-	100	-	1,032	2,557
Total bonds	2,799	1,915	2,351	281	228	3,801	11,375

The bonds issued by the Fiat Group are governed by different terms and conditions according to the following types of bonds:

- Euro Medium Term Notes (EMTN Program): these notes have been issued under a program that is utilized for approximately € 7 billion and guaranteed by Fiat S.p.A. Issuers taking part in the program are Fiat Finance & Trade Ltd. S.A. (for an amount outstanding of € 6,824 million), Fiat Finance North America Inc. (for an amount outstanding of € 148 million) and Fiat Finance Canada Ltd. (for an amount outstanding of € 81 million).
- Convertible bonds: this is a single bond convertible into 32,053,322 General Motors Corp. common stock (“Exchangeable GM”) at a conversion price of US\$ 69.54 per share with coupon interest at 3.25% and maturing on January 9, 2007 for a face value of US\$ 2,229 million, equivalent to € 1,765 million; the subscribers to the Exchangeable GM bond will have the right to ask for early redemption of the bond in cash at its face value with payment on July 9, 2004. The investors may exercise this right during the period which starts 30 business days prior to July 9, 2004 and ends 15 business days prior to July 9, 2004. With reference to the risk, implicit in the bond, of an increase in the General Motors share price above US\$ 69.54, a Total Return Equity Swap agreement was put into place as described in Note 13.
- Other bonds refer to the following issues:
 - . bonds issued by Fiat Finance & Trade Ltd. S.A. with coupon interest at 3.75% and maturing March 31, 2004 for an amount of € 1,000 million and an amount outstanding of € 936 million;
 - . bonds issued by Fiat Finance & Trade Ltd. S.A. with coupon interest at 1.5% and maturing June 27, 2005 for an amount of Japanese yen 40 billion, equivalent to € 296 million;
 - . bonds issued by Case New Holland Inc. (“CNH Inc.”) with coupon interest at 9.25% and maturing August 1, 2011 for an amount of US\$ 1,050 million, equivalent to € 831 million; the bond indenture contains a series of financial covenants that are common in the American high yield bond market;
 - . bonds issued by Case LLC. and Case Credit Corp. for a total amount outstanding of US\$ 624 million, equivalent to € 494 million.

The aforementioned principal bond issues are listed on the Italian stock exchange and the Luxembourg stock exchange. The offering circulars and prospectuses relating to the listings on the stock exchanges are available on the Group’s website at www.fiatgroup.com under “Shareholders and Investors – Financial Publications”.

The majority of the bonds issued by the Fiat Group contain commitments (“covenant”) by the issuer and in some cases by Fiat, as the guarantor, that, in international practice, are common for bond issues of this type when the issuers are in the same industrial segment in which the Group operates, such as, in particular: (i) the so-called negative pledge clause which requires that the benefit of any real present or future guarantees given as collateral on the assets of the issuer and/or Fiat, on other bonds and other credit instruments should be extended to these bonds, to the same degree, (ii) the so-called pari passu clause, on the basis of which obligations cannot be undertaken which are senior to the bonds issued, (iii) the obligation of providing periodical disclosure, (iv) for some of the bond issues, the so-called cross-default clauses whereby the bonds become immediately due and payable when certain

defaults arise in respect of other financial instruments issued by the Group and (v) other clauses generally present in issues of this type.

The bonds issued by Case New Holland Inc. ("CNH Inc.") with coupon interest at 9.25% and maturing on August 1, 2011 for an amount of US\$ 1,050 million, equivalent to € 831 million, contain, moreover, financial covenants common to the high yield American bond market which place restrictions, among other things, on the possibility of the issuer and certain companies of the CNH group to secure new debt, pay dividends or buy-back treasury stock, realize certain investments, conclude transactions with associated companies, give collateral on its assets, conclude sale and leaseback transactions, sell certain fixed assets or merge with other companies and financial covenants which impose a maximum limit on further indebtedness by the CNH group companies which can not exceed a specific ratio of cash flows to dividend payments and financial expenses. Such covenants are subject to various exceptions and limitations and, in particular, some of these would no longer be binding should the bonds be assigned an investment grade rating by Standard & Poor's Rating Services and/or Moody's Investors Service.

Fiat Group's major bond issues outstanding at December 31, 2003 are the following:

In millions	Currency	Face value	Coupon	Maturity	Amount outstanding € in millions
Euro Medium Term Notes					
Fiat Fin. North America	USD	69	5.020%	Oct. 19, 2004	55
Fiat Fin. North America	EUR	100	5.125%	Feb. 21, 2005	70
Fiat Finance & Trade	EUR	155	Indexed	July 5, 2005	155
Fiat Finance & Trade	EUR	130	Indexed	July 5, 2005	130
Fiat Finance & Trade	EUR	500	6.125%	August 1, 2005	500
Fiat Finance & Trade	EUR	300	6.125%	August 1, 2005	300
Fiat Finance & Trade	GBP	125	7.000%	Oct. 19, 2005	170
Fiat Finance & Trade (a)	EUR	1,700	5.750%	May 25, 2006	1,700
Fiat Finance Canada	EUR	100	5.800%	July 21, 2006	81
Fiat Finance & Trade (a)	EUR	500	5.500%	December 13, 2006	500
Fiat Finance & Trade (a)	EUR	1,000	6.250%	February 24, 2010	1,000
Fiat Finance & Trade (a)	EUR	1,300	6.750%	May 25, 2011	1,300
Fiat Finance & Trade (a)	EUR	617	(b)	(b)	617
Other (c)					475
Total Euro Medium Term Notes					7,053
Convertible bonds					
Fiat Fin. Luxembourg (d)	USD	2,229	3.250%	July 9, 2004	1,765
Total convertible bonds					1,765
Other bonds					
Fiat Finance & Trade (a)	EUR	1,000	3.750%	March 31, 2004	936
Fiat Finance & Trade	JPY	40,000	1.500%	June 27, 2005	296
CASE LLC	USD	243	7.250%	August 1, 2005	193
CASE CREDIT Corp.	USD	127	6.750%	October 21, 2007	100
CNH Inc.	USD	1,050	9.250%	August 1, 2011	831
CASE LLC	USD	254	7.250%	January 15, 2016	201
Total other bonds					2,557
Total bonds					11,375

(a) Bonds listed on the Mercato Obbligazionario Telematico of the Italian stock exchange (EuroMot). Furthermore, the majority of the bonds issued by the Fiat Group are also listed on the Luxembourg stock exchange.

(b) "Fiat Step-Up Amortizing 2001-2011" bonds repayable at face value in five equal annual installments each for 20% of the total issued" (€ 617 million) due beginning from the sixth year (November 7, 2007) by reducing the face value of each bond outstanding by one-fifth. The last installment will be repaid on November 7, 2011. The bonds pay coupon interest equal to: 4.40% in the first year (Nov. 7, 2002), 4.60% in the second year (Nov. 7, 2003), 4.80% in the third year (Nov. 7, 2004), 5.00% in the fourth year (Nov. 7, 2005), 5.20% in the fifth year (Nov. 7, 2006), 5.40% in the sixth year (Nov. 7, 2007), 5.90% in the seventh year (Nov. 7, 2008), 6.40% in the eighth year (Nov. 7, 2009), 6.90% in the ninth year (Nov. 7, 2010), 7.40% in the tenth year (Nov. 7, 2011).

(c) Bonds with amounts outstanding equal to or less than the equivalent of € 50 million.

(d) Bonds convertible into General Motors Corp. common stock.

The Fiat Group intends to repay the issued bonds in cash at maturity by utilizing available liquid resources. To this end, available liquidity at the end of 2003 totals € 7 billion. The Fiat Group also has available unused committed credit lines for more than € 2 billion.

Moreover, the companies in the Fiat Group may from time to time buy back bonds on the market that were issued by the Fiat Group also for purposes of their cancellation. Such buy-backs, if made, will depend upon market conditions, the financial situation of the Group and other factors which could affect such decisions.

Medium and long-term financial payables of the Fiat Group also include the € 3 billion Mandatory Convertible facility stipulated in execution of the Framework Agreement, dated May 27, 2002, with Capitalia, BancaIntesa, SANPAOLO IMI and Unicredito Italiano (Money Lending Banks) for the purpose of providing the Fiat Group with the financial support it needs to implement its strategic and industrial plans. The facility was secured on September 24, 2002 from a syndicate of banks, including the Money Lending Banks, in which BNL, Monte dei Paschi di Siena, ABN Amro, BNP Paribas, Banco di Sicilia and Banca Toscana (hereinafter "the Banks") also participated. The main features of the Mandatory Convertible facility are listed in the following paragraphs.

The facility has a term of three years and expires on September 16, 2005 and is repayable with a new issue of Fiat S.p.A. ordinary shares. Moreover, Fiat may elect to repay the facility in cash at an earlier date, even partially, every six months, provided that, even after repayment, its rating is at least equal to investment grade level. Any residual liability for principal will be repaid with Fiat S.p.A. ordinary shares, which the Banks have agreed to underwrite and offer pre-emptively to all Fiat stockholders. The issue price per share will be the average of € 14.4409 (the adjusted value compared to the original value of € 15.50 in accordance with the rules established by the AIAF – Italian Association of Financial Analysts – following the Fiat S.p.A. capital increase) and the average stock market price in the last three or six months, depending on the case, preceding the repayment date. The same formula will also be applied in the event of an earlier repayment date.

The capital stock increase should be approved at the expiration of the three-year term of the facility, for an amount equal to the outstanding balance of the facility.

Conditions giving rise to an earlier expiration date of the facility include the occurrence of an event that creates a serious crisis for the company, such as the request for a court-appointed administrator or other proceedings of composition with creditors, a bankruptcy filing, or one of the causes of business dissolution set forth in the previous Article 2448 now Article 2484 of the Italian Civil Code. In addition, the Banks in the facility arrangement have the right to demand early repayment of the entire amount of the facility and proceed with the conversion of the debt into capital in the following cases:

- Fiat Group companies have not fulfilled their duty to repay liquid and current financial obligations of an aggregate amount of more than € 1 billion;
- the independent auditors have issued a negative opinion on the consolidated financial statements, unless new auditors, who must have accepted the assignment within 30 days, issue a favorable opinion no later than 60 days thereafter;
- Fiat becomes the target of a take-over bid in accordance with Articles 106 and 107 of the Consolidated Law on Financial Intermediation by third parties.

Lastly, the Banks also have the right but not the obligation to demand early repayment of a portion of the amount of the facility, up to a maximum of € 2 billion, after 24 months have elapsed from the signing of the agreement (and, therefore, beginning from July 26, 2004), in the event that the Group's debt is not rated "investment grade" by at least one of the leading international rating agencies and, after 18 months have elapsed from the signing of the agreement (January 26, 2004), in the event that the level of net and/or gross financial indebtedness (respectively in the definitions of "Net financial position" and "Total financial liabilities" used by the Group and detailed in the Report on Operations) is more than 20% higher than the corresponding level established by the Financial Objectives stipulated in the facility agreement.

The aforementioned financial objectives refer, in particular, to the reduction of net indebtedness in the Net Financial Position to less than € 3 billion by the date the Board of Directors of Fiat approves the 2002 annual financial statements and the maintenance of that level until the expiration of the facility. Pursuant to the agreement, the proceeds are considered which are generated by the transactions related to the sale of the investment in Italennergia Bis S.p.A., including those connected with the Citigroup facility of € 1,150 million, described previously, and the financial effects arising from binding contracts for the sale of assets (investments, companies, plant and equipment, etc.), comprising those not yet executed. The agreement also states that gross indebtedness must be reduced by € 12 billion, compared to March 31, 2002, by the date the Board of Directors approves the 2002 annual financial statements and must be maintained at less than € 23.6 billion until the expiration of the facility.

The Fiat Group confirms its observance of the financial objectives established with the Money Lending Banks in the Mandatory Convertible facility agreement in terms of reducing the net indebtedness position to € 3 billion, and reducing gross indebtedness to € 23.6 billion.

At December 31, 2003, the ratings assigned to the Fiat Group by the major rating agencies are the following:

	Short-term	Medium-term
Moody's Investors Service (a)	Not Prime	Ba3
Standard & Poor's Rating Services (a)	B	BB-
Fitch Ratings	B	BB

(a) For purposes of the Mandatory Convertible facility, the most important rating agencies are Standard & Poor's and Moody's.

The ratings of the Fiat Group represented in the table refer to the non-investment grade category.

Should this condition persist, beginning from July 26, 2004, the Banks will have the right but not the obligation to demand early repayment of the facility and proceed with the conversion of the debt into capital for an amount of up to € 2 billion.

Worms & Cie Group

€ in millions	12/31/2003				12/31/2002			
	Due within	Due beyond	Of which due		Due within	Due beyond	Of which due	
	one year	one year	Total	beyond 5 years	one year	one year	Total	beyond 5 years
Borrowings from banks	277	6	283	1	315	114	429	3
Other financial payables	283	129	412	118	261	134	395	123
Advances	13	0	13	0	11	0	11	0
Trade payables	707	0	707	0	740	0	740	0
Notes payable	730	0	730	0	801	0	801	0
Taxes payable	69	0	69	0	74	0	74	0
Social security payable	38	0	38	0	39	0	39	0
Other payables	166	3	169	0	147	3	150	0
Total payables	2,283	138	2,421	119	2,388	251	2,639	126

€ in millions	12/31/2003				12/31/2002			
	Trade	Financial	Other	Total	Trade	Financial	Other	Total
Borrowings from banks	0	283	0	283	0	429	0	429
Other financial payables	0	412	0	412	0	395	0	395
Advances	0	0	13	13	0	0	11	11
Trade payables	707	0	0	707	740	0	0	740
Notes payable		730	0	730		801		801
Taxes payable	0	0	69	69	0	0	74	74
Social security payable	0	0	38	38	0	0	39	39
Other payables	0	0	169	169	0	0	150	150
Total payables	707	1,425	289	2,421	740	1,625	274	2,639

Worms & Cie issued treasury bills for approximately € 1.2 billion which carry an A-2 rating from Standard & Poor's. The bills allow the Group to finance itself on the market with 1 to 3-month issues at competitive rates.

The risk of liquidity connected with this type of financing is covered by 1 to 5-year committed credit lines from leading banking institutions for more than 100% of the issued amounts.

NHT Group

€ in millions	12/31/2003				12/31/2002			
	Due within	Due beyond	Total	Of which due	Due within	Due beyond	Total	Of which due
	one year	one year			one year	one year		
Borrowings from banks	129	52	181	1	102	47	149	0
Other financial payables	13	16	29	0	5	25	30	0
Advances	4	0	4	0	4	1	5	0
Trade payables	119	0	119	0	121	0	121	0
Notes payable	0	0	0	0	0	0	0	0
Payables to unconsolidated subsidiaries	1	0	1	0	5	0	5	0
Payables to associated companies	12	0	12	0	9	0	9	0
Taxes payable	11	1	12	0	10	0	10	0
Social security payable	2	0	2	0	2	0	2	0
Other payables	12	0	12	0	12	0	12	0
Total payables	303	69	372	1	270	73	343	0

€ in millions	12/31/2003				12/31/2002			
	Trade	Financial	Other	Total	Trade	Financial	Other	Total
	Borrowings from banks	0	181	0	181	0	149	0
Other financial payables	0	29	0	29	0	30	0	30
Advances	0	0	4	4	0	0	5	5
Trade payables	119	0	0	119	121	0	0	121
Payables to unconsolidated subsidiaries	1	0	0	1	1	0	4	5
Payables to associated companies	3	9	0	12	2	7	0	9
Taxes payable	0	0	12	12	0	0	10	10
Social security payable	0	0	2	2	0	0	2	2
Other payables	0	0	12	12	0	0	12	12
Total payables	123	219	30	372	124	186	33	343

Financial payables of the NHT Group include short-term credit lines for € 108 million at annual average interest rates ranging between 3.04% and 5%, medium and long-term loans for a total of € 62 million received from highly rated credit institutions at floating rates based on the Euribor and Libor and bank overdrafts for € 11 million at market rates.

Financial payables also include loans received from the financial companies Andrei S.a.r.l. and Teckneme S.r.l. for a total of € 29 million (of which € 12 million is due on September 30, 2004, € 4 million in October 2005 and € 13 million in September 2006, at floating rates based on the Euribor).

IFI and IFIL Holdings System

€ in millions	12/31/2003				12/31/2002			
	Due within	Due beyond	Total	Of which due beyond 5 years	Due within	Due beyond	Total	Of which due beyond 5 years
	one year	one year			one year	one year		
Bonds	0	300	300	0	0	145	145	0
Borrowings from banks	283	363	646	0	640	320	960	0
Trade payables	2	0	2	0	2	0	2	0
Payables to associated companies	0	0	0	0	1	0	1	0
Payables to parent company	15	0	15	0	39	0	39	0
Taxes payable	1	0	1	0	3	0	3	0
Social security payable	1	1	2	0	0	0	0	0
Other payables	8	0	8	0	7	0	7	0
Total payables	310	664	974	0	692	465	1,157	0

€ in millions	12/31/2003				12/31/2002			
	Trade	Financial	Other	Total	Trade	Financial	Other	Total
Bonds	0	300	0	300	0	145	0	145
Borrowings from banks	0	646	0	646	0	960	0	960
Trade payables	2	0	0	2	2	0	0	2
Payables to associated companies	0	0	0	0	1	0	0	1
Payables to parent companies	0	15	0	15	0	39	0	39
Taxes payable	0	0	1	1	0	0	3	3
Social security payable	0	0	2	2	0	0	0	0
Other payables	0	0	8	8	0	0	7	7
Total payables	2	961	11	974	3	1,144	10	1,157

IFIL S.p.A. financial payables include:

- bonds 2002/2005, issued for € 200 million (of which € 55 million issued in February 2003), subscribed to by primary institutional investors, bear interest at floating rates payable quarterly and are indexed against the Euribor. The bonds are repayable by a one-time payment at maturity on December 20, 2005. For purposes of fixing the interest rate on part of the bonds, interest rate swaps and zero cost collars for € 145 million were put into place;
- bonds 2003/2006 issued for € 100 million following the resolution passed by the Board of Directors' Meeting on December 2, 2003, subscribed to by primary institutional investors; the bonds bear interest at floating rates payable quarterly and are indexed against the Euribor. The bonds are repayable by a one-time payment at maturity on December 19, 2006;
- loans due at the end of October 2005 for € 150 million. Interest rate swaps guarantee a fixed rate for the entire period of the loans. These loans are classified as payables due beyond one year on account of the residual loan period and the period of the hedging contracts. Such payables are not due beyond five years;
- other short-term payables for € 217 million. The company has irrevocable lines of credit available against these borrowings totaling € 710 million, of which € 410 million is due beyond one year.

IFI S.p.A. financial payables include:

- Borrowings from banks due within one year amounted to € 66 million (€ 212 million at December 31, 2002). Against these borrowings, the company has irrevocable lines of credit available totaling € 515 million, all due beyond one year.
- Borrowings from banks due beyond one year of € 213 million relate to loans bearing interest at floating rates payable semiannually and are indexed against the Euribor plus a spread commensurate with the best market conditions.
- Interest rate swaps and zero cost collars are used to ensure fixed interest rates over the period of the loans on an amount of € 170 million at December 31, 2003.
- Loans are classified as due beyond one year on the basis of the residual period of the loan and the period of the hedging contracts.
- The loan granted by the parent company Giovanni Agnelli e C S.p.A. bearing interest at a monthly floating market rate totals € 15 million (€ 39 million at December 31, 2002).

12) Accrued expenses and deferred income

Details are as follows:

€ in millions	12/31/2003	12/31/2002	Change
Commercial accrued expenses:			
- interest and commissions	71	54	17
- other	528	552	(24)
Totale commercial accrued expenses	599	606	(7)
Commercial deferred income:			
- interest	64	76	(12)
- other	711	873	(162)
Total commercial deferred income	775	949	(174)
Total commercial accrued expenses and deferred income	1,374	1,555	(181)
Financial accrued expenses	598	794	(196)
Financial deferred income	364	1,137	(773)
Total accrued expenses and deferred income	2,336	3,486	(1,150)

Financial accrued expenses include interest expense on financial payables for the portion relating to the current year.

Financial deferred income includes deferred interest income on the portfolio of the financial services companies. The change from December 31, 2002 is principally due to the change in the scope of consolidation for € 751 million.

13) Guarantees granted, commitments and other memorandum accounts

Guarantees granted

€ in millions	12/31/2003	12/31/2002	Change
Fiat Group	6,430	5,642	788
Worms & Cie Group	86	203	(117)
NHT Group	73	72	1
IFI S.p.A.	32	98	(66)
Total guarantees granted	6,621	6,015	606

Fiat Group

Guarantees granted are detailed as follows:

- suretyships total € 3,060 million (€ 1,638 million at December 31, 2002). The increase of € 1,422 million refers to guarantees that are still being provided to third parties which had previously been granted for the debt of companies in the Fiat Group that are now controlled by Fidis Retail Italia, which was deconsolidated;
- Other unsecured guarantees of € 3,075 million (€ 3,373 million at December 31, 2002) include commitments for receivables and bills discounted with recourse in the amount of € 2,203 million (€ 2,518 million at December 31, 2002). The receivables and bills discounted with recourse refer to trade receivables and other receivables for € 2,144 million (€ 2,505 million at December 31, 2002) and financial receivables for € 59 million (€ 13 million at December 31, 2002). The volume of receivables discounted with recourse in 2003 was € 15,341 million (€ 20,743 million in 2002);
- Other secured guarantees for € 35 million.

Although not included in the memorandum accounts, receivables and bills discounted by the Group without recourse having due dates beyond December 31, 2003 amount to € 9,852 million (€ 13,794 million in 2002 with due dates beyond December 31, 2002). Receivables and bills discounted without recourse refer to trade receivables and other receivables for € 4,638 million (€ 4,537 million at December 31, 2002) and financial receivables for € 5,214 million (€ 9,257 million at December 31, 2002). The discounting of financial receivables principally refers to securitization transactions involving accounts receivables from the final (retail) customers of the financial services companies. The accounting treatment for securitization transactions is disclosed in the Accounting Principles. The volume of receivables and bills discounted without recourse in 2003 was € 33,298 million (€ 30,502 million in 2002).

In summary, the discounted receivables and bills at December 31, 2003 are as follows:

€ in millions	12/31/2003			12/31/2002		
	Trade receivables and other receivables	Financial receivables	Total	Trade receivables and other receivables	Financial receivables	Total
With recourse	2,144	59	2,203	2,505	13	2,518
Without recourse	4,638	5,214	9,852	4,537	9,257	13,794

The reduction from 2002 is due to the change in the scope of consolidation.

Worms & Cie Group

Guarantees granted by the Worms & Cie Group amount to € 86 million (€ 203 million at December 31, 2002) and mainly include sureties issued to third parties.

NHT Group

Guarantees granted by the NHT Group amount to € 73 million (€ 72 million at December 31, 2002). These include guarantees provided in favor of Gecas Ltd (€ 33 million) for lease obligations by Neos relating to three B737-800 aircraft with a residual value of around US\$ 28.6 million.

For purposes of information, the total value of the three aircraft is equal to approximately US\$ 138 million.

NHT Group also issued sureties on behalf of tourist bodies, financial offices and public entities for € 34 million and mortgages are carried on the buildings of the Group to secure loans recorded in the financial statements for € 6 million.

IFI S.p.A.

At December 31, 2003, guarantees granted amount to € 32 million (€ 98 million at December 31, 2002) and refer to suretyships granted in the past by IFI in favor of Federazione Italiana Giuoco Calcio – Lega Nazionale Professionisti (F.I.G.C. - L.N.P.) on behalf of Juventus Football Club.

The reduction of € 66 million from December 31, 2002 is due to sureties that expired (€ 44 million) or were reduced (€ 22 million) during the year.

The sureties, remunerated at market rates, have varying annual expiry dates between 2004 and 2005.

Commitments

Commitments total € 33,527 million (€ 50,641 million at December 31, 2002) and include commitments related to derivative financial instruments of € 22,507 million (€ 39,926 million at December 31, 2002), other commitments of € 10,690 million (€ 10,216 million at December 31, 2002) and commitments to purchase property, plant and equipment for € 330 million (€ 499 million at December 31, 2002).

Commitments related to derivative financial instruments

€ in millions	Fiat Group	Worms & Cie Group	NHT Group	IFI and IFIL	Total
Contracts to hedge foreign exchange risks	4,830		25		4,855
Contracts to hedge interest rate exposure	14,142	550		465	15,157
Contracts for combined hedging of foreign exchange and interest rate risks	848	669			1,517
Equity swaps relating to the General Motors transaction	978				978
Total 2003	20,798	1,219	25	465	22,507
Total 2002	38,535	650	81	660	39,926

Fiat Group

The decrease in the nominal amounts of the above derivative financial contracts compared to December 31, 2002 is largely due to extraordinary transactions during the period which led to the deconsolidation of outstanding positions and the early closing of certain loans and the relative hedges.

The Fiat Group maintains that such values, reflecting the notional principal amounts of the contracts, are not subject to risks that may derive from the non-fulfillment by the counterparties insofar as the contracts are entered into with several primary national and international financial institutions. Approximately 48% of the contracts outstanding at December 31, 2003 will expire during 2004 and the remainder in the period 2005-2022, of which 13% will expire after 2008. The consolidated statement of operations includes the effects both of the contracts that expired in 2003 and the provisions for the contracts expiring after December 31, 2003, as stated in the Accounting Policies.

The Group's financial policy attaches particular importance to the management and control of financial risks in that they can significantly impact profits. The Fiat Group has adopted a series of guidelines regarding the management of exchange rate and interest rate exposure.

The policy allows derivative financial instruments to be used only for managing exchange and interest rate risks connected to balance sheet flows and assets and liabilities, and not for speculative purposes.

In 2003, foreign exchange risk management followed the aforementioned policy and maintained the character of selective risk management. The reduction in exchange exposure, substantially originating from the positive balance between exports and imports, was based on the expected trend in exchange rates and the need to hedge the exchange levels of reference without completely foregoing the benefits deriving from a favorable trend in the rates. Again this year, the management of exchange risks was based principally on a combination of currency options.

In 2003, the management of interest rate exposure also followed the aforementioned guidelines which state that derivative financial instruments should be used to reach a fixed exposure level and minimize financing costs, and to ensure a correct matching of financing and investments by the financial services companies.

The derivative financial instruments principally relate to foreign exchange forward contracts, currency swaps and currency options or, as regards interest rate risks, interest rate swaps, forward rate agreements and options on interest rates, as well as interest rate and currency swaps for the combined management of currency and interest rate risks.

A comparison of the carrying values and the fair values of derivative financial instruments by contract type is set forth below:

€ in millions	12/31/2003			12/31/2002		
	Carrying value	Fair value	Difference	Carrying value	Fair value	Difference
Foreign exchange risk management instruments	(3)	59	62	75	118	43
Interest rate risk management instruments	138	319	181	107	343	236
Foreign exchange risk and interest rate risk management instruments	174	176	2	99	84	(15)
Equity swaps	(1)	439	440	-	23	23
Total	308	993	685	281	568	287

The fair value of these derivative financial instruments was estimated based on year-end market prices for instruments with similar characteristics and maturities.

The changes in the financial statement amounts for foreign exchange transactions and for combined foreign exchange and interest rate transactions can mainly be ascribed to a different mix of the outstanding transactions at the end of the year compared to the prior year, in addition to the trend of the euro/U.S. dollar exchange rate. The fair value of the equity swaps is the result of the positive trend in the General Motors share price.

The difference between the "Carrying value" and "Fair Value" is mainly due to the accounting principles adopted for the valuation of the financial instruments designated as hedges. As disclosed in the Accounting Policies, it is not possible to completely adopt IAS 39 under current Italian law since all derivative financial instruments would have to be recorded at fair value in the financial statements, including those designated as hedges. The latter, instead, have been valued symmetrically with the underlying hedged item. Therefore, where the hedged item has not been adjusted to fair value in the financial statements, the hedging financial instruments have also not been adjusted. Similarly, where the hedged item has not yet been recorded in the financial statements (hedging of future flows), the valuation of the hedging instrument at fair value is deferred.

At December 31, 2003, the integral adoption of IAS 39 would have had an effect on the balance sheet, on one hand, for the adjustment of derivative financial instruments to arrive at fair value with a positive effect of € 685 million (positive effect of € 287 million at December 31, 2002), and, on the other hand, for the adjustment of the hedged balance sheet items (mainly payables) with a net negative effect (due to the trend in interest rates) of € 262 million (€ 405 million at December 31, 2002) and, for the part relating to the hedging of future flows, a lower accumulated value of reserves in stockholders' equity of € 22 million (€ 188 million at December 31, 2002), net of the amount set aside for deferred income taxes. The integral adoption of IAS 39 would have led to positive effects on the net result for the year of approximately € 272 million, net of tax charges

With particular regard to the previously mentioned equity swap agreements, the amount at December 31, 2003 of € 978 million includes, for € 916 million, the notional amount of the equity swaps stipulated at the same time as the sale of the General Motors shares and which was put into place to hedge the risk, implicit in the Exchangeable bonds described previously, of an increase in the General Motors share price above the conversion price (Note 11). It also comprises the equity swaps stipulated to hedge the risk of an increase in the Fiat share price above the exercise price of the stock options assigned to Mr Giuseppe Morchio as described in the following paragraphs.

With regard to the equity swaps on General Motors shares, in fact, the Exchangeable bonds issued at the start of 2002 are convertible into the same number of General Motors shares as once held by the Fiat Group (32,053,422 shares). The option exercise price implicit in the bonds coincides with the pre-sale unit carrying value, in U.S. dollars, of the General Motors shares in the consolidated financial statements of Fiat, prior to the sale made in 2002, of US\$ 69.54 per share. Accordingly, at the time the bonds were issued the risk of an increase in the General Motors share price above US\$ 69.54 per share was covered by the shares held by Fiat. At the time of the sale of the General Motors shares by Fiat in December 2002, in order to hedge the above-mentioned risk implicit in the Exchangeable bonds, Fiat contemporaneously stipulated with the bank acquiring the shares a "Total Return Equity Swap" derivative contract (hereinafter "Equity Swaps") relating to the same number of

General Motors shares and having the following main characteristics.

- in line with the expiry of the Exchangeable bonds, at maturity, Fiat will settle with the counterparty bank the price variances between the initial General Motors share price (US\$ 36.11 per share) and the final share price, cashing in on a positive share price performance or paying for a negative performance;
- throughout the duration of the bonds, Fiat will pay the counterparty variable interest applied on the notional value of the contract (equal to the sale price of US\$ 1,157 million);
- any dividends distributed by General Motors on the sold shares will be repaid to Fiat by the counterparty;
- as a guarantee for the payment of the above-mentioned variance, if negative, Fiat deposited a remunerated amount in an account with the bank. Such collateral will be adjusted in relation to the relative exposure of the two parties and at December 31, 2003 amounts to € 183 million (€ 221 million at December 31, 2002);
- at the closing of the Equity Swaps, Fiat will not possess any rights to repurchase the sold shares;
- the Equity Swaps can be settled at an earlier date, in whole or in part, at any time.

In accordance with accounting principles, the aforementioned Equity Swaps, despite being entered into for hedging purposes, cannot be treated in hedge accounting and accordingly is defined as a trading derivative financial instrument. It follows that, in accordance with the principle of prudence, if during the period of the contract General Motors shares perform positively, the positive fair value of the instrument is not recorded in the statement of operations; if, instead, the performance is negative, the negative fair value of the instrument is recorded immediately as a cost within financial expenses. At December 31, 2003, the Equity Swaps have a positive fair value of € 439 million (€ 23 million at December 31, 2002) that has not been recorded in the financial statements.

As regards the Equity Swaps on Fiat shares, the Board of Directors resolved in 2003 to assign options to Mr Giuseppe Morchio, as the only variable component of his compensation for the post of CEO, for the purchase of 13,338,076 Fiat ordinary shares at a price of € 5.623 per share, which can be exercised from March 27, 2004 to March 27, 2010. The right to purchase a maximum amount of 20% of the total matures in each of the first five years. Two-thirds of the options that will mature from March 27, 2005 to 2008 can be exercised only upon reaching preestablished profit objectives during the period of reference. The risk of a significant increase in the Fiat share price above the exercise price of these options is covered, with reference to 3,338,076 shares, by treasury stock in portfolio, whereas with reference to the remaining 10,000,000 shares, the aforementioned "Total Return Equity Swap" agreement was put into place with a reference price of € 6.173 per share and expiring on August 31, 2004. In accordance with accounting principles, the aforementioned Equity Swaps, despite being entered into for hedging purposes, cannot be treated in hedge accounting and accordingly is defined as a trading derivative financial instrument. It follows that, in accordance with the principle of prudence, if during the period of the contract the Fiat shares perform positively, the positive fair value of the instrument is not recorded in the statement of operations; if instead, the performance is negative, the negative fair value of the instrument is recorded immediately as a cost within financial expenses. At December 31, 2003, the Equity Swaps have a negative fair value of € 1 million that has therefore been recorded in the financial statements.

Worms & Cie Group

Commitments regarding derivative financial instruments of the Worms & Cie Group mainly include agreements to hedge exchange and interest rate risks expiring between 2004 and 2006.

NHT Group

Commitments regarding derivative financial instruments of the NHT Group include contracts stipulated by Alpitour to hedge exchange rate risks on future purchases of services in U.S. dollars.

IFI and IFIL S.p.A.

Commitments by IFIL (€ 295 million) include interest rate swaps stipulated on loans of € 150 million maturing October 2005. The instruments guarantee the Company a fixed interest rate for the entire period of the loan contracts. For purposes of fixing the interest rate on part of IFIL bonds 2002-2005, interest rate swaps and zero cost collars for € 145 million were put into place.

Commitments by IFI (€ 170 million) refer to transactions hedging interest rate risk on bank debt maturing in 2005 and 2007 put into place with leading banking institutions.

The transactions in derivative financial instruments by IFI and IFIL are exclusively used to hedge the risk of interest rate fluctuations and thus are not valued separately.

Other commitments

€ in millions	12/31/2003	12/31/2002	Change
Fiat Group	10,350	9,884	466
Worms & Cie Group	134	94	40
NHT Group	37	31	6
IFI and IFIL Holdings System	169	207	(38)
Total other commitments	10,690	10,216	474

Fiat Group

Other commitments amounted to € 10,350 million at December 31, 2003 (€ 9,884 million at December 31, 2002) and include commitments for the execution of works in the amount of € 8,011 million (€ 7,718 million at December 31, 2002) under the contracts between Fiat S.p.A., as General Contractor, and Treno Alta Velocità T.A.V. S.p.A. for the design and construction of a high-speed railway lines between Bologna - Florence and Turin - Milan. The increase of € 293 million compared to December 31, 2002 relates to the agreements reached during 2003 regarding the Florence-Bologna section, concerning alterations to the network (€ 28 million), urgent improvement work (€ 26 million) and monetary adjustments (€ 46 million) and agreements relating to the Turin-Novara sub-line, concerning alterations (€ 129 million) and monetary adjustments (€ 64 million). Fiat S.p.A. in turn assigned the design and construction of these works to the CAV.E.T. and CAV.TO.MI consortiums. In order to guarantee the contractual advances and the proper execution of the works, Fiat S.p.A. granted bank suretyships to T.A.V. S.p.A. totaling € 1,566 million. Similarly, as called for by the contract, the CAV.E.T. and CAV.TO.MI consortiums granted bank suretyships to Fiat S.p.A. for € 617 million and € 889 million respectively. Consequently, the guarantees granted are substantially covered by the guarantees received.

Other commitments and important contractual rights

Relations with General Motors

Although they are not included in the memorandum accounts, the following comments are intended to summarize the options held by the Fiat Group deriving from the relationships with General Motors. On the basis of the Agreement ("Master Agreement") signed on March 13, 2000, by which 20% of the Automobile Sector was sold to General Motors, the Fiat Group had reserved itself a Put option at fair market value with General Motors on its remaining investment in Fiat Auto Holdings B.V. (80% in 2000, now 90% following the capital increase later described), exercisable during the period between January 24, 2004 and July 24, 2009. General Motors has claimed that the sale of certain financial activities by Fiat Auto and the recapitalization of Fiat Auto Holdings, put into place by Fiat, violate the Master Agreement and, as a result, the Put option. Fiat maintains that the two transactions are entirely legitimate and do not violate the Master Agreement nor other rights held by General Motors. Fiat considers the Put binding and exercisable according to the clauses of the Master Agreement. On October 26, 2003, Fiat and General Motors announced agreements regarding the strategic alliance in progress. A first agreement ("Amendment") pushes back the period in which the Put option can be exercised by one year. The new period in which the Put option can be exercised goes from January 24, 2005 to July 24, 2010. The second agreement ("Standstill Agreement") precludes the parties from bringing legal action regarding the Master Agreement until December 15, 2004, preserving their respective rights. As for the aforementioned recapitalization of Fiat Auto Holdings, the Stockholders' Meeting of this company held on April 23, 2003 resolved a recapitalization plan for € 5 billion offering its stockholders the possibility of paying for their share of the capital increase over a period of 18 months. Fiat, during the year, subscribed to the recapitalization for € 3 billion, whereas General Motors has not yet subscribed to its share of the capital increase and stated that at this time it does not plan to participate. Consequently, the current percentage ownership of Fiat in Fiat Auto Holdings rose to 90%. For purposes of completing the disclosure, it should be pointed out that the Master Agreement (Section 8.07) calls for certain residual options in favor of General Motors in the event of a change in the control of Fiat following the purchase of more than 50% of Fiat's voting rights by another party or several parties in concert among each other. In this very remote eventuality, General Motors would have the right to demand that Fiat exercise the Put option on Fiat's investment in Fiat Auto Holdings, if the change in control was hostile, or, even if it was not hostile, to sell its investment in Fiat Auto Holdings to Fiat at a price equal to fair market value or, up to July 24, 2004, at US\$ 2.4 billion, if higher. Such eventuality is considered extremely unlikely partly in view of the onerous obligations that would be placed upon the acquirer of control on the basis of the laws on takeover bids.

Lastly, it should be pointed out that Fiat and General Motors have stated that discussions are underway to redefine the structure of the strategic alliance so that the parties might continue their industrial cooperation in constructive

terms and settle unresolved issues. At the present time, it is not possible to determine what if any effects the discussions could have on the assets and liabilities reflected in the consolidated financial statements.

Ferrari and Maserati

A summary is presented below of the rights arising in 2002 from the purchase of 34% of the capital stock of Ferrari for € 775 million by Mediobanca S.p.A., within the framework of a consortium set up for the acquisition and placement of the Ferrari shares. Fiat realized a gain of € 671 million on this sale, net of selling expenses. The sales contract sets out the following principal elements:

- Mediobanca assumed the responsibility of sole Global Coordinator in charge of coordinating and leading the consortium;
- Mediobanca cannot sell its Ferrari shares to another group in the automobile industry as long as the Fiat Group maintains a 51% controlling interest in Ferrari. Barring certain specific assumptions, the Fiat Group can not reduce its investment in Ferrari below 51% until the end, depending on the case, of the third or fourth year subsequent to signing the contract;
- Fiat holds a call option that allows it to repurchase the Ferrari shares at any time before June 30, 2006 (the original date of June 30, 2005 was extended by one year during the course of 2003, by virtue of the payment of a premium of € 16 million), except during the five months subsequent to the presentation of an IPO application to the competent authorities. The option exercise price is equal to the original price at which the shares were sold plus interest during the period based on the BOT yield plus 4%;
- Mediobanca, moreover, does not hold any put option to resell the purchased Ferrari shares to Fiat, even in the event that the IPO does not occur or is not completed;
- Fiat may share, in declining percentages, in any gain realized by Mediobanca and the other members of the consortium in the event of an IPO.

Ixfin

At the end of 2003 the Fiat Group signed an agreement with the Ixfin group which had previously purchased Magneti Marelli Sistemi Elettronici from the Mekfin group, to which Fiat had sold that business in 2002. Ixfin Magneti Marelli Sistemi Elettronici is considered as a strategic supplier of both Fiat Auto and other automotive groups that were formerly customers of Magneti Marelli. In order that Ixfin Magneti Marelli Sistemi Elettronici could regularly meet the commitments undertaken with its customers and pursue development strategies for its business, a decision was taken to sign the aforementioned agreement, in the context of which, besides obtaining a series of guarantees:

- Magneti Marelli Holding S.p.A. signed a contract for the beneficial interest in the shares of Ixfin Magneti Marelli Sistemi Elettronici, valid until December 31, 2004, by which it is entitled to the voting rights and all the other administrative rights;
- Fiat Netherland Holding (at one time a Magneti Marelli Sistemi Elettronici stockholder and therefore a creditor company for the balance of the sale price) acquired a Call option (transferable) from the Ixfin group that is exercisable at any time up to December 31, 2004 for the purchase of Ixfin Automotive, the direct parent company of Ixfin Magneti Marelli Sistemi Elettronici, or, alternatively, Ixfin Magneti Marelli Sistemi Elettronici itself. The purchase price of the opted shares is € 45 million; furthermore, in the event the Call option is exercised, Fiat Netherland Holding will assume the debt that the group of sellers has with Ixfin Magneti Marelli Sistemi Elettronici and with the other companies that would be acquired for a total of € 53 million. The price that would eventually be paid in total if the Call option is exercised would thus be equal to € 98 million.

The consolidated financial statements of the Fiat Group at December 31, 2003 show € 25 million in Other receivables for the amount paid in December as an advance on the possible exercise of the Call option. Moreover, other receivables due from the parent companies of Ixfin Magneti Marelli Sistemi Elettronici have been written down in the consolidated financial statements of the Fiat Group at December 31, 2003. Expenses were incurred for such writedowns in the amount of € 24 million.

Teksid

Teksid S.p.A. is the object of a Put and Call contract with the partner Norsk Hydro concerning the subsidiary Meridian Technologies Inc. (held 51% by the Teksid Group and 49% by the Norsk Hydro Group). In particular, should there be a strategic deadlock in the management of the company (namely in all those cases in which a unanimous vote in favor is not reached by the directors on the board as regards certain strategic decisions disciplined by the contract between the stockholders), the following rights would arise:

- Put Option of Norsk Hydro with Teksid on the 49% holding: the sale price would be commensurate with the initial investment made in 1998, revalued pro rata temporis, net of dividends paid.

- Call Option of Teksid with Norsk Hydro on the 49% holding (exercisable whenever Norsk Hydro renounces its right to exercise the Put Option described above): the sale price would be the highest value between the initial investment made by Norsk Hydro in 1998, calculated according to the criteria expressed previously, and 140% of the Fair Market Value (in this regard, an increase of 2% per year is established in the event the option is exercised from the start of 2008 until 2013, thus up to 150% of the relative value).

It should be pointed out that so far the conditions that would give rise to the strategic deadlock are considered to be quite remote.

Fiat S.p.A. is subject to a put contract with Renault (in reference to the original investment of 33.5% in Teksid, now 19.52%). In particular, Renault would acquire the right to exercise a sale option on the treasury stock to Fiat, in the following cases:

- in the event of nonfulfilment in the application of the protocol of the agreement and admission to receivership or any other redressment procedure;
- in the event Renault's investment in Teksid falls below 15% or Teksid decides to invest in a structural manner outside the foundry sector;
- should Fiat be the object of the acquisition of control by another car manufacturer.

The exercise price of the option is established as follows:

- for 6.5% of the share capital of Teksid, the initial investment price increased pro rata temporis;
- for the remaining amount of share capital of Teksid, the share of the accounting net equity.

End-of-life vehicles

In September 2000, the European Union issued Directive 2000/53/CE relative to end-of-life vehicles. This Directive, among other things, provides that, in the future, vehicle manufacturers will have to bear all, or a significant part of, the costs arising from the collection, treatment and recovery of end-of-life vehicles. The above Directive is currently being introduced into the national legislation of the individual member states and will be applicable for all vehicles placed on the market starting from July 2002; beginning January 2007 all vehicles on the market will be covered, even those placed before July 2002. The Directive was introduced in Italy in June 2003 and in the major markets (Germany, the Netherlands, Belgium, France, Spain, Slovenia, Portugal, Austria and Norway). Fiat Auto is pursuing a strategy aimed at zero service cost for the manufacturer by promoting networks for the disposal of the vehicles or taking part in networks set up by other competitors, which, in the majority of cases, is made possible by the creation of a process that is economically self-sustained by the recovery value of the spare parts. Consequently, no liabilities are recognized for the Group.

Worms & Cie Group

Commitments of the Worms & Cie Group principally refer to lease obligations for € 134 million.

NHT Group

These include sales commitments for travel bookings made by the tour operators of the Group for € 37 million.

On December 15, 2000, the Extraordinary Stockholders' Meeting of Alpitour S.p.A. voted to vest the Board of Directors with the power to increase capital stock by a maximum amount of € 767,500 to service a stock option plan on behalf of the directors, managers and cadres of Alpitour and the companies of the Group.

The regulations of the stock option plan, approved by resolution of the Board of Directors on December 15, 2000, state that the aforementioned capital increase of € 767,500 will occur by issue of a maximum 1,535,000 new ordinary shares of par value € 0.50 each. The options under the plan, which carries a period of 68 months, will accrue in annual lots expiring October 31, of each year and will be offered at a price equal to € 6.73 per share. The options granted can be exercised within six months of the approval of the financial statements ended October 31, 2005.

The shares purchased in execution of the above plan can be sold to Alpitour at a price, established by the Board of Directors, calculated on the basis of the economic performance of the company.

The first tranche of options granted during 2002/2003, referring to the financial statements for the year ended October 31, 2002, was not exercised by the beneficiaries of the stock option plans.

IFI and IFIL Holdings System

These refer to the commitments by Ifil Investissements with Mediobanca for the purchase of 9.53% of the capital stock of Eurofind, carried out in January 2004 with an investment of € 116 million and with TUI for the purchase of 10% of capital stock of NHT New Holding for Tourism, carried out in January 2004 with an investment of € 46 million.

Ifil Investissements, which already holds 14.3% of the capital stock of Euromedia Luxembourg One, has a commitment to purchase additional shares for a total equivalent amount of US\$ 3.75 million, corresponding to approx. € 3 million.

IFI S.p.A., as part of the stock option plans for the managers of the IFI Group, has commitments to sell 47,500 IFIL ordinary shares (€ 0.4 million).

Other commitments of IFI S.p.A. include the residual commitment for the subscription of Emittenti Titoli's capital stock increase (€ 0.1 million) and the remaining payments (€ 3 million) under the commitment with Ticom Capital Partners.

Pending litigation

IFIL S.p.A.

By notification on May 8, 2003, inferring illegal acts due to a conflict of interest and the unlawful valuation of the contributions in kind, the stockholder K Capital contested the resolution to increase IFIL's capital stock reserved for Istituto Finanziario Industriale S.p.A. passed by the Extraordinary Stockholders' Meeting of IFIL held on April 23, 2003 and sought compensation from IFIL for (alleged) damages (not quantified) suffered as a result of the unlawful conduct (allegedly) by IFI.

At the next hearing, scheduled for April 7, 2004, the judge will rule on the preliminary inquiries that might be presented by the litigants.

Both of the above complaints (request to declare the stockholders' resolution null and void and to seek an unspecified sum of compensation for damages) appear to be inadmissible and groundless and therefore at this time the Company does not believe that any contingent liabilities or losses will arise as a consequence.

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

Fiat Group

Fiat S.p.A. and certain of its subsidiaries are involved in various legal actions and disputes. However, the settlement of such actions and disputes should not give rise to significant losses or liabilities which have not already been set aside in specific risk reserves.

Worms & Cie Group

Fox River

The United States Fish and Wildlife department, in 1997, brought suit against Appleton Papers Inc., NCR Corporation and five other paper manufacturers for the alleged contamination of the Fox River.

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

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

In 2003, the "Department of Natural Resources" of Wisconsin (the state in which the pollution occurred) and the federal government published a long-term action plan for the complete reclamation of the river at an estimated total cost of US\$ 400 million to be borne by the industries.

In July 2003, a ruling by a Supreme Court of Justice of the State of Wisconsin gave the industries which had signed insurance contracts covering environmental risks prior to 1986 the possibility of claiming the guarantees provided in these same contracts.

Appleton Papers Inc., which had signed such a contract, has an interest in that decision because it would require some of the insurance companies to assume a portion of the costs to decontaminate the Fox River. Reviews are currently underway to establish the portions of the costs that will be taken up by the insurance companies.

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

The events described above have not caused any significant change in the evaluation of the risk. Accordingly, at December 31, 2003, the reserve is equal to US\$ 104 million, net of research costs paid.

European Commission

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

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

The proceedings before the Court of the European Community in the first instance are still pending". Accordingly, at December 31, 2003, the provision has been calculated on the basis of the maximum potential risk.

Juventus Football Club

On October 27, 2003, F.I.F.A., following proceedings initiated by Juventus Football Club S.p.A. in September 2003, ordered the Fulham Football Club Ltd. to pay, within 30 days of notification, the balance of the sum of € 3.3 million (secured by a guarantee issued by an individual) due since August on the purchase of the player Edwin Van der Sar. The English Club filed an appeal and the F.I.F.A. appeal body ruled in favor of Juventus Football Club S.p.A. on February 29, 2004. Fulham Football Club Ltd opposed the decision and appealed to the Court of Arbitration for Sport of Lausanne. Since first and second rulings were handed down in its favor and in view of the fact that Juventus Football Club S.p.A. is in any case backed by the aforementioned guarantee issued by an individual, the receivable is considered collectible and has not been written down.

As regards the investigation by the judiciary against the Chief Executive Officer and company physician concerning the alleged improper use of medicines by Juventus Football Club S.p.A. players, a number of investigative hearings were held in the period July - December 2003 and these will continue in the coming months.

In the framework of judicial investigations begun by the Procura della Repubblica of Rome into the football sector, on February 26, 2004, the Guardia di Finanza confiscated documents at the offices of F.I.G.C. – Federazione Italiana Giuoco Calcio, LNP – Lega Nazionale Professionisti and all clubs registered in the Serie A and Serie B Championships in the seasons from 1999/2000 to 2003/2004 regarding matters that could be considered useful for the enquiries underway on how accounts were drafted and how clubs registered for the championships in the same years.

Group assets held by third parties

Group assets held by third parties, basically in reference to the Fiat Group, amount to € 4,706 million (€ 20,846 million at December 31, 2002), a decrease of € 16,140 million compared to December 31, 2002.

Fiat Group assets held by third parties include securities deposited with banks and other financial institutions totaling € 1,042 million (€ 17,558 million at December 31, 2002). Such securities in 2002 were primarily held by the Toro Assicurazioni Group.

This item also includes tangible fixed assets, products and goods of some Automotive Sectors held by outside suppliers for processing totaling € 3,454 million (€ 3,199 million at December 31, 2002).

IFIL S.p.A. assets held by third parties include the value of 10,400,000 SANPAOLO IMI shares equal to € 113.6 million under a stock-lending contract signed by IFIL. The transaction made it possible to improve the return on the investment.

IFI S.p.A. assets held by third parties (€ 34 million) include the value of 3,418,242 Exor Group ordinary shares and 3,010 Deutsche Morgan Grenfell shares deposited with banks.

NOTES TO THE CONSOLIDATED STATEMENT OF OPERATIONS

14) Value of production – Revenues from sales and services and change in contract work in progress

In 2003, revenues from sales and services and change in contract work in progress amount to € 52,434 million, compared to € 61,015 million in 2002, a decrease of 14%. They include revenues from sales and services of € 53,509 million (€ 60,793 million in 2002) and the negative change in contract work in progress of € 1,075 million (positive change of € 222 million in 2002).

The distribution of revenues from sales and services and the change in contract work in progress by business sector (net or intragroup transactions) is as follows:

€ in millions	2003	2002	Change	
			amount	%
Net revenues by operating sector				
Fiat Group				
- Automobiles	19,839	21,908	(2,069)	(9)
- Agricultural and construction equipment	9,410	10,502	(1,092)	(10)
- Commercial vehicles	8,206	8,816	(610)	(7)
- Ferrari and Maserati	1,250	1,194	56	5
- Components	2,087	2,085	2	0
- Production systems	1,756	1,763	(7)	(0)
- Metallurgical products	735	1,411	(676)	(48)
- Aviation (a)	625	1,532	(907)	(59)
- Insurance (b)	1,654	4,834	(3,180)	(66)
- Services	1,019	1,005	14	1
- Publishing and communications	372	346	26	8
- Other companies	318	253	65	26
Total Fiat Group	47,271	55,649	(8,378)	(15)
Worms & Cie Group - mainly paper manufacturing and distribution				
	4,214	4,426	(212)	(5)
NHT Group - Tourism				
	946	938	8	1
IFI and IFIL Holdings System				
	3	2	1	
Total net revenues of the Group	52,434	61,015	(8,581)	(14)

(a) The Aviation Sector's revenues are included up to July 1, 2003.

(b) The Insurance Sector's revenues are included up to May 2, 2003.

Net revenues from sales and services and change in contract work in progress by area of destination may be analyzed as follows:

€ in millions	2003	2002	Change
Net revenues by destination - Fiat Group			
Italy	16,381	20,120	(3,739)
Europe (excluding Italy)	18,884	21,072	(2,188)
North America	5,920	7,411	(1,491)
Mercosur	2,595	3,268	(673)
Other areas	3,491	3,778	(287)
Total	47,271	55,649	(8,378)
Net revenues by destination - Worms & Cie Group			
Italy	285	287	(2)
Europe (excluding Italy)	2,621	2,635	(14)
North America	396	566	(170)
Other areas	912	938	(26)
Total	4,214	4,426	(212)
Net revenues by destination - NHT Group			
Italy	840	833	7
Europe (excluding Italy)	72	60	12
Other areas	34	45	(11)
Total	946	938	8
IFI, IFIL Holdings System and intragroup eliminations	3	2	1
Total net revenues of the Group	52,434	61,015	(8,581)

Other income and revenues

Details of other income and revenues, by Group, are as follows:

€ in millions	2003	2002	Change
Fiat Group			
Revenue grants	52	47	5
Capital gains	187	290	(103)
Prior period income	423	518	(95)
Investment grants	78	114	(36)
Other income	949	1,183	(234)
Total - Fiat Group	1,689	2,152	(463)
Worms & Cie Group			
Revenue grants	1	0	1
Other income	37	10	27
Total - Worms & Cie Group	38	10	28
NHT Group			
Capital gains	0	1	(1)
Prior period income	1	1	0
Other income	8	7	1
Total - NHT Group	9	9	0
IFI and IFIL Holdings System	1	19	(18)
Total other income and revenues	1,737	2,190	(453)

Fiat Group

Capital gains from the sale of fixed assets of € 187 million mainly relate to disposals of Fiat Group non-strategic activities as a consequence of the policy to reduce invested capital. The gains realized on the sale of non-strategic buildings total € 157 million (€ 159 million in 2002).

15) Costs of production

€ in millions	2003	2002	Change
Fiat Group	50,858	58,854	(7,996)
Worms & Cie Group	4,125	4,292	(167)
NHT Group	937	932	5
IFI and IFIL Holdings System	28	45	(17)
Total costs of production	55,948	64,123	(8,175)

As regards the Fiat Group:

- the costs of production show a decrease of 13.6% compared to 2002. On a comparable consolidation basis, the decrease would be 5.3%;
- raw materials, supplies and merchandise amount to € 28,392 million in 2003 and, as a percentage of revenues, on a comparable consolidation basis, would be 63% (62.5% in 2002);
- services amount to € 8,505 million in 2003, with a decrease of 14% compared to 2002 and, as a percentage of revenues, represent 18%, compared to 17.8% in 2002. On a comparable consolidation basis, services as a percentage of revenues would be 18.4% (18.7% in 2002). Services include advertising costs, external information technology and telecommunication service costs, external maintenance costs and transportation costs.

Personnel

Personnel costs consist of the following:

€ in millions	2003	2002	Change
Salaries and wages	5,341	6,039	(698)
Social security contributions	1,409	1,520	(111)
Employee severance indemnities	248	259	(11)
Employee pensions and similar obligations	188	105	83
Other costs	340	398	(58)
Total personnel costs	7,526	8,321	(795)

Details of personnel costs, by Group, are as follows:

€ in millions	2003	2002	Change
Fiat Group			
Salaries and wages	4,707	5,457	(750)
Social security contributions	1,249	1,365	(116)
Employee severance indemnities	244	256	(12)
Employee pensions and similar obligations	185	100	85
Other costs	303	376	(73)
Total Fiat Group	6,688	7,554	(866)
Worms & Cie Group			
Salaries and wages	577	529	48
Social security contributions	146	141	5
Employee pensions and similar obligations	4	4	0
Other costs	34	20	14
Total Worms & Cie Group	761	694	67
NHT Group			
Salaries and wages	50	46	4
Social security contributions	13	12	1
Employee severance indemnities	3	3	0
Other costs	1	1	0
Total NHT Group	67	62	5
IFI and IFIL Holdings System			
Salaries and wages	7	7	0
Social security contributions	1	2	(1)
Employee severance indemnities	2	1	1
Other costs	0	1	(1)
Total IFI and IFIL Holdings System	10	11	(1)
Total personnel costs	7,526	8,321	(795)

Personnel costs of the Fiat Group amount to € 6,688 million in 2003, a decrease of 11.5% compared to 2002, mostly due to the effects of the change in the scope of consolidation. On a comparable consolidation basis, the decrease would be 5%. Personnel costs are equal to 14.1% of revenues (13.6% in 2002). Personnel costs as a percentage of revenues, on a comparable consolidation basis, would be 14.5% (14.3% in 2002).

An analysis of the average number of employees by category is provided as follows:

	2003	2002
- Managers and white-collar	72,106	79,654 (a)
- Blue-collar	120,444	129,487 (b)
Total	192,550	209,141

(a) Including 116 persons in companies consolidated proportionally by the Fiat Group in 2002.

(b) Including 320 persons in companies consolidated proportionally by the Fiat Group in 2002.

An analysis of the average number of employees, by Group, is provided as follows:

	2003	2002
Fiat Group	174,242	190,405
Worms & Cie Group	14,961	15,711
NHT Group	3,268	2,930
IFI and IFIL Holdings System	79	95
Total	192,550	209,141

Fiat Group

The average number of employees in 2003 is equal to 174,242, a decrease of 16,163 employees compared to 2002. That reduction is partly due to employees who left the Group, also in connection with employee reduction plans, and partly to the change in the scope of consolidation mainly as a result of the sale of FiatAvio S.p.A., the Toro Assicurazioni Group, the Fraikin activities and the retail financing activities of the Automobile Sector.

Provisions for risks

Provisions for risks of € 1,164 million (€ 1,138 million in 2002) mainly refer to the Fiat Group and relate to adjustments made to the vehicle warranty reserve for € 490 million in 2003 and € 435 million in 2002, mainly in the Automotive Sectors, and to other reserves connected with industrial risks for € 673 million (€ 703 million in 2002).

Other operating costs

An analysis of other operating costs, by Group, is as follows:

€ in millions	2003	2002	Change
Fiat Group			
Losses on sale of fixed assets	47	86	(39)
Prior period expenses	226	297	(71)
Indirect and other taxes	147	229	(82)
Sundry expenses	608	692	(84)
Total Fiat Group	1,028	1,304	(276)
Worms & Cie Group			
Indirect and other taxes	40	43	(3)
Sundry expenses	38	49	(11)
Total Worms & Cie Group	78	92	(14)
NHT Group			
Prior period expenses	1	1	0
Indirect and other taxes	3	3	0
Sundry expenses	0	1	(1)
Total NHT Group	4	5	(1)
IFI and IFIL Holdings System			
Indirect and other taxes	3	3	0
Sundry expenses	1	0	1
Total IFI and IFIL Holdings System	4	3	1
Total other operating costs	1,114	1,404	(290)

Insurance claims and other insurance costs

Insurance claims and other insurance costs amount to € 1,367 million (€ 4,045 million in 2002) and refer to insurance companies in the Fiat Group. The decrease from 2002 is due to the sale of the Toro Assicurazioni Group.

16) Financial income and expenses

Investment income

Details of investment income, by Group, are as follows:

€ in millions	2003	2002	Change
Fiat Group			
Dividends	12	103	(91)
Tax credit on dividends	5	22	(17)
Gains on sale of investments held in current assets	5	31	(26)
Total Fiat Group	22	156	(134)
Worms & Cie Group			
Dividends	5	8	(3)
Total Worms & Cie Group	5	8	(3)
IFI and IFIL Holdings System			
SANPAOLO IMI Dividends	21	40	(19)
Tax credit on dividends	12	14	(2)
Total IFI and IFIL Holdings System	33	54	(21)
Total investment income	60	218	(158)

In 2002, dividends received by the Fiat Group included dividends received on General Motors shares (€ 68 million).

The Gains on sale of investments held in current assets by the Fiat Group decreased mainly on account of the change in the scope of consolidation due to the sale of the Toro Assicurazioni Group.

Tax credits are shown net of those relating to dividends from companies consolidated line-by-line or accounted for using the equity method, which are reclassified as a reduction of current income taxes.

Other financial income

Details are as follows:

€ in millions	2003	2002	Change
Other financial income from:			
- receivables held as fixed assets from others	5	8	(3)
- securities held as fixed assets other than equity investments	0	156	(156)
- securities held as current assets other than equity investments	127	160	(33)
Other income from:			
- unconsolidated subsidiaries	8	26	(18)
- associated companies	7	23	(16)
- others:			
. bank and other interest	252	268	(16)
. customer interest and lease income	42	50	(8)
. discounts and other income	61	75	(14)
. income from derivative financial instruments	997	1,532	(535)
. foreign exchange gains, net	64	0	64
Total others	1,416	1,925	(509)
Total other income	1,431	1,974	(543)
Total other financial income	1,563	2,298	(735)

Interest and other financial expenses

€ in millions	2003	2002	Change
Interest and other financial expenses from:			
- unconsolidated subsidiaries	3	3	0
- associated companies	6	3	3
- parent companies	1	1	0
- others:			
. bond interest	673	677	(4)
. bank interest	277	222	55
. interest on trade and other payables	18	71	(53)
. interest on notes payable	14	40	(26)
. discounts and other expenses	443	476	(33)
. expenses from derivative financial instruments	994	1,310	(316)
. interest on other financial payables	187	246	(59)
. losses on sale of securities	8	51	(43)
. foreign exchange losses, net	0	105	(105)
Total interest and other financial expenses - others	2,614	3,198	(584)
Total interest and other financial expenses	2,624	3,205	(581)

Fiat Group

The following analysis of "Other financial income" and "Interest and other financial expenses" present the amounts shown in the related captions on the statement of operations and also the amounts of income and expenses of the Group's financial companies presented in the captions on the statement of operations under "Revenues from sales and services" and "Interest and other expenses of financial services companies", respectively. The last line in the table shows "Other financial income" and "Interest and other financial expenses" as presented on the statement of operations, excluding the financial activities.

€ in millions	2003	2002	Change
Other financial income from:			
- receivables held as fixed assets from others	3	2	1
- securities held as fixed assets other than equity investments	0	156	(156)
- securities held as current assets other than equity investments	119	147	(28)
Other income from:			
- unconsolidated subsidiaries	8	25	(17)
- associated companies	34	38	(4)
- others:			
. bank and other interest	266	264	2
. customer interest and lease income	1,166	2,010	(844)
. discounts and other income	81	124	(43)
. income from derivative financial instruments	1,132	1,603	(471)
. foreign exchange gains, net	47	0	47
Total others	2,692	4,001	(1,309)
Total other income	2,734	4,064	(1,330)
Total other financial income	2,856	4,369	(1,513)
of which:			
Other financial income, excluding financial services companies	1,504	2,219	(715)

€ in millions	2003	2002	Change
Interest and other financial expenses from:			
- unconsolidated subsidiaries	3	2	1
- associated companies	6	2	4
- others:			
. bond interest	681	769	(88)
. bank interest	558	656	(98)
. interest on trade and other payables	18	71	(53)
. interest on notes payable	49	106	(57)
. interest on other financial payables	185	273	(88)
. discounts and other expenses	534	635	(101)
. expenses from derivative financial instruments	1,115	1,492	(377)
. losses on sale of securities	8	44	(36)
. foreign exchange losses, net	0	111	(111)
Total interest and other financial expenses - others	3,148	4,157	(1,009)
Total interest and other financial expenses	3,157	4,161	(1,004)
of which:			
Interest and other financial expenses, excluding financial services companies	2,489	3,046	(557)

Other financial income of € 2,856 million in 2003 (€ 4,369 million in 2002) when shown net of Interest and other financial expenses of € 3,157 million (€ 4,161 million in 2002) results in a net negative balance of € 301 million (a net positive balance of € 208 million in 2002). The decrease in the net balance of € 509 million derives almost entirely from the deconsolidation of the Toro Assicurazioni Group, FiatAvio S.p.A. and the retail activities of Fiat Auto and Fraikin.

Foreign exchange gains, net, of € 47 million (foreign exchange losses, net, of € 111 million in 2002) represent the balance between foreign exchange gains of € 2,519 million in 2003 (€ 2,446 million in 2002) and foreign exchange losses of € 2,472 million in 2003 (€ 2,557 million in 2002).

The Losses on sale of securities amounts to € 8 million and include losses of € 6 million in 2003 on the sale of investments not held as fixed assets.

Discounts and other expenses include receivables discounting and securitization expenses of € 280 million in 2003 (€ 261 million in 2002).

Worms & Cie Group

€ in millions	2003	2002	Change
Other financial income from:			
- receivables held as fixed assets from others	2	0	2
- securities held as current assets other than equity investments	3	4	(1)
Other income from:			
- associated companies	0	6	(6)
- others:			
. bank and other interest	24	45	(21)
. discounts and other income	3	6	(3)
. foreign exchange gains, net	23	13	10
Total others	50	64	(14)
Total other income	50	70	(20)
Total other financial income	55	74	(19)

€ in millions	2003	2002	Change
Interest and other financial expenses from:			
- others:			
. bank interest	49	63	(14)
. discounts and other expenses	21	26	(5)
Total interest and other financial expenses	70	89	(19)

NHT Group

€ in millions	2003	2002	Change
Other financial income from:			
- receivables held as fixed assets from others	1	1	0
- securities held as current assets other than equity investments	1	0	1
Bank and other interest	2	5	(3)
Total other financial income	4	6	(2)

€ in millions	2003	2002	Change
Interest and other financial expenses from:			
- others:			
. bank interest	11	11	0
. interest on other financial payables	2	1	1
. discounts and other expenses	2	3	(1)
. foreign exchange losses, net	6	7	(1)
Total interest and other financial expenses	21	22	(1)

IFI and IFIL Holdings System

€ in millions	2003	2002	Change
Other financial income from:			
- securities held as current assets other than equity investments	4	8	(4)
- unconsolidated subsidiaries	0	1	(1)
Bank and other interest	1	3	(2)
Total other financial income	5	12	(7)

€ in millions	2003	2002	Change
Interest and other financial expenses from:			
- unconsolidated subsidiaries	0	1	(1)
- parent companies	1	1	0
- others:			
. bond interest	9	0	9
. bank interest	24	40	(16)
. discounts and other expenses	7	2	5
. expenses from derivative financial instruments	9	11	(2)
. losses on sale of securities	0	7	(7)
Total interest and other financial expenses	50	62	(12)

17) Adjustments to financial assets

€ in millions	2003	2002	Change
Revaluations:			
- equity investments	229	112	117
- financial fixed assets other than equity investments	0	1	(1)
- securities held in current assets other than equity investments	15	7	8
Total revaluations	244	120	124
Writedowns:			
- equity investments	(306)	(895)	589
- financial fixed assets other than equity investments	(1)	(59)	58
- securities held in current assets other than equity investments	(9)	(45)	36
- financial receivables	(6)	(20)	14
Total writedowns	(322)	(1,019)	697
Total adjustments to financial assets	(78)	(899)	821

Details, by Group, are as follows:

Fiat Group

€ in millions	2003	2002	Change
Revaluations:			
- equity investments	91	68	23
- securities held in current assets other than equity investments	14	7	7
Total revaluations	105	75	30
Writedowns:			
- equity investments	(263)	(809)	546
- financial fixed assets other than equity investments	(1)	(84) ^(a)	83
- securities held in current assets other than equity investments	(8)	(45)	37
- financial receivables	(5)	(18)	13
Total writedowns	(277)	(956)	679
Total adjustments to financial assets	(172)	(881)	709

(a) This refers to the writedown of treasury stock held by the Fiat Group, eliminated on consolidation by IFI.

Revaluations and writedowns of equity investments also include the share of the earnings and losses of companies accounted for using the equity method and the amortization of the differences on consolidation included in the carrying value of the investments.

Revaluations of equity investments in 2003 include the share of the earnings of the following companies: BUC -Banca Unione di Credito € 11 million, other companies in the Automobile Sector € 20 million; various companies of CNH Global N.V € 24 million and other companies € 36 million.

Revaluations of equity investments in 2002 included the share of the earnings of the following companies: other companies of CNH Global N.V. € 33 million, companies in the Automobile Sector € 15 million and other various companies € 20 million.

Writedowns of equity investments include the share of the losses of the companies valued using the equity method and the permanent impairments in value of the companies valued at cost, for the following: Italennergia Bis S.p.A. € 24 million (€ 211 million in 2002), Atlanet S.p.A. € 56 million (€ 31 million in 2002), other companies of CNH Global N.V. € 9 million (€ 5 million in 2002), companies in the Automobile Sector € 112 million (€ 81 million in 2002), companies of Toro Assicurazioni for the first four months € 48 million (€ 198 million in 2002) and other companies € 14 million.

In 2002, writedowns also referred to Capitalia S.p.A. € 124 million, Lingotto S.p.A. € 30 million, Trucks & Bus Company € 17 million and other companies of the Fiat Group € 112 million.

Worms & Cie Group

€ in millions	2003	2002	Change
Revaluations:			
- equity investments	51	25	26
- financial fixed assets other than equity investments	0	1	(1)
- securities held in current assets other than equity investments	1	0	1
Total revaluations	52	26	26
Writedowns:			
- equity investments	(23)	(21)	(2)
- securities held in current assets other than equity investments	(1)	0	(1)
- financial receivables	(1)	(2)	1
Total writedowns	(25)	(23)	(2)
Total adjustments to financial assets	27	3	24

Revaluations of equity investments in 2003 include the share of the earnings of Pechel Industries € 13 million and Société Générale de Surveillance € 36 million and revaluations of equity investments held in current assets € 2 million.

Writedowns refer to the amortization of the difference on consolidation included in the carrying value of the investment in Société Générale de Surveillance.

IFI and IFIL Holdings System

€ in millions	2003	2002	Change
Revaluations - equity investments	87	19	68
Writedowns:			
- equity investments	(20)	(63)	43
- financial fixed assets other than equity investments	0	(59)	59
Total writedowns	(20)	(122)	102
Total adjustments to financial assets	67	(103)	170

Revaluations of equity investments in 2003 refer to the earnings of the Eurofind Group (€ 82 million) and Exor Group (€ 5 million).

Writedowns include the loss of Juventus Football Club for € 10 million (-€ 22 million in 2002), and the amortization of the differences on consolidation included in the carrying value of the investment in Eurofind (€ 10 million).

In 2002, the caption included the writedown on the investment in Club Méditerranée for € 34 million, amortization of the difference on consolidation for € 7 million and the writedown of IFI treasury stock for € 59 million.

NHT Group

Writedowns of equity investments in 2002 amounted to € 2 million.

18) Extraordinary income and expenses

€ in millions	2003	2002	Change
Extraordinary income			
Gains on disposals of investments and other fixed assets	2,080	1,378	702
Other income:			
- prior period income	36	8	28
- other income	161	158	3
Total other income	197	166	31
Total extraordinary income	2,277	1,544	733
Extraordinary expenses			
Losses on disposals of investments and other fixed assets	(56)	(1,241)	1,185
Taxes relating to prior years	(27)	(80)	53
Other expenses:			
- extraordinary provisions to reserves	(609)	(1,016)	407
- other extraordinary expenses	(1,003)	(1,406)	403
- prior period expenses	(49)	(40)	(9)
Total other expenses	(1,661)	(2,462)	801
Total extraordinary expenses	(1,744)	(3,783)	2,039
Total extraordinary income and expenses	533	(2,239)	2,772

Details of extraordinary income and expenses, by Group, are as follows:

Fiat Group

€ in millions	2003	2002	Change
Extraordinary income			
Gains on disposals of investments and other fixed assets	1,826	1,081	745
Other income:			
- prior period income	32	8	24
- other income	159	146	13
Total other income	191	154	37
Total extraordinary income	2,017	1,235	782
Extraordinary expenses			
Losses on disposals of investments and other fixed assets	(50)	(1,239)	1,189
Taxes relating to prior years	(26)	(79)	53
Other expenses:			
- extraordinary provisions to reserves	(585)	(980)	395
- other extraordinary expenses	(969)	(1,381) ^(a)	412
- prior period expenses	(40)	(40)	0
Total other expenses	(1,594)	(2,401)	807
Total extraordinary expenses	(1,670)	(3,719)	2,049
Total extraordinary income and expenses	347	(2,484)	2,831

(a) Net of extraordinary expenses of € 19 million eliminated on consolidation (line-by-line) by IFI.

Gains on disposals of investments and other fixed assets amount to € 1,826 million and relate to the gains on the following: sale of the Toro Assicurazioni Group € 427 million (€ 390 million net of the expenses and provisions connected with the transaction, classified as other extraordinary expenses), sale of the Automobile Sector's Retail financing activities in Brazil € 103 million, sale of the 55.95% investment in IPI S.p.A. € 15 million, sale of the 50.1% investment in IN ACTION S.r.l. € 8 million, sale of Fiat Avio € 1,266 million (€ 1,258 million net of the expenses connected with the transaction) and other € 7 million.

Gains on disposals of investments and other fixed assets amounted to € 1,081 million in 2002. They included the gains on the following: sale of 34% di Ferrari S.p.A. € 714 million (€ 671 million net of the expenses associated with the transaction, classified as extraordinary expenses), sale of the After Market business of Magneti Marelli € 26 million, sale of 14% of Italenergia Bis S.p.A. € 189 million, sale of the investment in Europ Assistance Holding S.A. € 83 million, sale of 50% of Targasys S.r.l. a S.U. € 36 million, sale of the residual stock of Sinport Sinergie Portuali S.p.A. € 14 million and sales of other minor investments € 19 million.

Other extraordinary income of € 159 million (€ 146 million in 2002) refers to nonrecurring income of the individual companies of the Fiat Group mainly for the release of extraordinary reserves that proved in excess of requirements.

Losses on disposals of investments and other fixed assets amount to € 50 million in 2003 (€ 1,239 million in 2002). In 2002 the item included losses on the following: sale of General Motors shares € 1,049 million, sale of the Aluminum Business Unit of Teksid € 24 million (€ 100 million including the net provisions and expenses associated with the sale, classified as other extraordinary expenses), sale of the Electronic Systems Business Unit of Magneti Marelli € 150 million (of which € 36 million arose at the time of sale and € 114 million afterwards from post-sales price adjustments and later settlement agreements), sale of Viasat S.p.A. € 3 million and other investments € 13 million.

Other extraordinary expenses amounting to € 1,594 million in 2003 include principally expenses and provisions for risks in relation to corporate restructuring transactions of the Fiat Group of € 658 million, other extraordinary writedowns of assets on the basis of changes in market prospects and the consequent new business plans of € 215 million, provisions for the remaining commitments connected with the IPSE initiative of € 47 million, expenses and provisions recorded in reference to relations existing with the IXFIN Group of € 53 million, incidental costs and other provisions connected with the sale of the Toro Assicurazioni Group of € 37 million, incidental costs and other provisions connected with other sales which took place in 2003 and in prior years of € 102 million, damages caused by flooding at the Termoli factory of € 71 million and, lastly, commissions paid to Mediobanca for the extension of the commitments undertaken by Mediobanca itself under the "Ferrari" contract of € 16 million. Other extraordinary expenses also include prior years' expenses of the Fiat Group of € 40 million.

Other extraordinary expenses of € 2,420 million in 2002 included principally expenses and provisions for risks in relation to corporate restructuring transactions of € 1,026 million, other extraordinary writedowns of assets on the basis of changes in the market prospects and the consequent new business plans of € 216 million and on the basis of the estimated realizable value indicated in the subsequently signed agreement for the sale of the Fraikin business of € 210 million. They also included additional extraordinary expenses and provisions for future risks and charges totaling € 968 million, of which the most significant are: expenses and provisions recorded for permanent impairments in value on investments in the telecommunications sector (€ 95 million), those recorded in respect of the sales contract for the Aluminum Business Unit of Teksid (€ 76 million) and those related to the incidental charges associated with the sale of Ferrari S.p.A. (€ 43 million).

Other expenses under extraordinary expenses, by Sector, are as follows:

€ in millions	2003	2002	Change
Automobiles	711	853	(142)
Agricultural and construction equipment	142	18	124
Commercial vehicles	170	466	(296)
Metallurgical products	67	149	(82)
Automotive components	86	363	(277)
Production systems	140	144	(4)
Services	31	202	(171)
Other companies	247	225	22
Total other expenses	1,594	2,420	(826)

Worms & Cie Group

€ in millions	2003	2002	Change
Extraordinary income			
Gains on disposals of investments and other fixed assets	115	290	(175)
Other income	0	9	(9)
Total extraordinary income	115	299	(184)
Extraordinary expenses			
Losses on disposals of investments and other fixed assets	(6)	0	(6)
Other expenses:			
- extraordinary provisions to reserves	(22)	(32)	10
- other extraordinary expenses	(28)	(24)	(4)
- prior period expenses	(9)	0	(9)
Total other expenses	(59)	(56)	(3)
Total extraordinary expenses	(65)	(56)	(9)
Total extraordinary income and expenses	50	243	(193)

Gains mainly refer to the sale of the 1.3% equity interest in Groupe Danone (€ 111 million). In 2002, gains mainly related to the sale of the 1.44% stake in Groupe Danone (€ 246 million) and the 0.59% interest in the Accor Group (€ 31 million).

NHT Group

€ in millions	2003	2002	Change
Extraordinary income			
Gains on disposals of investments and other fixed assets	9	0	9
Other income	0	3	(3)
Total extraordinary income	9	3	6
Extraordinary expenses			
Taxes relating to prior years	(1)	0	(1)
Other extraordinary expenses	(3)	(1)	(2)
Total extraordinary expenses	(4)	(1)	(3)
Total extraordinary income and expenses	5	2	3

Gains relate to the sale of the buildings located in Turin, Milan and Trieste for € 7 million and the sale of the investment in Blumarini Hotel for € 2 million.

IFI and IFIL Holdings System

€ in millions	2003	2002	Change
Extraordinary income			
Gains on disposals of investments and other fixed assets	130	7	123
Other income			
- prior period income	4	0	4
- other income	2	0	2
Total other income	6	0	6
Total extraordinary income	136	7	129
Extraordinary expenses			
Losses on disposals of investments and other fixed assets	0	(2)	2
Taxes relating to prior years	0	(1)	1
Other expenses:			
- extraordinary provisions to reserves	(2)	(4)	2
- other extraordinary expenses	(3)	0	(3)
Total other expenses	(5)	(4)	(1)
Total extraordinary expenses	(5)	(7)	2
Total extraordinary income and expenses	131	0	131

The gains relate to the sale of the 25% interest in Sifalberghi (€ 25 million), the portion of gains deferred in prior years by the subsidiary Toro Assicurazioni (€ 93 million) and the dilution generated by the disposal of Fiat treasury stock held by Toro Assicurazioni, sold by the same Fiat (€ 12 million).

19) Income taxes

Income taxes recorded in the consolidated statement of operations are as follows:

€ in millions	2003	2002	Change
Current taxes, net of tax credits	206	331	(125)
Deferred taxes	500	(746)	1,246
Total income taxes	706	(415)	1,121

Due to the loss before taxes for the year 2003, the comparison between the effective tax rate of the Group and the theoretical rate has no significance.

It should be noted that income taxes include the IRAP tax which has a different taxable base than income before taxes.

The reconciliation between the tax charge recorded in the consolidated financial statements and the theoretical tax charge, calculated on the basis of the theoretical tax rates in effect in Italy, is the following:

€ in millions	2003	2002
Theoretical income taxes	(395)	(1,852)
Utilization of tax loss carryforwards	(57)	(70)
Tax effect of permanent differences	78	(327)
Tax effect of difference between foreign tax rates and theoretical Italian tax rates	(48)	9
Deferred tax assets not provided	955	1,588
Other differences	45	93
Income taxes recorded in financial statements excluding IRAP (current and deferred income taxes)	578	(559)
IRAP	128	144
Income taxes recorded in financial statements (current and deferred income taxes)	706	(415)

In order to render the reconciliation between income taxes recorded in the financial statements and theoretical income taxes more meaningful, the IRAP tax is not taken into consideration. Since the IRAP tax has a taxable basis that is different from income before taxes, it generates distortions between one year and another. Accordingly, the theoretical income taxes were determined applying only the tax rate in effect in Italy (IRPEG equal to 34% in 2003) to the income before taxes.

In 2003, as a result of the loss reported by the Group, the effective tax rate is not significant.

20) Net sales and revenues, operating income (loss), depreciation and amortization, capital expenditures by segment

€ in millions	Net sales and revenues			Operating income (loss)	Depreciation and amortization	Capital expenditures	Total assets
	Third parties	Intersegment (a)	Total				
2003							
Fiat Group							
Automobiles	19,839	171	20,010	(979)	962	1,100	20,908
Agricultural and construction equipment	9,410	8	9,418	229	450	217	12,928
Commercial vehicles	8,206	234	8,440	81	304	210	9,108
Ferrari and Maserati	1,250	11	1,261	32	85	193	965
Components	2,087	1,119	3,206	32	173	148	2,418
Production systems	1,756	537	2,293	2	56	18	4,125
Metallurgical products	735	109	844	12	49	56	739
Aviation (b)	625	0	625	53	41	33	0
Insurance (c)	1,654	0	1,654	44	16	0	0
Services	1,019	797	1,816	45	30	7	1,892
Publishing and communications	372	11	383	10	7	3	251
Other companies and eliminations (d)	318	(2,997)	(2,679)	(71)	96	26	9,377
Total Fiat Group	47,271	0	47,271	(510)	2,269	2,011	62,711
Worms & Cie Group - mainly paper manufacturing and distribution							
	4,214	0	4,214	179	149	120	4,962
NHT Group - Tourism							
	946	0	946	9	11	29	633
IFI and IFIL Holdings System							
	3	0	3	(73)	43	0	1,735
Total of the Group	52,434	0	52,434	(395)	2,472	2,160	70,041
2002							
Fiat Group							
Automobiles	21,908	239	22,147	(1,343)	959	1,116	30,026
Agricultural and construction equipment	10,502	11	10,513	163	541	431	14,434
Commercial vehicles	8,816	320	9,136	102	424	587	10,846
Ferrari and Maserati	1,194	14	1,208	70	77	176	897
Components	2,085	1,203	3,288	(16)	190	148	2,752
Production systems	1,763	557	2,320	(101)	64	20	4,763
Metallurgical products	1,411	128	1,539	27	93	78	857
Aviation	1,532	2	1,534	210	69	130	3,206
Insurance	4,834	82	4,916	147	47	14	19,041
Services	1,005	960	1,965	67	42	14	3,306
Publishing and communications	346	14	360	3	8	3	227
Other companies and eliminations (d)	253	(3,530)	(3,277)	(91)	100	54	2,166
Total Fiat Group	55,649	0	55,649	(762)	2,614	2,771	92,521
Worms & Cie Group - mainly paper manufacturing and distribution							
	4,426	0	4,426	212	128	109	5,383
NHT Group - Tourism							
	938	0	938	5	12	15	632
IFI and IFIL Holdings System							
	2	0	2	(75)	81	0	1,413
Total of the Group	61,015	0	61,015	(620)	2,835	2,895	99,949

- (a) Intersegment net revenues include revenues between Group companies consolidated line-by-line and reporting to different Sectors. Intersegment sales are accounted for at transfer prices that are substantially in line with market conditions.
- (b) The Aviation Sector's revenues are included up to July 1, 2003.
- (c) The Insurance Sector's revenues are included up to May 2, 2003.
- (d) Operating losses of other companies amount to € 137 million in 2003 and € 105 million in 2002.

21) Other information

Research and development expenses

Fiat Group

Each year, significant expenditures are borne by the Group for research and development programs that generally cover a period of several years and which are charged to income in the year incurred.

In 2003, research and development costs expensed directly to income during the year totaled € 1,747 million (€ 1,748 million in 2002).

For the most important projects, the Fiat Group has applied for financing to the Italian government and the European Community under related legislation.

At the end of 2003, there were multiyear research and innovation projects that are being examined or for which incentives are being paid, by the above authorities, which show estimated expenditures in the relative applications amounting to approximately € 898 million (an amount which also comprises projects on which the balance of the incentives was received in the same year). The Group filed/received low-rate loans for € 142 million and grants for € 394 million in respect of these projects which could also give rise to receipts for incentives in future years. The amounts received during 2003, referring to the aforementioned expenditures, totaled € 27 million in low-rate loans and € 54 million in grants, for a cumulative total at December 31, 2003 of € 45 million in low-rate loans and € 132 million in grants.

The average interest rate on financing received for research and innovation at December 31, 2003 for the Fiat Group was 2.27% (2.49% for outstanding financing at December 31, 2002).

Worms & Cie Group

In 2003, research and development costs expensed directly to income during the year totaled € 16 million (€ 14 million in 2002).

Maintenance costs

Maintenance costs charged to income in 2003 and 2002 amounted to € 510 million and € 637 million respectively, Details, by Group, are as follows:

€ in millions	2003	2002	Change
Fiat Group	435	556	(121)
Worms & Cie Group	71	77	(6)
NHT Group	4	4	0
Total	510	637	(127)

Advertising costs

Advertising costs charged to income amounted to € 982 million and to € 1,170 million, respectively in 2003 and 2002, Details, by Group, are as follows:

€ in millions	2003	2002	Change
Fiat Group	921	1,106	(185)
Worms & Cie Group	43	44	(1)
NHT Group	18	20	(2)
Total	982	1,170	(188)

22) Emoluments to directors and statutory auditors

In accordance with art. 38 of Legislative Decree 127/91, the amount of emoluments to which the Directors and Statutory Auditors of IFI S.p.A. are entitled for carrying out these functions also in other companies included in the scope of consolidation are as follows:

€ in thousands	IFI S.p.A.	Subsidiaries	Total
Directors	977	4,258	5,235
Statutory auditors	146	147	293
Total	1,123	4,405	5,528

In 2002, the emoluments amounted to € 11,199 thousand, of which € 3,170 thousand were paid by IFI and € 8,029 thousand by subsidiaries.

23) Statement of cash flows for the year ended at December 31, 2003

€ in millions	2003	2002
A) Cash at January 1	3,733	2,569
B) Cash flows provided by (used in) operating activities		
Net result before minority interest	(1,647)	(4,032)
Amortization and depreciation	2,472	2,861
Net change in reserve for employee severance indemnities	(135)	(69)
Change in deferred income taxes	422	(884)
Net gains on disposal of fixed assets	(2,080)	(163)
Revaluations and writedowns of equity investments	649	1,543
Dividends received from unconsolidated subsidiaries	41	151
Change in current assets and liabilities		
- trade receivables	174	775
- net inventories	(381)	1,326
- trade payables	(28)	(104)
- other payables, receivables, accruals and deferrals	(587)	(44)
- reserves for income taxes and other reserves	(281)	459
- change in the scope of consolidation and others	(91)	(508)
Total cash flows provided by (used in) operating activities	(1,472)	1,311
C) Cash flows provided by (used in) investment activities		
Investments in:		
- property, plant and equipment	(2,160)	(2,895)
- equity investments	(333)	(1,200)
- tangible assets and deferred charges	(515)	(563)
Investment grants	134	90
Proceeds from the sale of fixed assets	4,413	3,920
Net change in financial receivables	1,149	2,430
Change in securities in current assets and fixed assets	(3,063)	256
Change in securities of insurance companies net of policy liabilities and accruals	0	430
Other changes	3,262	(160)
Total cash flows provided by (used in) investment activities	2,887	2,308
D) Cash flows provided by (used in) financing activities		
Increase in borrowings	2,602	12,536
Repayment of borrowings	(6,976)	(10,273)
Net change in short-term borrowings	789	(5,149)
Increase in capital stock	1,972	921
Purchase of treasury stock	(20)	(187)
Distribution of profits and reserves	(54)	(303)
Total cash flows provided by (used in) financing activities	(1,687)	(2,455)
E) Total change in cash	(272)	1,164
F) Cash at December 31	3,461	3,733

24) Translation of foreign financial statements

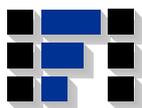
The principal exchange rates used in 2003 and 2002 to translate foreign currency financial statements into euros are the following:

	2003		2002	
	Average	At 12/31/2003	Average	At 12/31/2002
U.S. dollar	1.131	1.263	0.944	1.049
British pound	0.692	0.705	0.628	0.651
Swiss franc	1.521	1.558	1.467	1.452
Polish zloty	4.398	4.717	3.854	4.020
Brazilian real	3.474	3.649	2.765	3.705
Argentine peso	3.335	3.713	2.957	3.534

Turin, March 30, 2004

For the Board of Directors
The Chairman
Umberto Agnelli

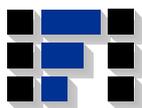




S.p.A.

BALANCE SHEET - ASSETS	12/31/2003	12/31/2002	Change
(in euros)			
FIXED ASSETS			
Property, plant and equipment			
Industrial and commercial equipment	10,524	36,080	(25,556)
Financial fixed assets			
Investments in subsidiaries	1,676,161,514	1,255,425,418	420,736,096
Investments in associated companies	102,559,055	102,559,055	0
Investments in other companies	923,658	89,527,881	(88,604,223)
Total investments	1,779,644,227	1,447,512,354	332,131,873
Receivables - from others	6,678,274	6,678,274	0
Treasury stock	70,477,224	70,477,224	0
Total financial fixed assets	1,856,799,725	1,524,667,852	332,131,873
TOTAL FIXED ASSETS	1,856,810,249	1,524,703,932	332,106,317
CURRENT ASSETS			
Receivables from (a)			
subsidiaries	1,013,246	979,302	33,944
associated companies	54,483	107,178	(52,695)
other receivables			
due within one year	17,531,223	16,678,149	853,074
due beyond one year	33	43	(10)
Total receivables	18,598,985	17,764,672	834,313
Cash and banks			
Bank and post office accounts	53,690	226,202	(172,512)
Cash on hand	10,255	3,507	6,748
Total cash and banks	63,945	229,709	(165,764)
TOTAL CURRENT ASSETS	18,662,930	17,994,381	668,549
ACCRUED INCOME AND PREPAID EXPENSES	49,425	81,772	(32,347)
TOTAL ASSETS	1,875,522,604	1,542,780,085	332,742,519

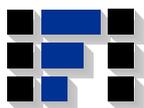
(a) Unless otherwise indicated, these receivables are due within one year.



S.p.A.

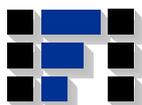
BALANCE SHEET - LIABILITIES AND STOCKHOLDERS' EQUITY	12/31/2003	12/31/2002	Change
(in euros)			
STOCKHOLDERS' EQUITY			
Capital stock	163,251,460	61,750,000	101,501,460
Additional paid-in capital	386,346,907	65,613,812	320,733,095
Revaluation reserve			
Revaluation reserve Law No. 74 of February 11, 1952	156,734	156,734	0
Revaluation reserve Law No. 576 of December 2, 1975	16,939,786	16,939,786	0
Revaluation reserve Law No. 72 of March 19, 1983	64,265,310	64,265,310	0
Total revaluation reserves	81,361,830	81,361,830	0
Legal reserve	14,788,912	14,788,912	0
Treasury stock valuation reserve	70,477,224	70,477,224	0
Other reserves			
Extraordinary reserve	736,081,101	638,155,696	97,925,405
Reserve for purchase of treasury stock	100,000,000	197,908,497	(97,908,497)
Reserve under D.P.R. No. 597, art. 55 of September 29, 1973	0	91,043	(91,043)
Merger surplus reserve	0	191,627,798	(191,627,798)
Retained earnings	0	11,156	(11,156)
Total other reserves	836,081,101	1,027,794,190	(191,713,089)
Net income (loss)	14,666,264	(226,935,639)	241,601,903
TOTAL STOCKHOLDERS' EQUITY	1,566,973,698	1,094,850,329	472,123,369
RESERVES FOR RISKS AND CHARGES			
Income tax reserve	5,571,990	13,235,053	(7,663,063)
Other reserves	2,700,000	2,500,000	200,000
TOTAL RESERVES FOR RISKS AND CHARGES	8,271,990	15,735,053	(7,463,063)
RESERVE FOR EMPLOYEE SEVERANCE INDEMNITIES	1,300,802	2,311,349	(1,010,547)
PAYABLES ^(a)			
Borrowings from banks			
due within one year	66,261,713	211,675,034	(145,413,321)
due beyond one year	212,700,000	170,000,000	42,700,000
Trade payables	1,218,963	727,012	491,951
Payables to subsidiaries	372,803	4,737,735	(4,364,932)
Payables to parent company	15,175,589	39,273,847	(24,098,258)
Taxes payable	178,644	279,014	(100,370)
Social securities payable			
due within one year	334,990	179,604	155,386
due beyond one year	452,512	0	452,512
Other payables			
due within one year	1,001,600	891,123	110,477
due beyond one year	0	500,000	(500,000)
TOTAL PAYABLES	297,696,814	428,263,369	(130,566,555)
ACCRUED EXPENSES AND DEFERRED INCOME	1,279,300	1,619,985	(340,685)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	1,875,522,604	1,542,780,085	332,742,519

(a) Unless otherwise indicated, these payables are due within one year.



S.p.A.

GUARANTEES, COMMITMENTS AND OTHER MEMORANDUM ACCOUNTS	12/31/2003	12/31/2002	Change
(in euros)			
GUARANTEES GRANTED			
Sureties issued on behalf of subsidiaries	32,002,828	97,681,354	(65,678,526)
GUARANTEES RECEIVED - from third parties	726,255	726,255	0
COMMITMENTS	173,517,351	203,529,748	(30,012,397)
OTHER MEMORANDUM ACCOUNTS			
Securities held in deposit by third parties	34,190,193	34,189,346	847
Third-party assets held by the company	0	566,634	(566,634)
TOTAL OTHER MEMORANDUM ACCOUNTS	34,190,193	34,755,980	(565,787)



S.p.A.

STATEMENT OF OPERATIONS	Year 2003	Year 2002	Change
(in euros)			
VALUE OF PRODUCTION			
Revenues from sales and services	1,060,113	1,730,816	(670,703)
Other income and revenues	456,781	820,803	(364,022)
TOTAL VALUE OF PRODUCTION	1,516,894	2,551,619	(1,034,725)
COSTS OF PRODUCTION			
Raw materials, supplies and merchandise	(53,856)	(53,144)	(712)
Services	(4,478,347)	(9,389,023)	4,910,676
Leases and rentals	(803,326)	(888,580)	85,254
Personnel			
salaries and wages	(1,715,921)	(2,614,294)	898,373
social security contributions	(520,723)	(777,158)	256,435
employee severance indemnities	(233,737)	(490,329)	256,592
other costs	(243,196)	(284,924)	41,728
	(2,713,577)	(4,166,705)	1,453,128
Amortization, depreciation and writedowns			
amortization of intangible fixed assets	0	(6,175)	6,175
depreciation of property, plant and equipment	(25,556)	(15,342)	(10,214)
	(25,556)	(21,517)	(4,039)
Other operating costs			
donations to charities and cultural organizations	(356,750)	(699,450)	342,700
other	(1,253,890)	(797,946)	(455,944)
	(1,610,640)	(1,497,396)	(113,244)
TOTAL COSTS OF PRODUCTION	(9,685,302)	(16,016,365)	6,331,063
FINANCIAL INCOME AND EXPENSES			
Investment income			
Dividends and tax credits relating to:			
subsidiaries	0	86,931,729	(86,931,729)
associated companies	4,443,715	14,459,164	(10,015,449)
other companies	202,500	14,730,938	(14,528,438)
	4,646,215	116,121,831	(111,475,616)
Gains on sale of investment in subsidiaries	3,578,011	1,048,311	2,529,700
Gains on sale of investments in other companies	19,044,882	0	19,044,882
	27,269,108	117,170,142	(89,901,034)
Other financial income			
income other than the above	10,968	10,306	662
Interest and other financial expenses from			
subsidiaries	(65,897)	(786,820)	720,923
parent company	(655,645)	(813,581)	157,936
other companies	(14,496,498)	(16,502,673)	2,006,175
	(15,218,040)	(18,103,074)	2,885,034
TOTAL FINANCIAL INCOME AND EXPENSES	12,062,036	99,077,374	(87,015,338)
VALUATION ADJUSTMENTS			
Writedowns of financial fixed assets	0	(304,771,787)	304,771,787
EXTRAORDINARY INCOME AND EXPENSES			
Income	4,084,521	19,683	4,064,838
Expenses	(881,319)	(36,545)	(844,774)
TOTAL EXTRAORDINARY INCOME AND EXPENSES	3,203,202	(16,862)	3,220,064
INCOME (LOSS) BEFORE TAXES	7,096,830	(219,176,021)	226,272,851
INCOME TAXES	7,569,434	(7,759,618)	15,329,052
NET INCOME (LOSS)	14,666,264	(226,935,639)	241,601,903

NOTES TO THE STATUTORY FINANCIAL STATEMENTS

STRUCTURE AND CONTENT OF THE STATUTORY FINANCIAL STATEMENTS

The statutory financial statements for the year ended December 31, 2003 are expressed in euros and have been prepared in accordance with the provisions of the Italian Civil Code in force prior to the changes introduced by Legislative Decree No. 6 dated January 17, 2003 (reform of the law on corporations and cooperatives), as stated therein.

The balance sheet and statement of operations show the changes in the individual captions on the face of the statements. In the Notes, prepared in accordance with the provisions of art. 2427 of the Italian Civil Code, the comments are limited to the principal changes. Unless otherwise indicated, all amounts in the notes are expressed in thousands of euros. In the "Annexes", which are an integral part of these notes, information is shown which is either required by current laws or presented as additional disclosure for purposes of clarity and completeness of the financial statements, including the information requested by Recommendation No. 94001437 dated February 23, 1994 issued by the National Commission for Corporations and the stock exchange (Consob).

As stated in point 5 of art. 2428 of the Italian Civil Code, subsequent events after the end of the year are commented in the Report on Operations.

SIGNIFICANT ACCOUNTING POLICIES

Pursuant to article 2423 bis of the Italian Civil Code, the financial statements have been prepared on the basis of the general principle of prudence, using the accrual basis of accounting and according to the going-concern concept. The accounting policies have been applied on a basis consistent with the prior year and such principles are in compliance with those laid down in article 2426 of the Italian Civil Code.

Furthermore, there were no departures from paragraph 4 of article 2423 of the Italian Civil Code in preparing these financial statements.

Property, plant and equipment

These are stated at cost of acquisition, including accessory charges, net of accumulated depreciation. Depreciation is calculated on a straight-line basis each year over the estimated useful lives of the assets.

In view of the nature of the property, plant and equipment, depreciation is calculated at the ordinary depreciation rates plus the rates for allowable accelerated depreciation. For property, plant and equipment purchased during the year, these rates are reduced by half. Purchases of assets of below € 516 are entirely depreciated in the year of purchase.

Financial fixed assets

Financial fixed assets are valued at cost of acquisition, including accessory charges, determined using the LIFO method.

The cost of acquisition of the investments in IFIL and in Exor Group has been revalued in previous years as allowed by monetary revaluation laws. If, at the balance sheet date, the investment value is determined to have suffered a permanent impairment in value to below the cost of acquisition as defined above, it is written down to the lower value.

Should the reasons for the writedowns no longer apply, the value of the financial fixed assets will be reinstated up to the limit of the cost of acquisition; for financial fixed assets prior to the enactment of Legislative Decree 127/91, this limit is represented by the amounts recorded in the financial statements at March 31, 1993.

Receivables

Receivables are stated at estimated realizable value and include, where applicable, accrued interest earned and collectible at the end of the year.

Accrued income and prepaid expenses

These are income and expenses, common to two or more years, calculated on the accrual principle with the matching of costs and revenues of the year.

Employee severance indemnities

Employee severance indemnities, revalued on the basis of indexes, and determined in accordance with labor legislation and contracts, reflects the liability in respect of all employees. This liability is calculated in reference to the years of service and the employee's annual salary, in accordance with art. 2120 of the Italian Civil Code.

The reserve also includes the liability pursuant to the company agreements dated December 23, 1999.

Payables

Payables are recorded at nominal value and include, where applicable, accrued interest payable at the end of the year.

Guarantees, commitments and other memorandum accounts

Derivative financial instruments used to hedge exchange and interest rate risks and, in general, the fluctuations in the value of assets and liabilities, are recorded under "Commitments". Such contracts form part of the results for the year on the basis of the accrual principle.

Commitments relating to the performance of contracts are recorded under memorandum accounts on the basis of the nominal value to which they refer.

Securities held in deposit by third parties are shown at their nominal value.

Dividends

Dividends are recorded in the year in which they are declared. The related tax credit is recorded at the time the dividends are received.

Financial income and expenses

Financial income and expenses are recorded in the financial statements based on the accrual concept. As for financial instruments used to hedge interest rate risk, the interest differentials are recognized in the statement of operations based on the accrual concept.

Extraordinary income and expenses

Extraordinary income and expenses are generated by events unrelated to ordinary activities or by income and expenses relating to prior years.

Income taxes

L'Irpeg and Irap taxes for the current year are calculated on the basis of existing tax legislation prior to the amendments to Legislative Decree No. 344 of December 12, 2003.

Deferred taxes are calculated on temporary differences between the results for book and tax purposes and deferred tax liabilities are recorded in a specific reserve in liabilities; any deferred tax assets are recorded in "Other receivables" only if there is reasonable certainty of their future recovery. Deferred tax assets and liabilities are offset where allowed by law.

Transactions denominated in foreign currency

Transactions in currencies other than the euro are recorded at the exchange rates agreed with the counterparts or, in their absence, at the exchange rate as of the date of transaction.

Receivables and payables in currencies other than the euro are adjusted to the year-end exchange rate with a contra-entry in the statement of operations.

ANALYSIS OF THE INDIVIDUAL ITEMS OF THE BALANCE SHEET

Property, plant and equipment

The analysis of the changes in 2003 is summarized as follows:

€ in thousands	Depreciation rates	Original cost	Acc. Depreciation	Net book value
Plant and machinery				
Balance at December 31, 2002		5	(5)	0
Balance at December 31, 2003		5	(5)	0
Industrial and commercial equipment:				
- Motor vehicles	50			
Balance at December 31, 2002		143	(111)	32
Increase (Depreciation)			(21)	(21)
(Decrease) Disposal, retirements, etc.		(100)	100	0
Balance at December 31, 2003		43	(32)	11
- Office furniture	12			
Balance at December 31, 2002		144	(140)	4
Increase (Depreciation)			(4)	(4)
(Decrease) Disposal, retirements, etc.		(7)	7	0
Balance at December 31, 2003		137	(137)	0
- Office equipment				
Balance at December 31, 2002		50	(50)	0
(Decrease) Disposal, retirements, etc.		(1)	1	0
Balance at December 31, 2003		49	(49)	0
Total industrial and commercial equipment		229	(218)	11

Financial fixed assets – Investments

Details of investments and the percentage holdings of the classes of capital stock are summarized in the following table:

€ in thousands	12/31/2003		12/31/2002	
	%	Carrying value	%	Carrying value
Subsidiaries				
IFIL S.p.A. (ordinary shares)	62.03	1,676,162	53.73	572,118
Fiat S.p.A. (ordinary shares)	-	0	17.99	560,995
Fiat S.p.A. (preferred shares)	-	0	18.96	101,143
Fiat S.p.A. (warrants 2007 on ordinary shares)	-	0	-	0
Juventus Football Club S.p.A.	-	0	62.01	11,725
Soiem S.p.A.	-	0	50.10	9,444
		1,676,162		1,255,425
Associated companies - Exor Group S.A. (ordinary shares)	29.29	102,559	25.01	102,559
Other companies				
Deutsche Morgan Grenfell Capital Italy S.A.	-	549	-	537
Emittenti Titoli S.p.A.	8.78	371	8.78	371
Sundry consortiums	-	3		3
SANPAOLO IMI S.p.A.	-	0	1.13	88,617
		923		89,528
Total investments		1,779,644		1,447,512

Changes during the year in investments are presented below:

€ in thousands	Balance at 12/31/2002	Changes during the year			Balance at 31/12/2003
		Contribution to IFIL	Conversion of shares	Additions	
Subsidiaries					
IFIL S.p.A. (ordinary shares)	572,118	522,703	272,046	309,295	1,676,162 ^(a)
IFIL S.p.A. (savings shares)	0	271,844	(272,046)	202	0
Fiat S.p.A. (ordinary shares)	560,995	(560,995)			0
Fiat S.p.A. (preferred shares)	101,143	(101,143)			0
Fiat S.p.A. (warrants 2007 on ordinary shares)	0	0			0
Juventus Football Club S.p.A.	11,725	(11,725)			0
Soiem S.p.A.	9,444	(9,444)			0
	1,255,425	111,240	0	309,497	1,676,162
Associated companies - Exor Group S.A. (ordinary shares)	102,559				102,559
Other companies					
Deutsche Morgan Grenfell Capital Italy S.A.	537			12	549
Emittenti Titoli S.p.A.	371				371
Sundry consortiums	3				3
SANPAOLO IMI S.p.A.	88,617	(88,617)			0
	89,528	(88,617)		12	923
Total	1,447,512	22,623	0	309,509	1,779,644

(a) Net of writedowns of € 73.5 million made in 2002.

The changes during the year, more fully described in the Report on Operations under "Major events in 2003" and "Analysis of IFI S.p.A. statutory results", are presented below.

IFI contributed the following investments and warrants to the subsidiary IFIL:

	Number	% of class of stock	Contribution value			
			Accounting value		Economic value	
			Per share (€)	Total (€ thd)	Per share (€)	Total (€ thd)
Fiat ordinary shares	77,944,334	17.99%	7.197	560,995	8.869	691,288
Fiat preferred shares	19,582,500	18.96%	5.165	101,144	5.165	101,144
Warrants 2007 on Fiat ordinary shares	11,216,334	-	0.319	3,578	0.319	3,578
SANPAOLO IMI ordinary shares	16,300,000	1.13%	6.605	107,661	6.605	107,661
Juventus Football Club	74,992,103	62.01%	0.156	11,725	1.823	136,711
Soiem	18,286,500	50.10%	0.516	9,444	0.633	11,572
TOTAL				794,547		1,051,954

The economic value of the contribution was calculated (with the exception of Soiem, which is unlisted and valued at net asset value) on the basis of the average official market prices in the period between September 2, 2002 and February 28, 2003 and resulted in a total of € 1,051,954 thousand.

In accordance with the provisions of art. 3 of Legislative Decree No. 358 of October 8, 1997, the Fiat ordinary shares, the Juventus Football Club shares and the Soiem shares (representing investments in subsidiaries or affiliates) were contributed with a view to the continuity of the accounting values recorded in the financial statements of IFI S.p.A. for the year ended December 31, 2002, whereas the SANPAOLO IMI ordinary shares, the Fiat preferred shares and the Fiat 2007 warrants on ordinary shares were contributed at economic value, with a total gain € 22,623 thousand.

In exchange for this contribution, based upon the economic value of IFIL determined for purposes of the transaction, IFIL issued to IFI 167,450,949 ordinary shares at the accounting per share price of approximately € 3.122 and 119,635,991 savings shares at the accounting per share price of approximately € 2.272. The par value of the IFIL shares issued amounted to € 287,086,940, plus € 507,460,128 of additional paid-in capital, for a total of € 794,547,068.

In May 2003, IFI then exercised the right to voluntarily convert all the 119,750,000 IFIL savings shares held for 101,787,500 IFIL ordinary shares, without payment of any cash differential.

The additions derive from the following transactions:

- in April and May 2003, IFI purchased 1,807,150 IFIL ordinary shares and 114,009 IFIL savings shares on the market for a total investment of € 4,388 thousand;
- in July 2003, after having purchased 810,126 rights, IFI subscribed to 233,861,025 IFIL ordinary shares under the rights offering for a total investment of € 304,205 thousand;
- in August 2003, IFI also purchased 450,000 IFIL ordinary shares on the market for an outlay of € 904 thousand.

Further details on the variations in investments are provided in Annex 1. The list of investments, which presents additional data and information required by article 2427 of the Italian Civil Code, is provided in Annex 2.

Based upon the average stock market prices for the second half of 2003 (€ 2.325), IFIL ordinary shares show an unrealized loss of € 179 million. Such unrealized loss is not considered representative of a permanent decline in value in that it refers to a controlling institutional investment, which, furthermore, based upon the average market prices for the period March 1 – 17, 2004 (€ 2.836) shows an unrealized gain of about € 150 million.

The per share carrying value of IFIL ordinary shares (€ 2.604), moreover, is lower than the per share value of the consolidated stockholders' equity of the IFIL Group at December 31, 2003 (€ 3.68).

Additional details are provided in Annex 3.

Financial fixed assets – Receivables from others

The receivable from TLcom I at December 31, 2003 amounts to € 6,678 thousand (unchanged compared to the prior year).

Financial fixed assets – Treasury stock

No transactions in treasury stock were entered into during the year. The balance at December 31, 2003 includes the following:

	Number of shares	Carrying value	
		Per share (€)	Total (€ in thousands)
IFI preferred shares	5,360,300	13.15	70,477 (a)

(a) Net of writedowns of € 58.9 million made in 2002.

IFI preferred shares in portfolio at December 31, 2003 have a par value of € 5,360 thousand and represent, after the capital increase, 3.28% of capital stock and 6.98% of the class of stock.

Based upon the average stock market prices for the second half of 2003 (€ 6.41), IFI preferred shares show an unrealized loss of € 36 million, which would be reduced to € 31 million based upon the average market prices for the period March 1 – 17, 2004 (€ 7.439).

Such unrealized loss is not considered representative of a permanent decline in value taking also into account that the per share carrying value of IFI preferred shares is in any case lower than the per share value of the consolidated stockholders' equity of the IFI Group at December 31, 2003 (€ 13.61).

Additional details are provided in Annex 3.

Current assets – Receivables from subsidiaries

€ in thousands	12/31/2003	12/31/2002	Change
Fiat Sava S.p.A.	620	620	0
IFIL S.p.A.	201	73	128
Juventus Football Club S.p.A.	159	263	(104)
Welcome Travel Group S.p.A.	22	0	22
Soiem S.p.A.	11	10	1
Neos S.p.A.	0	8	(8)
Fiat Auto S.p.A.	0	5	(5)
Total receivables from subsidiaries	1,013	979	34

Current assets – Receivables from associated companies

€ in thousands	12/31/2003	12/31/2002	Change
Exor Group S.A.	54	107	(53)

The above receivables from subsidiaries and associated companies originated from the performance of services and cost recoveries for personnel on loan.

Current assets – Other receivables

€ in thousands	12/31/2003	12/31/2002	Change
Receivables from the tax authorities for prior years' taxes, refunds requested	17,200	0	17,200
Receivables from the tax authorities for current and prior years' taxes, carried forward	113	16,431	(16,318)
Deferred tax assets	22	40	(18)
Sundry	196	207	(11)
Total other receivables	17,531	16,678	853

There are no receivables due beyond five years.

The changes in receivables from the tax authorities are as follows:

€ in thousands	
Balance at December 31, 2002	16,431
Adjustment of prior years' receivable on tax return	4,065
Sales to Group companies	(2,588)
Allowable portion of IRPEG receivable used to compensate current income taxes	(464)
VAT credit used	(207)
Arising in 2003 (taxes and withholdings)	76
Balance at December 31, 2003	17,313

Capital stock

At December 31, 2003, the capital stock of IFI S.p.A., fully subscribed to and paid-in, amounts to € 163,251,460 and is composed of 86,450,000 ordinary shares and 76,801,460 preferred shares of par value € 1 each.

In accordance with art. 10 of the by-laws, preferred shares have voting rights only for the resolutions set forth in art. 2365 of the Italian Civil Code.

Pursuant to art. 26 of the by-laws, preferred shares have the right to a preference dividend, which is not cumulative from one year to the next, equal to 5.17% of par value (€ 1).

Capital stock may be increased for a period of five years, at one or more times, also in divisible form, up to a maximum of € 561,750,000, by the authority delegated to the Board of Directors in the Extraordinary Stockholders' Meeting on April 22, 2003 pursuant to art. 2443 of the Italian Civil Code.

Changes in capital stock in 2003 are summarized below:

	Number of shares		Total
	Ordinary shares	Preferred shares	
At December 31, 2002	30,875,000	30,875,000	61,750,000
Capital stock increase against payment	55,575,000	45,926,460	101,501,460
At December 31, 2003	86,450,000	76,801,460	163,251,460

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 April 22, 2003, the Board of Directors of IFI S.p.A. voted to increase the capital stock against payment, and in divisible form, for a maximum amount of par value € 101,501,460, through the issue of:

- 55,575,000 IFI ordinary shares of par value € 1 each, with normal dividend rights, with option rights offered to Giovanni Agnelli e C. S.a.p.az., the sole stockholder of IFI ordinary shares, at the price of € 4.5 each, in a ratio of 9 new ordinary shares for every 5 ordinary shares held;
- maximum 45,926,460 IFI preferred shares of par value € 1 each, with normal dividend rights, with option rights offered to the preferred stockholders at the price of € 4.5 each, in a ratio of 9 new preferred shares for every 5 preferred shares held.

At the end of the rights offering period, 45,412,722 new preferred shares were subscribed to, equal to 98.88% of the preferred shares offered. Moreover, Giovanni Agnelli e C. S.a.p.az., the sole stockholder of IFI ordinary shares, subscribed to the 55,575,000 IFI ordinary shares in the rights offering, with an investment of € 250,087 thousand.

Following the subsequent offering of the 285,410 unexercised rights on the market (which generated proceeds of € 684 thousand recorded as an increase to stockholders' equity), the remaining 513,738 new IFI preferred shares were subscribed to in August.

The capital stock increase was therefore concluded with the subscription of the entire issue of 55,575,000 ordinary shares and the 45,926,460 preferred shares offered for total proceeds of € 457,440 thousand (of which € 684 thousand deriving from the sale of unexercised rights).

In execution of the resolution passed by the Stockholders' Meeting of June 3, 1985, a part of the monetary revaluation reserve Law No. 576 of December 2, 1975 was transferred to capital stock (€ 1,325 thousand) which, in the event of distribution, will form part of the taxable income of the Company.

Reserves

The statement of changes in stockholders' equity is presented in Annex 4.

At December 31, 2003, untaxed reserves are recorded for a total amount of € 83,716 thousand, of which € 81,362 thousand are in the monetary revaluation reserves, € 2,032 thousand in the legal reserve and € 322 thousand in other reserves. In the event of distribution, these reserves would form part of the taxable income of the Company.

In a view of the unlikelihood of their distribution, no deferred taxes have been set aside in respect of such reserves.

Reserves for risks and charges

These amounted to € 8,272 thousand, of which € 5,572 thousand for taxes and € 2,700 thousand for the risk of writedowns and financial receivables.

Reserve for employee severance indemnities

This reserve refers to the liability for employee severance indemnities, calculated in accordance with art. 2120 of the Italian Civil Code, as well as the liability in respect of employees arising from the December 23, 1999 agreement.

Details of the changes are as follows:

€ in thousands	Employee Sever. Indem.	Agreement 12/23/1999	Total
Balance at December 31, 2002	2,012	299	2,311
Provisions	156	78	234
Payments	(772)	(86)	(858)
Transfers to and from other Group companies	(330)	(56)	(386)
Balance at December 31, 2003	1,066	235	1,301

Borrowings from banks

€ in thousands	12/31/2003	12/31/2002	Change
due within one year	66,262	211,675	(145,413)
due beyond one year	212,700	170,000	42,700
Total borrowings from banks	278,962	381,675	(102,713)

Borrowings from banks due within one year amounted to €66,262 thousand (€211,675 thousand at December 31, 2002). Against these borrowings, the company has irrevocable lines of credit available totaling €515 million, all due beyond one year.

Borrowings from banks due beyond one year of €212,700 thousand relate to loans bearing interest at variable rates payable semi-annually and are indexed against the Euribor plus a spread commensurate with the best market conditions.

Interest rate swaps and zero cost collars are used to ensure fixed interest rates over the period of the loans on an amount of €170 million at December 31, 2003.

Loans are classified as due beyond one year on the basis of the residual period of the loan and the period of the hedging contracts.

Borrowings from banks due beyond one year are payable within five years.

Payables to subsidiaries

€ in thousands	12/31/2003	12/31/2002	Change
For loans received:			
- Soiem S.p.A.	0	3,559	(3,559)
- Juventus Football Club S.p.A.	0	589	(589)
	0	4,148	(4,148)
For services received:			
- Soiem S.p.A.	313	408	(95)
- IFIL S.p.A.	0	88	(88)
- Fiat Auto S.p.A.	11	45	(34)
- Sundry	49	49	0
	373	590	(217)
Total payables to subsidiaries	373	4,738	(4,365)

Payables to parent company

Payables to parent company amount to € 15,176 thousand (€ 39,274 thousand at December 31, 2002) and refer to the loan granted by the parent company Giovanni Agnelli e C S.a.p.a.z. which bears interest at the monthly variable market rate.

Taxes payable

Taxes payable amount to € 179 thousand (€ 279 thousand in 2002) and relate to withholding taxes payable on self-employment, employment and other income.

The Company has agreed its tax years up to December 31, 1998.

The Company took advantage of the tax amnesty (Law 289/2002 as amended) opting to apply art. 8 (simple supplement) relating to the years 1997-2001. The company also used the amnesty to close pending and potential tax litigation relating to prior years (art. 15 and 16 of Law 289/2002). The total cost incurred amounted to € 94 thousand.

Social security payable

€ in thousands	12/31/2003	12/31/2002	Change
INPS solidarity fund (MD No. 158 dated 4/28/2000)	679 (a)	0	679
INPS social security contributions on salaries and unused vacation and holidays	109	180	(71)
Total social security payable	788	180	608

(a) Of which € 453 thousand beyond one year.

Ministerial Decree No. 158 dated April 28, 2000, established, at INPS, the "Solidarity Fund for the support of earnings, employment and professional reconversion and requalification of credit personnel". Financial and asset management of the Fund is administered autonomously. The Fund provides, in exceptional circumstances, for the issue of checks to support earnings at the request of the employer and up until the right accrues for the years-of-service or old age pension by employees who accrue the requisites within a maximum period of 60 months from the date of termination of the working relationship. The above liabilities (€ 679 thousand in total) represent the extraordinary contribution that IFI must pay to cover the exceptional checks that are due to former employees, including related social security contributions.

Other payables

€ in thousands	12/31/2003	12/31/2002	Change
Extraordinary compensation for the former Managing Director	500 (a)	1,000	(500)
IFI Board of Statutory Auditors fees	178	168	10
Extraordinary compensation for the Deputy Chairman	150 (a)	0	150
Stockholders for dividends not yet collected	107	131	(24)
Sundry	67	92	(25)
Total other payables	1,002	1,391	(389)

(a) To be paid in 2004.

Accrued expenses and deferred income

Accrued expenses and deferred income amount to € 1,279 thousand (€ 1,620 thousand at December 31, 2002) and include interest expenses on borrowings from banks (€ 727 thousand) and expenses on interest rate swaps and zero cost collars (€ 552 thousand) accrued to December 31, 2003.

GUARANTEES, COMMITMENTS AND OTHER MEMORANDUM ACCOUNTS

Guarantees granted – Sureties issued on behalf of subsidiaries

At December 31, 2003, sureties granted by IFI amounted to € 32,003 thousand and refer to F.I.G.C., Federazione Italiana Giuoco Calcio – Lega Nazionale Professionisti, on behalf of the Juventus Football Club.

The reduction of € 65,679 thousand from December 31, 2002 is due to the sureties that expired (€ 44,186 thousand) or were reduced (€ 21,493 thousand) during the year.

The sureties, remunerated at market rates, have varying annual expiry dates between 2004 and 2005.

Guarantees received - from third parties

These total € 726 thousand and represent sureties received from Banca Intesa issued to the Tax Administration (VAT office) on behalf of IFI, expiring December 31, 2003.

Commitments

€ in thousands	12/31/2003	12/31/2002	Change
Commitments with leading banking institutions relating to transactions to hedge interest rate fluctuations on bank debt due in 2005 and 2007 (a)	170,000	200,000	(30,000)
Residual commitment to invest in TLcom I	3,000	3,000	0
Commitment to sell 47,500 IFIL ordinary shares	424	424	0
Residual commitment to subscribe to Emittenti Titoli's capital increase	93	93	0
Residual commitment to invest in Deutsche Morgan Grenfell	0	12	(12)
Total commitments	173,517	203,529	(30,012)

(a) The transactions in derivative financial instruments are used exclusively to hedge the risk of interest rate fluctuations and thus are not valued separately.

Other memorandum accounts – Securities held in deposit by third parties

The amount of € 34,190 thousand refers to 3,418,242 Exor Group ordinary shares and 3,010 Deutsche Morgan Grenfell shares deposited at banks.

ANALYSIS OF THE INDIVIDUAL ITEMS OF THE STATEMENT OF OPERATIONS

Value of production – Revenues from sales and services

€ in thousands	2003	2002	Change
For services rendered to subsidiaries and associated companies:			
- Fiat Sava S.p.A.	620	620	0
- Juventus Football Club S.p.A.	223	277	(54)
- Exor Group S.A.	92	274	(182)
For services rendered to third parties	125	560	(435)
Total revenues from sales and services	1,060	1,731	(671)

The services rendered to Fiat Sava consist of the custody of receivables (€ 1,332.3 million) which guarantee the circulation of interest-bearing Sava Fiat bonds (the 2003 bond issue amounts to € 589.7 million).

Value of production – Other income and revenues

€ in thousands	2003	2002	Change
For cost recoveries incurred on behalf of subsidiaries:			
- IFIL S.p.A.	201	222	(21)
- Soiem S.p.A.	10	10	0
- Juventus Football Club S.p.A.	0	83	(83)
	211	315	(104)
For fees for post held by IFI staff in the following companies:			
- SANPAOLO IMI S.p.A.	99	196	(97)
- Fiat S.p.A.	20	117	(97)
- Welcome Travel Group S.p.A.	20	0	20
- Atlanel S.p.A.	0	34	(34)
- Alpitour S.p.A.	0	24	(24)
- Sundry	0	28	(28)
	139	399	(260)
Sundry	107	107	0
Total other income and revenues	457	821	(364)

Costs of production – Raw materials, supplies and merchandise

These costs total € 54 thousand and regard the purchases of stationery and supplies, printed forms and gifts.

Costs of production – Services

Services total € 4,478 thousand and include nonrecurring expenses of € 1,760 thousand, of which € 1,460 thousand relate to costs incurred under the Reorganization Plan of the Group and capital stock increases and € 300 thousand regard extraordinary compensation to a Director.

Details of the main services are as follows:

€ in thousands	2003	2002	Change
Consulting and services rendered by			
- Third parties	1,750	3,858	(2,108)
- Soiem S.p.A. (subsidiary)	444	675	(231)
- IFIL S.p.A.	0	88	(88)
	2,194	4,621	(2,427)
Fees to Corporate Boards			
- Board of Directors	977	3,025	(2,048)
- Board of Statutory Auditors	146	144	2
	1,123	3,169	(2,046)
Office management and security	384	363	21
Bank charges	208	268	(60)
Maintenance, transport and car insurance	183	171	12
Travel expenses	136	507	(371)
Mailing, telephone and similar expenses	131	153	(22)
Other expenses	45	41	4
Audit fees	42	38	4
Employee expenses	32	58	(26)
Total services	4,478	9,389	(4,911)

Costs of production – Leases and rentals

These amount to € 803 thousand (€ 889 thousand in 2002) and include the rent on the Turin headquarters (€ 537 thousand to the subsidiary company Soiem S.p.A.), leases and expenses of the Rome headquarters (€ 68 thousand), leases for office machines, for cars for service use and other rentals (€ 198 thousand).

Costs of production – Personnel

These total € 2,714 thousand (€ 4,167 thousand in 2002) and show a net decrease of € 1,453 thousand due to a reduction in number of employees.

Other personnel costs include the contribution (€ 95 thousand) to the Corporate Employee Benefits Fund – Pension Fund, administered separately from the balance sheet, in which IFI S.p.A. and other companies in the Group participate. The purpose of this Fund, which is non-profit, is to pay benefits that are a supplement to the obligatory public system, either directly or by taking out insurance policies, in conformity with the provisions of the collective labor contracts, agreements or company regulations. The technical equilibrium between benefits and contributions is ensured by the company partners in the Fund.

At year-end 2003, employees numbered 11 (28 in 2002).
The average number of employees in 2003 was 18, summarized by category as follows:

	2003	2002	Change
Managers/management staff	6	10	(4)
Clerks	10	16	(6)
Messengers	2	5	(3)
Average number of employees	18	31	(13)

Costs of production – Other operating costs

Other operating costs total € 1,611 thousand (€ 1,497 in 2002) and show an increase of € 114 thousand compared to 2002. Details are as follows:

€ in thousands	2003	2002	Change
Indirect taxes and duties	831 ^(a)	508	323
Donations to non-profit and cultural organizations	357	699	(342)
Notary and corporate charges	152	81	71
Publication of annual, first-half and quarterly financial statements	86	72	14
Ads	81	13	68
Association dues	46	67	(21)
Books, newspapers and magazines	40	42	(2)
Sundry	18	15	3
Total other operating costs	1,611	1,497	114

(a) Including nonrecurring expenses relating to nondeductible VAT for € 282 thousand.

Donations to non-profit and cultural organizations in 2003 were paid from the portion of 2001 profits to which the Board of Directors is entitled, according to the by-laws, and which is waived.

Investment income – Dividends and tax credits

Details are as follows:

€ in thousands	2003			2002		
	Dividends	Tax credits	Total	Dividends	Tax credits	Total
Subsidiaries						
Fiat S.p.A. (ordinary shares)	0	0	0	24,163	13,075	37,238
Fiat S.p.A. (preferred shares)	0	0	0	6,070	3,285	9,355
IFIL S.p.A. (ordinary shares)	0	0	0	24,917	14,016	38,933
Juventus Football Club S.p.A.	0	0	0	900	506	1,406
	0	0	0	56,050	30,882	86,932
Associated companies						
Exor Group S.A. (ordinary shares)	4,444	0	4,444	14,459	0	14,459
Other companies						
Emittenti Titoli S.p.A.	130	72	202	137	77	214
SANPAOLO IMI S.p.A.	0	0	0	9,291	5,226	14,517
	130	72	202	9,428	5,303	14,731
Total	4,574	72	4,646	79,937	36,185	116,122

Investment income – Gains on sale of investments in subsidiaries and other companies

The gains refer to sales of:

€ in thousands	2003	2002	Change
Subsidiaries:			
- 11,216,334 warrants 2007 on Fiat ordinary shares	3,578 (a)	0	3,578
- 1,257,102 Juventus Football Club S.p.A. shares	0	1,048	(1,048)
Other companies:			
- 16,300,000 SANPAOLO IMI S.p.A. shares	19,045 (a)	0	19,045
Total gains on sales of investments in subsidiaries and other companies	22,623	1,048	21,575

(a) Generated by the contribution of investments to IFIL.

Other financial income – Income other than the above

These total € 11 thousand (€ 10 thousand at December 31, 2002) and refer to interest income on receivables from banks.

Interest and other financial expenses

Details are as follows:

€ in thousands	2003	2002	Change
Interest expense on loans from subsidiaries			
- Soiem S.p.A.	48	80	(32)
- Juventus Football Club S.p.A.	18	707	(689)
	66	787	(721)
Interest expense on loans from parent company			
- Giovanni Agnelli e C. S.a.p.az	656	814	(158)
Other			
- interest expenses on borrowings from banks	10,008	13,353	(3,345)
- expenses relating to hedges of interest rate fluctuations	3,647	1,835	1,812
- sundry bank charges	641	814	(173)
- accrual for sundry financial risks	200	500	(300)
Total interest and other financial expenses	15,218	18,103	(2,885)

Extraordinary income and expenses

Details are as follows:

€ in thousands	2003	2002	Change
Income			
Release of excess income taxes set aside in the prior year	4,065	0	4,065
Sundry	19	20	(1)
Total extraordinary income	4,084	20	4,064
Expenses			
Solidarity fund for the support of earnings (MD 158 of 4/28/2000) (a)	(772)	0	(772)
Employee reduction incentives	(89)	0	(89)
Sundry	(20)	(37)	17
Total extraordinary expenses	(881)	(37)	(844)

(a) Payment will terminate in 2008.

Income taxes

Details are as follows:

€ in thousands	2003	2002	Change
Deferred income taxes - Release of deferred taxes provided in prior years and adjustments to conform to the change in tax rates	7,569	1,381	6,188
Current Irpeg taxes	0	(8,917)	8,917
Equalization tax - Irpeg (19%)	0	(224)	224
Total income taxes	7,569	(7,760)	15,329

The taxable base for the year 2003 was a negative figure on account of the writedowns on financial fixed assets recorded at the end of 2002 which became deductible.

Since there is no reasonable certainty of future recovery, no deferred tax assets have been booked on the fiscal 2003 tax losses (€ 131 million) and on the portions of investment writedowns that, as allowed by existing tax legislation, will be deductible in future years (€ 63 million).

Other information – Compensation to Directors, Statutory Auditors and General Managers
(Art. 78 of Consob resolution No. 11971 dated May 14, 1999 and subsequent amendments)

All amounts in the following table are expressed in thousands of euros:

Name	Post held	Term of office	Expiration of term of office (a)	Compensation for post held in company preparing the financial statements (b)	Non-monetary benefits	Bonuses and other incentives	Other compensation
Directors in office							
Agnelli Umberto	Chairman	3/3 - 12/31 (c)	2005	250			1,655 (d)
Gabetti Gianluigi	Deputy Chairman	1/1 - 12/31	2005	250		300 (e)	1,777 (d)
Avogadro di Collobiano Annibale	Director	3/3 - 12/31	2005				
Elkann Jonh Philip	Director	3/3 - 12/31	2005		1		136 (d)
							54 (f)
Galateri di Genola Gabriele	Director	1/1 - 12/31 (g)	2005	77			35 (d)
Nasi Andrea	Director	1/1 - 12/31	2005				
Rattazzi Lupo	Director	5/29 - 12/31	2005				
Grande Stevens Franzo	Director	1/1 - 12/31	2005				412 (d)
Teodorani-Fabbri Pio	Director	1/1 - 12/31	2005	100 (h)			8 (d)
Directors no longer in office							
Agnelli Giovanni	Chairman	1/1 - 1/24					
Agnelli Susanna	Director	1/1 - 5/29					
Camerana Carlo	Director	1/1 - 1/6					
Fresco Paolo	Director	1/1 - 6/21					215 (d)
Total Board of Directors				677	1	300	4,292
Board of Statutory Auditors							
Ferrero Cesare	Chairman	1/1 - 12/31	2005	62			125 (d)
Giorgi Giorgio	Statutory Auditor	1/1 - 12/31	2005	42			23 (d)
Jona Celesia Lionello	Statutory Auditor	1/1 - 12/31	2005	42			
Total Board of Statutory Auditors				146			148
General Manager							
Marrone Virgilio	General Manager	1/1 - 12/31	-		43		415 (f)
							18 (d)

(a) The term of office expires in concurrence with the Stockholders' Meeting that will approve the financial statements for the year ended December 31, 2005.

(b) The amounts indicated refer to special compensation correlated to the post and functions carried out.

(c) Deputy Chairman and Managing Director until March 2, 2003.

(d) Compensation for the posts held in subsidiaries.

(e) Extraordinary compensation.

(f) Employment income.

(g) Managing Director until April 13, 2003.

(h) Compensation as the person in charge of IFI headquarters in Rome.

IFI – Other information – Stock options

The Company uses stock option plans to strengthen relations between management and the Group and to boost motivation to create value for the Company.

At December 31, 2003, the Board of Directors of the subsidiary IFIL has three stock option plans.

The first, destined to managers and directors of IFIL and IFI, was voted by the IFIL Board of Directors on April 1998. The plan involves a maximum number of 500,000 IFIL ordinary shares of par value € 1, which can be granted for subscription at a price of € 8.93 each.

The plan allows the granting of a maximum number of shares for a variable amount of between one and two times the annual gross salary of each beneficiary as of the date of April 1998.

The options, accrue in equal amounts each year between 1998 and 2003, can be exercised by the beneficiaries in the first four months of 2003 and 2004.

In total, the options granted, net of those expired in the meantime, relate to 220,700 shares, equal to 0.02% of the actual outstanding capital stock.

In May 2000, the IFIL Board of Directors voted a second stock option plan destined for the managers and directors of IFIL and IFI, for a maximum number of 2,700,000 IFIL ordinary shares, of par value € 1 each. The options can be granted in annual amounts each year between 2000 and 2004 and can be exercised by the beneficiaries beginning from 2002 up to 2006.

There were 2,691,500 options equal to 0.25% of actual capital stock granted under this plan in the period 2000 to 2003 (net of those expired in the meantime) (of which in 2000, 522,000 options exercisable at an average price of € 7.088 each; in 2001, 525,450 options at € 6.88 each; in 2002, 844,050 options at € 5.09 each; in 2003, 800,000 options exercisable at a price of € 1.85 each).

In September 2003, the IFIL Board of Directors voted a third stock option plan destined solely for the managers and directors of IFIL and IFI, for a maximum number of 700,000 IFIL ordinary shares, of par value € 1 each. There were 532,000 options equal to 0.05% of actual capital stock granted under this plan, of par value € 2.28 each.

In the event of termination of employment with Group companies (excluding retirement) the options not yet accrued or exercisable are forfeited.

During 2003, no options were exercised.

With regard to these plans, there were no transactions entered into to favor either the purchase or subscription of shares pursuant to ex art. 2358 of the Italian Civil Code.

Thus far, the Board of Fiat S.p.A. has approved stock option plans offered to about 900 managers of the Group's Italian and foreign companies who are qualified as "Direttore" or have been included in the Management Development Program for high-potential managers. Plan regulations share these common features:

- options are granted to individual managers on the basis of objective parameters that take into account the level of responsibility assigned to each person and his or her performance.
- if employment is terminated or an employee's relationship with the Group is otherwise severed, options that are not exercisable become null and void. However, vested options may be exercised within 30 days from the date of termination, with certain exceptions.
- the option exercise price, which is determined based on the average stock market price for the month preceding the option grant, can vary as a result of transactions affecting the Company's capital stock. It must be paid in cash upon the purchase of the underlying shares.
- the options are normally exercisable starting one year after they are granted and for the following eight years, but during the first four years, exercise is limited to annual tranches, which may be accumulated, of no more than 25% of the total granted.

A total of 1,045,943 options were granted in 2003, and expire in 2010. For the first three years their exercise is subject to limits, which include the achievement of predetermined objectives. In consideration of the options previously granted under the aforesaid plans and that have since expired upon termination of employment, a total of 12,697,743 shares represent treasury stock to be assigned to the holders of options pursuant to the conditions envisaged in the specific Regulations.

On December 15, 2000, the Extraordinary Stockholders' Meeting of Alpitour S.p.A. voted to vest the Board of Directors with the power to increase capital stock by a maximum amount of € 767,500 to service a stock option plan on behalf of the directors, managers and cadres of Alpitour and the companies of the Group.

The regulations of the stock option plan, approved by resolution of the Board of Directors on December 15, 2000, state that the aforementioned capital increase of € 767,500 will occur by issue of a maximum 1,535,000 new ordinary shares of par value € 0.50 each. The options under the plan, which carries a period of 68 months, will accrue in annual lots expiring October 31, of each year and will be offered at a price equal to € 6.73 per share. The options granted can be fully exercised within six months of the approval of the financial statements ended October 31, 2005.

The shares purchased in execution of the above plan can be sold to Alpitour at a price, established by the Board of Directors, calculated on the basis of the economic performance of the company.

The first tranche of options granted during 2002/2003, referring to the financial statements for the year ended October 31, 2002, was not exercised by the beneficiaries of the stock option plans.

Stock options granted to Directors and General Managers

(Art. 78 of Consob resolution No. 11971 dated May 14, 1999 and subsequent amendments)

Name Post held	Company	Options held at the beginning of the year			Options granted during the year			Options expired	Options held at the end of the year		
		Number of options	Average exercise price	Exercise period (months/year)	Number of options	Average exercise price	Exercise period (months/year)	during the year Number of option	Number of options	Average exercise price	Exercise period (months/year)
Gabetti Gianluigi											
Deputy Chairman	IFIL ord.				532,000	2.28	1/05-12/06		532,000	2.28	1/05-12/06
Galateri di Genola Gabriele											
Director	Fiat ord.	400,000	12.96	6/03 - 6/10				400,000 (a)	0		
	IFIL ord.	746,600	6.53	3/04 - 12/06					746,600	6.53	3/04 - 12/06
	Alpitour	153,500	6.73	10/03 - 10/05					153,500	6.73	08/06
Marrone Virgilio											
General Manager	IFIL ord.	206,450	6.60	3/04 - 12/06	60,000	1.85	01/05-12/06		266,450	5.53	3/04 - 12/06
Fresco Paolo											
Director (b)	Fiat ord.	2,250,000	20.614	7/01 - 1/10					2,250,000	20.614	7/01 - 1/10

(a)Options expired, since the director left office.

(b)No longer in office.

During the year, no options were exercised.

Turin, March 30, 2004

For the Board of Directors
The Chairman
Umberto Agnelli

ANNEXES TO THE NOTES TO THE STATUTORY FINANCIAL STATEMENTS

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Turin, March 30, 2004

For the Board of Directors
The Chairman
Umberto Agnelli

CHANGE IN INVESTMENTS (RECOMMENDATION CONSOB NO. 94001437 DATED FEBRUARY 23, 1994)

	Balance at December 31, 2002			
	Number of shares/warrants	% of class of stock	Carrying value	
			Per share (€)	Total (€ in thousands)
SUBSIDIARIES				
IFIL S.p.A. - ordinary shares	138,426,775	53.73	4.13	572,118
IFIL S.p.A. - savings shares				0
FIAT S.p.A. - ordinary shares	77,944,334	17.99	7.20	560,995
FIAT S.p.A. - preferred shares	19,582,500	18.96	5.17	101,143
FIAT S.p.A. - wts. 2007 on ordinary shares				
JUVENTUS FOOTBALL CLUB S.p.A.	74,992,103	62.01	0.16	11,725
SOIEM S.p.A.	18,286,500	50.10	0.52	9,444
Total subsidiaries				1,255,425
ASSOCIATED COMPANIES				
EXOR GROUP S.A. - ordinary shares	3,418,242	25.01	30.00	102,559
OTHER COMPANIES				
SANPAOLO IMI S.p.A.	16,300,000	1.13	5.44	88,617
EMITTENTI TITOLI S.p.A.	720,000	8.78	0.52	371
DEUTSCHE MORGAN GRENPELL C.I. S.A.				
- ordinary shares	1,034	1.11	513.89	532
- preferred shares (b)	1,976	1.28	2.58	5
CONSORZIUMS (c)				3
Total other companies				89,528
TOTAL INVESTMENTS				1,447,512

Other companies include the investment in Ticom 1 (1 quota for € 100).

- (a) Net of writedowns of € 73.5 million made in 2002.
 (b) Including 942 shares , not representative of capital stock.
 (c) Consorzio Fiat Media Center, Consorzio Orione and Consorzio Conai.

Change during 2003				Balance at December 31, 2003			
Increase		Decrease		Number of shares	% of class of stock	Carrying value	
Number of shares	Carrying value (€ in thousands)	Number of shares	Carrying value (€ in thousands)			Per share (€)	Total (€ in thousands)
505,356,624	1,104,044			643,783,399	62.03	2.60	1,676,162 (a)
119,750,000	272,046	119,750,000	272,046				0
		77,944,334	560,995				0
		19,582,500	101,143				0
							0
		74,992,103	11,725				0
		18,286,500	9,444				0
	1,376,090		955,353				1,676,162
				3,418,242	29.29	30.00	102,559
		16,300,000	88,617				0
				720,000	8.78	0.52	371
24	12			1,058	1.13	513.89	544
24				2,000	1.30	2.58	5
							3
	12		88,617				923
	1,376,102		1,043,970				1,779,644

LIST OF INVESTMENTS IN SUBSIDIARIES AND ASSOCIATED COMPANIES AT DECEMBER 31, 2003

	Capital stock			
	Number of shares	Currency	Par value	Amount
SUBSIDIARIES - FINANCIAL SECTOR				
IFIL - Finanziaria di partecipazioni S.p.A. - Turin				
- ordinary shares	1,037,812,717	Euro	1	1,037,812,717
- savings shares	37,383,020	Euro	1	37,383,020
	<u>1,075,195,737</u>			<u>1,075,195,737</u>
ASSOCIATED COMPANIES - FINANCIAL SECTOR				
EXOR GROUP S.A. - Luxembourg				
- ordinary shares	11,670,050	Euro	10	116,700,500
- savings shares	50	Euro	10	500
	<u>11,670,100</u>			<u>116,701,000</u>

Figures relating to IFIL and Exor Group refer to the 2003 consolidated financial statements.

IFI's investment					Stockholders' equity	Net income/(loss)
Number of shares	% ownership of		Carrying value		Per share	Total
	capital stock	class of stock	(€)	(€ in thousands)		
643,783,399	59.88	62.03	2.60	1,676,162	3,953,900	(45,000)
3,418,242	29.29	29.29	30.00	102,559	611,492	17,148

**COMPARISON OF CARRYING VALUES AND MARKET PRICES OF LISTED FINANCIAL FIXED ASSETS
(RECOMMENDATION CONSOB NO. 94001437 DATED FEBRUARY 23, 1994)**

(€ in thousands)	Balance at December 31, 2003					
	Number of shares	Carrying value		Market prices at December 30, 2003		
		Per share (€)	Total	Per share (€)	Total	Difference
IFIL S.p.A. - ordinary shares	643,783,399	2.604	1,676,162	2.617	1,684,781	8,619
IFI S.p.A. - preferred shares	5,360,300	13.148	70,477	6.708	35,957	(34,520)

Average market prices II half 2003			Average market prices in December 2003		
Per share (€)	Total	Difference	Per share (€)	Total	Difference
2.325	1,496,796	(179,366)	2.603	1,675,768	(394)
6.414	34,381	(36,096)	6.723	36,037	(34,440)

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY FOR THE YEARS 2002 AND 2003

(€ in thousands)

	Capital stock	Additional paid-in- capital	Revaluation reserves	Legal reserve
BALANCE AT DECEMBER 31, 2001	61,750	65,614	81,362	14,789
Extraordinary stockholders' meeting of May 28, 2002				
- Appropriation of 2001 net profit				
. Dividends to stockholders				
. To extraordinary reserve				
- Revocation of resolution to purchase treasury stock of May 29, 2001 for the unused portion and appropriation of the remaining Reserve for the purchase of treasury stock to the Extraordinary reserve				
- Transfer to Reserve for purchase of treasury stock pursuant to art. 2357 of the Italian Civil Code				
Purchase of 573,650 IFI preferred shares				
Statute-barred dividends				
Writedown of the carrying value of 5,360,300 IFI preferred shares (€ 13.148), adjustment to reserve				
Net loss 2002				
Changes in 2002	0	0	0	0
BALANCE AT DECEMBER 31, 2002	61,750	65,614	81,362	14,789
Ordinary stockholders' meeting of May 29, 2003				
- Absorption of the 2002 loss through the use:				
. Merger surplus				
. Additional paid-in-capital		(35,206)		
. Reserve under DPR No. 597 art. 55 of 9/29/1973				
. Retained earnings				
- Revocation of resolution to purchase treasury stock of May 28, 2002 for the unused portion and appropriation of the remaining Reserve for the purchase of treasury stock to the Extraordinary reserve				
- Transfer to Reserve for purchase of treasury stock pursuant to art. 2357 and art. 2357-ter of the Italian Civil Code				
- Capital stock increase with the issue of 55,575,000 ordinary shares and 45,926,460 preferred shares at € 4.5 each of which par value € 1 and € 3,5 of paid-in-capital	101,501	355,255		
- Sale of 285,410 unexercised rights on IFI preferred shares		684		
Statute-barred dividends				
Net income (loss) 2003				
Changes in 2003	101,501	320,733	0	0
BALANCE AT DECEMBER 31, 2003	163,251	386,347	81,362	14,789

Treasury stock valuation reserve	Extraordinary reserve	Reserve for purchase of treasury stock	Retained earnings and other reserves	Net income (loss) for the year	Stockholders' equity
117,208	559,352	147,093	191,730	116,901	1,355,799
	82,871			(34,030)	(34,030)
				(82,871)	0
	136,982	(136,982)			0
	(200,000)	200,000			0
12,203		(12,203)			0
	17				17
(58,934)	58,934				0
				(226,936)	(226,936)
(46,731)	78,804	50,815	0	(343,837)	(260,949)
70,477	638,156	197,908	191,730	(226,936)	1,094,850
				226,936	226,936
			(191,628)		(191,628)
					(35,206)
			(91)		(91)
			(11)		(11)
	197,908	(197,908)			0
	(100,000)	100,000			0
					456,756
					684
	17				17
				14,666	14,666
0	97,925	(97,908)	(191,730)	241,602	472,123
70,477	736,081	100,000	0	14,666	1,566,973

STATEMENT OF CASH FLOWS FOR THE YEARS 2003 AND 2002

(€ in thousands)	2003	2002
A) Net cash at beginning of year	230	7,032
B) Cash flows provided by (used for) operating activities		
Net income (loss) for the year	14,666	(226,936)
Depreciation and amortization	26	22
(Gains) Losses on disposals of:		
financial fixed assets	(22,623)	(1,048)
property, plant and equipment	(12)	(5)
Writedowns of financial fixed assets	0	304,772
Net change in employee severance indemnities	(1,010)	(227)
Change in working capital:		
trade receivables	63	(60)
trade payables	(115)	1,292
reserve for income taxes and other reserves	(7,463)	(8,628)
other assets and liabilities	(696)	(10,798)
	(17,164)	58,384
C) Cash flows provided by (used for) investing activities		
Investments in assets:		
financial fixed assets	(309,512)	(212,736)
property, plant and equipment	0	(42)
Proceeds from the sale of fixed assets:		
financial fixed assets	0	1,503
property, plant and equipment	12	5
	(309,500)	(211,270)
D) Cash flows provided by (used for) financing activities		
Increase (repayment) of loans	42,700	(75,000)
(Repayment) increase in loans from subsidiaries and parent companies	(28,246)	43,422
Net change in borrowings from banks	(145,413)	211,675
	(130,959)	180,097
E) Cash flows provided by (used for) changes in stockholders' equity		
Capital stock increase	457,440	0
Dividends paid	0	(34,030)
Other changes	17	17
	457,457	(34,013)
F) Net change in cash	(166)	(6,802)
G) Net cash at end of year	64	230

RECLASSIFIED STATEMENT OF OPERATIONS ACCORDING TO THE FORMAT RECOMMENDED BY CONSOB (RECOMMENDATION CONSOB NO. 94001437 DATED FEBRUARY 23, 1994)

(Amounts in €)	DECEMBER 31, 2003	DECEMBER 31, 2002	CHANGE
FINANCIAL INCOME AND EXPENSES			
Investment income			
Dividends and tax credits relating to			
subsidiaries	0	86,931,729	(86,931,729)
associated companies	4,443,715	14,459,164	(10,015,449)
other companies	202,500	14,730,938	(14,528,438)
Gains on sale of investments in			
subsidiaries	3,578,011	1,048,311	2,529,700
other companies	19,044,882	0	19,044,882
	<u>27,269,108</u>	<u>117,170,142</u>	<u>(89,901,034)</u>
Other financial income	10,968	10,306	662
Interest and other financial expenses			
subsidiaries	(65,897)	(786,820)	720,923
parent company	(655,645)	(813,581)	157,936
other	(14,496,498)	(16,502,673)	2,006,175
	<u>(15,218,040)</u>	<u>(18,103,074)</u>	<u>2,885,034</u>
Writedowns of financial fixed assets	0	(304,771,787)	304,771,787
TOTAL FINANCIAL INCOME AND EXPENSES	12,062,036	(205,694,413)	217,756,449
VALUE OF PRODUCTION			
Revenues from sales and services	1,060,113	1,730,816	(670,703)
Other income and revenues	456,781	820,803	(364,022)
TOTAL VALUE OF PRODUCTION	1,516,894	2,551,619	(1,034,725)
OTHER OPERATING COSTS			
Purchases of raw materials, supplies and merchandise	(53,856)	(53,144)	(712)
Services	(4,478,347)	(9,389,023)	4,910,676
Leases and rentals	(803,326)	(888,580)	85,254
Personnel			
salaries and wages	(1,715,921)	(2,614,294)	898,373
social security contributions	(520,723)	(777,158)	256,435
employee severance indemnities	(233,737)	(490,329)	256,592
other costs	(243,196)	(284,924)	41,728
	<u>(2,713,577)</u>	<u>(4,166,705)</u>	<u>1,453,128</u>
Amortization, depreciation and writedowns	(25,556)	(21,517)	(4,039)
Other operating costs	(1,610,640)	(1,497,396)	(113,244)
TOTAL OTHER OPERATING COSTS	(9,685,302)	(16,016,365)	6,331,063
INCOME (LOSS) BEFORE EXTRAORDINARY ITEMS AND INCOME TAXES	3,893,628	(219,159,159)	223,052,787
EXTRAORDINARY INCOME AND EXPENSES			
Extraordinary income	4,084,521	19,683	4,064,838
Extraordinary expenses	(881,319)	(36,545)	(844,774)
TOTAL EXTRAORDINARY INCOME AND EXPENSES	3,203,202	(16,862)	3,220,064
INCOME (LOSS) BEFORE TAXES	7,096,830	(219,176,021)	226,272,851
INCOME TAXES	7,569,434	(7,759,618)	15,329,052
NET INCOME (LOSS) FOR THE PERIOD	14,666,264	(226,935,639)	241,601,903

**REVALUATIONS MADE TO FIXED ASSETS EXISTING AT DECEMBER 31, 2003
(LAW NO. 72, ART. 10 OF MARCH 19, 1983)**

(€ in thousands)	Legal revaluations	
	Law No. 576 December 2, 1975	Law No. 72 March 19, 1983
Financial fixed assets		
Subsidiaries		
IFIL ordinary shares	608	4,246
Associated companies		
EXOR GROUP ordinary shares	5,920	37,519
	6,528	41,765

REPORT OF THE BOARD OF STATUTORY AUDITORS ACCORDING TO ART. 153 OF LEGISLATIVE DECREE NO. 58/1998 AND ART. 2429, PARAGRAPH 3 OF THE ITALIAN CIVIL CODE

To our Stockholders,

Under Art. 153 of Legislative Decree No. 58 of February 24, 1998, the Board of Statutory Auditors has the obligation to report to the Stockholders' Meeting on matters concerning the audit work carried out and any omissions and censurable matters that may have come to its attention. The Board of Statutory Auditors may also formulate proposals to the Stockholders' Meeting in relation to the financial statements, to its approval and to matters of its competence.

With this report, we have complied with the law.

In 2003, the Board of Statutory Auditors has complied with the obligations required by art. 149, Legislative Decree No. 58, dated February 24, 1998, which allows us to specifically comment on the matters which follow.

We have attended the meetings of the Board of Directors during the course of which the Directors informed us of the activities carried out and the significant economic, financial and equity transactions entered into or in progress by the company and/or its subsidiaries. In this regard, we have ascertained that the transactions approved and carried out were in conformity with the law and the corporate by-laws, were not in disagreement with the resolutions approved by the Stockholders' Meeting, nor in potential conflict of interest and were based upon the principles of good administration.

The organizational structure of the company is adequate in relation to the size of the company. The Board of Statutory Auditors, also on the basis of meetings held with company management and with representatives of the Independent Auditors, has gathered information regarding compliance with the principles of diligent and correct administrative management.

Our evaluation of the adequacy of the internal control system is positive, meaning that the system is operating effectively for the purpose of ascertaining that the internal operating and administrative procedures are being followed and which have been adopted in order to guarantee a sound and efficient management, and also to identify, prevent and manage, as far as possible, financial and operating risks and any fraud to the detriment of the company. Furthermore, we consider that the administrative accounting system, insofar as ascertained and checked by us also in previous years, is in a condition to correctly represent operating events.

The directives imposed on the subsidiaries by IFI S.p.A. as per Art. 114, paragraph 2, of Legislative Decree 58/98 are also considered adequate.

The Board of Directors has sent to us, in accordance with the law, the report relating to the first half of the year, making it public within the time-frame and according to the procedures established by Consob and has also provided, according to the law, reports on quarterly performance.

With reference to Consob Communications dated February 20, 1997, March 2, 1998 and April 6, 2001, as far as our responsibility is concerned, we can attest that:

- the information disclosed by the Directors in the Report on Operations is considered exhaustive and complete;
- the Board of Statutory Auditors, in accordance with the "Testo Unico sulla Finanza" (Legislative Decree No. 58/98), has been kept constantly informed about matters of its competence;
- the periodical tests and controls which the Board of Statutory carried out on the company did not show atypical and/or unusual transactions;
- intercompany transactions are presented and described in the Directors' Report on Operations and the numerous transactions for goods and services entered into with Group companies and/or related parties have been carried out at normal market conditions;
- the Independent Auditors' report did not contain any qualifications or other matters of interest nor related observations or proposals;
- as previously stated, the organizational structure of the company, insofar as we are responsible, appears to be adequate and the administrative accounting system is reliable for purposes of correctly representing operating events;
- the internal control systems appears adequate and effective;
- during 2003, the Board of Directors held eight meetings, which we always attended, and the Board of Statutory Auditors held 14 meetings, four of which were attended by the Independent Auditors;
- neither complaints, as per ex art. 2408 of the Italian Civil Code, were received by the Board of Statutory Auditors, nor has it been informed, at this time, of any petitions presented to IFI S.p.A.;
- opinions have been issued during the year by the Board of Statutory Auditors pursuant to the law;
- IFI S.p.A. has not assigned the audit firm, Deloitte & Touche S.p.A., other work, apart from the audit of the statutory financial statements and the consolidated financial statements and the limited scope audit of the six-month report.

As for the annual statutory financial statements, which show a net income of € 14,666,264, the reasons for which were described in the Report on Operations, we have ascertained compliance with the law as regards its structure and formation by tests carried out by us directly and through information received by us from the Independent Auditors. We therefore maintain that the financial statements are befitting of your approval, together with the proposal to increase the legal reserve to one fifth of capital stock and to appropriate the net income to the extraordinary reserve, as formulated by the Board of Directors.

The Board of Directors also asks for your authorization to buy-back treasury stock in the amount and in the manner and terms described in the specific report. As for our responsibility, we attest that the transaction proposed to you agrees with existing legislation.

In the extraordinary session, we propose that you approve the numerous amendments to the corporate by-laws, both obligatory and non-obligatory, in order to conform the by-laws to the provisions established or allowed by Legislative Decree No. 6/2003 and later amendments or integrations.

These comply with said law and therefore meet with our approval.

Turin, May 20, 2004

The Board of Statutory Auditors

(Cesare Ferrero)

(Giorgio Giorgi)

(Lionello Jona Celesia)

REPORT OF THE BOARD OF STATUTORY AUDITORS ACCORDING TO ART. 41 OF LEGISLATIVE DECREE NO. 127/1991

To our Stockholders,

The consolidated financial statements of the IFI S.p.A. for the year ended December 31, 2003 – consisting of the balance sheet, the statement of operations and the notes to the financial statements – which have been made available to you, show a loss of € 130 million, compared to a loss of € 803 million in the prior year. The consolidated financial statements were submitted to us within the terms of the law, together with Report on Operations, and prepared in accordance with the provisions of Legislative Decree 127 dated April 9, 1991.

The tests carried out by Deloitte & Touche S.p.A., the Independent Auditors charged with the audit of the financial statements, has led to the assertion that the values expressed in the financial statements agree with the accounting recorded of the Parent Company, the statutory and consolidated financial statements of the subsidiaries and the relative information formally communicated by the latter.

Such financial statements, transmitted by the subsidiaries to the Parent Company, for purposes of drawing up the consolidated financial statements, prepared by their relevant corporate bodies, have been examined by the bodies and/or parties in charge of controlling the individual companies, according to the respective regulations, and on the part of the Independent Auditors within the scope of the procedures carried out in the audit of consolidated financial statements. The Board of Statutory Auditors has, therefore, not extended its examination to these financial statements.

The determination of the scope of consolidation, the choice of the principles of consolidation of the investments and the procedures adopted for this purpose are in agreement with the provisions of Legislative Decree No. 127 dated April 9, 1991. The structure of the consolidated financial statements is thus to be considered technically correct and, as a whole, conforms to the specific law.

The Report on Operations adequately describes the results of operations and financial condition, the trend of operations during the course of 2003 and the business outlook of the whole of the companies in the scope of consolidation after the end of the year. The examination to which the Report has been subjected shows its congruity with the consolidated financial statements.

Turin, May 20, 2004

The Board of Statutory Auditors

(Cesare Ferrero)

(Giorgio Giorgi)

(Lionello Jona Celesia)

REPORT OF THE INDEPENDENT AUDITORS ON THE FINANCIAL STATEMENTS PURSUANT TO ART. 156 OF LEGISLATIVE DECREE No. 58/1998

To the Shareholders of IFI – Istituto Finanziario Industriale S.p.A.

1. We have audited the financial statements of IFI – Istituto Finanziario Industriale S.p.A. as of and for the year ended December 31, 2003. These financial statements are the responsibility of the Directors of IFI – Istituto Finanziario Industriale S.p.A. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with generally accepted auditing standards in Italy as recommended by the Italian Regulatory Commission for Companies and the Stock Exchange ("Consob"). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and are, as a whole, reliable. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the adequacy and the fairness of the accounting principles used and the reasonableness of the estimates made by the Directors. We believe that our audit provides a reasonable basis for our opinion. The audit of the financial statements of certain subsidiaries and affiliates, which statements reflect total assets representing 11% of consolidated total assets and revenues representing 12% of consolidated revenues, is the responsibility of other auditors.

For the opinion on the prior year's financial statements, which are presented for comparative purposes as required by law, reference should be made to the auditors' report dated April 3, 2003 issued by Deloitte & Touche Italia S.p.A.

3. In our opinion, the financial statements of IFI – Istituto Finanziario Industriale S.p.A. as of and for the year ended December 31, 2003 comply with the Italian statutory provisions governing the criteria for their preparation; accordingly, they give a true and fair view of the financial position and results of operations of IFI – Istituto Finanziario Industriale S.p.A.

DELOITTE & TOUCHE S.p.A.
s/Colin Johnston
Partner

Turin, May 14, 2004

This report and the financial statements to which it refers have been translated into English from the original version in Italian. The financial statements have been prepared in accordance with the Italian law related to financial statements. Certain accounting practices applied by the Company that conform with generally accepted accounting principles in Italy, may not conform with generally accepted accounting principles in other countries.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma
Torino Treviso Verona Vicenza

Member of
Deloitte Touche Tohmatsu

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REPORT OF THE INDEPENDENT AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ART. 156 OF LEGISLATIVE DECREE No. 58/1998

To the Shareholders of
IFI – Istituto Finanziario Industriale S.p.A.

1. We have audited the consolidated financial statements of IFI – Istituto Finanziario Industriale S.p.A. and subsidiaries as of and for the year ended December 31, 2003. These consolidated financial statements are the responsibility of the Directors of IFI – Istituto Finanziario Industriale S.p.A. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with generally accepted auditing standards in Italy as recommended by the Italian Regulatory Commission for Companies and the Stock Exchange ("Consob"). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement and are, as a whole, reliable. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the adequacy and the fairness of the accounting principles used and the reasonableness of the estimates made by the Directors. We believe that our audit provides a reasonable basis for our opinion. The audit of the financial statements of certain subsidiaries and affiliates, which statements reflect total assets representing 11% of consolidated total assets and revenues representing 12% of consolidated revenues, is the responsibility of other auditors.

For the opinion on the prior year's consolidated financial statements, which are presented for comparative purposes as required by law, reference should be made to the auditors' report dated April 3, 2003 issued by Deloitte & Touche Italia S.p.A.

3. In our opinion, the consolidated financial statements of IFI – Istituto Finanziario Industriale S.p.A. and subsidiaries as of and for the year ended December 31, 2003 comply with the Italian statutory provisions governing the criteria for their preparation; accordingly, they give a true and fair view of the financial position and results of operations of the Company and its subsidiaries.

DELOITTE & TOUCHE S.p.A.
s/Colin Johnston
Partner

Turin, May 14, 2004

This report and the consolidated financial statements to which it refers have been translated into English from the original version in Italian. The consolidated financial statements have been prepared in accordance with the Italian law related to such financial statements. Certain accounting practices applied by the Company that conform with generally accepted accounting principles in Italy, may not conform with generally accepted accounting principles in other countries.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma
Torino Treviso Verona Vicenza

Member of
Deloitte Touche Tohmatsu

Sede Legale: Palazzo Carducci - Via Olona, 2 - 20123 Milano
Capitale Sociale: versato Euro 6.720.406,00 - sottoscritto Euro 10.327.590,00 - deliberato Euro 10.850.000,00
Partita IVA/Codice Fiscale/Registro delle Imprese Milano n. 03049560166 - R.E.A. Milano n. 1720239

IFI GROUP'S COMPANIES

In accordance with the provisions of Legislative Decree No. 127/91, articles 38 and 39, and Consob resolution No. 11971 of May 14, 1999 (art. 126 of the Regulations and successive amendments), the following list is provided of the companies and significant holdings included in the consolidated financial statements.

The companies in the list are divided by consolidation method and business segment. For each company, the following information is provided: the registered offices, the country location, the capital stock in the original currency. The consolidated percentage of ownership held by the Group is also indicated, as well as the percentage of ownership held by IFI S.p.A. or by other subsidiaries.

A separate column shows the percentage of voting rights in the Ordinary Stockholders' Meeting. An Asterisk (*) indicates ownership with voting suspended.

Name	Country	Capital stock at 12/31/2003	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
IFI S.p.A.	ITALY	163,251,460	EURO				

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS
Holding companies - diversified

IFIL FINANZIARIA DI PARTECIPAZIONI S.p.A. (1)	ITALY	1,075,195,737	EURO	60.55	Societa' per Azioni ISTITUTO FINANZIARIO INDUSTRIALE	59.876	62.033
					IFIL-FINANZIARIA DI PARTECIPAZIONI S.p.A. (*)	1.099	1.139
					SOIEM S.p.A. (*)	0.075	0.078

ASSOCIATED COMPANIES VALUED BY THE EQUITY METHOD

Holding companies - diversified

EXOR GROUP S.A.	LUXEMBOURG	116,701,000	EURO	29.30	Societa' per Azioni ISTITUTO FINANZIARIO INDUSTRIALE	29.291	29.291
					EXOR GROUP S.A. (*)	0.031	0.031

(1) For purposes of a clearer presentation, the investments held through IFIL are shown separately.

(*) Voting suspended.

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. (60.55%-owned subsidiary)

Name	Country	Capital stock at 12/31/2003	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS							
Miscellaneous and Holding companies							
FIAT S.P.A. (1)	ITALY	4,918,113,540	EUR	27.62	IFIL FINANZIARIA DI PARTECIPAZIONI S.P.A. FIAT S.P.A. (*)	27.619 0.505	30.060 0.621
IFIL INVESTISSEMENTS S.A.	LUXEMBOURG	166,611,300	EUR	100.00	IFIL FINANZIARIA DI PARTECIPAZIONI S.P.A. IFIL INVESTMENT HOLDING N.V.	79.816 20.184	79.816 20.184
IFIL INVESTMENT HOLDING N.V.	NETHERLANDS	54,000,000	EUR	100.00	IFIL FINANZIARIA DI PARTECIPAZIONI S.P.A.	100.000	100.000
IFIL CAPITAL B.V.	NETHERLANDS	11,000,000	EUR	100.00	IFIL INVESTMENT HOLDING N.V.	100.000	100.000
IFIL FINANCE B.V.	NETHERLANDS	10,000,000	EUR	100.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000
IFILGROUP FINANCE L.T.D.	IRELAND	4,000,000	EUR	100.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000
IFIL INTERNATIONAL FINANCE L.T.D.	IRELAND	4,000,000	EUR	100.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000
NEW BUSINESS QUINDICI S.r.l.	ITALY	15,000,000	EUR	100.00	IFIL FINANZIARIA DI PARTECIPAZIONI S.P.A.	100.000	100.000
WORMS & CIE S.A. DIRECTOIRE ET CONSEIL DE SURVEILLANCE (1)	FRANCE	161,210,830.68	EUR	53.07	IFIL INVESTISSEMENTS S.A. WORMS & CIE S.A. A DIRECTOIRE ET CONSEIL DE SURVEILLANCE (*)	53.074 0.066	53.074 0.066
Tourism and Hotel activities							
NHT NEW HOLDING FOR TOURISM B.V. (1)	NETHERLANDS	32,980,000	EUR	90.00	IFIL INVESTISSEMENTS S.A. IFIL FINANCE B.V.	59.679 30.321	59.679 30.321
Services							
SOIEM S.P.A.	ITALY	18,250,000	EUR	100.00	IFIL FINANZIARIA DI PARTECIPAZIONI S.P.A.	100.000	100.000
SUBSIDIARIES VALUED BY THE EQUITY METHOD							
Football Club							
JUVENTUS FOOTBALL CLUB S.p.A.	ITALY	12,093,200	EUR	62.01	IFIL FINANZIARIA DI PARTECIPAZIONI S.P.A.	62.010	62.010
SUBSIDIARIES VALUED AT COST							
Lease of own real estate and sublease							
CAMPI DI VINOVO S.p.A.	ITALY	1,300,000	EUR	-	JUVENTUS FOOTBALL CLUB S.p.A. CAMPI DI VINOVO (*)	69.800 3.000	69.800
ASSOCIATED COMPANIES JOINTLY CONTROLLED WITH THIRD STOCKHOLDERS VALUED BY THE EQUITY METHOD							
Miscellaneous and Holding companies							
EUROFIND S.A.	LUXEMBOURG	985,348,268	EUR	40.47	IFIL INVESTISSEMENTS S.A.	40.468	50.000
EUFIN INVESTMENTS UNLIMITED	UNITED KINGDOM	243,100	EUR	40.47	EUROFIND S.A.	100.000	100.000
ASSOCIATED COMPANIES VALUED AT COST							
Miscellaneous and Holding companies							
EUROMEDIA LUXEMBOURG ONE S.A.	LUXEMBOURG	52,500,000	USD	-	IFIL INVESTISSEMENTS S.A. FIAT NETHERLAND HOLDING NV	14.286 14.286	14.286 14.286
Services							
WE-CUBE.COM S.P.A.	ITALY	666,668	EUR	-	IFIL INVESTISSEMENTS S.A. BUSINESS SOLUTIONS S.P.A.	14.790 14.790	14.790 14.790
Stadium management							
SEMANA S.r.l.	ITALY	100,000	EUR	-	JUVENTUS FOOTBALL CLUB S.p.A.	30.000	30.000

(1) For purposes of a clearer presentation, the investments held through FIAT, Worms & Cie and NHT New Holding for Tourism B.V. are shown separately.

(*) Voting suspended.

INVESTMENTS HELD THROUGH IFIL S.p.A. – Investments held through FIAT S.p.A. (27.62%-owned subsidiary of IFIL Group)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Subsidiaries consolidated on a line-by-line basis								
Automobiles								
Fiat Auto Holdings B.V.	Amsterdam	Netherlands	1,000,000	EUR	90.00	Fiat Partecipazioni S.p.A.	90.000	
Banco Fidis de Investimento SA	Sao Paulo	Brazil	116,235,465	BRL	89.97	Fiat Auto S.p.A.	94.968	
						Fiat Automoveis S.A. - FIASA	5.000	
B.D.C. S.A.	Brussels	Belgium	1,289,294	EUR	90.00	Fiat Auto (Belgio) S.A.	99.998	
						Fiat Auto (Suisse) S.A.	0.002	
FAL Fleet Services S.A.S.	Trappes	France	3,000,000	EUR	90.00	Fidis Renting Italia S.p.A.	100.000	
Fiat Auto Argentina S.A.	Buenos Aires	Argentina	463,938,188	ARS	90.00	Fiat Auto S.p.A.	63.336	
						Fiat Automoveis S.A. - FIASA	36.664	
Fiat Auto (Belgio) S.A.	Brussels	Belgium	7,585,220	EUR	90.00	Fiat Finance Netherlands B.V.	99.990	
						Fiat Auto (Suisse) S.A.	0.010	
Fiat Auto Contracts Ltd	Slough Berkshire	United Kingdom	13,500,000	GBP	90.00	Fidis Renting Italia S.p.A.	100.000	
Fiat Auto Dealer Financing SA	Brussels	Belgium	62,000	EUR	89.86	Fiat Auto (Belgio) S.A.	99.839	
Fiat Auto Espana S.A.	Alcalá De Henares	Spain	57,696,960	EUR	90.00	Fiat Finance Netherlands B.V.	99.998	
						Fiat Auto (Suisse) S.A.	0.002	
Fiat Auto Financial Services Limited	Slough Berkshire	United Kingdom	2,250,000	GBP	90.00	Fiat Auto (U.K.) Ltd	100.000	
Fiat Auto Financial Services (Wholesale) Ltd.	Slough Berkshire	United Kingdom	1	GBP	90.00	Fiat Auto (U.K.) Ltd	100.000	
Fiat Auto (France) S.A.	Trappes	France	91,050,000	EUR	90.00	Fiat Finance Netherlands B.V.	99.999	
Fiat Auto Hellas S.A.	Argyroupoli	Greece	33,533,499	EUR	90.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Auto (Ireland) Ltd.	Dublin	Ireland	5,078,952	EUR	90.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Auto Japan K.K.	Minatu-Ku. Tokyo	Japan	420,000,000	JPY	90.00	Fiat Auto S.p.A.	100.000	
Fiat Auto Kreditbank GmbH	Vienna	Austria	5,000,000	EUR	90.00	Fiat Auto S.p.A.	50.000	
						Fidis S.p.A.	50.000	
Fiat Auto Lease N.V.	Utrecht	Netherlands	454,000	EUR	90.00	Fidis Renting Italia S.p.A.	100.000	
Fiat Auto Maroc S.A.	Casablanca	Morocco	314,000,000	MAD	89.96	Fiat Auto S.p.A.	99.950	
Fiat Auto Nederland B.V.	Ljnden	Netherlands	5,672,250	EUR	90.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Auto Poland S.A.	Bielsko-Biala	Poland	660,334,600	PLN	77.98	Fiat Auto S.p.A.	86.644	
Fiat Auto Portuguesa S.A.	Alges	Portugal	8,000,000	EUR	90.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Auto South Africa (Proprietary) Ltd	Sandton	South Africa	440	ZAR	90.00	Fiat Auto S.p.A.	100.000	
Fiat Auto S.p.A.	Turin	Italy	2,500,000,000	EUR	90.00	Fiat Auto Holdings B.V.	100.000	
Fiat Auto (Suisse) S.A.	Geneva	Switzerland	21,400,000	CHF	90.00	Fiat Auto S.p.A.	100.000	
Fiat Auto (U.K.) Ltd	Slough Berkshire	United Kingdom	44,600,000	GBP	90.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Auto Var S.r.l. a S.U.	Turin	Italy	10,200,000	EUR	90.00	Fiat Auto S.p.A.	100.000	
Fiat Automobil AG	Heilbronn	Germany	97,280,000	EUR	90.00	Fiat Finance Netherlands B.V.	99.000	
						Fiat Auto (Suisse) S.A.	1.000	
Fiat Automobil GmbH	Vienna	Austria	37,000	EUR	90.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Automobil Vertriebs GmbH	Frankfurt	Germany	8,700,000	EUR	90.00	Fiat Automobil AG	100.000	
Fiat Automobil Danmark A/S	Glostrup	Denmark	55,000,000	DKK	90.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Automoveis S.A. - FIASA	Betim	Brazil	1,432,341,332	BRL	90.00	Fiat Auto S.p.A.	100.000	
Fiat Center Italia S.p.A.	Turin	Italy	2,000,000	EUR	90.00	Fiat Auto S.p.A.	100.000	
Fiat Center (Suisse) S.A.	Geneva	Switzerland	13,000,000	CHF	90.00	Fiat Auto (Suisse) S.A.	100.000	
Fiat CR Spol. S.R.O.	Prague	Czech Republic	1,000,000	CZK	90.00	Fiat Auto S.p.A.	100.000	
Fiat Credit Belgio S.A.	Evere	Belgium	3,718,403	EUR	90.00	Fiat Auto (Belgio) S.A.	99.999	
Fiat Credito Compania Financiera S.A.	Buenos Aires	Argentina	264,595,928	ARS	90.00	Fidis S.p.A.	99.999	
						Fiat Auto Argentina S.A.	0.001	
Fiat Distribuidora Portugal S.A.	Lisbon	Portugal	450,300	EUR	90.00	Fiat Auto Portuguesa S.A.	100.000	
Fiat Finance Holding S.A.	Luxembourg	Luxembourg	2,300,000	EUR	90.00	Fiat Finance Netherlands B.V.	99.995	
						Fidis S.p.A.	0.005	
Fiat Finance Netherlands B.V.	Amsterdam	Netherlands	690,000,000	EUR	90.00	Fiat Auto Holdings B.V.	50.252	
						Fidis S.p.A.	49.748	
Fiat Handlarservice GmbH	Heilbronn	Germany	5,100,000	EUR	90.00	Fiat Automobil AG	100.000	
Fiat India Automobiles Private Limited	Mumbai	India	18,780,741,500	INR	90.00	Fiat Auto S.p.A.	100.000	
Fiat India Private Ltd.	Mumbai	India	14,917,862,500	INR	88.07	Fiat India Automobiles Private Limited	89.377	88.415
						Fiat Auto S.p.A.	8.478	9.245
Fiat Magyarorszag Kereskedelmi KFT.	Budapest	Hungary	150,000,000	HUF	90.00	Fiat Auto S.p.A.	100.000	
Fiat Motor Sales Ltd	Slough Berkshire	United Kingdom	1,500,000	GBP	90.00	Fiat Auto (U.K.) Ltd	100.000	
Fiat SR Spol. SR.O.	Bratislava	Slovak Republic	1,000,000	SKK	90.00	Fiat Auto S.p.A.	100.000	
Fiat Versicherungsdienst GmbH	Heilbronn	Germany	26,000	EUR	94.90	Fiat Automobil AG	51.000	
						Rimaco S.A.	49.000	
Fidis Credit Danmark A/S	Glostrup	Denmark	500,000	DKK	90.00	Fiat Finance Netherlands B.V.	100.000	
Fidis Dealer Services B.V.	Utrecht	Netherlands	698,000	EUR	90.00	Fiat Auto Nederland B.V.	100.000	
Fidis Faktoring Polska Sp. z o.o.	Warsaw	Poland	1,000,000	PLN	90.00	Fiat Finance Netherlands B.V.	100.000	
Fidis Finance Polska Sp. z o.o.	Warsaw	Poland	10,000,000	PLN	90.00	Fiat Finance Netherlands B.V.	100.000	
Fidis Hungary KFT	Budapest	Hungary	13,000	EUR	90.00	Fidis S.p.A.	100.000	
Fidis Renting Italia S.p.A.	Turin	Italy	70,300,000	EUR	90.00	Fiat Auto S.p.A.	100.000	
Fidis S.p.A.	Turin	Italy	311,232,342	EUR	90.00	Fiat Auto S.p.A.	99.900	
						Nuove Iniziative Finanziarie 2 S.r.l.	0.100	
Finplus Renting S.A.	Madrid	Spain	455,991	EUR	90.00	Fidis Renting Italia S.p.A.	100.000	
Inmap 2000 Espana S.L.	Alcalá De Henares	Spain	12,020,000	EUR	90.00	Fiat Auto Espana S.A.	100.000	
International Metropolitan Automotive Promotion (France) S.A.	Paris	France	56,000	EUR	90.00	Fiat Auto (France) S.A.	100.000	

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through FIAT S.p.A. (27.62%-owned subsidiary of IFIL Group)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Italian Automotive Center S.A.	Brussels	Belgium	16,902,175	EUR	90.00	B.D.C. S.A.	100.000	
Sata-Società Automobilesistica Tecnologie Avanzate S.p.A.	Melfi	Italy	276,640,000	EUR	90.00	Fiat Auto S.p.A.	100.000	
Savarent Società per Azioni	Turin	Italy	21,000,000	EUR	90.00	Fidis Renting Italia S.p.A.	100.000	
Sofica-Société de Financement des Concessionnaires s.a.s.	Trappes	France	3,353,600	EUR	90.00	Fiat Auto (France) S.A.	100.000	
Tarfin S.A.	Geneva	Switzerland	500,000	CHF	90.00	Fiat Finance Netherlands B.V.	100.000	
Targa Assistance S.r.l.	Turin	Italy	260,000	EUR	90.00	Fidis S.p.A.	100.000	
Targa Automotive S.p.A.	Turin	Italy	5,000,000	EUR	90.00	Fidis S.p.A.	100.000	
Targa Infomobility S.p.A.	Turin	Italy	100,000	EUR	90.00	Fidis S.p.A.	100.000	
Targa Rent S.r.l.	Turin	Italy	310,000	EUR	90.00	Fidis S.p.A.	100.000	
Targasys Espana S.L.	Alcalá De Henares	Spain	5,000	EUR	90.00	Fiat Auto Espana S.A.	100.000	
Targasys Stock E.F.C. S.A.	Alcalá De Henares	Spain	5,108,799	EUR	90.00	Fiat Auto Espana S.A.	100.000	
Agricultural and Construction equipment								
CNH Global N.V.	Amsterdam	Netherlands	317,055,857	EUR	85.13	Fiat Netherlands Holding N.V. CNH Global N.V.	85.063 0.083	84.238 0.000
Austoft Industries Limited	Bundaberg	Australia	16,353,225	AUD	85.13	CNH Australia Pty Limited	100.000	
Banco CNH Capital S.A.	Curitiba	Brazil	137,582,600	BRL	85.13	CNH Global N.V. CNH Latino Americana Ltda	85.660 14.340	
Bli Group Inc.	Wilmington	U.S.A.	1,000	USD	85.13	New Holland North America Inc.	100.000	
Blue Leaf I.P. Inc.	Wilmington	U.S.A.	1,000	USD	85.13	Bli Group Inc.	100.000	
Case Brasil & CIA. LTDA.	Sorocaba	Brazil	301,480,657	BRL	85.13	Case Brazil Holdings Inc. Case Equipment International Corporation	87.510 12.490	
Case Brazil Holdings Inc.	Wilmington	U.S.A.	1,000	USD	85.13	Case LLC	100.000	
Case Canada Receivables Inc.	Calgary	Canada	1	CAD	85.13	Case Credit Corporation	100.000	
Case Credit Australia Investments Pty. Ltd.	St. Marys	Australia	187,360,048	AUD	85.13	CNH Australia Pty Limited	100.000	
Case Credit Corporation	Wilmington	U.S.A.	1,000	USD	85.13	CNH Capital Corporation	100.000	
Case Credit Holdings Limited	Wilmington	U.S.A.	5	USD	85.13	Case Credit Corporation	100.000	
Case Credit Ltd.	Calgary	Canada	1	CAD	85.13	Case Credit Corporation CNH Canada Ltd.	99.500 0.500	
Case Equipment Holdings Limited	Wilmington	U.S.A.	5	USD	85.13	Case LLC	100.000	
Case Equipment International Corporation	Wilmington	U.S.A.	1,000	USD	85.13	Case LLC	100.000	
Case Europe S.a.r.l.	Roissy	France	7,622	EUR	85.13	Case LLC	100.000	
Case Harvesting Systems GmbH	Neustadt	Germany	281,211	EUR	85.13	Case LLC	100.000	
Case India Limited	Wilmington	U.S.A.	5	USD	85.13	Case LLC	100.000	
Case International Limited	Basildon	United Kingdom	61,504,001	GBP	85.13	New Holland Holding Limited	100.000	
Case International Marketing Inc.	Wilmington	U.S.A.	5	USD	85.13	Case LLC	100.000	
Case LBX Holdings Inc.	Wilmington	U.S.A.	5	USD	85.13	Case LLC	100.000	
Case LLC	Wilmington	U.S.A.	4	USD	85.13	Fiatallis North America Inc. Case New Holland Inc.	61.111 38.889	
Case Machinery (Shanghai) Co. Ltd.	Shanghai	People's Rep. of China	2,250,000	USD	85.13	Case LLC	100.000	
Case Mexico S.A.	Mexico	Mexico	810,000	MXN	85.13	Case LLC	100.000	
Case New Holland Inc.	Wilmington	U.S.A.	5	USD	85.13	CNH Global N.V.	100.000	
Case New Holland Italia s.p.a.	Modena	Italy	15,600,000	EUR	85.13	CNH International S.A.	100.000	
Case United Kingdom Limited	Basildon	United Kingdom	3,763,618	GBP	85.13	Case LLC	100.000	
Case Wholesale Receivables Inc.	Wilmington	U.S.A.	1,000	USD	85.13	Case LLC	100.000	
CNH Argentina S.A.	Buenos Aires	Argentina	29,611,105	ARS	85.13	New Holland Holdings Argentina S.A. Case LLC	80.654 19.346	
CNH Australia Pty Limited	St. Marys	Australia	306,785,439	AUD	85.13	CNH Global N.V.	100.000	
CNH Belgium N.V.	Zedelgem	Belgium	27,268,300	EUR	85.13	CNH International S.A.	100.000	
CNH Canada Ltd.	Toronto	Canada	28,000,100	CAD	85.13	CNH Global N.V. Case LLC	66.524 33.476	
CNH Capital Australia Pty. Ltd.	St. Marys	Australia	26,819,518	AUD	85.13	Case Credit Australia Investments Pty. Ltd.	100.000	
CNH Capital Benelux S.A.	Zedelgem	Belgium	54,458	EUR	85.13	CNH Global N.V. CNH Capital U.K. Ltd	99.000 1.000	
CNH Capital Corporation	Wilmington	U.S.A.	5	USD	85.13	Case LLC	100.000	
CNH Capital (Europe) plc	Dublin	Ireland	38,100	EUR	85.13	CNH Capital plc CNH Financial Services A/S CNH Financial Services S.r.l. CNH Global N.V. CNH International S.A. New Holland Financial Services Ltd CNH Trade N.V.	99.984 0.003 0.003 0.003 0.003 0.003 0.001	
CNH Capital Insurance Agency Inc.	Wilmington	U.S.A.	5	USD	85.13	Case Credit Corporation	100.000	
CNH Capital plc	Dublin	Ireland	6,386,790	EUR	85.13	CNH Global N.V.	100.000	
CNH Capital Receivables Inc.	Wilmington	U.S.A.	5	USD	85.13	Case Credit Corporation	100.000	
CNH Capital U.K. Ltd	Basildon	United Kingdom	10,000,001	GBP	85.13	CNH Global N.V.	100.000	
CNH Denmark A/S	Hvidovre	Denmark	12,000,000	DKK	85.13	CNH International S.A.	100.000	
CNH Deutschland GmbH	Heilbronn	Germany	18,457,650	EUR	85.13	CNH International S.A.	100.000	
CNH Engine Corporation	Wilmington	U.S.A.	1,000	USD	85.13	Case LLC	100.000	
CNH Financial Services A/S	Hvidovre	Denmark	500,000	DKK	85.13	CNH Global N.V.	100.000	

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through FIAT S.p.A. (27.62%-owned subsidiary of IFIL Group)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
CNH Financial Services GmbH	Heilbronn	Germany	200,000	EUR	85.13	CNH International S.A.	100.000	
CNH Financial Services S.A.	Puteaux	France	38,125	EUR	85.13	CNH Global N.V.	100.000	
CNH Financial Services S.r.l.	Modena	Italy	10,400	EUR	85.13	CNH Global N.V.	100.000	
CNH France S.A.	Villepinte	France	138,813,150	EUR	85.13	CNH International S.A.	100.000	
CNH Information Technology Name LLC	Wilmington	U.S.A.	0	USD	85.13	Case LLC	100.000	
CNH International S.A.	Luxembourg	Luxembourg	300,000,000	USD	85.13	CNH Global N.V.	100.000	
CNH Latino Americana Ltda	Curitiba	Brazil	215,131,804	BRL	85.13	CNH Global N.V.	55,345	
						Case Brasil & CIA. LTDA.	44,655	
CNH Maquinaria Spain S.A.	Coslada	Spain	21,000,000	EUR	85.13	CNH International S.A.	77,142	
						Case LLC	22,857	
CNH Movimento Terra S.p.A.	Turin	Italy	12,320,000	EUR	85.13	Case New Holland Italia s.p.a.	100.000	
CNH Osterreich GmbH	St. Valentin	Austria	2,000,000	EUR	85.13	CNH Global N.V.	100.000	
CNH Polska Sp. z o.o.	Plock	Poland	162,591,660	PLN	85.13	CNH Belgium N.V.	100.000	
CNH Portugal-Comercio de Tractores e Maquinas Agricolas Ltda	Carnaxide	Portugal	498,798	EUR	85.13	CNH International S.A.	99,980	
						Case New Holland Italia s.p.a.	0,020	
CNH Receivables Inc.	Wilmington	U.S.A.	1,000	USD	85.13	Case Credit Corporation	100.000	
CNH Serviços Técnicos e Desenvolvimento de Negocios Ltda	Curitiba	Brazil	1,000,000	BRL	85.13	Banco CNH Capital S.A.	100.000	
CNH Trade N.V.	Amsterdam	Netherlands	50,000	EUR	85.13	CNH Global N.V.	100.000	
CNH U.K. Limited	Basildon	United Kingdom	91,262,275	GBP	85.13	New Holland Holding Limited	100.000	
CNH Wholesale Receivables Inc.	Wilmington	U.S.A.	1,000	USD	85.13	Case Credit Corporation	100.000	
Fiat Kobelco Construction Machinery S.p.A.	San Mauro Torinese	Italy	80,025,291	EUR	63.53	Case New Holland Italia s.p.a.	59,625	
						CNH Global N.V.	15,000	
Fiatallis North America Inc.	Wilmington	U.S.A.	10	USD	85.13	Case New Holland Inc.	100.000	
Fiat-Kobelco Construction Machinery Belgium SA	Herstal-lez-Liege	Belgium	247,900	EUR	63.53	Fiat Kobelco Construction Machinery S.p.A.	100.000	
Flexi-Coil (U.K.) Limited	York	United Kingdom	1,000	GBP	85.13	CNH Canada Ltd.	100.000	
Harbin New Holland Tractors Co., Ltd.	Harbin	People's Rep. of China	2,859,091	USD	85.13	New Holland Mauritius (Private) Ltd.	99,000	
						CNH International S.A.	1,000	
HFI Holdings Inc.	Wilmington	U.S.A.	1,000	USD	85.13	Case LLC	100.000	
JV Uzcaseagroleasing LLC	Tashkent	Uzbekistan	0	USD	43.42	Case Credit Holdings Limited	51,000	
JV UzCaseMash LLC	Tashkent	Uzbekistan	0	USD	51.08	Case Equipment Holdings Limited	60,000	
JV UzCaseService LLC	Tashkent	Uzbekistan	0	USD	43.42	Case Equipment Holdings Limited	51,000	
JV UzCaseTractor LLC	Tashkent	Uzbekistan	0	USD	43.42	Case Equipment Holdings Limited	51,000	
Kobelco Construction Machinery America LLC	Wilmington	U.S.A.	0	USD	55.34	New Holland Excavator Holdings LLC	65,000	
Kobelco Construction Machinery Europe BV	Almere	Netherlands	567,225	EUR	63.53	Fiat Kobelco Construction Machinery S.p.A.	100.000	
MBA AG, Baumaschinen	Bassersdorf	Switzerland	4,000,000	CHF	85.13	CNH Global N.V.	100.000	
Multi Rental Locação de Maquinas Ltda.	Sorocaba	Brazil	1,000,000	BRL	85.13	CNH Latino Americana Ltda	100.000	
New Holland Australia Pty. Limited	Riverstone	Australia	3,500,000	AUD	85.13	CNH Australia Pty Limited	100.000	
New Holland (Canada) Credit Name	Calgary	Canada	1,000	CAD	85.13	CNH Canada Ltd.	99,000	
						Case Credit Ltd.	1,000	
New Holland (Canada) Credit Holding Ltd. in liq.	Toronto	Canada	1	CAD	85.13	CNH Canada Ltd.	100.000	
New Holland Canada Ltd.	Saskatoon	Canada	10,403	CAD	85.13	CNH Canada Ltd.	100.000	
New Holland Credit Australia Pty Limited	Riverstone	Australia	11,507,150	AUD	85.13	CNH Capital Australia Pty. Ltd.	100.000	
New Holland Credit Name LLC	Wilmington	U.S.A.	0	USD	85.13	Fiatallis North America Inc.	100.000	
New Holland Excavator Holdings LLC	Wilmington	U.S.A.	0	USD	85.13	Case LLC	100.000	
New Holland Financial Services Ltd	Basildon	United Kingdom	50,000	GBP	85.13	CNH Global N.V.	100.000	
New Holland Holding Limited	London	United Kingdom	165,000,000	GBP	85.13	CNH International S.A.	100.000	
New Holland Holdings Argentina S.A.	Buenos Aires	Argentina	23,555,415	ARS	85.13	CNH Global N.V.	100.000	
New Holland Ltd	Basildon	United Kingdom	1,000,000	GBP	85.13	CNH Global N.V.	100.000	
New Holland Mauritius (Private) Ltd.	Port Louis	Mauritius	78,571,333	USD	85.13	Case New Holland Italia s.p.a.	100.000	
New Holland North America Inc.	Wilmington	U.S.A.	60	USD	85.13	Fiatallis North America Inc.	100.000	
New Holland Receivables Corporation	Wilmington	U.S.A.	10	USD	85.13	Fiatallis North America Inc.	100.000	
New Holland Retail Receivables Corporation I	Las Vegas	U.S.A.	1,000	USD	85.13	New Holland Credit Company LLC	100.000	
New Holland Retail Receivables Corporation II	Las Vegas	U.S.A.	1,000	USD	85.13	New Holland Retail Receivables Corporation I	100.000	
New Holland Tractor Ltd. N.V.	Anversa	Belgium	9,631,500	EUR	85.13	New Holland Holding Limited	100.000	
New Holland Tractors (India) Private Ltd	New Delhi	India	210,920,725,750	INR	85.13	New Holland Mauritius (Private) Ltd.	100.000	
O & K - Hilfe GmbH	Berlin	Germany	25,565	EUR	85.13	O & K Orenstein & Koppel GmbH	100.000	
O & K Orenstein & Koppel GmbH	Berlin	Germany	61,355,030	EUR	85.13	CNH International S.A.	100.000	
Olaf Poulsen A/S	Ishøj	Denmark	6,000,000	DKK	85.13	CNH Danmark A/S	100.000	
Pryor Foundry Inc.	Oklahoma City	U.S.A.	1,000	USD	85.13	Case LLC	100.000	
Receivables Credit Corporation	Calgary	Canada	1	CAD	85.13	Case Credit Corporation	100.000	
Receivables Credit II Corporation	Calgary	Canada	1	CAD	85.13	Case Credit Corporation	100.000	
Receivables Credit III Corporation	Calgary	Canada	1	CAD	85.13	Case Credit Corporation	100.000	
RosCaseMash	Saratov	Russia	200,000	RUR	32.56	Case Equipment Holdings Limited	38,250	51.000
Servicios Case Mexicana S.A. de C.V.	Mexico	Mexico	375,000	MXN	85.13	Case LLC	100.000	
Shanghai New Holland Agricultural Machinery Corporation Limited	Shanghai	People's Rep. of China	35,000,000	USD	51.08	New Holland Mauritius (Private) Ltd.	60,000	
Commercial Vehicles								
Iveco S.p.A.	Turin	Italy	858,400,000	EUR	100.00	Fiat Netherlands Holding N.V.	100.000	
Amce-Automotive Manufacturing Co.Ethiopia	Addis Abeba	Ethiopia	3,000,000	ETB	70.00	Iveco S.p.A.	70.000	

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through FIAT S.p.A. (27.62%-owned subsidiary of IFIL Group)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Astra Commercial Vehicles S.p.A.	Piacenza	Italy	10,400,000	EUR	100.00	Iveco S.p.A.	100.000	
Brandschutztechnik Gorlitz GmbH	Gürlitz	Germany	511,292	EUR	88.00	Iveco Magirus Brandschutztechnik GmbH	88.000	
C.A.M.I.V.A. Constructeurs Associés de Matériels S.A.	Saint-Alban-Leyse	France	1,870,169	EUR	99.96	Iveco Eurofire (Holding) GmbH	99.963	
Componentes Mecanicos S.A.	Barcelona	Spain	37,405,038	EUR	59.39	Iveco Pegaso S.L.	59.387	
Effe Grundbesitz GmbH	Ulm	Germany	10,225,838	EUR	100.00	Iveco Investitions GmbH Iveco S.p.A.	90.000 10.000	
Euromoteurs S.A.	Garchizy	France	915,000	EUR	100.00	Iveco France S.A.	100.000	
European Engine Alliance S.c.r.l.	Turin	Italy	32,044,797	EUR	61.71	CNH Global N.V. Iveco S.p.A.	33.333 33.333	
Heuliez Bus S.A.	Rorthais	France	9,000,000	EUR	100.00	Société Charolaise de Participations S.A.	100.000	
IAV-Industrie-Anlagen-Verpachtung GmbH	Ulm	Germany	25,565	EUR	100.00	Iveco Investitions GmbH Iveco S.p.A.	95.000 5.000	
Ikarus Egyedi Autobusz GY	Budapest	Hungary	350,000,000	HUF	68.15	Irisbus Holding S.L.	68.146	
Ikarusbus Jamugyarto RT	Szekesfehervar	Hungary	974,268,827	HUF	100.00	Irisbus Holding S.L.	100.000	
Commercial Vehicles Center Hainaut S.A.	Charleroi	Belgium	600,000	EUR	100.00	S.A. Iveco Belgium N.V. Iveco Nederland B.V.	95.000 5.000	
Irisbus Australia Pty. Ltd.	Dandenong	Australia	1,500,000	AUD	100.00	Irisbus Holding S.L.	100.000	
Irisbus Deutschland GmbH	Mainz-Mombach	Germany	10,000,000	EUR	100.00	Irisbus Holding S.L.	100.000	
Irisbus France S.A.	Vénissieux	France	142,482,000	EUR	100.00	Irisbus Holding S.L.	100.000	
Irisbus Holding S.L.	Madrid	Spain	233,670,000	EUR	100.00	Iveco S.p.A. Iveco Pegaso S.L.	99.999 0.001	
Irisbus Iberica S.L.	Madrid	Spain	28,930,788	EUR	100.00	Irisbus Holding S.L.	100.000	
Irisbus Italia S.p.A.	Turin	Italy	100,635,750	EUR	100.00	Irisbus Holding S.L.	100.000	
Irisbus (U.K.) Ltd	Watford	United Kingdom	200,000	GBP	100.00	Irisbus Holding S.L.	100.000	
IVC Brabant N.V. S.A.	Groot	Belgium	800,000	EUR	100.00	S.A. Iveco Belgium N.V. Iveco Nederland B.V.	75.000 25.000	
IVC Nutzfahrzeuge AG	Hendschiken	Switzerland	3,500,000	CHF	100.00	Iveco (Schweiz) AG	100.000	
IVC Vehicules Industriels S.A.	Morges	Switzerland	1,200,000	CHF	100.00	Iveco (Schweiz) AG	100.000	
IVC-Salzburg Nutzfahrzeughandel GmbH	Eugendorf	Austria	37,000	EUR	100.00	Iveco Austria GmbH	100.000	
IVC-Wien Nutzfahrzeughandel GmbH	Vienna	Austria	37,000	EUR	100.00	Iveco Austria GmbH	100.000	
Iveco Argentina S.A.	Córdoba	Argentina	26,700,000	ARS	100.00	Iveco S.p.A.	100.000	
Iveco Austria GmbH	Vienna	Austria	6,178,000	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Bayern GmbH	Norimberga	Germany	742,000	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Danmark A/S	Glostrup	Denmark	501,000	DKK	100.00	Iveco S.p.A.	100.000	
Iveco Eurofire (Holding) GmbH	Weisweil	Germany	30,776,857	EUR	100.00	Iveco Magirus AG Iveco S.p.A.	90.032 9.968	
Iveco Fiat Brasil Ltda	Sete Lagoas	Brazil	170,100,000	BRL	95.00	Fiat Automoveis S.A. - FIASA Iveco S.p.A. Iveco Latin America Ltda	50.000 48.576 1.424	
Iveco Finance AG	Kloten	Switzerland	1,500,000	CHF	100.00	Iveco (Schweiz) AG	100.000	
Iveco Finance GmbH	Ulm	Germany	40,000,000	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Finance Limited	Watford	United Kingdom	100	GBP	100.00	Iveco (UK) Ltd	100.000	
Iveco Finanziaria S.p.A.	Turin	Italy	30,000,000	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Finland OY	Espoo	Finlandia	200,000	EUR	100.00	Iveco S.p.A.	100.000	
Iveco France S.A.	Trappes	France	93,800,000	EUR	100.00	Iveco S.p.A.	100.000	
Iveco International Trade Finance S.A.	Paradiso	Switzerland	25,000,000	CHF	100.00	Iveco S.p.A.	100.000	
Iveco Investitions GmbH	Ulm	Germany	2,556,459	EUR	100.00	Iveco Magirus AG Iveco S.p.A.	99.020 0.980	
Iveco Latin America Ltda	Sao Paulo	Brazil	459,700,000	BRL	100.00	Iveco S.p.A.	100.000	
Iveco Lease GmbH	Ulm	Germany	775,000	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Limited	Watford	United Kingdom	117,000,000	GBP	100.00	Iveco (UK) Ltd	100.000	
Iveco Lorraine S.a.s.	Haunconcourt	France	305,600	EUR	100.00	Iveco France S.A.	100.000	
Iveco Magirus AG	Ulm	Germany	250,000,000	EUR	100.00	Iveco S.p.A. Fiat Netherlands Holding N.V.	53.660 46.340	
Iveco Magirus Brandschutztechnik GmbH	Ulm	Germany	6,493,407	EUR	100.00	Iveco Eurofire (Holding) GmbH Iveco S.p.A.	99.764 0.236	
Iveco Mezzi Speciali S.p.A.	Brescia	Italy	13,120,000	EUR	100.00	Iveco Eurofire (Holding) GmbH	100.000	
Iveco Motorenforschung AG	Arbon	Switzerland	4,600,000	CHF	100.00	Iveco S.p.A. Iveco France S.A.	60.000 40.000	
Iveco Motors of North America Inc.	Wilmington	U.S.A.	1	USD	100.00	Iveco S.p.A.	100.000	
Iveco Nederland B.V.	Breda	Netherlands	4,537,802	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Nord Nutzfahrzeuge GmbH	Hamburg	Germany	818,500	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Nord-Ost Nutzfahrzeuge GmbH	Berlin	Germany	2,120,000	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Norge A.S.	Voyenenga	Norway	18,600,000	NOK	100.00	Iveco S.p.A.	100.000	
Iveco Nutzfahrzeuge GmbH Hannover Braunschweig	Hannover	Germany	793,000	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Nutzfahrzeuge Nord-West GmbH	Dortmund-Wambel	Germany	1,355,000	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Otomotiv Ticaret A.S.	Nisantasi-Istanbul	Turkey	5,474,378,000,000	TRL	100.00	Iveco S.p.A.	99.995	
Iveco Participations S.A.	Trappes	France	10,896,100	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Pegaso S.L.	Madrid	Spain	105,213,628	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Pension Trustee Ltd	Watford	United Kingdom	2	GBP	100.00	Iveco Limited Iveco (UK) Ltd	50.000 50.000	

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Iveco Plan S.A. de Ahorro para fines determinados	Buenos Aires	Argentina	153,000	ARS	100.00	Iveco Argentina S.A. Iveco S.p.A.	99.600 0.400	
Iveco Poland Ltd.	Warsaw	Poland	46,974,500	PLN	100.00	Iveco S.p.A.	100.000	
Iveco Portugal-Comercio de Veiculos Industriais S.A.	Vila Franca de Xira	Portugal	15,962,000	EUR	100.00	Iveco S.p.A. Astra Veicoli Industriali S.p.A.	99.997 0.001	
Iveco (Schweiz) AG	Kloten	Switzerland	9,000,000	CHF	100.00	Iveco Nederland B.V.	100.000	
Iveco South Africa (Pty) Ltd.	Wadewille	South Africa	15,000,750	ZAR	100.00	Iveco S.p.A.	100.000	
Iveco Sud-West Nutzfahrzeuge GmbH	Mannheim-Neckarau	Germany	1,533,900	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Sweden A.B.	Ärlov	Sweden	600,000	SEK	100.00	Iveco S.p.A.	100.000	
Iveco Trucks Australia Limited	Dandenong	Australia	47,492,260	AUD	100.00	Iveco S.p.A.	100.000	
Iveco (UK) Ltd	Watford	United Kingdom	47,000,000	GBP	100.00	Iveco S.p.A.	100.000	
Iveco Ukraine Inc.	Kiev	Ukraine	62,515,200	UAK	99.99	Iveco S.p.A. Iveco Ukraine Inc. Iveco-Motor Sich. Inc.	89.489 10.483 0.028	99.968 0.000 0.032
Iveco Venezuela C.A.	La Victoria	Venezuela	2,495,691,000	VEB	100.00	Iveco S.p.A.	100.000	
Iveco West Nutzfahrzeuge GmbH	Düsseldorf	Germany	1,662,000	EUR	100.00	Iveco Magirus AG	100.000	
Iveco-Motor Sich. Inc.	Zaporozhye	Ukraine	26,568,000	UAK	55.56	Iveco S.p.A.	55.556	
Karosa A.S.	Vysoke Myto	Czech Republic	1,065,559,000	CZK	97.52	Société d'Assistance Technique Automobile S.A.T.A.U. S.A.	97.521	
Karosa r.s.o.	Bratislava	Slovak Republic	200,000	SKK	97.52	Karosa A.S.	100.000	
Lohr-Magirus Feuerwehrtechnik GmbH	Kainbach	Austria	1,271,775	EUR	95.00	Iveco Magirus Brandschutztechnik GmbH	95.000	
Lyon Vehicules Industriels S.A.S.	Saint Priest	France	915,000	EUR	100.00	Iveco France S.A.	100.000	
Mediterranea de Camiones S.L.	Valencia	Spain	48,080	EUR	100.00	Iveco Pegaso S.L.	100.000	
Officine Brennero S.p.A.	Trento	Italy	6,120,000	EUR	100.00	Iveco S.p.A.	100.000	
Rhein-Main Nutzfahrzeuge GmbH Reichold, Franz Kahl & Partners	Frankfurt	Germany	920,325	EUR	100.00	Iveco Magirus AG	100.000	
S.A. Iveco Belgium N.V.	Zellik	Belgium	6,000,000	EUR	100.00	Iveco S.p.A. Iveco Nederland B.V.	99.983 0.017	
S.C.I. La Méditerranéenne	Vitrolles	France	248,000	EUR	100.00	Iveco France S.A. Société de Diffusion de Vehicules Industriels-SDVI S.A.S.	50.000 50.000	
Seddon Atkinson Spares & Service Limited	Oldham	United Kingdom	20,000	GBP	100.00	Seddon Atkinson Vehicles Ltd	100.000	
Seddon Atkinson Vehicles Ltd	Oldham	United Kingdom	41,700,000	GBP	100.00	Iveco (UK) Ltd	100.000	
Sicca S.p.A.	Modena	Italy	5,300,000	EUR	100.00	Iveco S.p.A.	100.000	
S.I.M.I.S.-Société Industrielle pour le Matériels d'Incendie et de Sécurité S.A.	Saint-Alban-Leyse	France	40,016	EUR	97.96	C.A.M.I.V.A. Constructeurs Associés de Matériels S.A.	98.000	
Société Charolaise de Participations S.A.	Vénissieux	France	2,370,000	EUR	100.00	Irisbus Holding S.L.	100.000	
Société d'Assistance Technique Automobile S.A.T.A.U. S.A.	Vénissieux	France	35,610,000	EUR	100.00	Irisbus France S.A.	100.000	
Société de Diffusion de Vehicules Industriels-SDVI S.A.S.	Trappes	France	7,022,400	EUR	100.00	Iveco France S.A.	100.000	
Stevi-Société Stéphanoise de Vehicules Industriels S.A.S.	Saint-Priest-En-Jarez	France	503,250	EUR	100.00	Iveco France S.A.	100.000	
Transolver Finance S.A.	Trappes	France	30,244,800	EUR	100.00	Iveco S.p.A.	100.000	
Transolver Operational Services Limited	Watford	United Kingdom	2,000,000	GBP	100.00	Iveco (UK) Ltd	100.000	
Transolver Service S.A.	Madrid	Spain	610,000	EUR	100.00	Iveco Pegaso S.L.	100.000	
Transolver Service S.p.A.	Turin	Italy	1,989,000	EUR	100.00	Iveco S.p.A.	100.000	
Transolver Services GmbH	Unterschliessheim	Germany	750,000	EUR	100.00	Iveco Magirus AG	100.000	
Transolver Services S.A.	Trappes	France	38,000	EUR	100.00	Fiat France S.A. Iveco France S.A.	90.000 10.000	
Trucksure Services Ltd	Watford	United Kingdom	900,000	GBP	100.00	Iveco (UK) Ltd	100.000	
Utilities & Vehicules Industriels Franciliens-UVIF SAS	La Garenne	France	1,067,500	EUR	100.00	Iveco France S.A.	100.000	
Zona Franca Alari Sepauto S.A.	Barcelona	Spain	520,560	EUR	51.87	Iveco Pegaso S.L.	51.867	
2 H Energy S.A.S.	Fécamp	France	2,000,000	EUR	100.00	Iveco S.p.A.	100.000	
Ferrari and Maserati								
Ferrari S.p.A.	Modena	Italy	20,000,000	EUR	56.00	Fiat S.p.A.	56.000	
Ferrari Deutschland GmbH	Wiesbaden	Germany	1,000,000	EUR	56.00	Ferrari International S.A.	100.000	
Ferrari International S.A.	Luxembourg	Luxembourg	13,112,000	EUR	56.00	Ferrari S.p.A. Ferrari N.America Inc.	99.999 0.001	
Ferrari N.America Inc.	Englewood Cliffs	U.S.A.	200,000	USD	56.00	Ferrari S.p.A.	100.000	
Ferrari San Francisco Inc.	Mill Valley	U.S.A.	100,000	USD	56.00	Ferrari N.America Inc.	100.000	
Ferrari (Suisse) SA	Nyon	Switzerland	1,000,000	CHF	56.00	Ferrari International S.A.	100.000	
GSA-Gestions Sportives Automobiles S.A.	Meyrin	Switzerland	1,000,000	CHF	56.00	Ferrari International S.A.	100.000	
Maserati North America Inc.	Englewood Cliffs	U.S.A.	1,000	USD	56.00	Ferrari N.America Inc.	100.000	
Maserati S.p.A.	Modena	Italy	31,000,000	EUR	56.00	Ferrari S.p.A.	100.000	
Société Française de Participations Ferrari - S.F.P.F. S.A.R.L.	Neuilly-sur-Seine	France	6,000,000	EUR	56.00	Ferrari International S.A.	100.000	
Components								
Magneti Marelli Holding S.p.A.	Corbetta	Italy	254,324,998	EUR	99.99	Fiat S.p.A.	99.991	100.000
Automotive Lighting Brotterode GmbH	Meiningen	Germany	7,270,000	EUR	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Corporation	Farmington Hills	U.S.A.	1,000	USD	99.99	Magneti Marelli Holding S.p.A.	100.000	
Automotive Lighting Holding GmbH in liq.	Innsbruck	Austria	11,952,191	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through FIAT S.p.A. (27.62%-owned subsidiary of IFIL Group)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Automotive Lighting Italia S.p.A.	Venaria Reale	Italy	2,000,000	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Automotive Lighting o.o.o.	Rjjasan	Russia	36,875,663	RUR	85.38	Automotive Lighting Reutlingen GmbH	85.389	
Automotive Lighting Polska Sp. z o.o.	Sosnowiec	Poland	83,500,000	PLN	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Reutlingen GmbH	Reutlingen	Germany	1,330,000	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Automotive Lighting S.R.O.	Jihlava	Czech Republic	927,637,000	CZK	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting UK Limited	Cannock	United Kingdom	15,387,348	GBP	99.99	Magneti Marelli Holding S.p.A.	100.000	
C.e.a. Axo Scintex S.A.	Saint Denis	France	16,040,896	EUR	99.99	Seima Italiana S.p.A.	99.998	
Fiat CIEI S.p.A.	Corbetta	Italy	624,000	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Illuminacao Automotiva Ltda	Contagem	Brazil	93,260,418	BRL	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Industrial Yorke de Mexico S.A. de C.V.	Mexico City	Mexico	50,000	MXN	99.99	Yorke de Mexico S.A. de CV Industrial Yorke de Tepozotlan S.A. de C.V.	98.000 2.000	
Industrial Yorke de Tepozotlan S.A. de C.V.	Mexico City	Mexico	50,000	MXN	99.99	Yorke de Mexico S.A. de CV Industrial Yorke de Mexico S.A. de C.V.	99.000 1.000	
Kadron S/A	Maua	Brazil	20,000,000	BRL	99.69	Magneti Marelli do Brasil Industria e Comercio SA	100.000	
Magneti Marelli After Market Limited in liq.	Cannock	United Kingdom	1	GBP	99.99	Magneti Marelli After Market S.p.A.	100.000	
Magneti Marelli After Market S.p.A.	Turin	Italy	15,349,500	EUR	99.99	Magneti Marelli Holding S.p.A.	99.999	100.000
Magneti Marelli Argentina S.A.	Buenos Aires	Argentina	2,000,000	ARS	99.90	Magneti Marelli France S.A. Magneti Marelli Holding S.p.A.	84.563 15.437	
Magneti Marelli Cofap Companhia Fabricadora de Pecas	Santo Andre	Brazil	243,408,933	BRL	99.62	Magneti Marelli Holding S.p.A.	99.628	99.966
Magneti Marelli Components B.V.	Amsterdam	Netherlands	53,600,000	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Magneti Marelli Conjuntos de Escape S.A.	Buenos Aires	Argentina	12,000	ARS	99.99	Magneti Marelli Sistemi di Scarico S.p.A. Magneti Marelli Argentina S.A.	99.000 1.000	
Magneti Marelli Controle Motor Ltda.	Hortolandia	Brazil	125,863,327	BRL	99.99	Magneti Marelli Powertrain S.p.A. Fiat do Brasil S.A.	99.997 0.003	
Magneti Marelli Deutschland GmbH	Russelsheim	Germany	1,050,000	EUR	99.99	Magneti Marelli After Market S.p.A.	100.000	
Magneti Marelli do Brasil Industria e Comercio SA	Hortolandia	Brazil	16,868,427	BRL	99.69	Magneti Marelli Holding S.p.A.	99.695	99.976
Magneti Marelli Escapamentos Ltda	Amparo	Brazil	65,736,384	BRL	99.99	Magneti Marelli Sistemi di Scarico S.p.A. Fiat do Brasil S.A.	99.997 0.003	
Magneti Marelli Exhaust Systems Polska Sp. z o.o.	Sosnowiec	Poland	15,000,000	PLN	99.99	Magneti Marelli Sistemi di Scarico S.p.A.	100.000	
Magneti Marelli France S.A.	Nanterre	France	67,380,000	EUR	99.88	Magneti Marelli Holding S.p.A. Ufima S.A.S.	99.884 0.003	
Magneti Marelli Iberica S.A.	Madrid	Spain	99,766	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Magneti Marelli Motopropulsion France SAS	Nanterre	France	10,692,500	EUR	99.88	Magneti Marelli France S.A.	100.000	
Magneti Marelli North America Inc.	Wilmington	U.S.A.	40,223,205	USD	99.62	Magneti Marelli Cofap Companhia Fabricadora de Pecas	100.000	
Magneti Marelli Otomotiv Sistemleri Sanayi ve Ticaret A.S.	Esentepe-Istanbul	Turkey	9,000,000,000	TRL	97.99	Magneti Marelli Holding S.p.A.	98.000	
Magneti Marelli Poland S.A.	Sosnowiec	Poland	10,567,800	PLN	99.99	Magneti Marelli Holding S.p.A.	100.000	
Magneti Marelli Powertrain GmbH	Russelsheim	Germany	100,000	EUR	99.99	Magneti Marelli Powertrain S.p.A.	100.000	
Magneti Marelli Powertrain (Shanghai) Co. Ltd.	Shanghai	People's Rep. of China	10,000,000	USD	99.99	Magneti Marelli Powertrain S.p.A.	100.000	
Magneti Marelli Powertrain S.p.A.	Corbetta	Italy	85,690,872	EUR	99.99	Magneti Marelli Holding S.p.A.	99.999	100.000
Magneti Marelli Powertrain U.S.A. Inc.	Sanford	U.S.A.	25,000,000	USD	99.99	Magneti Marelli Powertrain S.p.A.	100.000	
Magneti Marelli Powertrain (WUHU) Co. Ltd.	Anhui	People's Rep. of China	3,000,000	USD	99.99	Magneti Marelli Powertrain S.p.A.	100.000	
Magneti Marelli Services S.p.A.	Corbetta	Italy	15,349,500	EUR	99.99	Magneti Marelli Holding S.p.A.	99.999	100.000
Magneti Marelli Sistemi di Scarico S.p.A.	Corbetta	Italy	20,000,000	EUR	99.99	Magneti Marelli Components B.V.	100.000	
Magneti Marelli South Africa (Proprietary) Limited	Johannesburg	South Africa	1,950,000	ZAR	99.99	Magneti Marelli Sistemi di Scarico S.p.A.	100.000	
Magneti Marelli Suspension Systems Poland Sp. z o.o.	Sosnowiec	Poland	43,100,000	PLN	99.99	Magneti Marelli Holding S.p.A.	100.000	
Magneti Marelli Svenska A/B in liq.	Goteborg	Sweden	100,000	SEK	99.99	Magneti Marelli Components B.V.	100.000	
Magneti Marelli Tubos de Escape SL	Barcelona	Spain	10,154,256	EUR	99.99	Magneti Marelli Sistemi di Scarico S.p.A.	100.000	
Magneti Marelli U.K. Limited	Cannock	United Kingdom	12,400,000	GBP	99.99	Magneti Marelli Components B.V.	100.000	
Malaysian Automotive Lighting SDN. BHD	Penang	Malaysia	8,000,000	MYR	79.99	Automotive Lighting Reutlingen GmbH	80.000	
Midas Autoservice GmbH	Vienna	Austria	472,373	EUR	99.99	Magneti Marelli Services S.p.A.	100.000	
Midas Europe S.A.M.	Monaco	Princ. of Monaco	331,000	EUR	99.99	Magneti Marelli Services S.p.A.	100.000	
Midas France S.a.s.	Celle S. Cloud	France	17,475,000	EUR	99.99	Magneti Marelli Services S.p.A. Midas Italia S.p.A.	99.999 0.001	
Midas Italia S.p.A.	Milan	Italy	5,000,000	EUR	99.99	Magneti Marelli Services S.p.A.	100.000	
Midas Polska Sp. z o.o.	Warsaw	Poland	8,650,000	PLN	99.99	Magneti Marelli Services S.p.A.	100.000	
Midas S.A.	Berchem	Belgium	4,000,000	EUR	99.99	Magneti Marelli Services S.p.A. Midas Italia S.p.A.	99.774 0.226	
Midas Schwiez AG	Zurich	Switzerland	680,000	CHF	99.99	Magneti Marelli Services S.p.A.	100.000	
Midas Silenciador S.L.	Madrid	Spain	3,093,563	EUR	99.99	Magneti Marelli Services S.p.A.	100.000	
Midas Spain Inc.	Chicago	U.S.A.	1,000	USD	99.99	Magneti Marelli Services S.p.A.	100.000	
MotorMust.com S.p.A. in liq.	Milan	Italy	2,300,000	EUR	99.66	Magneti Marelli Services S.p.A.	99.674	
Sadim S.a.r.l.	Celle S. Cloud	France	8,000	EUR	99.99	Midas France S.a.s.	100.000	
Seima Italiana Deutschland GmbH	Grasbrunn-Neukerferloh	Germany	25,565	EUR	98.99	Seima Italiana S.p.A.	99.000	
Seima Italiana S.p.A.	Tolmezzo	Italy	13,220,000	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Sistemi Sospensioni S.p.A.	Corbetta	Italy	60,500,000	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Tecnologia de Iluminacion Automotriz S.A. de C.V.	Chihuahua	Mexico	50,000	MXN	99.99	Automotive Lighting Corporation	100.000	
Tutela Lubrificantes S.A.	Contagem	Brazil	941,028	BRL	99.99	Magneti Marelli Holding S.p.A.	100.000	

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through FIAT S.p.A. (27.62%-owned subsidiary of IFIL Group)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Ufima S.A.S.	Nanterre	France	44,940	EUR	99.94	Magneti Marelli Holding S.p.A. Fiat Partecipazioni S.p.A. Magneti Marelli Components B.V.	35.541 34.980 29.426	
Yorka de Mexico S.A. de CV	El Marques Queretaro	Mexico	50,000	MXN	99.99	Yorka SA - Senalización y Accesorios del Automovil	100.000	
Yorka SA - Senalización y Accesorios del Automovil	Linares del Valles	Spain	9,153,693	EUR	99.99	Seima Italiana S.p.A.	100.000	
Production Systems								
Comau S.p.A.	Grugliasco	Italy	140,000,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Autodie International, Inc.	Grand Rapids	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000	
Comau Argentina S.A.	Buenos Aires	Argentina	3,617,977	ARS	100.00	Comau S.p.A. Comau do Brasil Industria e Comercio Ltda. Fiat Argentina S.A.	55.283 44.689 0.028	
Comau Australia Pty. Ltd	Wingfield	Australia	765,589	AUD	100.00	Comau S.p.A.	99.998	
Comau Belgium N.V.	Zedelgem	Belgium	175,000	EUR	100.00	Comau S.p.A. Comau Service France S.A.	99.900 0.100	
Comau Deutschland GmbH	Boblingen	Germany	1,330,000	EUR	100.00	Comau S.p.A.	100.000	
Comau do Brasil Industria e Comercio Ltda.	Betim	Brazil	112,794,611	BRL	100.00	Comau S.p.A. Fiat do Brasil S.A.	99.999 0.001	
Comau Estil Unl.	Luton	United Kingdom	46,108,100	USD	100.00	Comau S.p.A.	100.000	
COMAU Germann-Intec GmbH & Co. KG	Heilbronn	Germany	1,478,614	EUR	100.00	Germann-Intec Verwaltungs GmbH	100.000	
Comau India Private Limited	Pune	India	58,435,020	INR	100.00	Comau S.p.A. Comau Deutschland GmbH	99.990 0.010	
COMAU Ingest Sverige AB	Trollhattan	Sweden	10,000,000	SEK	100.00	Comau S.p.A. Ingest Facility S.p.A.	51.000 49.000	
Comau Pico Holdings Corporation	Southfield	U.S.A.	100	USD	100.00	Comau S.p.A.	100.000	
Comau Poland Sp. z o.o.	Bielsko-Biala	Poland	2,100,000	PLN	100.00	Comau S.p.A.	100.000	
Comau Quad Precision (Pty) Ltd. in liq.	Eppindust	South Africa	1,000	ZAR	83.70	Comau South Africa (Pty) Ltd.	83.700	
Comau Romania S.R.L.	Bihor	Romania	3,249,800,000	ROL	100.00	Comau S.p.A.	100.000	
Comau SA Body Systems (Pty) Ltd.	Uitenhage	South Africa	300	ZAR	100.00	Comau South Africa (Pty) Ltd.	100.000	
Comau SA Press Tools and Parts (Pty) Ltd.	Uitenhage	South Africa	100	ZAR	100.00	Comau South Africa (Pty) Ltd.	100.000	
Comau SA Properties (Pty) Ltd.	Uitenhage	South Africa	100	ZAR	100.00	Comau South Africa (Pty) Ltd.	100.000	
Comau Sciaky S.A.	Trappes	France	40,000	EUR	99.76	Comau Systèmes France S.A.	99.760	
Comau Service France S.A.	Trappes	France	2,250,000	EUR	99.99	Comau S.p.A.	99.987	
Comau Service Systems S.L.	Madrid	Spain	250,000	EUR	100.00	Comau S.p.A.	100.000	
Comau Service U.K. Ltd	Watford	United Kingdom	50,000	GBP	100.00	Comau S.p.A.	100.000	
Comau (Shanghai) Automotive Equipment Co. Ltd.	Shanghai	People's Rep. of China	1,000,000	USD	100.00	Comau S.p.A.	100.000	
Comau South Africa (Pty) Ltd.	Uitenhage	South Africa	1,001,000	ZAR	100.00	Comau S.p.A.	100.000	
Comau Systèmes France S.A.	Trappes	France	29,173,600	EUR	100.00	Comau S.p.A.	100.000	
Eagle Test and Assembly Co.	Southfield	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000	
Estil Shrewsbury Ltd. in liq.	Shropshire	United Kingdom	100	GBP	100.00	Comau Estil Unl.	100.000	
Geico do Brasil Ltda	Betim	Brazil	202,950	BRL	48.78	Geico S.p.A. Comau do Brasil Industria e Comercio Ltda.	95.565 0.044	
Geico Endustriyel Taahhut A.S.	Istanbul	Turkey	100,000,000,000	TRL	50.98	Geico S.p.A.	99.959	
Geico S.p.A.	Cinisello Balsamo	Italy	3,627,000	EUR	51.00	Comau S.p.A.	51.000	
Germann-Intec Verwaltungs GmbH	Heilbronn	Germany	25,000	EUR	100.00	Comau Deutschland GmbH	100.000	
Italtech S.p.A.	Brescia	Italy	1,000,000	EUR	100.00	Comau S.p.A.	100.000	
Mecaner S.A.	Urduliz	Spain	6,000,000	EUR	100.00	Comau S.p.A.	100.000	
Novi Industries, Inc.	Novi	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000	
Numerical Control Center, Inc. in liq.	Southfield	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000	
Pico East, Inc.	Macomb	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000	
Pico Estil Control Systems Ltd.	Rainham	United Kingdom	100	GBP	100.00	Comau Estil Unl.	100.000	
Pico Estil Manufacturing Ltd. in liq.	Luton	United Kingdom	5,000	GBP	100.00	Comau Estil Unl.	100.000	
Pico Europe, Inc.	Southfield	U.S.A.	1,000	USD	100.00	Comau S.p.A.	100.000	
Pico Expatriate, Inc.	Southfield	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000	
Pico Iaisa S.de R.L. de C.V.	Tepotzotlan	Mexico	3,000	MXN	100.00	Progressive Mexico S.de R.L. de C.V. Comau S.p.A.	99.967 0.033	
Pico Pitex S.de R.L. C.V.	Tepotzotlan	Mexico	3,000	MXN	100.00	Progressive Mexico S.de R.L. de C.V. Comau S.p.A.	99.967 0.033	
Pico Resources, Inc.	Southfield	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000	
Precision.Com Corp.	Plymouth	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000	
Progressive Industries Co. of Canada Ltd.	Windsor	Canada	100	CAD	100.00	Comau S.p.A.	100.000	
Progressive Mexico S.de R.L. de C.V.	Tepotzotlan	Mexico	3,000	MXN	100.00	Comau S.p.A. Comau Deutschland GmbH	99.967 0.033	
Progressive Tool & Industries Name	Southfield	U.S.A.	21,455	USD	100.00	Comau Pico Holdings Corporation	100.000	
Trebol Tepotzotlan S.de R.L. de C.V.	Tepotzotlan	Mexico	3,000	MXN	100.00	Progressive Mexico S.de R.L. de C.V. Comau S.p.A.	99.967 0.033	
Wisne Automation & Engineering Co.	Novi	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000	
Wisne Technologies, Inc. in liq.	Royal Oak	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000	

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through FIAT S.p.A. (27.62%-owned subsidiary of IFIL Group)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Metallurgical Products								
Teksid S.p.A.	Turin	Italy	239,600,000	EUR	80.48	Fiat Partecipazioni S.p.A.	80.482	
Accurcast Limited	Saint John	Canada	39,684,600	CAD	41.05	Meridian Technologies Inc.	100.000	
Fonderie du Poitou Fonte S.A.S.	Ingrandes-sur-Vienne	France	26,958,464	EUR	80.48	Teksid S.p.A.	100.000	
Funfrap-Fundicao Portuguesa S.A.	Aveiro	Portugal	13,697,550	EUR	67.29	Fonderie du Poitou Fonte S.A.S.	83.607	
Jutras Die Casting Limited	Saint John	Canada	24,490,715	CAD	41.05	Meridian Technologies Inc.	100.000	
Magnesium Products of America Inc.	Eaton Rapids	U.S.A.	43,454,000	USD	41.05	Meridian Technologies Inc.	69.439	
						Meridian Magnesium N.V. in liq.	30.561	
Magnesium Products of Italy S.r.l.	Verres	Italy	13,962,000	EUR	41.05	Magnesium Products of America Inc.	100.000	
Meridian Deutschland GmbH	Heilbronn	Germany	25,600	EUR	41.05	Meridian Technologies Inc.	100.000	
Meridian Magnesium LLC	Wilmington	U.S.A.	4,962	USD	41.05	1118395 Ontario Inc.	90.000	
						Meridian Technologies Inc.	10.000	
Meridian Magnesium N.V. in liq.	Amstelveen	Netherlands	35,193,626	EUR	41.05	Meridian Technologies Inc.	100.000	
Meridian Technologies Inc.	Saint John	Canada	179,063,445	CAD	41.05	Teksid S.p.A.	31.450	
						Teksid Acquisition Inc.	19.550	
Shanghai Meridian Magnesium Products Name Limited	Shanghai	People's Rep. of China	8,000,000	USD	24.63	Meridian Technologies Inc.	60.000	
Société Bretonne de Fonderie et de Mecanique S.A.	Caudan	France	10,549,860	EUR	80.48	Teksid S.p.A.	100.000	
Teksid Acquisition Inc.	Toronto	Canada	72,300,001	CAD	80.48	Teksid S.p.A.	100.000	
Teksid do Brasil Ltda	Betim	Brazil	59,899,570	BRL	80.48	Teksid S.p.A.	100.000	
Teksid Hierro de Mexico S.A. de C.V.	Sao Pedro	Mexico	567,466,400	MXN	60.36	Teksid S.p.A.	75.000	
Teksid Inc.	Wilmington	U.S.A.	100,000	USD	60.36	Teksid S.p.A.	75.000	
Teksid Investment N.V. in liq.	Amsterdam	Netherlands	69,000,000	EUR	80.48	Teksid S.p.A.	100.000	
Teksid Iron Poland Sp. z o.o.	Skoczow	Poland	115,678,500	PLN	80.48	Teksid S.p.A.	100.000	
1118395 Ontario Inc.	Saint John	Canada	6,210	CAD	41.05	Meridian Technologies Inc.	100.000	
Services								
Business Solutions S.p.A.	Turin	Italy	10,000,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Building Services S.r.l.	Turin	Italy	90,000	EUR	51.00	Ingest Facility S.p.A.	51.000	
Building Support S.r.l. a socio unico	Turin	Italy	90,000	EUR	51.00	Building Services S.r.l.	100.000	
Business Solutions Deutschland FiatGroup GmbH	Ulm	Germany	200,000	EUR	100.00	Business Solutions S.p.A.	100.000	
Business Solutions do Brasil Ltda	Nova Lima	Brazil	36,915,855	BRL	100.00	Business Solutions S.p.A.	100.000	
Business Solutions France FiatGroup S.a.s.	Levallois-Perret	France	695,600	EUR	100.00	Business Solutions S.p.A.	60.000	
						Fiat France S.A.	40.000	
Business Solutions Iberica Fiat Group SL	Madrid	Spain	369,327	EUR	100.00	Business Solutions S.p.A.	80.000	
						Fiat Iberica S.A.	20.000	
Business Solutions Polska Sp. z o.o.	Bielsko-Biala	Poland	3,600,000	PLN	100.00	Business Solutions S.p.A.	99.986	
						Fiat Polska Sp. z o.o.	0.014	
Cleantecno S.r.l.	Turin	Italy	90,000	EUR	100.00	Ingest Facility S.p.A.	100.000	
Cromos Consulenza e Formazione S.r.l.	Turin	Italy	13,000	EUR	74.96	Isvor Knowledge System S.p.A.	76.000	
Delivery & Mail S.r.l.	Turin	Italy	90,000	EUR	100.00	Ingest Facility S.p.A.	100.000	
Easy Drive S.r.l. a S.U.	Turin	Italy	10,400	EUR	100.00	Business Solutions S.p.A.	100.000	
eSPIN S.p.A.	Turin	Italy	1,000,000	EUR	100.00	Business Solutions S.p.A.	100.000	
Fast Buyer do Brasil Ltda	Nova Lima	Brazil	50,000	BRL	99.92	Fast-Buyer S.p.A.	99.998	
						Business Solutions do Brasil Ltda	0.002	
Fast Buyer France S.a.r.l.	Paris	France	7,700	EUR	99.92	Fast-Buyer S.p.A.	100.000	
Fast-Buyer S.p.A.	Turin	Italy	500,000	EUR	99.92	Business Solutions S.p.A.	99.916	
Fiat Engineering France S.A.	Paris	France	680,000	EUR	99.98	Fiat Engineering S.p.A.	99.984	
Fiat Engineering India Ltd.	New Delhi	India	3,500,000	INR	100.00	Fiat Engineering S.p.A.	100.000	
Fiat Engineering S.p.A.	Turin	Italy	10,588,250	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat GES.CO. Belgium N.V.	Brugge	Belgium	62,500	EUR	100.00	Gesco U.K. Limited	99.960	
						Fiat Gesco S.p.A.	0.040	
Fiat Gesco S.p.A.	Turin	Italy	3,600,000	EUR	100.00	Business Solutions S.p.A.	100.000	
FiatEngineering do Brasil-Comercio e Industria Ltda	Belo Horizonte	Brazil	8,500,000	BRL	100.00	Fiat Engineering S.p.A.	78.800	
						Fiat Engineering France S.A.	21.200	
Gesco U.K. Limited	Basilidon	United Kingdom	750,000	GBP	100.00	Fiat Gesco S.p.A.	75.000	
						Fiat United Kingdom Limited	25.000	
GestioneLavoro S.p.A.	Turin	Italy	100,000	EUR	51.00	H.R. Services S.p.A.	51.000	
Global Value S.p.A.	Turin	Italy	1,000,000	EUR	50.00	Business Solutions S.p.A.	50.000	
H.R. Services S.p.A.	Turin	Italy	400,000	EUR	100.00	Business Solutions S.p.A.	100.000	
Individua S.p.A.	Milan	Italy	105,000	EUR	100.00	WorkNet società di fornitura di lavoro temporaneo-per azioni	100.000	
Ingest Facility Polska Sp. z o.o.	Bielsko-Biala	Poland	500,000	PLN	100.00	Ingest Facility S.p.A.	100.000	
Ingest Facility S.p.A.	Turin	Italy	1,700,000	EUR	100.00	Business Solutions S.p.A.	100.000	
Isvor Knowledge System S.p.A.	Turin	Italy	500,000	EUR	98.63	Business Solutions S.p.A.	70.000	
						Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	30.000	
Japigia 2000 S.r.l.	Turin	Italy	98,000	EUR	95.00	Fiat Engineering S.p.A.	95.000	
KeyG Consulting S.p.A.	Turin	Italy	125,000	EUR	60.00	Fiat Gesco S.p.A.	52.800	
						Business Solutions S.p.A.	7.200	
La Fenice S.A.	Buenos Aires	Argentina	12,000	ARS	100.00	Business Solutions do Brasil Ltda	99.992	
						Fiat Auto Argentina S.A.	0.008	
Learning Systems S.p.A.	Milan	Italy	104,000	EUR	50.30	Isvor Knowledge System S.p.A.	51.000	
Matrix S.r.l. (liquidation)	Turin	Italy	30,000	EUR	98.63	Isvor Knowledge System S.p.A.	100.000	

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through FIAT S.p.A. (27.62%-owned subsidiary of IFIL Group)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Sadi Brasil Ltda.	Nova Lima	Brazil	100,000	BRL	97.01	Business Solutions do Brasil Ltda CNH Latino Americana Ltda Fiat Automoveis S.A. - FIASA Iveco Fiat Brasil Ltda Iveco Latin America Ltda	60.000 10.000 10.000 10.000 10.000	
Risk Management S.p.A.	Turin	Italy	104,000	EUR	100.00	Business Solutions S.p.A.	100.000	
Sadi Polska-Agencja Celna Sp. z o.o.	Bielsko-Biala	Poland	500,000	PLN	100.00	Servizi e Attività Doganali per l'Industria S.p.A.	100.000	
Scuola di Pubblica Amministrazione s.p.a.	Lucca	Italy	100,000	EUR	51.98	Isvor Knowledge System S.p.A.	52.700	
Services e Attività Doganali per l'Industria S.p.A.	Turin	Italy	520,000	EUR	100.00	Business Solutions S.p.A.	100.000	
Sestrieres S.p.A.	Sestriere	Italy	16,120,000	EUR	70.00	Business Solutions S.p.A.	70.000	
Sporting Club Sestrieres S.r.l.	Sestriere	Italy	312,000	EUR	70.00	Sestrieres S.p.A.	100.000	
Telexis do Brasil Ltda.	Nova Lima	Brazil	1,400	BRL	99.94	Fast Buyer do Brasil Ltda Business Solutions do Brasil Ltda	71.357 28.643	
TRANSFIMA S.p.A.	Turin	Italy	1,020,000	EUR	51.00	Fiat Engineering S.p.A.	51.000	
Trantor S.r.l.	Milan	Italy	104,000	EUR	100.00	Ingest Facility S.p.A.	100.000	
Worknet Formazione S.r.l.	Milan	Italy	50,000	EUR	100.00	WorkNet società di fornitura di lavoro temporaneo-per azioni	100.000	
WorkNet società di fornitura di lavoro temporaneo-per azioni	Rome	Italy	1,000,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Publishing and Communications								
Itedi-Italiana Edizioni S.p.A.	Turin	Italy	5,980,000	EUR	100.00	Fiat S.p.A.	100.000	
Editrice La Stampa S.p.A.	Turin	Italy	4,160,000	EUR	100.00	Itedi-Italiana Edizioni S.p.A.	100.000	
Publikompass S.p.A.	Milan	Italy	3,068,000	EUR	100.00	Itedi-Italiana Edizioni S.p.A.	100.000	
Miscellaneous and Holding companies								
Atlanet S.p.A.	Turin	Italy	2,000,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Celt Receivables Limited	Dublin	Ireland	52	EUR	100.00	Fiat Finance and Trade Ltd	100.000	
Centro Ricerche Plast-Optica S.r.l.	Amaro	Italy	1,033,000	EUR	72.36	C.R.F. Società Consortile per Azioni Seima Italiana S.p.A.	51.000 24.500	
C.R.F. Società Consortile per Azioni	Orbassano	Italy	45,400,000	EUR	93.84	Fiat Auto S.p.A. Iveco S.p.A. Magnet Marelli Holding S.p.A. Case New Holland Italia s.p.a. Comau S.p.A. Teksid S.p.A. Fiat Partecipazioni S.p.A. Ferrari S.p.A.	40.000 20.000 20.000 5.000 5.000 5.000 4.000 1.000	
Deposito Avogadro S.r.l.	Turin	Italy	100,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Elasis-Società Consortile per Azioni	Pomigliano d'Arco	Italy	20,000,000	EUR	91.17	Fiat Auto S.p.A. C.R.F. Società Consortile per Azioni CNH Movimento Terra S.p.A. Fiat Partecipazioni S.p.A. Iveco S.p.A. Ferrari S.p.A. Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni Fiat S.p.A.	56.000 27.933 6.800 4.450 3.300 1.100 0.250 0.167	
Fahag Immobilien-und Finanz-Gesellschaft AG	Zurich	Switzerland	500,000	CHF	100.00	IHF-Internazionale Holding Fiat S.A.	100.000	
Fias Fiat Administration und Service GmbH	Ulm	Germany	102,258	EUR	98.00	Iveco Magirus AG Fiat Automobil AG	80.000 20.000	
Fiat Argentina S.A.	Buenos Aires	Argentina	520,002	ARS	100.00	Fiat Partecipazioni S.p.A. SGR-Sociedad para la Gestion de Riesgos	99.990 0.010	
Fiat Concord S.A.	Buenos Aires	Argentina	1	ARS	100.00	Fiat Argentina S.A. SGR-Sociedad para la Gestion de Riesgos	99.990 0.010	
Fiat do Brasil S.A.	Nova Lima	Brazil	999,684	BRL	100.00	Fiat Partecipazioni S.p.A. Fiat Gesco S.p.A. Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	99.932 0.061 0.007	
Fiat Energia S.r.l.	Turin	Italy	350,088,770	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Financas Brasil Ltda	Nova Lima	Brazil	2,469,701	BRL	100.00	Fiat Ge.Va. S.p.A. Fiat do Brasil S.A.	99.994 0.006	
Fiat Finance and Trade Ltd	Luxembourg	Luxembourg	251,494,000	EUR	100.00	Fiat Ge.Va. S.p.A. Fiat Finance Canada Ltd.	99.993 0.007	
Fiat Finance Canada Ltd.	Calgary	Canada	10,099,885	CAD	100.00	Fiat Ge.Va. S.p.A.	100.000	
Fiat Finance France S.N.C.	Paris	France	228,674	EUR	99.83	Fiat France S.A. Sofice-Société de Financement des Concessionnaires s.a.s.	98.333 1.667	
Fiat Finance Luxembourg S.A.	Luxembourg	Luxembourg	100,000	USD	100.00	Intermap (Nederland) B.V. Fiat Netherlands Holding N.V.	99.000 1.000	
Fiat Finance North America Inc.	Wilmington	U.S.A.	40,090,010	USD	100.00	Fiat Ge.Va. S.p.A. Fiat S.p.A.	60.526 39.474	
Fiat France S.A.	Paris	France	55,216,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through FIAT S.p.A. (27.62%-owned subsidiary of IFIL Group)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Fiat Ges.co France (GEIE)	Levallois-Perret	France	0	EUR	98.48	Fiat Gesco S.p.A. Magneti Marelli France S.A. Fiat Auto (France) S.A. Iveco France S.A.	50.000 20.000 15.000 15.000	
Fiat Gesco UK Limited in liq.	London	United Kingdom	625,767	GBP	100.00	Fiat United Kingdom Limited	100.000	
Fiat Ge.Va. S.p.A.	Turin	Italy	224,440,000	EUR	100.00	Fiat S.p.A.	100.000	
Fiat Gra.De EEIG	Watford	United Kingdom	0	GBP	91.72	Fiat Auto S.p.A. CNH Global N.V. Fiat Netherlands Holding N.V. Business Solutions S.p.A. Fiat S.p.A. Comau S.p.A. C.R.F. Società Consortile per Azioni Magneti Marelli Holding S.p.A. Teksid S.p.A.	46.000 23.000 23.000 2.000 2.000 1.000 1.000 1.000	
Fiat Iberica S.A.	Madrid	Spain	2,797,054	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Information & Communication Services S.r.l.	Turin	Italy	800,000	EUR	100.00	Fiat S.p.A. Fiat Partecipazioni S.p.A.	51.000 49.000	
Fiat International S.p.A.	Turin	Italy	1,300,000	EUR	100.00	Fiat S.p.A.	100.000	
Fiat Netherlands Holding N.V.	Amsterdam	Netherlands	4,366,482,748	EUR	100.00	Fiat S.p.A. Fiat Partecipazioni S.p.A. IHF-Internazionale Holding Fiat S.A.	60.563 24.504 14.933	
Fiat Partecipazioni S.p.A.	Turin	Italy	3,924,685,869	EUR	100.00	Fiat S.p.A.	100.000	
Fiat Polska Sp. z o.o.	Warsaw	Poland	25,500,000	PLN	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Servizi per l'Industria S.c.p.a.	Turin	Italy	3,850,000	EUR	93.22	Fiat S.p.A. Fiat Auto S.p.A. Iveco S.p.A. Magneti Marelli Holding S.p.A. Business Solutions S.p.A. Case New Holland Italia s.p.a. Fiat Partecipazioni S.p.A. H.R. Services S.p.A. Teksid S.p.A. Comau S.p.A. C.R.F. Società Consortile per Azioni Editrice La Stampa S.p.A.	36.468 33.532 6.000 4.000 3.000 3.000 3.000 2.000 2.000 1.500 1.500 1.500	
Fiat Servizi S.A.	Paradiso	Switzerland	100,000	CHF	100.00	IHF-Internazionale Holding Fiat S.A.	100.000	
Fiat United Kingdom Limited	London	United Kingdom	860,000	GBP	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat U.S.A. Inc.	New York	U.S.A.	16,830,000	USD	100.00	Fiat S.p.A.	100.000	
Fiat-Revisione Interna e Ispettorato S.c.r.l.	Turin	Italy	300,000	EUR	93.34	Fiat Auto S.p.A. Fiat Partecipazioni S.p.A. Fiat S.p.A. CNH Global N.V. Iveco S.p.A. Comau S.p.A. Ferrari S.p.A. Itedi-Italiana Edizioni S.p.A. Magneti Marelli Holding S.p.A. Teksid S.p.A. Business Solutions S.p.A. Fiat Ge.Va. S.p.A.	20.000 15.667 14.000 10.000 10.000 5.000 5.000 5.000 5.000 5.000 4.333 1.000	
IHF-Internazionale Holding Fiat S.A.	Paradiso	Switzerland	2,000,000,000	CHF	100.00	Fiat S.p.A.	100.000	
Intermap (Nederland) B.V.	Amsterdam	Netherlands	72,605	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Isvor Dealernet S.r.l.	Turin	Italy	10,000	EUR	94.34	Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni Fiat Auto S.p.A.	80.000 20.000	
Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	Turin	Italy	300,000	EUR	95.43	Fiat S.p.A. Fiat Auto S.p.A. Iveco S.p.A. Case New Holland Italia s.p.a. Magneti Marelli Holding S.p.A. Comau S.p.A. Business Solutions S.p.A. Teksid S.p.A.	26.000 22.000 17.000 12.000 9.000 8.000 3.000 3.000	
La Stampa Europe SAS	Paris	France	18,600,000	EUR	100.00	Fiat France S.A.	100.000	
Neptunia Assicurazioni Marittime S.A.	Lugano	Switzerland	10,000,000	CHF	100.00	Rimaco S.A.	100.000	
New Business Quattordici S.p.A.	Turin	Italy	1,000,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Palazzo Grassi S.p.A.	Venice	Italy	8,500,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Pharos S.r.l.	Turin	Italy	105,000	EUR	93.54	Fiat Servizi per l'Industria S.c.p.a. Fiat Partecipazioni S.p.A.	95.238 4.762	
Rimaco S.A.	Lausanne	Switzerland	350,000	CHF	100.00	IHF-Internazionale Holding Fiat S.A.	100.000	
Sisport Fiat Società per Azioni-SF	Turin	Italy	7,120,800	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through FIAT S.p.A. (27.62%-owned subsidiary of IFIL Group)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Subsidiaries valued by the equity method								
Automobiles								
Alfa Romeo Inc.	Orlando	U.S.A.	3,000,000	USD	90.00	Fiat Auto S.p.A.	100.000	
Alfa Romeo Motors Ltd.	Bangkok	Thailand	100,000,000	THB	90.00	Fiat Auto S.p.A.	99.999	
Andalcar Motor S.L.	Jerez	Spain	186,927	EUR	90.00	Inmap 2000 Espana S.L.	100.000	
Auto Italia Erfurt GmbH in liquidazione	Erfurt	Germany	1,284,000	EUR	90.00	Fiat Automobil Vertriebs GmbH	100.000	
BDC SA & Co.	Brussels	Belgium	1,992,768	EUR	90.00	Italian Automotive Center S.A. B.D.C. S.A.	86.840 13.160	
Copada S.A.S.	Paris	France	750,000	EUR	90.00	International Metropolitan Automotive Promotion (France) S.A.	100.000	
F.A. Austria Commerz GmbH	Vienna	Austria	37,000	EUR	90.00	Fiat Auto (Suisse) S.A.	100.000	
Fiat Auto Egypt Industrial Name SAE	Giza	Egypt	50,000,000	EGP	72.36	Fiat Auto S.p.A.	80.400	
Fiat Auto Egypt S.A.E.	Giza	Egypt	500,000	EGP	71.64	Fiat Auto Egypt Industrial Company SAE	99.000	
Fiat Auto S.A. de Ahorro para Fines Determinados	Buenos Aires	Argentina	60,000	ARS	90.01	Fiat Auto Argentina S.A. Fiat Argentina S.A.	99.900 0.100	
Fiat Auto Thailand Pvt. Ltd.	Bangkok	Thailand	150,000,000	THB	90.00	Fiat Auto S.p.A.	100.000	
Fiat Automoviles Venezuela C.A.	Caracas	Venezuela	300,000	VEB	90.00	Fiat Automoviles S.A. - FIASA	100.000	
Italcar SA	Casablanca	Morocco	4,000,000	MAD	90.00	Inmap 2000 Espana S.L.	100.000	
Leasys S.p.A.	Fiumicino	Italy	319,200,000	EUR	45.90	Fidis Renting Italia S.p.A.	51.000	
Multipoint Sevilla S.A.	Seville	Spain	836,611	EUR	90.00	Inmap 2000 Espana S.L.	100.000	
SA France Auto	Roubaix	France	1,981,837	EUR	90.00	International Metropolitan Automotive Promotion (France) S.A.	100.000	
SA France Auto Roubaix	Roubaix	France	89,213	EUR	90.00	International Metropolitan Automotive Promotion (France) S.A.	100.000	
Saigarage S.p.A. in liq.	Turin	Italy	516,456	EUR	90.00	Fiat Auto Var S.r.l. a S.U.	100.000	
Sirio Polska Sp. z o.o.	Bielsko-Biala	Poland	1,350,000	PLN	77.98	Fiat Auto Poland S.A.	100.000	
Zao Nizhegorod Motors	Nizhny Novgorod	Russia	24,660,000	RUR	65.83	Fiat Auto S.p.A.	73.139	73.127
Agricultural and Construction equipment								
Challenger New Holland Ltd.	Ottawa	Canada	623,000	CAD	49.89	New Holland Canada Ltd.	58.604	
Farmers New Holland Inc.	Wilmington	U.S.A.	650,000	USD	85.13	New Holland North America Inc.	100.000	
First State New Holland Inc.	Wilmington	U.S.A.	260,000	USD	59.99	New Holland North America Inc.	70.462	
Garden City New Holland Inc.	Wilmington	U.S.A.	542,500	USD	55.85	New Holland North America Inc.	65.604	
La Grande New Holland Inc.	Wilmington	U.S.A.	404,800	USD	64.57	New Holland North America Inc.	75.840	
Medicine Hat New Holland Ltd.	Ottawa	Canada	956,400	CAD	75.40	New Holland Canada Ltd.	88.570	
Memphis New Holland Inc.	Wilmington	U.S.A.	487,600	USD	82.36	New Holland North America Inc.	96.739	
Northside New Holland Inc.	Wilmington	U.S.A.	250,000	USD	78.32	New Holland North America Inc.	92.000	
Pensacola Tractor & Equipment Inc.	Wilmington	U.S.A.	330,000	USD	85.13	New Holland North America Inc.	100.000	
Redwood Equipment Inc.	Wilmington	U.S.A.	516,500	USD	85.13	New Holland North America Inc.	100.000	
Ridgeview New Holland Inc.	Wilmington	U.S.A.	449,100	USD	76.96	New Holland North America Inc.	90.403	
St. Catharines New Holland Ltd.	Ottawa	Canada	327,700	CAD	57.62	New Holland Canada Ltd.	67.680	
Sunrise Tractor & Equipment Inc.	Wilmington	U.S.A.	875,000	USD	80.11	New Holland North America Inc.	94.103	
Tallahassee New Holland Inc.	Wilmington	U.S.A.	385,000	USD	82.92	New Holland North America Inc.	97.403	
Topeka New Holland Inc.	Wilmington	U.S.A.	400,000	USD	70.79	New Holland North America Inc.	83.150	
Tri-County New Holland Inc.	Wilmington	U.S.A.	400,000	USD	85.13	New Holland North America Inc.	100.000	
Commercial Vehicles								
Altra S.p.A.	Genoa	Italy	516,400	EUR	66.67	Irisbus Italia S.p.A.	66.670	
F. Pegaso S.A.	Madrid	Spain	993,045	EUR	100.00	Iveco Pegaso S.L.	100.000	
Financiere Pegaso France S.A.	Trappes	France	260,832	EUR	100.00	Iveco Pegaso S.L.	100.000	
Iveco S.P.R.L.	Kinshasa	Congo (Dem. Rep. Congo)	340,235,000	ZRN	100.00	Iveco S.p.A.	99.992	
Components								
Cofap Companhia Fabricadora de Pecas LTDA	Santo Andre	Brazil	60,838,291	BRL	68.14	Magneti Marelli do Brasil Industria e Comercio SA	68.350	
Seima Italiana Auto Svet	Krasnig Okljabr Kirz	Russia	14,574,000	RUR	99.99	Seima Italiana S.p.A.	100.000	
Seima Italiana Russia	Vjazniki Vladimir	Russia	100,000,000	RUR	99.99	Seima Italiana S.p.A.	100.000	
Metallurgical Products								
Compania Industrial Frontera S.A. de C.V.	Sao Pedro	Mexico	50,000	MXN	60.36	Teksid Hierro de Mexico S.A. de C.V.	100.000	
Teksid of India Private Limited Name	Panaji	India	403,728,450	INR	80.48	Teksid S.p.A.	100.000	
Services								
Fiat Engineering Polska Sp. z o.o.	Bielsko-Biala	Poland	100,000	PLN	100.00	Fiat Engineering S.p.A.	100.000	
Miscellaneous and Holding companies								
Banca Unione di Credito (Cayman) Ltd	Grand Cayman	Cayman Islands	10,000,000	CHF	100.00	BUC - Banca Unione di Credito	100.000	
BUC - Banca Unione di Credito	Lugano	Switzerland	100,000,000	CHF	100.00	IHF-Internazionale Holding Fiat S.A.	100.000	
Business Solutions FiatGroup USA Inc.	Wilmington	U.S.A.	1,000	USD	100.00	Fiat Partecipazioni S.p.A.	100.000	
Centro Studi sui Sistemi di Trasporto-CSST S.p.A.	Turin	Italy	520,000	EUR	84.42	Fiat Auto S.p.A. Iveco S.p.A. C.R.F. Società Consortile per Azioni	49.000 30.000 11.000	
European Engine Alliance EEIG	Maidenhead	United Kingdom	0	GBP	61.71	CNH U.K. Limited Iveco S.p.A.	33.333 33.333	
Fiat Deutschland GmbH	Ulm	Germany	511,292	EUR	100.00	Fiat Finance and Trade Ltd	100.000	
Fiat Geva Europe Ltd. in liq.	Dublin	Ireland	219,494,225	EUR	100.00	Fiat Finance and Trade Ltd	100.000	
Fiat Russia OOO	Moscow	Russia	18,509,050	RUR	100.00	Fiat Partecipazioni S.p.A. Fiat International S.p.A.	80.000 20.000	

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through FIAT S.p.A. (27.62%-owned subsidiary of IFIL Group)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Luganova S.A.	Lugano	Switzerland	3,000,000	CHF	100.00	BUC - Banca Unione di Credito	100.000	
New Business 7 S.p.A.	Turin	Italy	11,899,524	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
New Business 8 S.p.A.	Turin	Italy	1,437,210	EUR	100.00	New Business 7 S.p.A.	100.000	
Norfinance & Associates S.A.	Geneva	Switzerland	4,600,000	CHF	100.00	BUC - Banca Unione di Credito	100.000	
Norfinance Gestion (Ticino) S.A.	Mendrisio	Switzerland	300,000	CHF	100.00	Norfinance & Associates S.A.	100.000	
SGR-Sociedad para la Gestion de Riesgos S.A.	Buenos Aires	Argentina	10,000	ARS	99.96	Rimaco S.A.	99.960	
Sistemi Ambientali S.p.A. in liq.	Rivoli	Italy	9,544,080	EUR	99.78	Fiat Partecipazioni S.p.A.	99.778	

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through FIAT S.p.A. (27.62%-owned subsidiary of IFIL Group)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Subsidiaries valued at cost								
Automobiles								
Fiat Auto de Mexico Sociedad Anonima de Capital Variable (S.A. de C.V.) in liq.	Mexico City	Mexico	50,000	MXN	90.00	Fiat Auto S.p.A.	99.998	
Fiat Auto Espana Marketing Instituto Agrupacion de Interes Economico	Alcala De Henares	Spain	30,051	EUR	85.50	Fiat Auto Espana S.A.	95.000	
Fiat Auto Marketing Institute (Portugal) ACE	Alges	Portugal	15,000	EUR	72.00	Fiat Auto Portuguesa S.A.	80.000	
Nuove Iniziative Finanziarie 2 S.r.l.	Turin	Italy	25,000	EUR	90.00	Fiat Auto S.p.A.	99.000	
						Fidis S.p.A.	1.000	
Powertrain India Pvt. Ltd.	Mumbai	India	101,000	INR	90.00	Fiat India Automobiles Private Limited	100.000	
Pro-Car LLC	Moscow	Russia	1,001,000	RUR	90.00	Nuove Iniziative Finanziarie 2 S.r.l.	100.000	
Agricultural and Construction equipment								
Consorzio Fiat-Kobelco Isvor Dealernet Rete in liquidazione	San Mauro Torinese	Italy	21,175	EUR	40.95	Fiat Kobelco Construction Machinery S.p.A.	46.341	
						Isvor Dealernet S.r.l.	12.195	
David Brown Tractors (Ireland) Ltd.	Dublin	Ireland	25,395	EUR	85.13	Pryor Foundry Inc.	100.000	
Fermeac North America Inc.	Wilmington	U.S.A.	5	USD	85.13	Case LLC	100.000	
International Harvester Name	Wilmington	U.S.A.	1,000	USD	85.13	Case LLC	100.000	
J.I. Case Name Limited	Doncaster	United Kingdom	2	GBP	85.13	Case United Kingdom Limited	100.000	
New Holland Superannuation Pty. Ltd.	St. Marys	Australia	2	AUD	85.13	New Holland Australia Pty. Limited	100.000	
Commercial Vehicles								
Consorzio per la Formazione Commerciale Iveco-Coforma	Turin	Italy	51,646	EUR	59.54	Iveco S.p.A.	50.000	
						Isvor Fiat Società consorzio di sviluppo e addestramento industriale per Azioni	10.000	
Gestrans S.A.	Suresnes	France	45,730	EUR	100.00	Irisbus France S.A.	100.000	
Ikarus Trade Kft.	Budapest	Hungary	423,220,000	HUF	100.00	Ikarusbus Jamugyarto RT	99.976	
						Irisbus Holding S.L.	0.024	
IkarusBus Trejd KFT in liq.	Moscow	Russia	20,000	USD	100.00	Ikarusbus Jamugyarto RT	100.000	
Iran Magirus-Deutz	Teheran	Iran	180,000,000	IRR	100.00	Iveco Magirus AG	100.000	
Irisbus Benelux Ltd.	Luxembourg	Luxembourg	594,000	EUR	100.00	Irisbus France S.A.	99.983	
						Société Charolaise de Participations S.A.	0.017	
Irisbus North America Limited Liability Name	Dover	U.S.A.	20,000	USD	100.00	Irisbus France S.A.	100.000	
Iveco Colombia Ltda.	Santa Fe' de Bogota	Colombia	75,699,000	COP	99.00	Iveco Venezuela C.A.	99.000	
Iveco Defence Vehicles S.p.A.	Bolzano	Italy	100,000	EUR	100.00	Iveco S.p.A.	100.000	
M.R. Fire Fighting International S.A.	Brasov	Romenia	35,000,000	ROL	75.88	Iveco Magirus Brandschutztechnik GmbH	74.000	
						Brandschutztechnik Gorlitz GmbH	1.000	
						Iveco Eurofire (Holding) GmbH	1.000	
Sivi S.p.A. in liquidazione	Trezzano Rosa	Italy	500,000	EUR	100.00	Iveco S.p.A.	100.000	
Components								
Automotive Lighting Japan K.K.	Kohoku-Ku-Yokohama	Japan	10,000,000	JPY	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Magneti Marelli Auto Pecas Ltda.	Sao Paulo	Brazil	1,000	BRL	99.69	Magneti Marelli do Brasil Industria e Comercio SA	100.000	
Magneti Marelli Automotive Components (India) Limited	Pune	India	125,000,000	INR	99.99	Magneti Marelli Components B.V.	100.000	
Magneti Marelli Pecas de Reposicao Ltda	Sao Paulo	Brazil	1,000,000	BRL	99.69	Magneti Marelli do Brasil Industria e Comercio SA	100.000	
Rien E.U.R.L. in liq.	Vaulx-En-Velin	France	45,735	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Yorka Northamerica Corp.	Southfield	U.S.A.	10,000	USD	99.99	Yorka de Mexico S.A. de CV	100.000	
Production Systems								
Comau Russia OOO	Moscow	Russia	4,770,225	RUR	100.00	Comau S.p.A.	99.000	
						Comau Deutschland GmbH	1.000	
Comau (Shanghai) International Trading Co. Ltd.	Shanghai	People's Rep. of China	200,000	USD	100.00	Comau S.p.A.	100.000	
Comau U.K. Limited	Telford	United Kingdom	2,500	GBP	100.00	Comau S.p.A.	100.000	
Synesis	Modugno	Italy	20,000	EUR	75.00	Comau S.p.A.	75.000	
Services								
C.O.A.V. Città Ospedaliera Avellino S.c. a r.l.	Parma	Italy	25,500	EUR	51.00	Fiat Engineering S.p.A.	51.000	
Consorzio Co.Ge.Av. in liquidazione	Turin	Italy	51,646	EUR	100.00	Fiat Engineering S.p.A.	100.000	
Consorzio Infatecno	Turin	Italy	35,000	EUR	70.00	Ingest Facility S.p.A.	55.000	
						Cleantecno S.r.l.	15.000	
CONSORZIO SERMAGEST - Servizi Manutentivi Gestionali								
Fast Buyer Middle East A.S.	Bursa	Turkey	95,000,000,000	TRL	98.72	Fast-Buyer S.p.A.	98.800	
Gestione Servizi Territoriali S.r.l.	Turin	Italy	90,000	EUR	100.00	Ingest Facility S.p.A.	100.000	
Immobiliare F.E. S.r.l. a Socio Unico	Turin	Italy	30,000	EUR	100.00	Fiat Engineering S.p.A.	100.000	
Transfima Gruppo Europeo di Interesse Economico	Turin	Italy	250,000	EUR	50.65	Fiat Engineering S.p.A.	43.000	

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through FIAT S.p.A. (27.62%-owned subsidiary of IFIL Group)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Miscellaneous and Holding companies								
Centro.com S.r.l. a S.U.	Turin	Italy	25,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Consorzio "Sirio" per la Sicurezza Industriale	Turin	Italy	56,239	EUR	65.51	Fiat Auto S.p.A.	37.027	
						Iveco S.p.A.	9.705	
						Magneti Marelli Powertrain S.p.A.	1.663	
						Fiat S.p.A.	1.593	
						Comau S.p.A.	1.590	
						Ferrari S.p.A.	1.547	
						Teksid S.p.A.	1.405	
						Irisbus Italia S.p.A.	1.315	
						Fiat Gesco S.p.A.	1.169	
						Sistemi Sospensioni S.p.A.	1.164	
						Fiat Kobelco Construction Machinery S.p.A.	1.134	
						C.R.F. Società Consortile per Azioni	1.131	
						Fiat Servizi per l'Industria S.c.p.a.	1.065	
						Fiat Ge.Va. S.p.A.	0.949	
						Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	0.948	
						Fidis S.p.A.	0.638	
						Magneti Marelli Sistemi di Scarico S.p.A.	0.498	
						Fiat Engineering S.p.A.	0.489	
						Automotive Lighting Italia S.p.A.	0.488	
						Editrice La Stampa S.p.A.	0.488	
						Elasis-Società Consortile per Azioni	0.488	
						Ingest Facility S.p.A.	0.488	
						Fiat Partecipazioni S.p.A.	0.426	
						H.R. Services S.p.A.	0.373	
						Case New Holland Italia s.p.a.	0.288	
						Astra Veicoli Industriali S.p.A.	0.213	
						Atlant S.p.A.	0.213	
						Fiat Information & Communication Services S.p.A.	0.213	
						Magneti Marelli Holding S.p.A.	0.213	
						Savarent Società per Azioni	0.213	
						Servizi e Attività Doganali per l'Industria S.p.A.	0.213	
						CNH Movimento Terra S.p.A.	0.207	
						Midas Italia S.p.A.	0.126	
						Fiat-Revisione Interna e Ispettorato S.c.r.l.	0.121	
						Iveco Mezzi Speciali S.p.A.	0.121	
						Fiat Center Italia S.p.A.	0.089	
						Isvor Knowledge System S.p.A.	0.089	
						Business Solutions S.p.A.	0.078	
						eSPIN S.p.A.	0.078	
						Fast-Buyer S.p.A.	0.078	
						Itedi-Italiana Edizioni S.p.A.	0.075	
						Maserati S.p.A.	0.075	
						Orione-Consorzio Industriale per la Sicurezza e la Vigilanza	0.075	
						Pharos S.r.l.	0.075	
						Risk Management S.p.A.	0.075	
						Sisport Fiat Società per Azioni-SF	0.075	
						Cleantecno S.r.l.	0.038	
						Delivery & Mail S.r.l.	0.038	
						Easy Drive S.r.l. a S.U.	0.038	
						Fiat International S.p.A.	0.038	
						Global Value S.p.A.	0.038	
						Iveco Finanziaria S.p.A.	0.038	
						Palazzo Grassi S.p.A.	0.038	
Fiat Common Investment Fund Limited	London	United Kingdom	2	GBP	100.00	Fiat United Kingdom Limited	100.000	
Fiat Oriente S.A.E. in liq.	The Caire	Egypt	50,000	EGP	100.00	Fiat S.p.A.	100.000	
Fides Corretagens de Securos Ltda	Nova Lima	Brazil	365,525	BRL	100.00	Rimaco S.A.	99.998	
Immobilier 92 SAS	Paris	France	38,115	EUR	100.00	Fiat France S.A.	100.000	
ISVOR DILTS Leadership Systems Inc.	Burlingame	U.S.A.	1,000	USD	48.67	Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	51.000	
Isvor Fiat India Private Ltd. in liq.	New Delhi	India	1,750,000	INR	95.43	Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	100.000	
Komdix SAS	Paris	France	40,000	EUR	100.00	Fiat France S.A.	100.000	
Luto Servizi S.A. in liquidazione	Lugano	Switzerland	100,000	CHF	100.00	BUC - Banca Unione di Credito	100.000	
New Business Sei S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Nuova Immobiliare Cinque S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Nuova Immobiliare Quattro S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Nuova Immobiliare Tre S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Nuove Iniziative Finanziarie 3 S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through FIAT S.p.A. (27.62%-owned subsidiary of IFIL Group)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Orione-Consorzio Industriale per la Sicurezza e la Vigilanza	Turin	Italy	26,342	EUR	95.62	Fiat S.p.A.	82.010	
						Editrice La Stampa S.p.A.	2.000	
						Fiat Auto S.p.A.	2.000	
						Case New Holland Italia s.p.a.	1.000	
						Comau S.p.A.	1.000	
						Fiat Gesco S.p.A.	1.000	
						Fiat Ge.Va. S.p.A.	1.000	
						Fiat Partecipazioni S.p.A.	1.000	
						Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	1.000	
						Iveco S.p.A.	1.000	
						Magneti Marelli Holding S.p.A.	1.000	
						Palazzo Grassi S.p.A.	1.000	
						Sisport Fiat Società per Azioni-SF	1.000	
Overseas Union Bank and Trust (Bahamas) Ltd. in liq.	Nassau	Bahamas	5,000,000	USD	100.00	BUC - Banca Unione di Credito	100.000	
Sacafet in liq.	Addis Abeba	Ethiopia	2,000,000	ETB	100.00	IHF-Internazionale Holding Fiat S.A.	100.000	

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through FIAT S.p.A. (27.62%-owned subsidiary of IFIL Group)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Associated companies valued by the equity method								
Automobiles								
Fiat-GM Powertrain B.V.	Amsterdam	Netherlands	232,000	EUR	45.00	Fiat Auto Holdings B.V.	50.000	
Fidis Bank G.m.b.H.	Vienna	Austria	4,740,000	EUR	45.00	Fiat Auto S.p.A.	50.000	
Fidis Retail Italia S.p.A.	Turin	Italy	672,076,000	EUR	44.10	Fiat Auto S.p.A.	49.000	
GM-Fiat Worldwide Purchasing B.V.	Amsterdam	Netherlands	300,000	EUR	45.00	Fiat Auto Holdings B.V.	50.000	
IN ACTION S.r.l.	Arese	Italy	336,000	EUR	44.91	Fidis S.p.A.	49.900	
Jiangsu Nanya Auto Co. Ltd.	Nanjing	People's Rep. of China	1,409,469,782	CNY	45.00	Fiat Auto S.p.A.	50.000	
Società di Commercializzazione e Distribuzione Ricambi S.p.A.	Turin	Italy	100,000	EUR	17.10	Fiat Auto S.p.A.	19.000	
Società Europea Veicoli Leggeri-Sevel S.p.A.	Atessa	Italy	68,640,000	EUR	45.00	Fiat Auto S.p.A.	50.000	
Société Européenne de Vehicules Legers du Nord-Sevelnord Société Anonyme	Paris	France	80,325,000	EUR	45.00	Fiat Auto (France) S.A.	50.000	
Somaca-Société Marocaine Construction Automobiles S.A.	Casablanca	Morocco	60,000,000	MAD	18.00	Fiat Auto S.p.A.	20.000	
Targa Trafficmaster S.p.A.	Turin	Italy	8,340,000	EUR	45.00	Fidis S.p.A.	50.000	
Targasys S.r.l.	Turin	Italy	10,400,000	EUR	45.00	Fidis S.p.A.	50.000	
Tofas-Türk Otomobil Fabrikası Tofas A.S.	Levent	Turkey	450,000,000,000,000	TRL	34.07	Fiat Auto S.p.A.	37.856	
Toro Targa Assicurazioni S.p.A.	Turin	Italy	46,126,000	EUR	44.10	Fiat Auto S.p.A.	49.000	
Agricultural and Construction equipment								
Al-Ghazi Tractors Ltd	Karachi	Pakistan	195,165,660	PKR	36.75	CNH Global N.V.	43.170	
CNH Capital Europe S.A.S.	Puteaux	France	72,480,297	EUR	42.48	CNH Global N.V.	49.900	
Consolidated Diesel Name	Whitakers	U.S.A.	100	USD	42.57	CNH Engine Corporation	50.000	
Employers Health Initiatives LLC	Wilmington	U.S.A.	0	USD	42.57	New Holland North America Inc.	50.000	
GOM Products LLC	Wilmington	U.S.A.	0	USD	42.57	Case LLC	50.000	
Kobelco Construction Machinery Co. Ltd.	Hiroshima	Japan	320,000,000,000	JPY	17.03	Case New Holland Italia s.p.a.	20.000	
LBX Name LLC	Wilmington	U.S.A.	0	USD	42.57	Case LBX Holdings Inc.	50.000	
L&T Case Equipment Limited	Mumbai	India	180,100,000	INR	42.57	Case LLC	50.000	
Megavolt L.P. L.L.L.P.	Wilmington	U.S.A.	500,000	USD	34.05	Case LLC	40.000	
New Holland de Mexico SA de CV	Queretaro	Mexico	24,000,000	MXN	42.57	CNH Global N.V.	50.000	
New Holland Finance Ltd	Basingstoke	United Kingdom	2,900,000	GBP	41.72	CNH Global N.V.	49.000	
New Holland HFT Japan Inc.	Sapporo	Japan	240,000,000	JPY	42.57	CNH Global N.V.	50.000	
New Holland Trakmak Traktor A.S.	Izmir	Turkey	525,000,000,000	TRL	31.93	CNH Global N.V.	37.500	
Rathell Farm Equipment Name Inc.	Wilmington	U.S.A.	640,000	USD	36.83	New Holland North America Inc.	43.266	
Sip-Mot S.A.	Zamosc	Poland	4,000,000	PLN	18.64	CNH Polska Sp. z o.o.	21.890	
Türk Traktor Ve Ziraat Makineleri A.S.	Ankara	Turkey	24,000,000,000,000	TRL	31.93	CNH Global N.V.	37.500	
Commercial Vehicles								
Afin Leasing AG	Vienna	Austria	1,500,000	EUR	40.00	Iveco International Trade Finance S.A.	40.000	
GEIE V.IV.RE	Boulogne	France	2	EUR	50.00	Iveco S.p.A.	50.000	
Havoco Automotive Transmission Co. Ltd.	Zhajang	People's Rep. of China	200,010,000	CNY	33.33	Iveco S.p.A.	33.333	
Iveco Uralaz Ltd.	Miass	Russia	65,255,056	RUR	33.33	Iveco S.p.A.	33.330	
Machen-Iveco Holding S.A.	Luxembourg	Luxembourg	26,000,000	GBP	30.00	Iveco S.p.A.	30.000	
Naveco Ltd.	Nanjing	People's Rep. of China	2,527,000,000	CNY	50.00	Iveco S.p.A.	50.000	
Otoyol Pazarlama A.S.	Kartal/Istanbul	Turkey	1,590,000,000,000	TRL	27.00	Iveco S.p.A.	27.000	
Otoyol Sanayi A.S.	Kartal/Istanbul	Turkey	30,000,000,000,000	TRL	27.00	Iveco S.p.A.	27.000	
Transolver Finance Establecimiento Financiero de Credito S.A.	Madrid	Spain	9,315,500	EUR	50.00	Iveco S.p.A.	50.000	
V.IVE.RE Gruppo Europeo di Interesse Economico	Turin	Italy	2	EUR	50.00	Iveco S.p.A.	50.000	
Components								
Mako Elektrik Sanay Ve Ticaret A.S.	Osmangazi Bursa	Turkey	16,500,000,000,000	TRL	43.00	Magneti Marelli Holding S.p.A.	43.000	
Production Systems								
Gerbi & Sciaky s.a.s.	Bonneuil Sur Marne	France	50,000	EUR	44.89	Comau Sciaky S.A.	45.000	
Gonzales Production Systems Inc.	Pontiac	U.S.A.	10,000	USD	49.00	Comau Pico Holdings Corporation	49.000	
G.P. Propertes I L.L.C.	Pontiac	U.S.A.	10,000	USD	49.00	Comau Pico Holdings Corporation	49.000	
Metallurgical Products								
Hua Dong Teksid Automotive Foundry Co. Ltd.	Zhenjiang-Jangsu	People's Rep. of China	307,100,000	CNY	40.24	Teksid S.p.A.	50.000	
Nanjing Teksid Iron Foundry Co. Ltd.	Nanjing	People's Rep. of China	199,617,600	CNY	40.24	Teksid S.p.A.	50.000	
Services								
Global Value Services S.p.A.	Turin	Italy	10,730,000	EUR	50.00	Business Solutions S.p.A.	50.000	
Global Value Solucoes Ltda	Nova Lima	Brazil	2,000	BRL	50.00	Business Solutions do Brasil Ltda	50.000	
Global Value Solutions S.p.A.	Turin	Italy	270,000	EUR	50.00	Business Solutions S.p.A.	50.000	
Serviceco Titoli S.r.l.	Turin	Italy	105,000	EUR	27.24	Business Solutions S.p.A.	27.238	
S.I.NO.DO. - Sistema Informativo Normativa Doganale in Turin	Turin	Italy	77,469	EUR	50.00	Servizi e Attività Doganali per l'Industria S.p.A.	50.000	
Publishing and Communications								
Edititalia S.r.l.	Caserta	Italy	2,868,918	EUR	45.00	Editrice La Stampa S.p.A.	45.000	
Editoriale Corriere Romagna S.r.l.	Forlì	Italy	2,856,000	EUR	40.00	Editrice La Stampa S.p.A.	40.000	
Edizioni Dost S.r.l.	Bologna	Italy	1,042,914	EUR	40.00	Editrice La Stampa S.p.A.	40.000	
Società Editrice Mercantile S.r.l.	Genoa	Italy	4,247,000	EUR	40.00	Editrice La Stampa S.p.A.	40.000	

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through FIAT S.p.A. (27.62%-owned subsidiary of IFIL Group)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Miscellaneous and Holding companies								
IPI S.p.A.	Turin	Italy	40,784,134	EUR	10.00	Fiat Partecipazioni S.p.A.	10.000	
Italenergia Bis S.p.A.	Turin	Italy	906,624,000	EUR	24.61	Fiat Energia S.r.l.	24.613	
Livingstone Motor Assemblers Ltd.	Livingstone	Zambia	20,000,000	ZMK	20.00	Fiat Partecipazioni S.p.A.	20.000	
Rizzoli Corriere della Sera MediaGroup S.p.A.	Milan	Italy	761,709,000	EUR	9.80	Fiat Partecipazioni S.p.A.	9.801	10.194
Rubattino 87 S.r.l.	Milan	Italy	10,845,400	EUR	30.59	Fiat Partecipazioni S.p.A.	30.589	

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through FIAT S.p.A. (27.62%-owned subsidiary of IFIL Group)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Associated companies valued at cost								
Automobiles								
Car City Club S.r.l.	Turin	Italy	110,000	EUR	29.70	Savarent Società per Azioni	33.000	
Consorzio per la Reindustrializzazione dell'area di Arese S.c.r.l.	Arese	Italy	1,020,000	EUR	27.00	Fiat Auto S.p.A.	30.000	
Fabrication Automobiles de Tiaret SpA	Wilaya de Tiaret	Algeria	1,225,000,000	DZD	32.91	Fiat Auto S.p.A.	36.571	
G.E.I.E. - Gisevel	Paris	France	15,200	EUR	45.00	Fiat Auto (France) S.A.	50.000	
G.E.I.E. - Sevelind	Paris	France	15,200	EUR	45.00	Fiat Auto (France) S.A.	50.000	
N. Technology S.p.A.	Chivasso	Italy	1,500,000	EUR	18.00	Fiat Auto S.p.A.	20.000	
Commercial Vehicles								
Atlas Vehicules Industriels S.A.	Casablanca	Morocco	2,200,000	MAD	48.97	Iveco S.p.A.	48.968	
CBC-Iveco Ltd.	Changzhou	People's Rep. of China	664,000,000	CNY	50.00	Iveco S.p.A.	50.000	
Consorzio Iveco Fiat-Oto Melara	Rome	Italy	51,646	EUR	50.00	Iveco S.p.A.	50.000	
Elettronica Trasporti Commerciali S.r.l. (Eltrac S.r.l.)	Turin	Italy	109,200	EUR	50.00	Iveco S.p.A.	50.000	
Sotra S.A.	Abidjan	Ivory Coast	3,000,000,000	XAF	39.80	Irisbus France S.A.	39.800	
Zastava-Kamioni D.O.O.	Kragujevac	Yugoslavia	1,673,505,893	YUM	33.68	Iveco S.p.A.	33.677	
Ferrari and Maserati								
GPWC Holdings B.V.	Amsterdam	Netherlands	2,500,000	EUR	11.20	Ferrari S.p.A.	20.000	
Components								
Flexider S.p.A.	Turin	Italy	4,131,655	EUR	25.00	Magneti Marelli Holding S.p.A.	25.000	
Gulf Carrosserie India Limited	Worli	India	5,000,000	INR	20.00	Magneti Marelli Holding S.p.A.	20.000	
Mars Seal Private Limited	Mumbai	India	400,000	INR	23.97	Magneti Marelli France S.A.	24.000	
Matay Otomotiv Yan Sanay Ve Ticaret A.S.	Istanbul	Turkey	855,000,000,000	TRL	28.00	Magneti Marelli Holding S.p.A.	28.000	
M.I.P.-Master Imprese Politecnico	Milan	Italy	20,658	EUR	50.00	Magneti Marelli Holding S.p.A.	50.000	
Parades GEIE	Milan	Italy	216,900	EUR	33.33	Magneti Marelli Powertrain S.p.A.	33.330	
Production Systems								
Consorzio Fermag	Rome	Italy	144,608	EUR	40.00	Comau S.p.A.	40.000	
Consorzio Generazione Forme-CO.GE.F.	San Mauro Torinese	Italy	15,494	EUR	33.33	Comau S.p.A.	33.333	
Metallurgical Products								
S.A.S.-Società Assofond Servizi S.r.l.	Trezzano sul Naviglio	Italy	520,000	EUR	16.10	Teksid S.p.A.	20.000	
Servicios Industriales Parque Fundidores S.de r.l. de C.V.	Sao Pedro	Mexico	10,000	MXN	20.12	Teksid Hierro de Mexico S.A. de C.V.	33.330	
Services								
C.I.S.A. Consorzio per l'Impiantistica e Servizi Aerospaziali	Naples	Italy	103,291	EUR	34.00	Fiat Engineering S.p.A.	34.000	
Coberga S.c.r.l. in liq.	Imola	Italy	10,329	EUR	37.51	Fiat Engineering S.p.A.	37.506	
Consorzio Brescia Val	Sesto S. Giovanni	Italy	25,000	EUR	30.00	Fiat Engineering S.p.A.	30.000	
Consorzio CO,RI,R,E. in liq.	Brindisi	Italy	51,646	EUR	20.00	Fiat Engineering S.p.A.	20.000	
Consorzio "Dinamicity"	Milan	Italy	25,000	EUR	33.00	Fiat Engineering S.p.A.	33.000	
Consorzio per il Barocco in liq.	Rome	Italy	154,937	EUR	24.50	Fiat Engineering S.p.A.	24.500	
Feic-Consorzio Imprese Lavori FFSS di Saline	Misterbianco	Italy	15,494	EUR	33.34	Fiat Engineering S.p.A.	33.335	
Niugarit.Promocao e Desenvolvimento de Actividades Industriais em Cooperacao Ltda	Lisbon	Portugal	49,880	EUR	29.97	Fast-Buyer S.p.A.	30.000	
Palavela Società Consortile a Responsabilità Limitata	Turin	Italy	10,000	EUR	50.00	Fiat Engineering S.p.A.	50.000	
Parco Grande S.c.r.l.	Turin	Italy	10,000	EUR	50.00	Fiat Engineering S.p.A.	50.000	
Piacenza 800	Turin	Italy	100,000	EUR	50.00	Fiat Engineering S.p.A.	50.000	
Ravizza S.c.r.l.	Turin	Italy	10,000	EUR	50.00	Fiat Engineering S.p.A.	50.000	
S.I.MA.GEST2 Società Consortile a Responsabilità Limitata	Zola Predosa	Italy	50,000	EUR	30.00	Ingest Facility S.p.A.	30.000	
Uffici Finanziari 2000 S.c.r.l.	Turin	Italy	10,200	EUR	40.00	Fiat Engineering S.p.A.	40.000	
Miscellaneous and Holding companies								
Agenzia Internazionalizzazione Imprese Torino S.r.l. in l.	Turin	Italy	102,000	EUR	35.00	Fiat Partecipazioni S.p.A.	35.000	
Alcmena S.a.r.l.	Luxembourg	Luxembourg	5,000,000	EUR	20.00	BUC - Banca Unione di Credito	20.000	
Ciosa S.p.A. in liq.	Milan	Italy	516	EUR	25.00	Fiat Partecipazioni S.p.A.	25.000	
Concordia Finance S.A.	Luxembourg	Luxembourg	12,900,000	EUR	30.00	Fiat Netherlands Holding N.V.	30.000	
CONFORM - Consorzio Formazione Manageriale	Avellino	Italy	51,600	EUR	46.22	Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni Isvor Knowledge System S.p.A.	35.000 13.000	

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through FIAT S.p.A. (27.62%-owned subsidiary of IFIL Group)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Consorzio Fiat Media Center	Turin	Italy	214,330	EUR	41.51	Astra Veicoli Industriali S.p.A.	1.667	
						Atlanet S.p.A.	1.667	
						Business Solutions S.p.A.	1.667	
						Case New Holland Italia s.p.a.	1.667	
						Comau S.p.A.	1.667	
						Editrice La Stampa S.p.A.	1.667	
						eSPIN S.p.A.	1.667	
						Fast-Buyer S.p.A.	1.667	
						Fiat Auto S.p.A.	1.667	
						Fiat Center Italia S.p.A.	1.667	
						Fiat Gesco S.p.A.	1.667	
						Fiat Information & Communication Services S.r.l.	1.667	
						Fiat S.p.A.	1.667	
						Global Value S.p.A.	1.667	
						Irisbus Italia S.p.A.	1.667	
						Itedi-Italiana Edizioni S.p.A.	1.667	
						Iveco S.p.A.	1.667	
						Leasys S.p.A.	1.667	
						Magneti Marelli After Market S.p.A.	1.667	
						Maserati S.p.A.	1.667	
Midas Italia S.p.A.	1.667							
MotorMust.com S.p.A. in liq.	1.667							
Palazzo Grassi S.p.A.	1.667							
Pharos S.r.l.	1.667							
Savarent Società per Azioni	1.667							
Targa Automotive S.p.A.	1.667							
WorkNet società di fornitura di lavoro temporaneo-per azioni	1.667							
Consorzio Oto-BPD in liq.	Aulla	Italy	103,291	EUR	50.00	Fiat Partecipazioni S.p.A.	50.000	
Consorzio Parco Industriale di Chivasso	Chivasso	Italy	51,650	EUR	23.10	Fiat Partecipazioni S.p.A.	23.100	
Consorzio per lo Sviluppo delle Aziende Fornitrici	Turin	Italy	250,741	EUR	28.34	Case New Holland Italia s.p.a.	10.299	
						Fiat Auto S.p.A.	10.299	
						Iveco S.p.A.	10.299	
Consorzio Prode	Naples	Italy	51,644	EUR	45.59	Elasis-Società Consortile per Azioni	50.000	
Consorzio Scire	Pomigliano d'Arco	Italy	51,644	EUR	45.59	Elasis-Società Consortile per Azioni	50.000	
Consorzio Scuola Superiore per l'Alta Formazione Universitaria Federico II	Naples	Italy	127,500	EUR	18.23	Elasis-Società Consortile per Azioni	20.000	
Expo 2000 - S.p.A.	Turin	Italy	2,828,750	EUR	24.50	Fiat Partecipazioni S.p.A.	24.498	
FMA-Consultoria e Negocios Ltda	Sao Paulo	Brazil	1	BRL	50.00	Fiat do Brasil S.A.	50.000	
Giraglia Immobiliare S.p.A.	Milan	Italy	3,500,000	EUR	28.24	Fiat Partecipazioni S.p.A.	28.240	
Interfinanziaria S.A.	Paradiso	Switzerland	1,000,000	CHF	33.33	IHF-Internazionale Holding Fiat S.A.	33.330	
Italimpianti S.p.A.	Milan	Italy	5,356,000	EUR	41.76	Fiat Partecipazioni S.p.A.	41.760	
Italpark-Società per Infrastrutture Ausiliarie di Trasporti S.p.A. in liq.	Rome	Italy	247,899	EUR	29.00	Fiat Partecipazioni S.p.A.	29.000	
Le Monde Europe S.A.	Paris	France	3,658,800	EUR	32.00	La Stampa Europe SAS	32.000	
Le Monde Presse S.A.	Paris	France	7,327,930	EUR	27.28	La Stampa Europe SAS	27.277	
Lombard Bank Malta PLC	Valletta	Malta	1,980,000	MTL	26.85	BUC - Banca Unione di Credito	26.845	
MB Venture Capital Fund I N.V.	Amsterdam	Netherlands	50,000	EUR	45.00	Fiat Partecipazioni S.p.A.	45.000	
Motorcity Park S.r.l.	Milan	Italy	3,112,463	EUR	40.00	Fiat Partecipazioni S.p.A.	40.000	
Nuova Didactica S.c. a r.l.	Modena	Italy	112,200	EUR	19.61	Ferrari S.p.A.	16.364	
						Case New Holland Italia s.p.a.	12.273	
Presse Europe Regions S.A.	Paris	France	62,087,232	EUR	25.28	La Stampa Europe SAS	25.280	
QSF Qualità Servizi Formazione GEIE	Turin	Italy	10,329	EUR	23.86	Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	25.000	
Tecnologie per il Calcolo Numerico-Centro Superiore di Formazione S.c. a r.l.	Trento	Italy	100,000	EUR	23.46	C.R.F. Società Consortile per Azioni	25.000	
Zetesis S.p.A.	Milan	Italy	398,000	EUR	40.00	Fiat Partecipazioni S.p.A.	40.000	

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through FIAT S.p.A. (27.62%-owned subsidiary of IFIL Group)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Other companies valued at cost								
Agricultural and Construction equipment								
Lubelska Fabryka Maszyn Rolniczych S.A.	Lublin	Poland	13,000,000	PLN	15.72	CNH Polska Sp. z o.o.	18.460	
Plast-Form Sp. z o.o.	Lublin	Poland	2,090,000	PLN	10.18	CNH Polska Sp. z o.o.	11.962	
Polagrīs S.A.	Pikieliszi	Lithuania	1,133,400	LTT	9.41	CNH Polska Sp. z o.o.	11.054	
Commercial Vehicles								
Consorzio Bolzano Energia	Bolzano	Italy	12,000	EUR	16.67	Iveco S.p.A.	16.667	
Consorzio Spike	Genoa	Italy	90,380	EUR	15.00	Iveco S.p.A.	15.000	
Trucks & Bus Name	Tajoura	Libya	87,000,000	LYD	17.24	Iveco Pegaso S.L.	17.241	
Components								
Consorzio U.L.I.S.S.E.	Rome	Italy	227,241	EUR	11.36	Magneti Marelli Holding S.p.A.	11.360	
Services								
Byte Software House - S.p.A.	Turin	Italy	4,215,000	EUR	17.79	Business Solutions S.p.A.	17.794	
H.R.O. Polska Sp. z o.o.	Bielsko-Biala	Poland	400,000	PLN	18.00	Business Solutions Polska Sp. z o.o.	18.000	
Metrofiera S.c. a r.l.	Milan	Italy	10,000	EUR	15.00	Fiat Engineering S.p.A.	15.000	
Miscellaneous and Holding companies								
Ascai Servizi S.r.l.	Rome	Italy	73,337	EUR	13.44	Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	14.085	
Consorzio Sorore	Siena	Italy	9,296	EUR	16.66	Fiat Partecipazioni S.p.A.	16.663	
Consorzio Technapoli	Naples	Italy	1,626,855	EUR	10.13	Elasis-Società Consortile per Azioni	11.110	
Ercole Marelli e C. S.p.A.	Milan	Italy	9,633,000	EUR	13.00	Fiat Partecipazioni S.p.A.	13.000	
Fin.Priv. S.r.l.	Milan	Italy	20,000	EUR	14.29	Fiat S.p.A.	14.285	
Gas Turbine Technologies S.p.A.	Turin	Italy	5,000,000	EUR	15.00	Fiat Partecipazioni S.p.A.	15.000	
I.M. Intermetro S.p.A.	Rome	Italy	2,461,320	EUR	12.50	Fiat Partecipazioni S.p.A.	12.500	
IRCC-Istituto per la Ricerca e la Cura del Cancro-Torino S.p.A.	Turin	Italy	15,500,000	EUR	19.36	Fiat S.p.A.	19.355	
Istituto Europeo di Oncologia S.r.l.	Milan	Italy	106,500,000	EUR	10.90	Fiat S.p.A.	10.903	
Kish Receivables Name	Dublin	Ireland	123,451,123	EUR	1.49	Celt Receivables Limited	1.485	16.248
Selvi & Cie S.A.	Geneva	Switzerland	2,400,000	CHF	16.67	BUC - Banca Unione di Credito	16.666	
Société Anonyme Technique Immobilière et Financière de la Sadim (S.A.T.I.F.)	Monaco	Princ. of Monaco	750,000	EUR	12.60	Fiat Partecipazioni S.p.A.	12.600	

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through WORMS & Cie S.A. (53.074%-owned subsidiary of IFIL Group)

Name	Country	Capital stock at 12/31/2003	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
COMPANIES CONSOLIDATED ON A LINE-BY-LINE BASIS							
Paper							
AGENA N.V.	BELGIUM	62,000.00	EUR	100.00	ARJO WIGGINS PAPIERS COUCHES SAS	99.200	99.200
ANTALIS A.B.	SWEDEN	1,000,000.00	SEK	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
ANTALIS AG	SWITZERLAND	3,000,000.00	CHF	100.00	ANTALIS SWITZERLAND AG	100.000	100.000
ANTALIS A/S	DENMARK	2,000,000.00	DKK	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
ANTALIS AS	LATVIA	533,900.00	LVL	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
ANTALIS BOLIVIA SRL	BOLIVIA	2,775,000.00	BOB	74.01	INVERSIONES EXTERIOR SA INVERSIONES LOS PELLINES DOS SA	74.000 26.000	74.000 26.000
ANTALIS BV	NETHERLANDS	5,100,000.00	NLG	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
ANTALIS ENVELOPES LIMITED	UNITED KINGDOM	1.00	GBP	100.00	ANTALIS GROUP HOLDINGS LIMITED	100.000	100.000
ANTALIS ENVELOPES NV (in liquidation)	BELGIUM	62,000.00	EUR	100.00	ANTALIS NV/SA ANTALIS INTERNATIONAL HOLDINGS BV	99.900 0.100	99.900 0.100
ANTALIS ENVELOPES MANUFACTURING, S.L.	SPAIN	2,815,988.40	EUR	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
ANTALIS EUROPE HOLDINGS LIMITED	UNITED KINGDOM	205,433,649.00	GBP	100.00	ANTALIS GROUP LIMITED	100.000	100.000
ANTALIS GMBH	GERMANY	4,725,000.00	EUR	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
ANTALIS GROUP HOLDINGS LIMITED	UNITED KINGDOM	200,000,000.00	EUR	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS GROUP LIMITED	UNITED KINGDOM	155,000,000.00	GBP	100.00	ANTALIS GROUP HOLDINGS LIMITED	33.600	100.000
		500,000,000.00	EUR		ARJO WIGGINS APPLETON LIMITED	66.400	0.000
ANTALIS HOLDINGS LIMITED	UNITED KINGDOM	69,984,107.00	GBP	100.00	ANTALIS GROUP LIMITED	100.000	100.000
ANTALIS (HONG KONG) LIMITED	HONG KONG	150,000.00	HKD	100.00	ANTALIS OVERSEAS HOLDINGS LIMITED WIGGINS TEAPE LIMITED	99.993 0.007	99.993 0.007
ANTALIS IBERIA SA	SPAIN	9,407,866.37	EUR	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
ANTALIS INTERNATIONAL HOLDINGS BV	NETHERLANDS	21,500.00	EUR	100.00	ANTALIS EUROPE HOLDINGS LIMITED WORMS & CIE S.A. A DIRECTOIRE ET CONS.	100.000	100.000
ANTALIS INTERNATIONAL SAS	FRANCE	306,880,573.00	EUR	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS INTERSERVICES NV/SA	BELGIUM	99,000,000.00	EUR	100.00	ANTALIS INTERNATIONAL SAS ANTALIS INTERNATIONAL HOLDINGS BV	100.000 0.000	100.000 0.000
ANTALIS IRELAND LIMITED	IRELAND	3,491,779.50	EUR	100.00	ANTALIS HOLDINGS LIMITED WIGGINS TEAPE LIMITED	100.000 0.000	100.000 0.000
ANTALIS LIMITED	UNITED KINGDOM	71,346,866.00	GBP	100.00	ANTALIS HOLDINGS LIMITED	100.000	100.000
ANTALIS OFFICE SUPPLIES, S.L.	SPAIN	11,129,914.16	EUR	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
ANTALIS OVERSEAS HOLDINGS LIMITED	UNITED KINGDOM	1,150,000.00	GBP	100.00	ANTALIS GROUP LIMITED	100.000	100.000
ANTALIS OY	FINLAND	1,918,600.00	FIM	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
ANTALIS PAPER UAB	LITHUANIA	4,000,000.00	LTN	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
ANTALIS PERU SA	PERU	7,779,600.00	SOL	74.01	INVERSIONES EXTERIOR SA INVERSIONES LOS PELLINES DOS SA	74.000 26.000	74.000 26.000
ANTALIS POLAND SPOLKA Z.O.O.	POLAND	2,011,600.00	PLN	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
ANTALIS PROMOTIONAL PRODUCTS BV	NETHERLANDS	2,000,000.00	NLG	100.00	MUEHLEBACH B.V.	100.000	100.000
ANTALIS PROMOTIONAL PRODUCTS GMBH	GERMANY	12,525,000.00	EUR	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
ANTALIS PROMOTIONAL PRODUCTS (HONG-KONG) LIMITED	HONG KONG	100.00	HKD	100.00	ANTALIS INTERNATIONAL SAS	99.000	99.000
ANTALIS PROMOTIONAL PRODUCTS S.L. SU	SPAIN	26,913,010.00	EUR	100.00	ANTALIS IBERIA SA MUEHLEBACH BV	81.410 18.590	81.410 18.590
ANTALIS PROMOTIONAL PRODUCTS SNC	FRANCE	305.00	EUR	100.00	ANTALIS INTERNATIONAL HOLDINGS BV ANTALIS PURCHASING SASU	95.000 5.000	95.000 5.000
ANTALIS (PROPRIETARY) LIMITED	SOUTH AFRICA	1,000.00	ZAR	100.00	ANTALIS SA HOLDINGS LIMITED	100.000	100.000
ANTALIS PURCHASING SASU	FRANCE	40,000.00	EUR	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS NV/SA	BELGIUM	64,004.00	BEF	100.00	ARJO WIGGINS BELGIUM S.A. ANTALIS INTERNATIONAL HOLDINGS BV	0.002 99.995	0.002 99.995
ANTALIS SA	ROMANIA	2,400,000,000.00	ROL	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
ANTALIS SA HOLDINGS LIMITED	UNITED KINGDOM	1,000.00	GBP	100.00	ANTALIS GROUP LIMITED	100.000	100.000
ANTALIS SNC	FRANCE	22,479,066.00	EUR	100.00	ANTALIS PURCHASING SASU ANTALIS INTERNATIONAL SAS	0.000 100.000	0.000 100.000
ANTALIS SPA	ITALY	33,677,663.76	EUR	99.00	ANTALIS EUROPE HOLDINGS LIMITED ANTALIS INTERNATIONAL HOLDINGS BV	0.000 98.995	0.000 98.995
ANTALIS SWITZERLAND AG	SWITZERLAND	10,000,000.00	CHF	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
ANTALIS (THAILAND) LIMITED	THAILAND	30,000,000.00	THB	84.00	ANTALIS OVERSEAS HOLDINGS LIMITED SHIRO PACIFIC PAPER (SINGAPORE) PTE LTD	80.000 9.999	80.000 9.999
ANTHALO SRL	ITALY	30,000.00	EUR	50.00	CENTRO DISTRIBUZIONE ARTICOLI DA REGALO SRL	50.000	50.000
AS ANTALIS	ESTHONIA	5,700,000.00	EKK	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
APPLETON COATED LLC	USA	100.00	USD	100.00	APPLETON COATED PAPER HOLDINGS INC.	100.000	100.000
APPLETON COATED PAPERS HOLDINGS INC.	USA	1,445.00	USD	100.00	ARJO WIGGINS FINE PAPERS HOLDINGS LIMITED	100.000	100.000
APPLETON LEASING L.L.C.	USA	1,000.00	USD	100.00	APPLETON COATED LLC.	100.000	100.000
ARJOWIGGINS CANSON SAS	FRANCE	5,356,213.00	EUR	100.00	ARJO WIGGINS SAS	100.000	100.000
ARJOWIGGINS RIVES SAS	FRANCE	30,000,000.00	EUR	100.00	ARJOWIGGINS CANSON SAS	100.000	100.000
ARJO WIGGINS APPLETON (BERMUDA) LIMITED	BERMUDA	61,020.00	USD	100.00	ARJO WIGGINS (BERMUDA) HOLDINGS LIMITED	80.302	89.955
ARJO WIGGINS APPLETON GROUP SERVICES SAS	FRANCE	500,000.00	EUR	100.00	WORMS & CIE S.A. A DIRECTOIRE ET CS	100.000	100.000
ARJO WIGGINS APPLETON HOLDINGS LIMITED	UNITED KINGDOM	150,000,000.00	GBP	100.00	ARJO WIGGINS APPLETON LIMITED	100.000	100.000
ARJO WIGGINS APPLETON INSURANCE LIMITED	GUERNSEY	2,000,000.00	GBP	100.00	ARJO WIGGINS APPLETON LIMITED ARJO WIGGINS US HOLDINGS LIMITED	100.000 0.000	100.000 0.000
ARJO WIGGINS APPLETON LIMITED	UNITED KINGDOM	213,893,520.25	GBP	100.00	WORMS & CIE S.A. A DIRECTOIRE ET CS	100.000	100.000
ARJO WIGGINS ARGENTINA S.A.	ARGENTINA	12,000.00	ARS	100.00	ARJO WIGGINS FINE PAPERS HOLDINGS LTD	99.992	99.992
ARJO WIGGINS AUSTRALIA PTY LIMITED	AUSTRALIA	200,000.00	AUD	99.98	ARJO WIGGINS BELGIUM S.A.	100.000	100.000
ARJO WIGGINS AUSTRALIA PTY LIMITED	AUSTRALIA	400,000.00	AUD	100.00	CANSON INTERNATIONAL SAS ARJO WIGGINS SAS	91.500 8.500	91.500 8.500

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through WORMS & Cie S.A. (53.074%-owned subsidiary of IFIL Group)

Name	Country	Capital stock at 12/31/2003	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
ARJO WIGGINS BELGIUM HOLDINGS S.A.	BELGIUM	40,000.00	BEF	100.00	ARJO WIGGINS CARBONLESS PAPERS EUROPE LIMITED ARJO WIGGINS EUROPE HOLDINGS LIMITED	99.998 0.002	99.998 0.002
ARJO WIGGINS BELGIUM S.A.	BELGIUM	500,000.00	BEF	99.99	ARJO WIGGINS BELGIUM HOLDINGS S.A. ARJO WIGGINS LIMITED	99.990 0.000	99.990 0.000
ARJO WIGGINS (BERMUDA) HOLDINGS LIMITED	BERMUDA	15,000.00	USD	100.00	ARJO WIGGINS APPLETON LIMITED	20.000	100.000
ARJO WIGGINS CANSON KK	JAPAN	20,000,000.00	JPY	100.00	CANSON INTERNATIONAL SAS	100.000	100.000
ARJO WIGGINS CARBONLESS PAPERS CHINA LIMITED	UNITED KINGDOM	2.00	GBP	100.00	ARJO WIGGINS CARBONLESS PAPERS EUROPE LIMITED	100.000	100.000
ARJO WIGGINS CARBONLESS PAPERS EUROPE LIMITED	UNITED KINGDOM	170,735,640.00	GBP	100.00	ARJO WIGGINS US HOLDINGS LIMITED	100.000	100.000
ARJO WIGGINS CARBONLESS PAPERS INTERNATIONA LTD	UNITED KINGDOM	75,000.00	GBP	100.00	ARJO WIGGINS CARBONLESS PAPERS EUROPE LIMITED	100.000	100.000
ARJO WIGGINS CARBONLESS PAPERS LIMITED	UNITED KINGDOM	2.00	GBP	100.00	ARJO WIGGINS CARBONLESS PAPERS EUROPE LIMITED	100.000	100.000
ARJO WIGGINS CASTING PAPERS LIMITED	UNITED KINGDOM	2.00	GBP	100.00	THE WIGGINS TEAPE GROUP LIMITED	100.000	100.000
ARJO WIGGINS CHINA HOLDINGS LIMITED	UNITED KINGDOM	100.00	GBP	100.00	LODI 12 SAS	100.000	100.000
ARJO WIGGINS CHINA LIMITED	PEOPLE'S REP. OF CHINA	1,000.00	HKD	90.00	ANTALIS (HONG KONG) LIMITED	90.000	90.000
ARJO WIGGINS DEUTSCHLAND GMBH	GERMANY	12,271,005.15	EUR	100.00	ARJO WIGGINS SAS	100.000	100.000
ARJO WIGGINS ERMSTAL GMBH & CO. KG	GERMANY	54,836,054.26	EUR	100.00	ARJO WIGGINS GERMANY HOLDINGS LIMITED ARJO WIGGINS SAS	48.951 51.049	48.951 51.049
ARJO WIGGINS ESPANA S.A.	SPAIN	60,200.00	EUR	99.95	ARJO WIGGINS BELGIUM S.A. WIGGINS TEAPE LIMITED	99.970 0.030	99.970 0.030
ARJO WIGGINS EUROPE HOLDINGS LIMITED	UNITED KINGDOM	761,500,000.00	GBP	100.00	ARJO WIGGINS APPLETON LIMITED	100.000	100.000
ARJO WIGGINS FEINPAPIER GMBH	GERMANY	5,000,000.00	DEM	99.98	ARJO WIGGINS BELGIUM SA	100.000	100.000
ARJO WIGGINS FINE PAPERS EXPORT LIMITED	UNITED KINGDOM	25,000.00	GBP	100.00	THE WIGGINS TEAPE GROUP LIMITED	100.000	100.000
ARJO WIGGINS FINE PAPERS HOLDINGS LIMITED	UNITED KINGDOM	10,253,565.00	GBP	100.00	ARJO WIGGINS UK HOLDINGS LIMITED	100.000	100.000
ARJO WIGGINS FINE PAPERS LIMITED	UNITED KINGDOM	25,010,000.00	GBP	100.00	THE WIGGINS TEAPE GROUP LIMITED	100.000	100.000
ARJO WIGGINS FINE PAPERS PTY LTD	AUSTRALIA	2.00	AUD	100.00	ARJO WIGGINS FINE PAPERS HOLDINGS LTD	100.000	100.000
ARJO WIGGINS GERMANY HOLDINGS LIMITED	UNITED KINGDOM	25,000,000.00	GBP	100.00	THE WIGGINS TEAPE GROUP LIMITED	100.000	100.000
ARJO WIGGINS ITALIA HOLDINGS S.R.L.	ITALY	2,275,000.00	EUR	100.00	ARJO WIGGINS CARBONLESS PAPERS EUROPE LIMITED ARJO WIGGINS LIMITED	100.000 0.000	100.000 0.000
ARJO WIGGINS LE BOURRAY SAS	FRANCE	1,351,577.00	EUR	100.00	ARJO WIGGINS SAS	100.000	100.000
ARJO WIGGINS LIMITED	UNITED KINGDOM	92,260,100.00	GBP	100.00	IDEM LIMITED	100.000	100.000
ARJO WIGGINS LIMITADA	BRAZIL	25,205,145.00	BRL	100.00	ARJO WIGGINS PARTICIPACOES LTDA CANSON INTERNATIONAL SAS	98.698 1.302	98.698 1.302
ARJO WIGGINS LYNX LTD	UNITED KINGDOM	3,000,000.00	GBP	100.00	ARJOWIGGINS CANSON SAS ARJO WIGGINS FINE PAPERS LTD ARJO WIGGINS PAPIERS COUCHES SAS GUARRO CASAS S.A. ARJOWIGGINS SAS	32.800 29.800 28.200 9.200 0.000	32.800 29.800 28.200 9.200 0.000
ARJO WIGGINS MEDICAL, INC	USA	1.00	USD	100.00	ARJO WIGGINS SPECIALTY HOLDINGS INC.	100.000	100.000
ARJO WIGGINS NC, LLC	USA	1.00	USD	100.00	MURO, INC.	100.000	100.000
ARJO WIGGINS NORTH AMERICA INVESTMENTS LIMITED	UNITED KINGDOM	434,615,387.00	GBP	100.00	ARJO WIGGINS APPLETON HOLDINGS LIMITED	100.000	100.000
ARJO WIGGINS PAPER PRODUCTS (BEIJING) CO. LTD.	PEOPLE'S REP. OF CHINA	300,000.00	USD	90.00	ARJO WIGGINS CHINA LIMITED	100.000	100.000
ARJO WIGGINS PAPER PRODUCTS (SHANGHAI) CO.LTD.	PEOPLE'S REP. OF CHINA	470,000.00	USD	90.00	ARJO WIGGINS CHINA LIMITED	100.000	100.000
ARJO WIGGINS PAPIERS COUCHES S.A.S.	FRANCE	87,916,250.00	EUR	100.00	ARJO WIGGINS SAS	100.000	100.000
ARJO WIGGINS PARTICIPACOES LTDA	BRAZIL	49,705,800.00	BRL	100.00	ARJO WIGGINS SECURITY SAS	100.000	100.000
ARJO WIGGINS SAS	FRANCE	165,920,000.00	EUR	100.00	WORMS & CIE S.A. A DIRECTOIRE ET CS	100.000	100.000
ARJO WIGGINS S.P. ITALIA S.r.l.	ITALY	46,482.00	EUR	100.00	ARJO WIGGINS SAS	100.000	100.000
ARJO WIGGINS SARL	SWITZERLAND	200,000.00	CHF	100.00	ARJO WIGGINS SAS ARJO WIGGINS PAPIERS COUCHES SAS	0.500 99.500	0.500 99.500
ARJO WIGGINS SECURITY SAS	FRANCE	70,000,000.00	EUR	100.00	ARJO WIGGINS SAS	100.000	100.000
ARJO WIGGINS SPECIALTY HOLDINGS INC.	USA	5,000.00	USD	100.00	APPLETON COATED PAPERS HOLDINGS INC.	100.000	100.000
ARJO WIGGINS SVENSKA AB	SWEDEN	100,000.00	SEK	99.98	ARJO WIGGINS BELGIUM S.A.	100.000	100.000
ARJO WIGGINS UK HOLDINGS LIMITED	UNITED KINGDOM	206,000,000.00	EUR	100.00	ARJO WIGGINS SAS	100.000	100.000
ARJO WIGGINS US HOLDINGS LIMITED	UNITED KINGDOM	1,271,907,900.00	GBP	100.00	ARJO WIGGINS APPLETON HOLDINGS LIMITED	100.000	100.000
ARJO WIGGINS USA, INC	USA	1.00	USD	100.00	ARJO WIGGINS SPECIALTY HOLDINGS INC.	100.000	100.000
ARJOBEX AMERICA	USA	21,000,000.00	USD	100.00	MU,RO, INC. ARJO WIGGINS NC, LLC	51.000 49.000	51.000 49.000
ARJOBEX LIMITED	UNITED KINGDOM	2,000,100.00	GBP	100.00	THE WIGGINS TEAPE GROUP LIMITED	100.000	100.000
ARJOBEX SAS	FRANCE	1,029,280.00	EUR	100.00	ARJO WIGGINS SAS	100.000	100.000
AWA FINANCE LIMITED	UNITED KINGDOM	199,000,000.00	GBP	100.00	ARJO WIGGINS APPLETON LIMITED	100.000	100.000
AWA QINGDAO PAPER CO., LTD.	PEOPLE'S REP. OF CHINA	6,350,000.00	USD	63.15	ARJO WIGGINS CARBONLESS PAPERS CHINA LIMITED	63.150	63.150
B.T.I.I.	FRANCE	30.49	EUR	90.00	ARJOWIGGINS CANSON SAS	90.000	90.000
BERNARD DUMAS S.A.S.	FRANCE	686,070.00	EUR	99.92	GUARRO CASAS S.A.	100.000	100.000
CANSON & MONTGOLFIER (DEUTSCHLAND) GMBH	GERMANY	512,000.00	EUR	100.00	CANSON INTERNATIONAL SAS	100.000	100.000
CANSON INTERNATIONAL SAS	FRANCE	76,250.00	EUR	100.00	ARJOWIGGINS CANSON SAS	100.000	100.000
CANSON ITALIA S.P.A.	ITALY	312,000.00	EUR	100.00	CANSON INTERNATIONAL SAS ARJOWIGGINS CANSON SAS	95.000 5.000	95.000 5.000
CANSON POLSKA SP.Z.O.O.	POLAND	63,300.00	PLN	100.00	CANSON INTERNATIONAL SAS	100.000	100.000
CANSON INC.	USA	1,560.00	USD	100.00	APPLETON COATED PAPERS HOLDINGS INC.	100.000	100.000
CARBONLESS PAPERS LIMITED	UNITED KINGDOM	2.00	GBP	100.00	ARJO WIGGINS CARBONLESS PAPERS EUROPE LIMITED	100.000	100.000
CENTRO DISTRIBUZIONE ARTICOLI DA REGALO SRL (EXPO EUROPA)	ITALY	500,000.00	EUR	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
CLASS PAPIER B.V.	NETHERLANDS	40,000.00	NLG	100.00	ARJO WIGGINS PAPIERS COUCHES SAS	100.000	100.000
COMERCIAL MANANTIALES LIMITADA	CHILE	100,000.00	CLP	74.01	INVERSIONES GMS SA GMS PRODUCTOS GRAFICOS LIMITADA	99.999 0.001	99.999 0.001

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through WORMS & Cie S.A. (53.074%-owned subsidiary of IFIL Group)

Name	Country	Capital stock at 12/31/2003	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
COPIGRAPH GMBH (in liquidation)	GERMANY	1,001,000.00	DEM	100.00	COPIGRAPH S.A. GUERIMAND SAS	97.692 2.308	97.692 2.308
COPIGRAPH S.A.	FRANCE	6,300,000.00	EUR	100.00	GUERIMAND SAS	99.999	99.999
CREA PAPIER GMBH	GERMANY	26,000.00	EUR	100.00	ARJO WIGGINS PAPIERS COUCHES SAS	100.000	100.000
DISTRIBUIDORA OFIMARKETS SA	CHILE	57,614.00	CLP	74.00	INVERSIONES GMS SA	100.000	100.000
DOWNMAN INVESTMENTS LIMITED	CYPRUS	11,750,000.00	DEM	60.00	ANTALIS INTERNATIONAL HOLDINGS BV	60.000	60.000
ESM PAPER LIMITED	IRELAND	120,625.11	EUR	100.00	ANTALIS IRELAND LIMITED WIGGINS TEAPE IRELAND LIMITED	99.999 0.001	99.999 0.001
ESPECIALIDADES DEL PAPEL DE COLOMBIA LTDA (ESPACOL LTDA)	COLOMBIA	608,003,000.00	COP	99.92	TORDERA S.A.	100.000	100.000
EUROFRONTEIRA - COMERCIO, DISTRIBUICAO E SERVICOS S.A.	PORTUGAL	50,000.00	EUR	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
EUROPEAN PRINTED PRODUCTS S.A.S. (E2P)	FRANCE	6,100,000.00	EUR	100.00	ARJO WIGGINS SAS	100.000	100.000
FAIRPRINT BV	NETHERLANDS	40,000.00	NLG	100.00	ANTALIS PROMOTIONAL PRODUCTS BV	100.000	100.000
FIRMO - PAPEIS E PAPELARIA, S.A.	PORTUGAL	4,990,000.00	EUR	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
FIRST PAPER HOUSE BOTSWANA (PTY) LIMITED	BOTSWANA	80,000.00	BWP	100.00	ANTALIS SA HOLDINGS LIMITED	99.999	99.999
FRESER S.L.	SPAIN	3,006.00	EUR	99.92	GUARRO CASAS S.A.	100.000	100.000
FYNE PAPERS LIMITED	UNITED KINGDOM	5,000,000.00	GBP	100.00	ANTALIS LIMITED	100.000	100.000
GMS DISTRIBUIDORA GRAFICA SA	CHILE	100.00	CLP	74.01	INVERSIONES GMS SA COMERCIAL MANANTIALES LIMITADA	99.000 1.000	99.000 1.000
GMS PRODUCTOS GRAFICOS LIMITADA	CHILE	100.00	CLP	74.01	COMERCIAL MANANTIALES LIMITADA INVERSIONES GMS SA	86.000 14.000	86.000 14.000
GUARRO CASAS FRANCE SARL	FRANCE	8,000.00	EUR	100.00	GUARRO CASAS S.A.	100.000	100.000
GUARRO CASAS S.A.	SPAIN	6,600,000.00	EUR	99.92	GUARRO CASAS S.A. (*) ARJOWIGGINS CANSON SAS	1.972 97.958	1.972 97.958
GUERIMAND SAS	FRANCE	11,900,000.00	EUR	100.00	ARJO WIGGINS SAS	100.000	100.000
HARDWARE SOFTWARE ENGINEERING SRL	ITALY	20,000,000.00	ITL	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
I-PAPER LIMITED	UNITED KINGDOM	5,000.00	GBP	100.00	ARJO WIGGINS CARBONLESS PAPERS EUROPE LIMITED	100.000	100.000
IDEM LIMITED	UNITED KINGDOM	92,250,002.00	GBP	100.00	ARJO WIGGINS BELGIUM HOLDINGS S.A. ARJO WIGGINS CARBONLESS PAPERS EUROPE LIMITED	81.301 18.699	81.301 18.699
INTERPAPEL S.A.	MEXICO	50,000.00	MXP	99.92	TORDERA S.A.	100.000	100.000
INVERSIONES ANTALIS HOLDINGS LIMITADA	CHILE	7,929,875,000.00	CLP	100.00	ANTALIS OVERSEAS HOLDINGS LIMITED ANTALIS INTERNATIONAL HOLDINGS BV	34.048 65.952	34.048 65.952
INVERSIONES ANTALIS LIMITADA	CHILE	8,370,000,000.00	CLP	100.00	INVERSIONES ANTALIS HOLDINGS LIMITADA WIGGINS TEAPE LIMITED	100.000 0.000	100.000 0.000
INVERSIONES EXTERIOR SA	CHILE	2,899,379,784.00	CLP	74.01	INVERSIONES ANTALIS LIMITADA	74.000	74.000
INVERSIONES GMS SA	CHILE	10,200.00	CLP	74.01	INVERSIONES ANTALIS LIMITADA	74.000	74.000
INVERSIONES LOS PELLINES DOS SA	CHILE	1,020,183,600.00	CLP	74.01	INVERSIONES ANTALIS LIMITADA	74.000	74.000
JAMICE SAS	FRANCE	38,125.00	EUR	100.00	ARJOWIGGINS CANSON SAS	100.000	100.000
LODI 12 SAS	FRANCE	38,112.00	EUR	100.00	CANSON INTERNATIONAL SAS	100.000	100.000
MU RO. INC.	USA	5,000.00	USD	100.00	ARJO WIGGINS SPECIALTY HOLDINGS INC.	100.000	100.000
MUEHLEBACH B.V.	NETHERLANDS	45,378.02	EUR	100.00	ANTALIS SWITZERLAND AG	100.000	100.000
NEWICK - COMERCIO, IMPORTACAO E EXPORTACAO, S.A.	PORTUGAL	50,000.00	EUR	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
NEWTON FALLS LLC	USA	1.00	USD	100.00	APPLETON COATED LLC	100.000	100.000
PAPER PEOPLE LIMITED	UNITED KINGDOM	4,100.00	GBP	100.00	ANTALIS LIMITED	100.000	100.000
PERFORMANCE PAPERS LIMITED	UNITED KINGDOM	550,000.00	GBP	100.00	THE WIGGINS TEAPE GROUP LIMITED	100.000	100.000
PRIPLAK SAS	FRANCE	323,554.00	EUR	100.00	ARJO WIGGINS SAS	100.000	100.000
PROTALIS LIMITED	UNITED KINGDOM	5,000,000.00	GBP	100.00	ANTALIS LIMITED	100.000	100.000
QINGDAO ARJO WIGGINS PAPER CO., LTD.	PEOPLE'S REP. OF CHINA	1,176,000.00	USD	100.00	LODI 12 SAS ARJO WIGGINS CHINA HOLDINGS LIMITED	50.000 50.000	50.000 50.000
QUAIFE PAPER LIMITED	UNITED KINGDOM	2,028,000.00	GBP	100.00	ANTALIS LIMITED	100.000	100.000
RTC HOLDING S.A.	ROMENIA	43,280,889,000.00	ROL	60.00	DOWNMAN INVESTMENTS LIMITED	100.000	100.000
SARNIA (PTY) LIMITED	BOTSWANA	1,345,625.00	BWP	100.00	FIRST PAPER HOUSE BOTSWANA (PTY) LIMITED	92.569	92.569
SIMGE ANTALIS KAGIT SANAYI VE TICARET AS	TURKEY	7,872,000,000,000.00	TLR	51.00	ANTALIS INTERNATIONAL HOLDINGS BV	51.000	51.000
SITTER S.N.C.	FRANCE	160,000.00	EUR	100.00	ANTALIS SNC ANTALIS INTERNATIONAL SAS	0.300 99.700	0.300 99.700
SMOZA A.S.	SLOVAK REP.	2,000,000.00	SKK	78.65	SMOZA SPOL. S.R.O. ANTALIS INTERNATIONAL HOLDINGS BV	61.000 39.000	61.000 39.000
SMOZA SPOL. S.R.O.	CZECH REP.	62,200,000.00	CZK	65.00	ANTALIS INTERNATIONAL HOLDINGS BV	65.000	65.000
SOCIEDAD COMERCIALIZADORA DE PAPELES ESPACHILE LTDA	CHILE	16,995,300.00	CLP	99.92	TORDERA S.A.	100.000	100.000
SZOLAMIL RT.	HUNGARY	490,000,000.00	HUF	100.00	ANTALIS EUROPE HOLDINGS LIMITED	100.000	100.000
THE WIGGINS TEAPE GROUP LIMITED	UNITED KINGDOM	282,500,000.00	GBP	100.00	ARJO WIGGINS UK HOLDINGS LIMITED	100.000	100.000
TORDERA S.A.	PANAMA	97,000.00	USD	99.92	GUARRO CASAS S.A.	100.000	100.000
VEILIGHEIDSPAPIERFABRIEK UGCHELEN	NETHERLANDS	6,806,703.24	EUR	100.00	ARJO WIGGINS SECURITY SAS	100.000	100.000
WIGGINS TEAPE IRELAND (EXPORT) LIMITED	IRELAND	126,973.80	EUR	100.00	ANTALIS IRELAND LIMITED WIGGINS TEAPE LIMITED	99.999 0.001	99.999 0.001
WIGGINS TEAPE IRELAND (SALES) LIMITED	IRELAND	1,361,490.54	EUR	100.00	ANTALIS IRELAND LIMITED WIGGINS TEAPE IRELAND LIMITED	100.000 0.000	100.000 0.000
WIGGINS TEAPE IRELAND LIMITED	IRELAND	1,214,402.82	EUR	100.00	ANTALIS IRELAND LIMITED WIGGINS TEAPE IRELAND (SALES) LIMITED	100.000 0.000	100.000 0.000
WIGGINS TEAPE LIMITED	UNITED KINGDOM	21,300,000.00	GBP	100.00	ANTALIS LIMITED	100.000	100.000
WILLOW PAPER COMPANY LIMITED	UNITED KINGDOM	16,000.00	GBP	100.00	ANTALIS LIMITED	100.000	100.000
WITCEL S.A.	ARGENTINA	1,901,200.00	USD	100.00	ARJO WIGGINS SECURITY SAS	100.000	100.000
WORKWELL LIMITED	HONG KONG	10,000.00	HKD	100.00	ANTALIS (HONG KONG) LIMITED	100.000	100.000

(*) voting suspended.

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through WORMS & Cie S.A. (53.074%-owned subsidiary of IFIL Group)

Name	Country	Capital stock at 12/31/2003	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Financing services							
AP PERMAL SA	FRANCE	15,532,085.80	EUR	100.00	WORMS & CIE S.A. A DIRECTOIRE ET CS W MANAGEMENT SAS	99.999 0.000	99.999 0.000
FINANCIERE WORMS & CIE S.A.	SWITZERLAND	5,000,000.00	CHF	100.00	PERMAL GROUP SCA	100.000	100.000
PERMAL ASSET MANAGEMENT INC	USA	10.00	USD	100.00	WORMS & CO INC.	100.000	100.000
PERMAL CAPITAL HOLDINGS INC	USA	100.00	USD	100.00	PERMAL GROUP SCA	100.000	100.000
PERMAL CAPITAL MANAGEMENT LLC	USA	3,424,498.00	USD	100.00	PERMAL CAPITAL HOLDINGS INC	99.000	99.000
PERMAL GROUP SCA	FRANCE	286,219,820.00	EUR	100.00	WORMS & CIE S.A. A DIRECTOIRE ET CS W MANAGEMENT SAS	100.000 0.000	100.000 0.000
PERMAL INVESTMENT MANAGEMENT SERVICES LIMITED	UNITED KINGDOM	7,000,000.00	GBP	100.00	WORMS & CO LTD	80.000	80.000
THE ST JAMES TRUST & CO LTD	BAHAMAS	1,000,000.00	USD	100.00	FINANCIERE WORMS & CIE SA	100.000	100.000
W & P FUND SERVICES LTD	BAHAMAS	500,000.00	USD	100.00	FINANCIERE WORMS & CIE SA	100.000	100.000
WORMS & CO INC	USA	535,081.00	USD	100.00	PERMAL GROUP SCA	100.000	100.000
WORMS & CO LTD	UNITED KINGDOM	120,000.00	GBP	100.00	PERMAL GROUP SCA	100.000	100.000
Miscellaneous and Holding companies							
ANTONIN RODET SAS	FRANCE	2,400,000.00	EUR	100.00	W PARTICIPATIONS SAS	100.000	100.000
GEP S.P.A.	ITALY	1,571,152.00	EUR	90.71	W PARTICIPATIONS SAS ARJO WIGGINS SECURITY SAS	30.640 60.070	30.640 60.070
SOCIETE FERMIERE ET DE PARTICIPATIONS S.A. (in liquidation)	FRANCE	2,287,500.00	EUR	100.00	W PARTICIPATIONS SAS	99.985	99.985
SOCIETE MOBILIERE DE PLACEMENTS SAS	FRANCE	915,000.00	EUR	100.00	W MANAGEMENT SAS	100.000	100.000
W MANAGEMENT SAS	FRANCE	76,916,655.00	EUR	100.00	WORMS & CIE S.A. A DIRECTOIRE ET CS	100.000	100.000
W PARTICIPATIONS SAS	FRANCE	42,323,123.70	EUR	100.00	SOCIETE MOBILIERE DE PLACEMENTS SAS WORMS & CIE S.A. A DIRECTOIRE ET CS	7.214 92.786	7.214 92.786

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through WORMS & Cie S.A. (53.074%-owned subsidiary of IFIL Group)

Name	Country	Capital stock at 12/31/2003	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
COMPANIES VALUED BY THE EQUITY METHOD							
Paper							
DIMAGRAF SA	ARGENTINA	100,000.00	ARS	22.20	INVERSIONES EXTERIOR SA	22.200	22.200
					INVERSIONES LOS PELLINES DOS SA	7.800	7.800
ESPECIALIDADES PAPELERAS ESPAVE C.A.	VENEZUELA	6,000,000.00	VEB	33.47	TORDERA S.A.	33.500	33.500
MWT PAPER PROCESSING LIMITED	MAURITIUS	3,000,000.00	MUR	50.00	ANTALIS SA HOLDINGS LIMITED	50.000	50.000
QUIMAGRAF SA	ARGENTINA	5,000.00	ARS	22.20	INVERSIONES EXTERIOR SA	22.200	22.200
					INVERSIONES LOS PELLINES DOS SA	7.800	7.800
SHRIRO PACIFIC PAPER (SINGAPORE) PTE LTD	SINGAPORE	10,000,000.00	SGD	40.00	ANTALIS OVERSEAS HOLDINGS LIMITED	40.000	40.000
SHRIRO PAPER (MALAYSIA) SDN. BHD.	MALAYSIA	4,700,000.00	MYR	40.00	ANTALIS OVERSEAS HOLDINGS LIMITED	40.000	14.286
Financing Services							
IFABANQUE S.A.	FRANCE	15,785,200.00	EUR	25.00	PERMAL GROUP SCA	25.002	25.002
SGS S.A. / SGS LTD	SWITZERLAND	156,443,320.00	CHF	23.77	WORMS & CIE S.A. A DIRECTOIRE ET CS	23.773	23.773
Miscellaneous and Holding companies							
PECHEL INDUSTRIES SAS	FRANCE	92,267,500.00	EUR	39.03	W PARTICIPATIONS SAS	39.032	39.032
COMPANIES VALUED AT COST							
Paper							
ARJO WIGGINS ERMSTAL VERWALTUNGS GMBH	GERMANY	25,564.59	EUR	-	ARJO WIGGINS SAS	100.000	100.000
GANOS 20 LIMITED (in liquidation)	UNITED KINGDOM	2.00	GBP	-	ARJO WIGGINS APPLETON LIMITED	100.000	100.000
ISSY 5 EURL	FRANCE	8,000.00	EUR	-	ARJO WIGGINS SAS	100.000	100.000
LODI 11 SAS	FRANCE	40,000.00	EUR	-	ARJO WIGGINS SAS	100.000	100.000
PAPELCO SAI CIF	ARGENTINA		USD	-	WITCEL S.A.	99.776	99.776
SOCIETE CIVILE IMMOBILIERE DU MARAIS	FRANCE	152.45	EUR	-	ARJO WIGGINS SAS	95.000	95.000
					ARJO WIGGINS LE BOURRAY SAS	5.000	5.000
WIGGINS TEAPE PENSIONS LIMITED	UNITED KINGDOM	3.00	GBP	-	ARJO WIGGINS APPLETON LIMITED	100.000	100.000
Financing Services							
HH REPURCHASE	DUTCH ANTILLES	30,000.00	USD	-	W & P FUND SERVICES LTD	40.000	40.000
Miscellaneous and Holding companies							
AP BUSINESS SAS	FRANCE	40,000.00	EUR	-	WORMS & CIE S.A. A DIRECTOIRE ET CS	100.000	100.000
AP CROISSANCE SAS	FRANCE	40,000.00	EUR	-	WORMS & CIE S.A. A DIRECTOIRE ET CS	100.000	100.000
AP FRANKLIN SAS	FRANCE	40,000.00	EUR	-	WORMS & CIE S.A. A DIRECTOIRE ET CS	100.000	100.000
AP GESTION ET FINANCEMENT SAS	FRANCE	40,000.00	EUR	-	WORMS & CIE S.A. A DIRECTOIRE ET CS	100.000	100.000
AP PLACEMENTS SAS	FRANCE	40,000.00	EUR	-	WORMS & CIE S.A. A DIRECTOIRE ET CS	100.000	100.000
AP STRATEGIE SAS	FRANCE	40,000.00	EUR	-	AP FRANKLIN SAS	100.000	100.000
AP VALORISATION SAS	FRANCE	40,000.00	EUR	-	WORMS & CIE S.A. A DIRECTOIRE ET CS	100.000	100.000
CHATEAU DE MERCEY DOMAINE RODET SAS	FRANCE	542,500.00	EUR	-	ANTONIN RODET SAS	100.000	100.000
DUCS DE SAVOIE	FRANCE	210,000.00	FRF	-	SOCIETE MOBILIERE DE PLACEMENTS SAS	23.810	23.810
DUVERGEY S.A.R.L.	FRANCE	7,622.45	EUR	-	ANTONIN RODET SAS	95.000	95.000
FINANCIERE DES GRANDS VIGNOBLES DE BOURGOGNE SAS	FRANCE	4,575,000.00	EUR	-	ANTONIN RODET SAS	35.625	35.625
FRANKLIN INTERNATIONAL SAS	FRANCE	40,000.00	EUR	-	W PARTICIPATIONS SAS	100.000	100.000
S.C.I. ELISEE RECLUS PARIS 17E	FRANCE	1,000.00	FRF	-	WORMS & CIE S.A. A DIRECTOIRE ET CS	50.000	50.000
SCE DU DOMAINE DE LA BRESSANDE	FRANCE	15,244.90	EUR	-	ANTONIN RODET SAS	99.800	99.800
SOCIETE D'EXPLOITATION DU DOMAINE E L'AIGLE (SCEA)	FRANCE	642,430.00	EUR	-	ANTONIN RODET SAS	99.998	99.998
					CHATEAU DE MERCEY DOMAINE RODET SAS	0.002	0.002
WORMS GESTION ADMINISTRATIVE (GIE in liquidation)	FRANCE	N.D.	EUR	-	WORMS & CIE S.A. A DIRECTOIRE ET CS	100.000	100.000
W SYSTEMES ET INFORMATION	FRANCE	N.D.	EUR	-	ANTALIS INTERNATIONAL SAS	40.000	40.000
					ARJO WIGGINS SAS	37.000	38.000
					PERMAL GROUP SCA	8.000	8.000
					WORMS & CIE S.A. A DIRECTOIRE ET CS	15.000	15.000

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through NHT New Holding for Tourism B.V. (90%-owned subsidiary of IFIL Group)

Name	Country	Capital stock at 12/31/2003	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Companies consolidated on a line-by-line basis							
Hotel management							
ALPITOUR ESPANA S.L. UNIPERSONAL	SPAIN	22,751,000.00	EURO	100.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESOAAL, LDA	100.000	100.000
ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESOAAL, LDA	PORTUGAL	2,494,000.00	EURO	100.000	ALPITOUR S.p.A.	100.000	100.000
ALTAMAREA V & H COMPAGNIA ALBERGHIERA S.r.L.	ITALY	140,385.00	EURO	60.003	ALPITOUR S.p.A.	60.003	60.003
BLUE MARIN TUNISIE S.A.	TUNISIA	3,000,000	TND	99.998	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESOAAL, LDA	99.998	99.998
BLUEMARIN HOTEL S.A. DE C.V.	MEXICO	65,956,258	MXP	100.000	HORIZON HOLIDAYS S.A. UNIPERSONAL JUMBO RENTA S.A. UNIPERSONAL	99.998 0.002	99.998 0.002
BLUEMARIN SERVICES S.A. DE C.V.	MEXICO	50,000	MXP	100.000	HORIZON HOLIDAYS S.A. UNIPERSONAL JUMBO RENTA S.A. UNIPERSONAL	99.998 0.002	99.998 0.002
BLUMARIN HOTELS, SOCIEDADE UNIPESOAAL, S.A.	CAPE VERDE	2,500,000	CVE	100.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESOAAL, LDA	100.000	100.000
BLUMARIN HOTELS SICILIA S.p.A.	ITALY	11,000,000.00	EURO	70.000	ALPITOUR S.p.A.	70.000	70.000
D.I. RESORTS PRIVATE LTD	MALDIVES	100,000	MVR	100.000	ALPITOUR S.p.A. HORIZON HOLIDAYS S.A. UNIPERSONAL	99.000 1.000	99.000 1.000
EL-MASRIEN FOR HOTELS AND SHIPPING CONSTRUCTION	EGYPT	4,000,000	EGP	59.625	ITALIAN EGYPTIAN COMPANY FOR TOURISTIC INVESTMENT (S.A.E.)	99.375	99.375
ELSHAH FOR FLOATING HOTELS	EGYPT	6,000,000	EGP	59.802	ITALIAN EGYPTIAN COMPANY FOR TOURISTIC INVESTMENT (S.A.E.)	99.670	99.670
HARROW TRADING E INVESTIMENTOS SOCIEDADE UNIPESOAAL LDA	PORTUGAL	5,000.00	EURO	100.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESOAAL, LDA	100.000	100.000
HORIZON HOLIDAYS S.A. UNIPERSONAL	SPAIN	20,133,500.00	EURO	100.000	ALPITOUR ESPANA S.L. UNIPERSONAL	100.000	100.000
INVERSIONES LOS UVEROS S.A. DE C.V.	DOMINICAN REP.	200,000	DOP	99.700	HARROW TRADING E INVESTIMENTOS SOCIEDADE UNIPESOAAL LDA	99.700	99.700
ITALIAN EGYPTIAN COMPANY FOR TOURISTIC INVESTMENT (S.A.E.)	EGYPT	4,536,000	EGP	60.000	RENTHOTEL ITALIA S.r.l.	60.000	60.000
JUMBO RENTA S.A. UNIPERSONAL	SPAIN	1,267,210.00	EURO	100.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	100.000	100.000
KELIBIA BEACH S.A.	TUNISIA	6,000,000	TND	99.990	HORIZON HOLIDAYS S.A. UNIPERSONAL	99.990	99.990
KIWENGWA LTD	TANZANIA	745,559,000	TZS	100.000	HORIZON HOLIDAYS S.A. UNIPERSONAL ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESOAAL, LDA	98.964 1.036	98.964 1.036
KIWENGWA STRAND HOTEL LTD	TANZANIA	1,480,000,000	TZS	100.000	HORIZON HOLIDAYS S.A. UNIPERSONAL ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESOAAL, LDA	99.000 1.000	99.000 1.000
MEDITERRANEAN TOURIST COMPANY S.A.	GREECE	3,603,900.00	EURO	100.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	100.000	100.000
ORIENT SHIPPING FOR FLOATING HOTELS	EGYPT	1,450,000	EGP	58.966	ITALIAN EGYPTIAN COMPANY FOR TOURISTIC INVESTMENT (S.A.E.)	98.276	98.276
RENTHOTEL ITALIA S.r.l.	ITALY	52,000.00	EURO	100.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	100.000	100.000
RENTHOTEL MEXICO S.A. DE C.V.	MEXICO	50,000	MXP	98.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	98.000	98.000
RENTHOTEL TRAVEL SERVICE S.A. UNIPERSONAL	SPAIN	1,562,860.00	EURO	100.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	100.000	100.000
RENTHOTEL TUNISIE S.A.	TUNISIA	200,000	TND	99.970	HORIZON HOLIDAYS S.A. UNIPERSONAL	99.970	99.970
RIVIERA AZUL S.A. DE C.V.	MEXICO	50,000	MXP	96.000	HARROW TRADING E INVESTIMENTOS SOCIEDADE UNIPESOAAL LDA	96.000	96.000
S.T. RESORTS PRIVATE LTD	MALDIVES	100,000	MVR	50.000	ALPITOUR S.p.A.	50.000	50.000
STAR RESORT & HOTELS COMPANY PVT LTD.	MALDIVES	1,000,000	MVR	100.000	ALPITOUR S.p.A. HORIZON HOLIDAYS S.A. UNIPERSONAL	99.000 1.000	99.000 1.000
Insurance company							
ALPITOUR REINSURANCE COMPANY LIMITED	IRELAND	750,000.00	EURO	100.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESOAAL, LDA	100.000	100.000
Distribution (Travel agency)							
BLUE VIAGGI S.A.	SWITZERLAND	100,000	CHF	97.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESOAAL, LDA	97.000	97.000
WELCOME TRAVEL GROUP S.P.A.	ITALY	8,700,000.00	EURO	90.000	NHT NEW HOLDING FOR TOURISM BV	100.000	100.000
Incoming services							
CONSORCIO TURISTICO PANMEX S.A. DE C.V.	MEXICO	90,000	MXP	70.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESOAAL, LDA	70.000	70.000
JUMBO CANARIAS S.A. UNIPERSONAL	SPAIN	180,300.00	EURO	75.840	JUMBOTURISMO S.A.	100.000	100.000
JUMBO TOURS DOMINICANA S.A.	DOMINICAN REP.	100,000	DOP	75.461	JUMBOTURISMO S.A. JUMBO CANARIAS S.A. UNIPERSONAL JUMBO TOURS ESPANA S.L. UNIPERSONAL	99.300 0.100 0.100	99.300 0.100 0.100
JUMBO TOURS ESPANA S.L. UNIPERSONAL	SPAIN	904,505.00	EURO	75.840	JUMBOTURISMO S.A.	100.000	100.000

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through NHT New Holding for Tourism B.V. (90%-owned subsidiary of IFIL Group)

Name	Country	Capital stock		% of Group consolidation	Interest held by	% of interest held	% of voting rights
		at 12/31/2003	Currency				
JUMBO TOURS FRANCE S.A.	FRANCE	152,400.00	EURO	49.281	JUMBOTURISMO S.A.	64.980	64.980
JUMBO TOURS ITALIA S.r.l.	ITALY	78,000.00	EURO	87.920	ALPITOUR S.p.A.	50.000	50.000
					JUMBOTURISMO S.A.	50.000	50.000
JUMBO TOURS MEXICO S.A. DE C.V.	MEXICO	50,000	MXP	74.323	JUMBOTURISMO S.A.	98.000	98.000
JUMBO TOURS SICILIA S.r.l.	ITALY	99,999.00	EURO	61.544	JUMBO TOURS ITALIA S.r.l.	70.000	70.000
JUMBO TOURS TUNISIE S.A.	TUNISIA	300,000	TUD	37.907	JUMBOTURISMO S.A.	49.983	49.983
JUMBOTURISMO S.A.	SPAIN	364,927.20	EURO	75.840	ALPITOUR ESPANA S.L. UNIPERSONAL	75.840	75.840
JUMBOTURISMO CABO VERDE, Agencia de Viagens e Turismo, SOCIEDADE UNIPESSOAL, S.A.	CAPE VERDE	5,000,000	CVE	75.840	JUMBOTURISMO S.A.	100.000	100.000
PANAFRICAN TOURS S.A.	MOROCCO	400,000	MAD	99.700	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	99.700	99.700
PANCARIBE S.A.	DOMINICAN REP.	200,000	DOP	69.900	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	69.900	69.900
PROMOTORA DE SERVICIOS TURISTICOS DE ESPANA EN MEXICO S.A. DE C.V.	MEXICO	50,000	MXP	74.323	JUMBOTURISMO S.A.	98.000	98.000
Tour operating							
ALPITOUR S.p.A.	ITALY	16,675,000.00	EURO	100.000	NHT NEW HOLDING FOR TOURISM BV	100.000	100.000
COMPAGNIA DELLA NATURA S.p.A.	ITALY	155,000.00	EURO	100.000	ALPITOUR S.p.A.	100.000	100.000
FRANCOROSSO INCENTIVE S.r.l.	ITALY	10,400.00	EURO	100.000	ALPITOUR S.p.A.	100.000	100.000
JUMBO GRANDI EVENTI S.r.l.	ITALY	78,000.00	EURO	61.544	JUMBO TOURS ITALIA S.r.l.	70.000	70.000
SPORTIME S.r.l.	ITALY	52,000.00	EURO	100.000	ALPITOUR S.p.A.	100.000	100.000

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through NHT New Holding for Tourism B.V. (90%-owned subsidiary of IFIL Group)

Name	Country	Capital stock at 12/31/2003	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Companies valued by the equity method							
Hotel management							
BLUE DIVING MEXICO S.A. DE C.V.	MEXICO	50,000	MXP	49.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	49.000	49.000
Incoming services							
HOY VIAJAMOS S.A.	SPAIN	121,800,000	ESP	21.712	JUMBOTURISMO S.A.	28.629	28.629
ITALO HISPANA DE INVERSIONES S.L.	SPAIN	500,000	ESP	30.000	ALPITOUR S.p.A.	30.000	30.000
JUMBO TOURS CARIBE S.A.	MEXICO	50,000	MXP	37.920	JUMBOTURISMO S.A.	50.000	50.000
PANAFRICAN SERVICE S.A.R.L.	TUNISIA	10,500	TND	50.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESOAL, LDA	50.000	50.000
PEMBA S.A.	SPAIN	84,991,500	ESP	18.960	JUMBOTURISMO S.A.	25.000	25.000
VIAJES MEDYMAR S.L.	SPAIN	10,000,000	ESP	30.000	ALPITOUR S.p.A.	30.000	30.000
Travel organization							
PROMOVIAGGI S.p.A. - PROMOTIONS VIAGGI E TURISMO	ITALY	103,200.00	EURO	60.000	FRANCOROSSO INCENTIVE S.r.l.	60.000	60.000
VIAGGI DELL'ELEFANTE S.r.l.	ITALY	260,000.00	EURO	35.000	ALPITOUR S.p.A.	35.000	35.000
Airline							
NEOS S.P.A.	ITALY	4,425,800.00	EURO	50.000	NHT NEW HOLDING FOR TOURISM BV	50.000	50.000
Companies valued at cost							
Hotel management							
FLASH NILE CRUISES	EGYPT	480,000.00	EGP	40.000	ALPITOUR S.p.A.	25.000	25.000
					FRANCOROSSO INCENTIVE S.r.l.	15.000	15.000
FLASH TOUR P.L.C.	EGYPT	7,000,000	EGP	20.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESOAL, LDA	20.000	20.000
BLUMARIN DE IMPORTAÇÃO, SOCIEDADE UNIPESOAL, S.A.	CAPE VERDE	5,000,000	CVE	100.000	BLUMARIN HOTELS, SOCIEDADE UNIPESOAL, S.A.	100.000	100.000
Distribution (Travel agency)							
Agenzia AC TOUR MINERVA S.r.l.	ITALY	156,000.00	EURO	100.000	ALPITOUR S.p.A.	100.000	100.000
AIRPORT & TRAVEL S.r.l.	ITALY	50,000.00	EURO	49.000	WELCOME TRAVEL GROUP S.p.A.	49.000	49.000
SAUGO VIAGGI S.r.l.	ITALY	20,936.00	EURO	77.126	WELCOME TRAVEL GROUP S.p.A.	77.126	77.126
SCERNI VIAGGI S.r.l.	ITALY	50,000.00	EURO	100.000	WELCOME TRAVEL GROUP S.p.A.	100.000	100.000
TEAM TRAVEL SERVICE S.r.l.	ITALY	102,000.00	EURO	50.000	WELCOME TRAVEL GROUP S.p.A.	50.000	50.000
TREND S.r.l.	ITALY	47,000.00	EURO	100.000	WELCOME TRAVEL GROUP S.p.A.	100.000	100.000
WELCOME WE TRAVEL S.R.L.	ITALY	100,000.00	EURO	100.000	WELCOME TRAVEL GROUP S.p.A.	100.000	100.000
Incoming services							
CALOBANDE S.L. UNIPERSONAL	SPAIN	453,755.00	EURO	75.840	JUMBOTURISMO S.A.	100.000	100.000
INFRATOURS DOMINICANA S.A.	DOMINICAN REP.	400,000.00	DOP	37.541	JUMBOTURISMO S.A.	49.500	49.500
LIBELLULE COMERCIO, GESTAO E SERVICIOS LDA.	PORTUGAL	400,000.00	PTE	75.840	JUMBOTURISMO S.A.	100.000	100.000
Tour operating							
ARSEDUCANDI S.r.l.	ITALY	40,000	EURO	18.000	PROMOVIAGGI S.p.A. - PROMOTIONS VIAGGI E TURISMO	30.000	30.000

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. – Other companies valued at cost

Name	Country	Capital stock at 12/31/2003	Currency	Interest held by	% of Group consolidation	% of voting rights
Paper						
EXPRESSO PAPER PLATFORM BV	NETHERLANDS	3.346,410.20	EUR	ANTALIS INTERNATIONAL HOLDINGS BV	12.895	12.895
Miscellaneous and Holding companies						
JUSTRADEIT S.A. (LIQUIDATION)	FRANCE	192.593.00	EUR	W PARTICIPATIONS SAS	15.385	15.385